2nd June, 2021

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

Sub: Annual Report for FY 2020-21 alongwith Notice of AGM

Dear Sir,

Please find enclosed herewith the **38th Annual Report of the Company** for the financial year 2020-21 as the 3rd Integrated Report of the Company alongwith the **Notice convening the 38th Annual General Meeting** of the Company scheduled to be held on 30th day of June, 2021.

Also enclosed is the Sustainability Report of the Company published in respect of financial year 2020-21.

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

Kindly acknowledge receipt.

Thanking you.

Yours faithfully,
for **Havells India Limited**

Sanjay Kumar Gupta
Digitally signed by Sanjay Kumar Gupta
Date: 2021.06.02 14:49:31 +05'30'

(Sanjay Kumar Gupta)
Company Secretary

Encl: As above

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

HAVELLS

HAVELLS INDIA LIMITED

Regd. Office: 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi - 110 001
Corp. Office: QRG Towers, 2D, Sector – 126, Expressway, Noida (U.P.) – 201 304
Tel. No.: 0120-3331000, Fax No.: 0120-3332000, E-mail: investors@havells.com
Website: www.havells.com, CIN: L31900DL1983PLC016304

NOTICE

NOTICE is hereby given that the 38th (Thirty Eighth) Annual General Meeting of Havells India Limited will be held on 30th June, 2021, Wednesday at 10:00 am through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the Company situated at 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110 001 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021, the Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2021 and the Report of Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹ 3/- per equity share of ₹ 1/- each already paid during the year as Interim Dividend for the Financial Year 2020-21.
3. To declare a Final Dividend of ₹ 3.50 per equity share of ₹ 1/- each for the Financial Year 2020-21.
4. To appoint a Director in place of Shri Ameet Kumar Gupta (DIN: 00002838), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Surjit Kumar Gupta (DIN: 00002810), who retires by rotation and being eligible, offers himself for re-appointment.
6. **To appoint M/s Price Waterhouse & Co Chartered Accountants LLP (Registration No. 304026E/ E300009) as Statutory Auditors of the Company**

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

   "RESOLVED THAT in accordance with the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, M/s Price Waterhouse & Co Chartered Accountants LLP (Registration No. 304026E/ E300009) be and are hereby appointed as the Statutory Auditors of the Company from the conclusion of this Meeting to hold such office for a period of 5 (Five) years till the conclusion of the 43rd (Forty Third) Annual General Meeting and to conduct the audit for the financial year 2021-22, at a remuneration of INR 1.40 crores (Rupees One Crore and Forty Lakhs only) payable in one or more instalments plus GST as applicable, and reimbursement of out-of-pocket expenses incurred.

   RESOLVED FURTHER THAT the Board of Directors/ Audit Committee of the Company be and is hereby authorised to fix the remuneration for the rest of tenure of the appointment and also authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Director or Director(s), to give effect to the aforesaid Resolution."

SPECIAL BUSINESS

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

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2022, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting."

8. **Appointment of Smt. Namrata Kaul (DIN: 00994532) as an Independent Director**

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

   "RESOLVED THAT Smt. Namrata Kaul (DIN: 00994532), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and whose term of office expires at the ensuing Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Act and the SEBI Listing Regulations and who is eligible for appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a first term of 5 (Five) years with effect from the date of this Annual General Meeting upto the conclusion of the Annual General Meeting to be held in calendar year 2026."

9. **Appointment of Shri Ashish Bharat Ram (DIN: 00671567) as an Independent Director**

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

"RESOLVED THAT Shri Ashish Bharat Ram (DIN: 00671567), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and whose term of office expires at the ensuing Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Act and the SEBI Listing Regulations and who is eligible for appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a first term of 5 (Five) years with effect from the date of this Annual General Meeting upto the conclusion of the Annual General Meeting to be held in calendar year 2026."

10. Re-appointment of Shri Jalaj Ashwin Dani (DIN: 00019080) as an Independent Director for a Second Term

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

"RESOLVED THAT Shri Jalaj Ashwin Dani (DIN: 00019080), who was appointed as an Independent Director by the Shareholders in the Annual General Meeting (AGM) of the Company held in year 2018 for a term of 3 (Three) years upto the forthcoming AGM of 2021 and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 ('the Act') and the SEBI Listing Regulations and who is eligible for re-appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby re-appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding rules framed thereunder, as an Independent Director for a further period of 5 (Five) years with effect from the date of this Annual General Meeting upto the conclusion of the Annual General Meeting to be held in calendar year 2026."

11. Re-appointment of Shri Upendra Kumar Sinha (DIN: 00010336) as an Independent Director for a Second Term

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

"RESOLVED THAT Shri Upendra Kumar Sinha (DIN: 00010336), who was appointed as an Independent Director by the Shareholders in the Annual General Meeting (AGM) of the Company held in year 2018 for a term of 3 (Three) years upto the forthcoming AGM of 2021 and who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 ('the Act') and the SEBI Listing Regulations and who is eligible for re-appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby re-appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding rules framed thereunder, as an Independent Director for a further period of 5 (Five) years with effect from the date of this Annual General Meeting upto the conclusion of the Annual General Meeting to be held in calendar year 2026."

12. Re-appointment of Shri T. V. Mohandas Pai (DIN: 00042167) as a Director

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

"RESOLVED THAT Shri T. V. Mohandas Pai (DIN: 00042167), who was appointed as a Director whose period of office was liable to determination by retirement by rotation, by the Shareholders in the Annual General Meeting (AGM) of the Company held in year 2018 for a term of 3 (Three) years upto the forthcoming AGM of 2021 and who is eligible for re-appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director, be and is hereby re-appointed, in accordance with Section 152 and any other applicable provisions of the Companies Act, 2013 and the corresponding Rules framed thereunder, as a Director whose period of office shall be liable to determination by retirement by rotation, for a further period of 5 (Five) years upto the conclusion of the Annual General Meeting to be held in calendar year 2026."

13. Re-appointment of Shri Puneet Bhatia (DIN: 00143973) as a Director

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

"RESOLVED THAT Shri Puneet Bhatia (DIN: 00143973), who was appointed as a Director whose period of office was liable to determination by retirement by rotation, by the Shareholders in the Annual General Meeting (AGM) of the Company held in year 2018 for a term of 3 (Three) years upto the forthcoming AGM of 2021 and who is eligible for re-appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director, be and is hereby re-appointed, in accordance with Section 152 and any other applicable provisions of the Companies Act, 2013 and the corresponding Rules framed thereunder, as a Director whose period of office shall be liable to determination by retirement by rotation, for a further period of 5 (Five) years upto the conclusion of the Annual General Meeting to be held in calendar year 2026."

14. Re-appointment of Shri Siddhartha Pandit (DIN: 03562264) as a Whole-time Director for another term of 3 years

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

"RESOLVED THAT in line with the Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees of the Company and pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), consent be and is hereby accorded for the re-appointment of Shri Siddhartha Pandit (DIN: 03562264) as a Whole-time Director of the Company, for another term of 3 (Three) years from 29th May, 2022 to 28th May, 2025 on the terms and conditions including remuneration (and also including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period, subject to the requirements of Schedule V to the Act) as enumerated herein below:

1. Period	From 29th May, 2022 to 28th May, 2025
2. Remuneration	
Total Salary, perquisites and allowances including benefits & incentives towards P.F., NPS, Personal Accident and Term Life Insurance, Mediclaim Coverage, Executive Health check-up, Leave Encashment etc. as per Company's Policy	₹ 1.05 crores per annum which may go upto ₹ 2.00 crores per annum over a period of 3 years.
3. ESOP/ ESPS	As per policies and rules of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and/ or any Committee thereof be and is hereby authorised to alter or vary any or all of the terms, conditions of Shri Siddhartha Pandit as approved within the limits specified in Schedule V to the Act, without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolution, Shri Sanjay Kumar Gupta, Company Secretary of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filing of returns with any authority."

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

Sanjay Kumar Gupta
Company Secretary
Membership No. F3348

Delhi, May 20, 2021

Registered Office:
904, 9th Floor, Surya Kiran Building
K G Marg, Connaught Place, New Delhi – 110 001
CIN: L31900DL1983PLC016304

NOTES

1. Amidst the ongoing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular Nos. 14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 followed by Circular No. 02/2021 dated 13th January, 2021 issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as "MCA Circulars") and 'SEBI' Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 followed by Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 (hereinafter referred to as "SEBI Circulars") physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM.

2. Since this AGM is being held through VC/ OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with, accordingly, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not Annexed hereto. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.

3. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

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

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

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

7. This AGM has been convened through VC/ OAVM in compliance with applicable provisions of the Companies Act, 2013 read with the MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020, MCA Circular No. 20/2020 dated 5th May, 2020 and MCA Circular No. 2/2021 dated 13th January, 2021.

8. The recorded transcript of the forthcoming AGM on 30th June, 2021 shall also be made available on the website of the Company www.havells.com in the Investor Relations Section, as soon as possible after the Meeting is over.

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

10. The Register of Members and Share Transfer Register will remain closed from 19th June, 2021, Saturday to 23rd June, 2021, Wednesday (both days inclusive).

11. The Dividend, if any declared, shall be payable to those Shareholders whose name(s) stand registered:

    (a) as Beneficial Owner as at the end of business hours on 18th June, 2021 as per the lists to be furnished by National Securities Depositories Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and

    (b) as Member in the Register of Members of the Company/ Registrar & Share Transfer Agent after giving effect to valid share transmissions, if any, in physical form lodged with the Company as at the end of business hours on 18th June, 2021.

12. Further pursuant to the amendments introduced in the Income-tax Act, 1961 ('the Act') vide Finance Act, 2020, w.e.f. April 1, 2020, dividend declared, paid or distributed by a Company on or after April 1, 2020, shall be taxable in the hands of the shareholders. The Company shall, therefore, be required to deduct TDS/ WHT at the time of payment of dividend at the applicable tax rates. The rates of TDS/ WHT would depend upon the category and residential status of the shareholder as briefed hereunder:

A. RESIDENT SHAREHOLDERS:

A.1 No tax will be deducted on payment of dividend to the **RESIDENT INDIVIDUAL SHAREHOLDER** if the total dividend, paid during Financial Year ('FY'), does not exceed INR 5,000/-.

A.2 Tax deductible at source for **RESIDENT SHAREHOLDER (OTHER THAN RESIDENT INDIVIDUAL SHAREHOLDER RECEIVING DIVIDEND NOT EXCEEDING INR 5,000/- DURING FY**)

Sl. No.	Particulars	Withholding tax rate	Declaration(s)/ Document(s) Required
1.	Valid PAN updated with the Depository Participant in case shares are held in dematerialized form; or Registrar and Transfer Agent ('RTA') in case shares are held in physical form and no exemption sought by Resident Shareholder	10%	N.A.
2.	No/ Invalid PAN with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form and no exemption sought by Shareholder	20%	N.A.
3.	Availability of lower/ nil tax deduction certificate issued by Income Tax Department under section 197 of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	• Copy of PAN card; and • Copy of lower tax withholding certificate obtained from Income Tax Department

A.3 **NIL TAX-DEDUCTIBLE AT SOURCE/ NIL WITHHOLDING** on dividend payment to Resident Shareholders if the Shareholders submit documents mentioned in the below table with the Company/ RTA:

Sl. No.	Particular	Declaration(s)/ Document(s) Required
1.	An Individual furnishing Form 15G/ 15H	• Copy of PAN card • Declaration in Form No 15G (applicable to an individual who is less than 60 years)/ Form 15H (applicable to an Individual who is 60 years and above), fulfilling prescribed conditions.
2.	Shareholders to whom section 194 of the Act does not apply such as LIC, GIC, etc.	• Copy of PAN card • Self-declaration*, along with adequate documentary evidence (e.g., registration certificate), to the effect that the no tax withholding is required as per provisions of section 194 of the Act.
3.	Shareholder covered u/s 196 of the Act such as Government, RBI, Mutual Funds specified under section 10(23D), corporations established by Central Act and exempt from Income Tax.	• Copy of PAN card • Self-declaration*, along with adequate documentary evidence, substantiating applicability of 196 of the Act.
4.	Category I and II Alternative Investment Fund (AIF)	• Copy of PAN card • Self-declaration* that AIF's income is exempt under Section 10(23FBA) of the Act and they are governed by SEBI Regulations as applicable to Category I or Category II AIFs, along with copy of registration certificate.
5.	Any other entity exempt from withholding tax under the provisions of section 197A of the Act (including those mentioned in Circular No. 18/2017 issued by CBDT)	• Copy of PAN card • Self-declaration* along with adequate documentary evidence, substantiating the nature of the entity. • Copy of the lower tax withholding certificate obtained from Income Tax Department (except those covered by Circular 18/2017)

B. NON-RESIDENT SHAREHOLDERS:

Tax deductible at source/ tax withholding for Non-Resident shareholders.

Sl. No.	Category	Withholding tax rate	Declaration(s)/ Document(s) Required
1.	Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	• Copy of PAN card (if available) • Self-declaration* along with adequate documentary evidence substantiating the nature of the entity • To avail beneficial rate of tax treaty, tax documents as mentioned in Sl. No. 3 below would be required to be submitted
2.	Alternative Investment Fund – Category III located in International Financial Services Centre	10% (plus applicable surcharge and cess)#	• Copy of PAN card (if available) • Self-declaration* along with adequate documentary evidence substantiating the nature of the entity

Sl. No.	Category	Withholding tax rate	Declaration(s)/ Document(s) Required
3.	Other Non-Resident shareholders (except those who are tax residents of Notified Jurisdictional Area)	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: • Copy of PAN card (if available) • Copy of Tax Residency certificate issued by revenue authority of country of residence of shareholder for the Financial Year 2020-21 (covering the period from April 1, 2020 to March 31, 2021) • Self-declaration* in Form 10F • Self-declaration* for no permanent establishment/ fixed base/ business connection in India, place of effective management, beneficial ownership and eligibility to avail tax treaty benefit [on shareholder's letterhead] (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty).
4.	Non-Resident Shareholders who are tax residents of Notified Jurisdictional Area as defined u/s 94A(1) of the Act	30%	N. A.
5.	Sovereign Wealth funds and Pension funds notified by Central Government u/s 10(23FE) of the Act	NIL	• Copy of the notification issued by CBDT substantiating the applicability of section 10(23FE) of the Act issued by the Government of India • Self-declaration* that the conditions specified in section 10(23FE) have been complied with
6.	Subsidiary of Abu Dhabi Investment Authority (ADIA) as prescribed u/s 10(23FE) of the Act	NIL	• Self-declaration* substantiating the fulfillment of conditions prescribed under section 10(23FE) of the Act
7.	Availability of Lower/ NIL tax deduction certificate issued by Income Tax Department u/s 195 or 197 of the Act	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	• Copy of the lower tax withholding certificate obtained from Income Tax Department

**Formats for the Self-declarations referred to hereinabove are available at the website of the RTA which can be accessed at* https://linkintime.co.in/client-downloads.html

#In case PAN is not updated with the Company's RTA or depository or PAN is not available and information sought in the declaration is not provided, higher rate of withholding tax as per section 206AA shall be applied.

Notes:

(i) Duly completed and signed documents should be provided to the Company/ RTA. Incomplete and/ or unsigned forms and declarations will not be considered by the Company. Further, in case, where copy of documents (such as, PAN card, Registration certificate, etc.) is provided, the copy should be self-attested by the Shareholder or its authorized signatory. For all documents being uploaded by the Member, the Member undertakes to send the original document(s) on the request of the Company.

(ii) The aforesaid documents such as Form 15G/ 15H, documents under sections 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax Certificate etc. can be uploaded on the link https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before **Wednesday, 23rd June, 2021** to enable the Company to determine the applicable TDS rate.

Any communication in relation to tax rate determination/ deduction received post **Wednesday, 23rd June, 2021** shall not be considered.

It is advisable to upload the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates.

(iii) Determination of withholding tax rate is subject to necessary verification by the Company of the shareholder details as available with the Depository Participant in case shares are held in dematerialized form; or RTA in case shares are held in physical form, as on the Record Date and other documents available with the Company/ RTA. Shareholders holding shares under multiple accounts under different residential status/ category and single PAN, may note that, higher of the tax rate as applicable to different residential status/ category will be considered for their entire shareholding under different accounts.

(iv) In case of any discrepancy in documents submitted by the shareholder, the company will deduct tax at higher rate as applicable, without any further communication in this regard.

(v) In case withholding tax is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. No claim shall lie against Company for any taxes deducted by the Company.

(vi) The certificate in respect of tax deducted at source, if any, will be available at https://vendors.havells.com/login/login.aspx, (post filing of 2nd quarter TDS Return for the Financial Year 2021-22). You can login by entering your folio No. as user Id and your income tax Permanent Account Number (PAN) as password. You will also be able to view the credit of TDS in Form 26AS, which can be downloaded from your e-filing income tax portal at https://www.incometaxindiaefiling.gov.in/home

(vii) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any tax proceedings.

(viii) This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

(ix) In case of any query in the matter please reach out at delhi@linkintime.co.in.

13. i) Members holding shares in physical form are requested to intimate his/ her PAN/ any change in their address/bank details/ email id/ mobile number instantly by filling the KYC Form and by sending it to Link Intime India Private Limited, Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110 058, Registrar and Transfer Agent of the Company or at Company's Corporate Office, so that change could be effected in the Register of Members.

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

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

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

15. During the year, amount of Un-claimed Final Dividend for the financial year 2012-13 and after the close of financial year, amount of Un-claimed Interim Dividend for the financial year 2013-14 has been deposited in the Investor Education and Protection Fund. Further, amount of Un-claimed Final Dividend for financial year 2013-14 is due for deposit to the Investor Education and Protection Fund on 15th August, 2021.

    The Company also transmitted 28,593 (on account of Un-claimed Dividend for FY 2012-13) and 13,079 [on account of Un-claimed Dividend for FY 2013-14 (Interim)] Equity Shares of the Company into the DEMAT Account of the IEPF Authority held with NSDL (DPID/ Client ID IN300708/10656671) in terms of the provisions of section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. These Equity Shares were the Shares of such Shareholders whose unclaimed/ unpaid dividend pertaining to financial years 2012-13 and 2013-14 (Interim) had been transferred into IEPF and who have not encashed their dividends for 7 (Seven) years.

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

17. In case the Dividend has remained unclaimed in respect of Financial Years 2013-14 (Final) to 2020-21, the Shareholders may approach the Company with their dividend warrants for revalidation with the Letter of Undertaking for issue of duplicate dividend warrants. The Company regularly sends letters/ emails to this effect to the concerned Shareholders.

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

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

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

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

22. Additional information, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to appointment of the Statutory Auditors of the Company, as proposed under Item No. 6 of this Notice under Ordinary Business, is also provided in the Explanatory Statement.

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

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

25. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the MCA Circulars, the Company is providing facility for voting by electronic means for all its Members to enable them

to cast their vote electronically and the business may be transacted through such e-voting.

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

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

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

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

The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the AGM but shall not be entitled to cast their vote again. Members may contact Shri Sanjay Kumar Gupta, Company Secretary, for any grievances connected with electronic means at investors@havells.com, Tel. # 0120-3331000.

26. The remote e-voting period commences on 27th June, 2021, Sunday (8:30 am) and ends on 29th June, 2021, Tuesday (5:00 pm).

    a. Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23rd June, 2021, Wednesday may opt for remote e-voting and cast their vote electronically.

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

    c. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 23rd June, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/ RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 23rd June, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

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

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

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

27. The Board vide its Resolution passed on 20th May, 2021 has appointed Ms Balika Sharma, Practicing Company Secretary (Membership No. F4816, COP No. 3222), as Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

    The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting on the date of the AGM and make, not later than 2 working days of the conclusion of the Meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or any person authorized by him in writing and the Results shall be declared by the Chairman or any person authorized by him thereafter.

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

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

The remote e-voting period begins on 27th June, 2021, Sunday at 08:30 A.M. and ends on 29th June, 2021, Tuesday at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective E-Voting Service Provider (ESP) i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and Joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) "**Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the Resolution(s), you will not be allowed to modify your vote.

General Guidelines for shareholders:

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

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

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary at the Company's email address investors@havells.com

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to investors@havells.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to investors@havells.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholders/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

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

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General Meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in shareholders/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at investors@havells.com latest by 27th June, 2021, Sunday. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

Sanjay Kumar Gupta
Company Secretary
Membership No. F3348

Delhi, May 20, 2021

Registered Office:
904, 9th Floor, Surya Kiran Building
K G Marg, Connaught Place, New Delhi – 110 001
CIN: L31900DL1983PLC016304

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

ITEM NO. 6

The Members of the Company at the 33rd Annual General Meeting ('AGM') held on 13th July, 2016 approved the appointment of M/s S. R. Batliboi & Co. LLP ('SRB'), Chartered Accountants (Registration No. 301003E/ E300005) as the Auditors of the Company for a second term of five years from the conclusion of the said AGM. SRB will complete their second term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014. The present remuneration of SRB for conducting the audit for the financial year 2020-21, is ₹ 1.40 crores (Rupees One Crore Forty Lakhs only) subject to TDS and GST, as applicable apart from out of pocket expenses incurred.

The Board of Directors of the Company upon the recommendation of the Audit Committee recommended for the approval of the Members, the appointment of M/s Price Waterhouse & Co Chartered Accountants LLP (Registration No. 304026E/ E300009) as Statutory Auditors of the Company for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the 43rd (Forty Third) Annual General Meeting of the Company at a remuneration of ₹ 1.40 crores (Rupees One Crore Forty Lakhs only) in respect of Statutory Audit to be undertaken for the financial year 2021-22.

The fee has been proposed after considering various parameters like technical knowledge, expertise, industry experience, market standing of the firm and the time and efforts required to be put in by M/s. Price Waterhouse & Co to conduct the statutory audit of the Company. The proposed fees is also in line with the industry benchmarks.

The Company has also received consent and eligibility letter from the proposed auditors to act as the Statutory Auditors of the Company, in accordance with the provisions of Section 139 and Section 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

Price Waterhouse & Co ('the Firm') was constituted on 1st April 1991 having Firm Registration No. 304026E. It was converted into Limited Liability Partnership, i.e., Price Waterhouse & Co Chartered Accountants LLP with effect from 24th July, 2014, thereby having a new Firm Registration No. 304026E/E300009. The registered office of the Firm is at Plot No. Y 14, Block EP, Sector V, Salt Lake, Electronic Complex Bidhan Nagar, Kolkata 700 091. Price Waterhouse & Co Chartered Accountants LLP is a separate, distinct and independent member firm of the PW India Network of Firms which consists of 12 separate, distinct and independent member firms, each of which is incorporated in accordance with the local legal requirements and are registered with the Institute of Chartered Accountants of India ('Price Waterhouse & Affiliates'). Price Waterhouse & Affiliates are cumulatively more than 100 years old in India and have offices in 10 cities in India - Mumbai, Ahmedabad, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, New Delhi and Jamshedpur. The Firm audits various companies listed on stock exchanges in India. The Firm has 75 Partners as on date and many qualified professionals having years of experience in auditing clients across various sectors. The Chartered Accountant profession in India is governed by the Chartered Accountants Act,1949 ('the Act').

Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for appointment of M/s Price Waterhouse & Co as Statutory Auditors of the Company for a period of 5 (Five) years.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Shareholders.

ITEM NO. 7

The Board, on the recommendation of the Audit Committee, in its Meeting held on 20th May, 2021 has approved the appointment and remuneration of M/s. Sanjay Gupta & Associates, Cost Accountants, (Registration No. 00212), as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2021-22 at a fee of ₹ 9.00 Lakhs subject to TDS, GST etc., as applicable, apart from out of

pocket expenses, as remuneration for cost audit services for the Financial Year 2021-22.

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

Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2022.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Shareholders.

ITEM NO. 8

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Smt.Namrata Kaul (DIN: 00994532) as an Additional Director with effect from 20th January, 2021 pursuant to Section 161(1) of the Companies Act, 2013 and as an Independent Director pursuant to Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Smt. Namrata Kaul will hold office only upto the date of ensuing Annual General Meeting.

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

Smt. Namrata Kaul, being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for a First Term of 5 (Five) years from the date of this AGM upto the conclusion of the AGM to be held in the calendar year 2026.

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

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 20th May, 2021 has approved the appointment of Smt. Namrata Kaul as an Independent Director and recommends the Ordinary Resolution for the approval by the Shareholders of the Company.

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

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

ITEM NO. 9

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Shri Ashish Bharat Ram (DIN: 00671567) as an Additional Director with effect from 20th May, 2021 pursuant to Section 161(1) of the Companies Act, 2013 and as an Independent Director pursuant to Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Shri Ashish Bharat Ram will hold office only upto the date of ensuing Annual General Meeting.

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

Shri Ashish Bharat Ram, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a First Term of 5 (Five) years from the date of this AGM upto the conclusion of the AGM to be held in the calendar year 2026.

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

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 20th May, 2021 has approved the appointment of Shri Ashish Bharat Ram as an Independent Director and recommends the Ordinary Resolution for the approval by the Shareholders of the Company.

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

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

ITEM NO. 10

Shri Jalaj Ashwin Dani (DIN: 00019080) was appointed as an Independent Director on the Board of Directors of the Company in the Annual General Meeting (AGM) held in the Calendar year 2018 to hold office for a period of 3 (Three) years with effect from 20th July, 2018 (the date of AGM 2018) upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2021.

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

Shri Jalaj Ashwin Dani being eligible and offering himself for re-appointment, is proposed to be appointed as an Independent Director for a Second Term of 5 (Five) years from the date of ensuing AGM upto the conclusion of the AGM to be held in the calendar year 2026. In the opinion of the Board, Shri Jalaj Ashwin Dani fulfils the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the Management.

In the Performance Evaluation conducted for the year 2020-21, the performance of Shri Jalaj Ashwin Dani was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities as an Independent Director of the Company. The Board and its allied Committees have benefitted from his relevant specialisation and expertise.

Details on his attendance of various Board and Committee Meetings held during the last financial year are included in the Corporate Governance Report of the Integrated Annual Report.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 20th May, 2021, has approved the re-appointment of Shri Jalaj Ashwin Dani as an Independent Director and recommends the same for the approval by the Shareholders of the Company by way of Special Resolution.

Except Shri Jalaj Ashwin Dani, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 10 of this Notice.

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

ITEM NO. 11

Shri Upendra Kumar Sinha (DIN: 00010336) was appointed as an Independent Director on the Board of Directors of the Company in the Annual General Meeting (AGM) held in the Calendar year 2018 to hold office for a period of 3 (Three) years with effect from 20th July, 2018 (the date of AGM 2018) upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2021.

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

Shri Upendra Kumar Sinha being eligible and offering himself for re-appointment, is proposed to be appointed as an Independent Director for a Second Term of 5 (Five) years from the date of ensuing AGM upto the conclusion of the AGM to be held in the calendar year 2026. In the opinion of the Board, Shri Upendra Kumar Sinha fulfils the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the Management.

In the Performance Evaluation conducted for the year 2020-21, the performance of Shri Upendra Kumar Sinha was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities as an Independent Director of the Company. The Board and its allied Committees have benefitted from his relevant specialisation and expertise.

Details on his attendance of various Board and Committee Meetings held during the last financial year are included in the Corporate Governance Report of the Integrated Annual Report.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 20th May, 2021, has approved the re-appointment of Shri Upendra Kumar Sinha as an Independent Director and recommends the same for the approval by the Shareholders of the Company by way of Special Resolution.

Except Shri Upendra Kumar Sinha, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 11 of this Notice.

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

ITEM NO. 12

Shri T. V. Mohandas Pai (DIN: 00042167) was appointed as a Director whose period of office was liable to determination by retirement by rotation, by the Shareholders in the Annual General Meeting (AGM) of the Company held in calender year 2018 to hold office for a period of 3 (Three) years with effect from 20th July, 2018 (the date of AGM 2018) upto the conclusion of AGM of the Company to be held in the calendar year 2021.

In the Performance Evaluation conducted for the year 2020-21, the performance of Shri T. V. Mohandas Pai was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities as a Director of the Company. The Board has benefitted from his relevant specialisation and expertise. Details on his attendance of various Board Meetings held during the last financial year are included in the Corporate Governance Report of the Integrated Annual Report.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 20th May, 2021,

has approved the re-appointment of Shri T. V. Mohandas Pai as a Director liable to retire by rotation, for a further period of 5 (Five) years upto the date of AGM of the Company to be held in the calendar year 2026 and recommends the same for the approval by the Shareholders of the Company.

Except Shri T. V. Mohandas Pai, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 12 of this Notice.

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

ITEM NO. 13

Shri Puneet Bhatia (DIN: 00143973) was appointed as a Director whose period of office was liable to determination by retirement by rotation, by the Shareholders in the Annual General Meeting (AGM) of the Company held in calender year 2018 to hold office for a period of 3 (Three) years with effect from 20th July, 2018 (the date of AGM 2018) upto the conclusion of AGM of the Company to be held in the calendar year 2021.

In the Performance Evaluation conducted for the year 2020-21, the performance of Shri Puneet Bhatia was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities as a Director of the Company. The Board has benefitted from his relevant specialisation and expertise. Details on his attendance of various Board Meetings held during the last financial year are included in the Corporate Governance Report of the Integrated Annual Report.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 20th May, 2021, has approved the re-appointment of Shri Puneet Bhatia as a Director liable to retire by rotation, for a further period of 5 (Five) years upto the date of AGM of the Company to be held in the calendar year 2026 and recommends the same for the approval by the Shareholders of the Company.

Except Shri Puneet Bhatia, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 13 of this Notice.

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

ITEM NO. 14

The prevailing 3 (Three) year term of Shri Siddhartha Pandit (DIN: 03562264) as a Whole-time Director of the Company which commenced from 29th May, 2019 shall expire on 28th May, 2022.

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 20th May, 2021 and subject to the approval of members of the Company, re-appointed Shri Siddhartha Pandit, as a Whole-time Director of the Company for a further period of 3 (Three) years w.e.f. 29th May, 2022.

Pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Board recommends the re-appointment of Shri Siddhartha Pandit, as a Whole-time Director of the Company, to the Members for their approval.

Except Shri Siddhartha Pandit, no other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 14 of this Notice.

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

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

Sanjay Kumar Gupta
Company Secretary
Membership No. F3348

Delhi, May 20, 2021

Registered Office:
904, 9th Floor, Surya Kiran Building
K G Marg, Connaught Place, New Delhi – 110 001
CIN: L31900DL1983PLC016304

ANNEXURE

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

Name of Director (DIN)	Date of Birth (No. of Equity Shares held)	Qualification (Relationship with other Directors)	Nature of Expertise	Name of Companies in which he/ she holds Directorship#	Name of Committees of the Companies of which he/ she holds Membership
Shri Ameet Kumar Gupta (DIN: 00002838)	16th January, 1972 (Nil)	BE (Electronics & Communication) DU, MBA (Marketing & Finance) from Wake Forest University, North Carolina, USA (Related with Shri Surjit Kumar Gupta)	Shri Ameet Kumar Gupta has been working with the QRG group for over 2 decades and is actively involved in new business development activities along with Shri Anil Rai Gupta. In addition, he has been accredited with new product introduction and development and also for setting up new plants and manufacturing facilities for the QRG group. His functions include spearheading new projects being undertaken by the organisation.	• Havells India Limited • QRG Enterprises Limited • QRG Medicare Limited • QRG Investments and Holdings Limited	Havells India Limited - Stakeholders Relationship/ Grievance Redressal Committee- Member - Executive Committee- Member QRG Enterprises Limited - Audit Committee- Member - Nomination and Remuneration Committee- Member - Corporate Social Responsibility Committee- Member - Executive Committee- Member QRG Medicare Limited - Audit Committee- Member - Nomination and Remuneration Committee- Member - Executive Committee- Member QRG Investments and Holdings Limited - Audit Committee- Member - ALCO Committee- Member
Shri Surjit Kumar Gupta (DIN: 00002810)	13th January, 1942 (Nil)	F.Sc. from Punjab University and holds a Diploma in Mechanical Engineering from State Board of Technical Education, Punjab. (Related with Shri Ameet Kumar Gupta)	Shri Surjit Kumar Gupta is an esteemed member of the Promoter Group and is one of the First Directors of the Company. He has been on the Board of Directors since incorporation on 8th August, 1983. Under his guidance the Company has emerged as a leading organisation in the Electrical Industry with an outstanding prominence for high-quality engineered products. He was the prime motivator for initial exposures of Havells to international manufacturers and technology. Havells has successfully entered into several foreign alliances under his supervision.	• Havells India Limited • QRG Enterprises Limited • QRG Investments and Holdings Limited • QRG Medicare Limited	Havells India Limited - Audit Committee- Member - Nomination and Remuneration Committee- Member - Executive Committee- Chairman QRG Investments and Holdings Limited - Audit Committee- Member - ALCO Committee- Member QRG Enterprises Limited - Corporate Social Responsibility Committee- Chairman - Executive Committee- Chairman QRG Medicare Limited - Executive Committee- Chairman
Smt. Namrata Kaul (DIN: 00994532)	15th March, 1964 (Nil)	B. Com (H), LSR, MBA, IIM (Ahemadabad), Chevening scholar, London School of Economics (Not related with any Director/ KMP of the Company)	Smt. Namrata Kaul is a career banker with extensive experience of over 30 years across Treasury, Corporate Banking, Debt Capital markets and Corporate finance in India and UK. As Managing Director at Deutsche Bank AG, Smt. Kaul led the Corporate Bank practice as its India Head. In Deutsche Bank U.K., as part of the Strategic Leadership Team aiming to strengthen cross border networks, she set up an Asia Desk in London. She was a member of the Deutsche Bank Asia Executive Committee, a Member of the Board of Deutsche Bank India and a founding member of the Deutsche Bank Diversity Council. Actively engaged in the Social Development sector, Smt. Kaul is Vice Chair and Director on the Supervisory Board of Care International (Geneva).	• Havells India Limited • Bhopal Smart City Development Corporation Limited • Prime Securities Limited • Schneider Electric Infrastructure Limited • Prime Research and Advisory Limited	Havells India Limited - Nomination and Remuneration Committee- Member Schneider Electric Infrastructure Limited - Audit Committee- Member - Risk Management Committee- Member Prime Securities Limited - Audit Committee- Member - Stakeholder Relationship- Member - Nomination and Remuneration Committee- Member - Corporate Social Responsibility Committee- Chairman

Name of Director (DIN)	Date of Birth (No. of Equity Shares held)	Qualification (Relationship with other Directors)	Nature of Expertise	Name of Companies in which he/ she holds Directorship#	Name of Committees of the Companies of which he/ she holds Membership
Shri Ashish Bharat Ram (DIN: 00671567)	31st December, 1968 (Nil)	Degree in Economics from Delhi University and an MBA from The Johnson Graduate School of Management, Cornell University (Not related with any Director/ KMP of the Company)	Shri Ashish Bharat Ram took over as MD of SRF Ltd. in January 2007. Prior to joining SRF Ltd. in 1994, he had successful stints at American Express Bank, Toyota Motor Corporation, Japan and DCM Toyota handling a variety of functions that included Sales, Strategy, Marketing, TQM, among others. He has been the Regional Chair for South Asia for the Young Presidents Organization (YPO) and is an active member of the Confederation of Indian Industry (CII).	• Havells India Limited • SRF Limited • Transport Corporation of India Limited • Kama Holdings Limited • SRF Holiday Home Limited • Shri Educare Limited	Kama Holding Limited - Stakeholders Relationship Comittee- Chairman - Committee of Directors- Financial Resources- Member - Nomination and Remuniration Committee- Member - Risk Management Committee- Chairman SRF Limited - Stakeholders Relationship Committee- Member - Committee of Directors- Financial Resources- Member - Risk Management Committee- Chairman Transport Corporation of India Limited - Compensation/ Nomination and Remuneration Committee - Chairman - Corporate Social Responsibility Committee- Chairman - Corporate & Restructuring Committee- Chairman
Shri Jalaj Ashwin Dani (DIN: 00019080)	20th October, 1969 (Nil)	Chemical Engineering from USA. Shri Dani also holds Certificate for participation in the Advanced Management Program conducted by INSEAD, Fontainebleau, Paris. (Not related with any Director/ KMP of the Company)	Shri Jalaj Ashwin Dani has spent over 2 decades in various capacities with Asian Paints, a leading paint company in India with presence in 19 countries across the globe. He was the President of Indian Paints Association (IPA) for 2015-17 and has been chairing the Paints and Coatings Sector Skill Council (PCSC) from its inception 2015. Shri Dani is also actively involved with the CII (Confederation of Indian Industry), YPO (Young President's Organisation), FICCI (Federation of Indian Chambers of Commerce and Industry) and some other Business Councils in various capacities. He is also part of the Pradhan Mantri Kaushalya Vikas Yojana (PMKVY) Steering Committee.	• Havells India Limited • Housing Development Finance Corporation Limited • Gujrat Organics Limited • Rise Worldwide Limited • Hitech Specialities Solutions Limited	Havells India Limited - Stakeholders Relationship/ Grievance Redressal Commiittee- Member - Corporate Social Responsibility Committee- Chairman - Enterprises Risk Management Committee- Member Housing Development Finance Corporation Limited - Audit and Governance Committee- Chairman - Stakeholders Relationship Committee- Member - Corporate Social Responsibility Committee- Member - Directors- Member - IT Strategy Committee- Member - Wilful Defaulter Review- Member RISE Worldwide Limited - Audit Committee- Chairman - Corporate Social Responsibility Committee- Chairman - Nomination & Remuneration Committee- Member
Shri Upendra Kumar Sinha (DIN: 00010336)	2nd March,1952 (Nil)	IAS-1976 batch. He holds an M.Sc. and LLB degree. (Not related with any Director/ KMP of the Company)	Shri Upendra Kumar Sinha is the former Chairman, SEBI. Prior to this, Shri Sinha was Chairman and Managing Director of UTI Asset Management Company Ltd. and Chairman of Association of Mutual Funds in India. Shri Sinha has held several responsible positions with distinction in the State and Central Governments. He was Joint Secretary (Banking) and Joint Secretary (Capital Markets), Ministry of Finance, GoI. Shri U K Sinha was the Chairman of the Working Group on Foreign Investment in India formed by the GoI. He was a member of several committees set up by the Government of India including the Committees on Liquidity Management, FIIs, Corporate Bond Market and Investor Protection. Shri Sinha is credited with starting the micro pension movement in the country. He was responsible for drafting the SEBI (Amendment) Act, 2002, UTI (Repeal) Act, 2002, the Securities Law Amendment Act, 2004 and the PFRDA Bill, 2005.	• Havells India Limited • Vedanta Limited • Housing Development Finance Corporation Limited • Max Healthcare Institute Limited	Havells India Limited - Audit Committee- Chairman - Stakeholder Relationship/ Grievance Redressal Committee- Chairman Vedanta Limited - Audit Committee- Member - Stakeholder Relationship Committee- Chairman - Corporate Social Responsibility Committee- Member - Sustainability Committee- Member - Nomination and Remuneration Committee- Chairman Housing Development Finance Corporation Limited - Nomination and Remuneration Committee- Member Max Healthcare Institute Limited - Audit Committee- Member - Nomination and Remuneration Committee- Member

Name of Director (DIN)	Date of Birth (No. of Equity Shares held)	Qualification (Relationship with other Directors)	Nature of Expertise	Name of Companies in which he/ she holds Directorship#	Name of Committees of the Companies of which he/ she holds Membership
Shri T.V. Mohandas Pai (DIN: 00042167)	5th November, 1958 (Nil)	FCA, LLB, B.Com (Not related with any Director/KMP of the Company)	The fundamental activist in the development of the IT services industry in India, Shri T. V. Mohandas Pai have successfully instituted several industry-firsts in the Country. Prior to this, he was a Member of the Board at Infosys Ltd., where he also served as CFO and the lead for Human Resources and Education & Research. He co-founded Aarin Capital Partners in early 2012 to fund opportunities in Health Care, Life Sciences, Education and Technology-led businesses. He is also the Chairman of SEBI Primary Markets Advisory Committee (PMAC). He was a Trustee of the International Financial Reporting Standards (IFRS) Foundation and a Member of the Dr. Anil Kakodkar Committee on Autonomy for the IITs and the Karnataka Knowledge Commission. He is currently a Member on the Boards of IIT, Hyderabad. Chairperson, FICCI Higher Education Committee. He was a Member of various important national committees like the Kelkar Committee, constituted by the Ministry of Finance, GoI; the Non-Resident Taxation Committee as well as the Chair of the Karnataka ICT Group 2020. A keen philanthropist, Sh. T.V. Mohandas Pai helped set up the Akshaya Patra Foundation in Bangalore with other likeminded persons. In April 2015, the President of India awarded him the Padma Shri in recognition of his efforts for the betterment of the nation in areas of Trade and Industry.	• Havells India Limited	Havells Inida Limited - Enterprises Risk Management Committee- Member
Shri Puneet Bhatia (DIN: 00143973)	16th December, 1966 (Nil)	B.Com Honors, SRCC, MBA, IIM-Calcutta. (Not related with any Director/ KMP of the Company)	Shri Puneet Bhatia is the successful Managing Director and Country Head of India for TPG Asia. Prior to joining TPG Asia in April 2002, Shri Puneet Bhatia was Chief Executive, Private Equity Group for GE Capital India, where he was responsible for conceptualizing and creating its direct and strategic private equity investment group. Before that, he was also associated with ICICI Ltd. from 1990 to 1995 in the Project and Corporate Finance group and thereafter worked as Senior Analyst with Crosby Securities from 1995 to 1996 covering the automobiles and consumer sectors.	• Havells India Limited • Jana Capital Limited • Shriram Capital Limited • Sai Life Sciences Limited • R.R Kabel Limited	Shriram Capital Limited - Audit Committee- Member - Nomination and Remuneration Committee- Member R.R Kabel Limited - Nomination & Remuneration Committee- Member - Corporate Social Responsibility Committee- Member Sai Life Sciences Limited - Nomination & Remuneration Committee- Member - Corporate Social Responsibility Committee- Member
Shri Siddhartha Pandit (DIN: 03562264)	30th May,1968 (4,652 Equity Shares of ₹ 1/- each)	BA, LLB (Not related with any Director/ KMP of the Company)	Shri Siddhartha Pandit has been heading the Legal Department of the Company since 2015. LEP (Leadership Excellence Program) from Harvard Business School and BA LLB from Delhi University, Shri Pandit is an astute legal professional with over 27 years of extensive experience across industries with expertise in Contract Drafting & Negotiations, Litigation Management (Civil & Criminal), Dispute Resolution, Mergers and Aquisitions, Statutory Compliances, Intellectual Property Rights (IPR) etc. He began his career by gaining court experience under Mr. P.P Malhotra (Sr. Advocate) and also worked with Rajinder Narain & Co. Later he moved into Corporate to work with Max India, Samsung, Ciena, Carrier and Tower Vision. In his last assignment, he was associated with Indus Towers as VP - Legal.	• Havells India Limited	None

#Directorship indicates directorship in Indian Public Companies including Havells India Limited.

***Note:** For other details, please refer to the Corporate Governance Section of the Integrated Annual Report.*

HAVELLS INDIA LIMITED
Regd. Office: 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi - 110 001
Corp. Office: QRG Towers, 2D, Sector – 126, Expressway, Noida (U.P.) – 201 304
Tel. No.: 0120-3331000, Fax No.: 0120-3332000, E-mail: investors@havells.com
Website: www.havells.com, CIN: L31900DL1983PLC016304

Dear Member,

Sub: Updation of KYC Details in the Master Data

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

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

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

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

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

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

Assuring you of our best services.

Thanking you.

Yours faithfully,
For **Havells India Limited**

(Sanjay Kumar Gupta)
Company Secretary

KYC FORM

(Only for physical shareholding)

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

Date:_____//____//_____

Folio No:_____

No of Shares:_____

Dear Sir/ Madam,

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

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

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

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

B For registering Bank details of the registered shareholder

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

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

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

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

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

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

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

☐ Affidavit ☐ Banker verification ☐ Original cancelled cheque leaf

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

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

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

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

_____

E For updating the Mobile No

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

Sign:_____	Sign:_____	Sign:_____	Sign:_____
Registered holder	Joint holder 1	Joint holder 2	Joint holder 3

HAVELLS

HAVELLS INDIA LIMITED
3RD INTEGRATED REPORT 2020-21
38TH ANNUAL REPORT

Creating



Delivering



Sustaining



WHAT'S INSIDE?



Introduction

02 Creating. Delivering. Sustaining.

04 Chairman's Message

06 Our New Product Launch

07 Our Direct Presence Across India

08 A Complete Consumer Durable Player

10 Performance Highlights

12 Leadership for Sustainable Value Creation and Delivery

Integrated Report 14

Our Strategic Business Objectives	14
Risk Management Framework	16
Our Business Model	20
Financial Capital	22
Manufactured Capital	24
Intellectual Capital	28
Human Capital	32
Social and Relationship Capital	36
Natural Capital	42
Corporate Information	44

Statutory Report 45

Directors' Report	45
Business Responsibility Report	97
Management Discussion and Analysis	106
Corporate Governance Report	117

Financial Statements 142

Standalone Financial Statements	142
Consolidated Financial Statements	222
10 Years Progress at a Glance	309



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

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

Forward-looking Statements

Statements in this Report describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws and other statutes and incidental factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



VISION

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



MISSION

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

VALUES

CUSTOMER DELIGHT

A commitment to surpass our customer expectations

LEADERSHIP BY EXAMPLE

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

INTEGRITY AND TRANSPARENCY

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

PURSUIT OF EXCELLENCE

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

Creating. Delivering. Sustaining.

AT HAVELLS INDIA, SUSTAINABILITY IS EMBEDDED AND INTEGRATED INTO OUR CORE BUSINESS STRATEGY.

WE MAINTAIN THE INTEGRITY OF OUR BOTTOM LINE AND CONTINUE TO HAVE A VALUES-DRIVEN APPROACH FOR LONG-TERM SUCCESS. WE ASSESS OUR BUSINESS MODEL FROM A SUSTAINABILITY LENS, WHICH INVOLVES THREE KEY ELEMENTS – VALUE PROPOSITION, VALUE CREATION AND VALUE CAPTURE.

Robust balance sheet, domestic manufacturing, transparent and fair trade practices and increasing the depth of our supply chain have helped to create a long-term sustainable business model. Regular and astute investment in technology, R&D and Brand have enabled to build a strong and scalable portfolio.

We maintain a constant focus on sharpening our competitive edge on all fronts – operational efficiency, optimal use of assets, high level of automation and backward integration. Strong relationships with dealers, vendors and an effective governance framework have been the key to our enduring enterprise. An effective organisational culture, environment-friendly and socially responsible practices further help deliver holistic change to achieve long-term social and environmental sustainability

With aligned goals, mission and values – and a well-defined strategy, we are creating, delivering and sustaining value for all our stakeholders. Our well-crafted business strategies, solid foundation and strong lineage fosters longevity and brings resilience to scale.



COMMITTED TO VALUE CREATION

THIS IS OUR THIRD INTEGRATED REPORT WHICH ARTICULATES OUR APPROACH TO VALUE CREATION BY INCORPORATING OTHER CAPITALS, BESIDES FINANCIAL CAPITAL, LIKE MANUFACTURED, SOCIAL, INTELLECTUAL, HUMAN AND NATURAL CAPITAL.

OUR STAKEHOLDERS

- Consumers
- Investors
- Employees
- Media & Analysts
- Dealers & Retailers
- Local Communities
- Suppliers
- Regulators

Contributing to UN Sustainable Development Goals (UN-SDGs)

Our strategy, developed through internal and external engagement, informed by an analysis of opportunities and risks, includes long-term targets that are aligned with the United Nations Sustainable Development Goals. For further details on UN-SDGs mapping, please refer our Sustainability Report for the Financial Year 2020-21.

Our material matters

Our integrated report contains the results of the materiality assessment, which informs the content and structure of our annual report that is segregated into key issues: (a) Our business model: how we create value; (b) Outcomes: significant impact and influence of our activities on the six capitals; (c) The external environment: material risks and opportunities impacting value creation; (d) Stakeholders: material interests of key participants; and (e) Strategy: implications of our business model.

Aligned with IIRC framework

The Report discloses financial and non-financial performance of Havells' operations across India for the reporting period from 1st April 2020 to 31st March 2021. This Report is prepared in line with the requirements of the Integrated Reporting framework suggested by the International Integrated Reporting Council (IIRC).

Creating value through Six Capitals

FINANCIAL
Access to cost-effective financial capital is an essential basis for sustaining and creating further value across all capital stocks

MANUFACTURED
Substantial investment in purchase, development and maintenance of our plants and equipment has given us the capacity to generate long-term returns

INTELLECTUAL
Delivering on our strategy and business model requires a strong performance-based culture and continuous innovation in processes and technology to produce most efficient and effective outcomes

HUMAN
Everything we do depends on the skills, knowledge and experience of our employees and the leadership team

NATURAL
Our business model converts natural resources into sustainable, social and economic value

SOCIAL & RELATIONSHIP
Our trusted relationship with our stakeholders helps us secure our reputation enabling us to deliver on our vision and mission

Chairman's Message



OUR VALUED SHAREHOLDERS,

I AM PLEASED TO PRESENT THE INTEGRATED REPORT OF YOUR COMPANY FOR THE FINANCIAL YEAR 2020-21.

A challenging year

The year was indeed unique as the COVID-19 contagion ravaged socio-economic developments globally. We are living through unprecedented times. When it felt like the worst was over, unfortunately a second wave of Covid again gripped the country with even higher ferocity. During this protracted pandemic, I wish that all members of Havells' family and the country at large stay safe and follow Covid safety protocol.

Our response

At Havells, we relied on agility, and a pragmatic approach to the unprecedented and unforeseen pandemic. In the initial period, we focussed on the safety of our employees, dealers and other stakeholders. As in the past, during times of uncertainty, the constant communication provides some relief if not the entire solution to stakeholders. We held online townhalls with our workforce, dealers and vendors to assuage their anxieties while assuring our support in such difficult times. We invoked the spirit of togetherness, hope and humanity to be helpful to each other.

I would like to express my sincere gratitude to the entire team for their exemplary contribution and efforts. I would single out our factory staff, the frontline staff, supervisors and supply chain team for their inexhaustible energy to keep going and fulfil deliveries against all odds. They are Havells' Covid warriors and I would thank them on your behalf.

Resilience tested

As business gradually gained traction post lockdown, Havells was able to fulfil consumers' demands through its vast distribution network supported by continuity in product supply through in-house production. We provided digital solutions not just to the trade partners but also to our consumers who were able to access our service team through multiple mediums and were provided solutions through audio and video assistance.

There have been numerous examples set by each function of your Company where best results have been achieved this year. Sales, supply chain and manufacturing have surpassed their previous best by improving productivity. We are determined to continuously drive 'Innovation', 'Growth' and 'Productivity' throughout the organisation.

Creating, delivering and sustaining

Havells has always believed in creating a long-term sustainable business with an innovative product development, aspirational brand, own manufacturing, well-entrenched distribution network, a strong supply chain and a responsive customer service setup.

Volumes and efficiency were the key during these times, and I am glad to share that your Company was able to deliver results because of the investments committed over the years. While one can scamper their way in, exploiting access to the trade network, success is ephemeral unless backed by solid infrastructure and a value system.

Business sustainability is the key metric for our entry and expansion into any new category. Sustainability is not confined to Environment, Social and Governance, it is in each aspect of the organisation whether it is quality of the product or efficient utilisation of resource in the manufacturing process. For instance, we help customers build sustainable homes with our long-lasting, high quality switchgear and wires, which are the lifeline of any electric

distribution in the house. Similarly, we maintain strong liquidity and prudent Capex and Opex mix to retain the nimbleness in the organisation.

We, at Havells, over the years have continued to take important strides in playing our part towards a sustainable environment. We have been working steadily towards conservation and management of water resources, by increasing our renewable energy footprint.

How we performed

The external challenges, a weakened macro-economic environment and slowdown in infrastructure impacted demand for electrical goods and affected consumer sentiment especially in the first half of the year. Covid-19 led lockdown impacted sales in April and May across the business, yet was profound for the Fans and Air conditioners categories. Despite these challenges, Havells performed satisfactorily, registering revenue growth of 11% at ₹ 10,428 crores during FY2021. Net Profit was ₹ 1,040 crores, compared to ₹ 733 crores earlier. EBITDA was ₹ 1,565 crores, up 52% from ₹ 1,027 crores in the earlier year. Our EBITDA margins remained at an all-time high of 15%.

Havells, a Bellwether

We remain proud of our lineage and the quality of products we churn out. Ubiquitous with our established brands – Havells, Lloyd, Standard, Crabtree and Reo, we are one of India's most penetrated household brands in the electrical goods industry. We are an aspirational brand ranked among the top 5 in every product category that we entered during the last two decades. Our vast product range gives us the opportunity to capture demand from both Consumer and Residential as well as Industrial and Infrastructure sector. With focus on home improvement, consumers are investing in good quality consumer appliances and Havells with its offering is well positioned to cater to varied needs at different price ladders and applications.

Lloyd, our consumer appliances business, improved its performance, led by ACs, washing machines and recently launched refrigerators. It's a journey wherein we are constantly implementing fresh ideas including expansion of product portfolio, distribution network, increasing in-house product development and better consumer awareness. We remain positive on industry growth and Lloyd progression on key parameters.

After setting a strong foothold in the urban markets, Havells is now reaching the heartland by setting up a distribution network in semi-urban and rural markets with our focussed initiative 'Rural Vistaar'. The rural channel was more resilient during the pandemic and Havells had a disproportionate growth from rural areas.

Suitable adoptions have been done to the product range to make it more relevant and affordable to the relevant market. We expect Rural channel to be a meaningful contributor in medium term.

Megatrends

Electrification is a Megatrend driving our growth creating new opportunities to participate in the infrastructure development and demand emanating from semi-urban and rural markets.

The recent impetus to 'AatmaNirbhar Bharat' augurs well for integrated manufacturers like Havells. The Government's push towards large capital outlays, uptick in the private capital investment cycle supported by low interest rate regime too, will provide the much-needed stimulus. This will provide the necessary fundamental transformation in balancing our excessive dependence on consumption growth to investment growth.

Consumer preferences are changing too, moving towards reliable and quality brands, thereby creating a unique opportunity for organised players driving premiumisation with products which are feature led, energy efficient and have a digital footprint.

'PHYGITAL' is a new reality where physical (offline channels) co-exist with digital (online) channels. The Alternate channels (Online, MFR, Canteen etc.) are expected to gain relevance over the years. Havells has nurtured strong relationships with these channels, which would reflect in additive growth in the medium term.

Way forward

The challenge related to inflationary trends in commodity and the second wave of Covid-19 might affect consumer sentiment in the short-term. However, we are confident of the medium to long-term demand trends. With strategic building blocks in place – strengthening the core, broadening our portfolio and investing in people and process capability – we are looking at improved and sustainable growth.

Last fiscal, we gained market share across categories along with increased distribution penetration and Rural Vistaar. We will continue to strengthen our credentials in product development, emerging consumer trends and serving through omni-channel network. We believe in secular growth potential of India and Havells.

I wish you health and safety and urge you to follow Covid protocol.

Regards,

Anil Rai Gupta

Chairman and Managing Director

Our New Product Launch





Intelli-Logic AC



Advance Android LED TV



Stealth Puro Air: Air Purifier Fan



Carnesia I: Smart Fan



Heat Pump Water Heater



Wave Fin Digital OFR



Silencio Mixer



Stealth Dry Iron



Frost Free Refrigerator



Side-by-Side Refrigerator

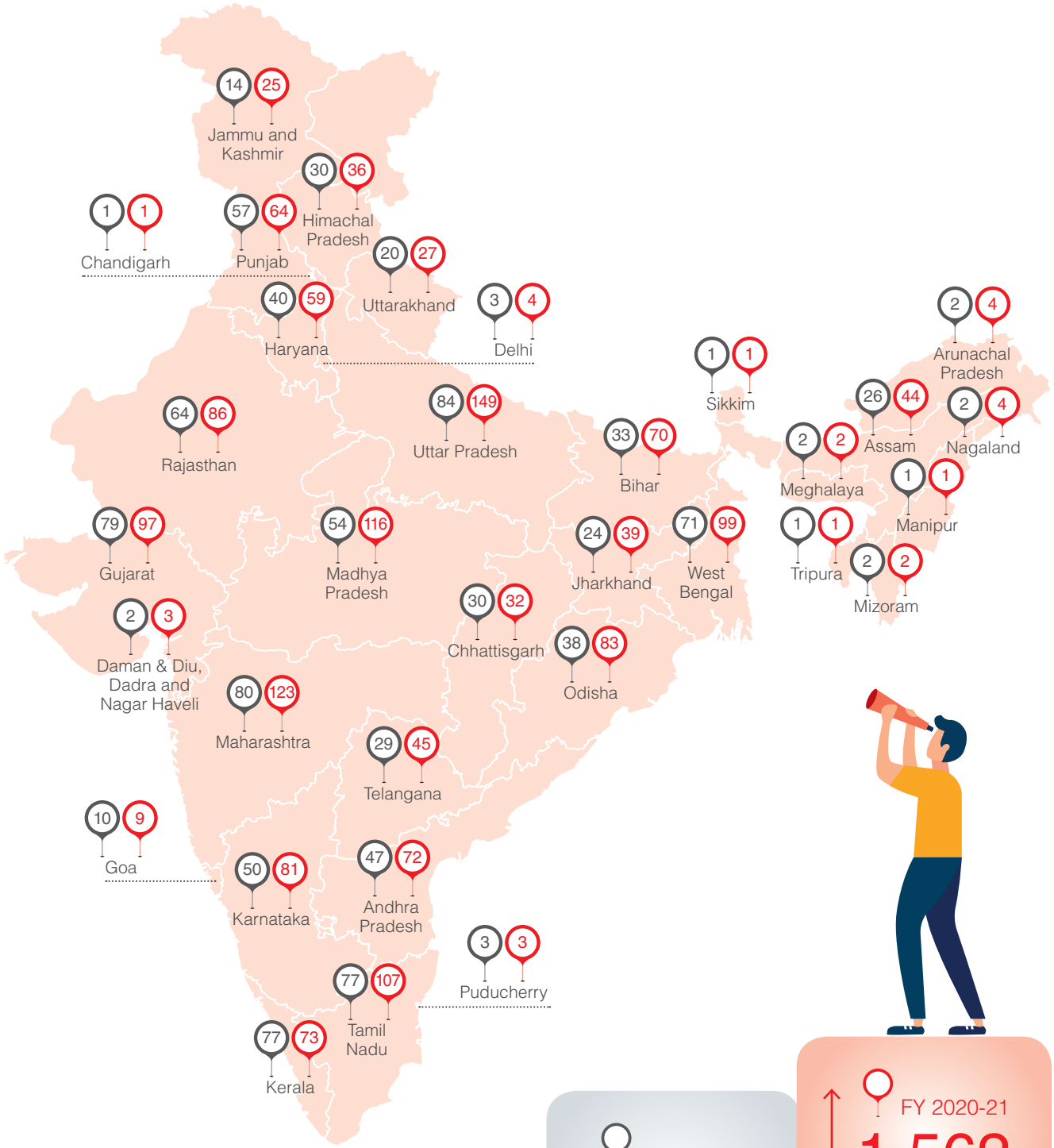


Direct Cool Refrigerator



Purodry Fully Automatic Front Load Washing Machine

Our Direct Presence Across India



FY 2012-13
1,054
number of cities

FY 2020-21
1,562
number of cities

A Complete Consumer Durable Player

NUMBERS THAT DEFINE HAVELLS

60+ COUNTRIES
Geographical Presence

~14,270
Strong Dealer Network

39
Branch Offices

14
Manufacturing Facilities across India

At Havells India Limited, we are a fast-moving electrical consumer goods company and a major power distribution equipment manufacturer for domestic, commercial and industrial applications. We are reputed for having dedicated infrastructure and manufacturing operations. We are one of the brands with a deep and wide presence in every nook and corner of a consumer's home.

WE ARE PROUD OF OUR LINEAGE AND INCREASED FOOTPRINT. WHAT MAKES US UNIQUE IS THAT WE ARE THE MOST PENETRATED HOUSEHOLD BRAND IN INDIA WITH A RANGE OF BRANDS, AND AMONGST THE TOP THREE ACROSS PRODUCT CATEGORIES.

What sets us apart

- Strong market presence with diversified product portfolio
- Resilient and growing distribution network
- Products range with highest quality standards
- Strong Brand recall



Nurturing high-quality brands

HAVELLS | LLOYD | Crabtree | STANDARD | REO

WIDE PRODUCT SPECTRUM

Switchgears

- Switches
- Domestic Switchgears
- Industrial Switchgears
- Automation & Control

Electrical Consumer Durables

- Fans
- Water Heaters
- Appliances

Lighting & Fixtures

- Professional Lighting
- Consumer Lighting

Cable

- Power Cables
- Flexible Cables

Others

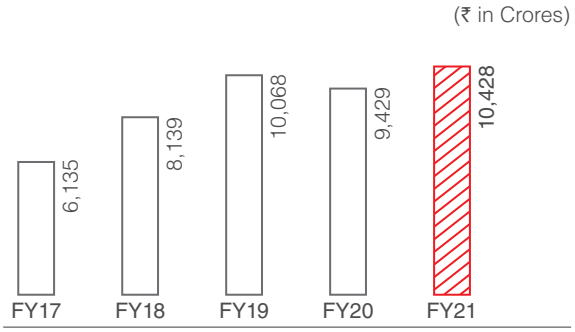
- Motors
- Solar
- Pump
- Personal Grooming
- Water Purifier

Lloyd Consumer

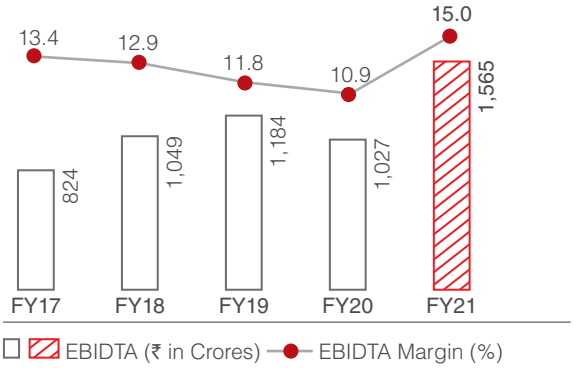
- AC
- TV
- Refrigerator
- Washing Machines

Performance Highlights

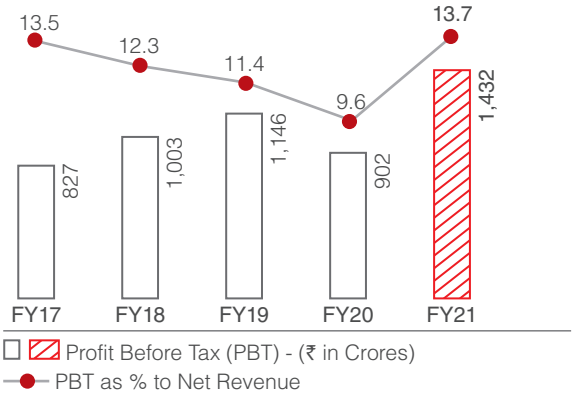
Net Revenue



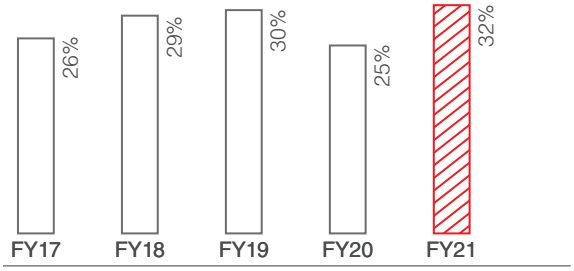
EBIDTA & EBIDTA Margin



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

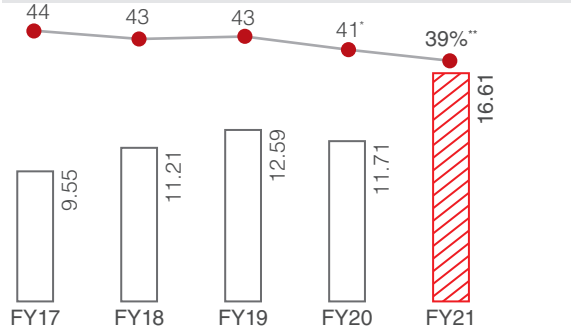


Return on Average Capital Employed (ROACE) (%)*



*on normalised basis

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

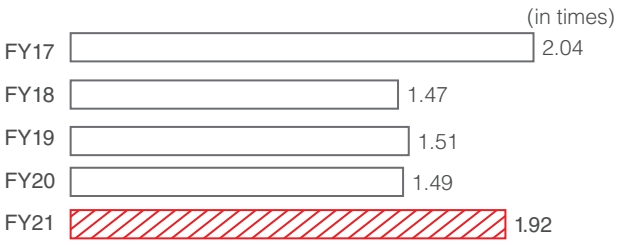


* Dividend payout for FY20 is calculated based on interim dividend paid during FY20

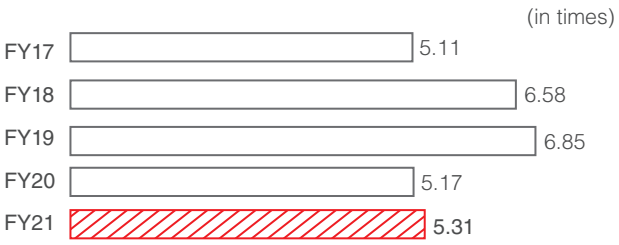
**Dividend payout for FY21 also includes interim dividend



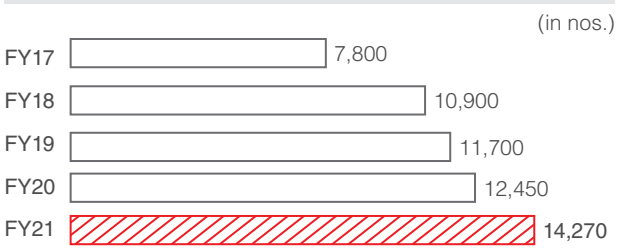
Current Ratio



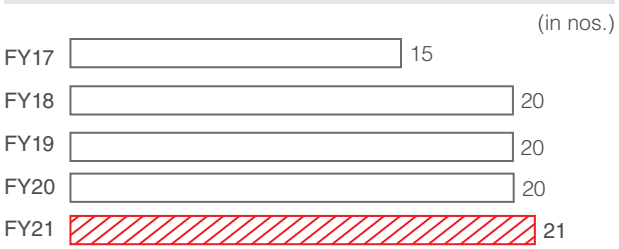
Fixed Asset Turnover



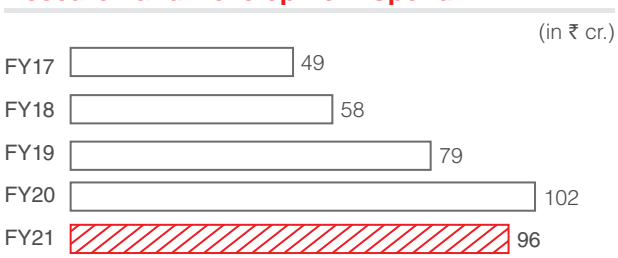
Dealer Network



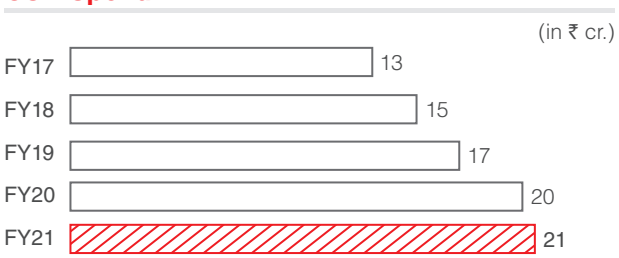
Product Categories



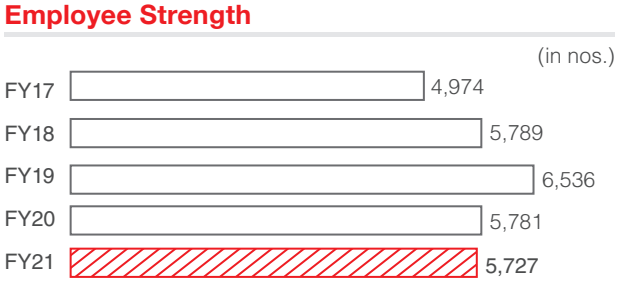
Research and Development Spend



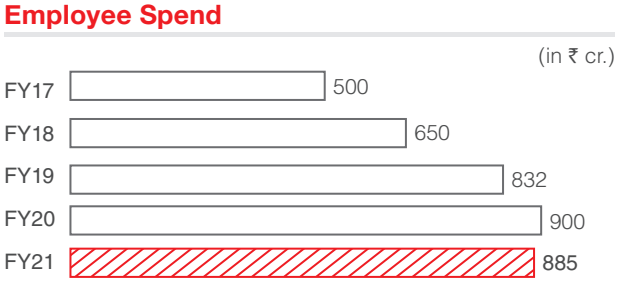
CSR Spend



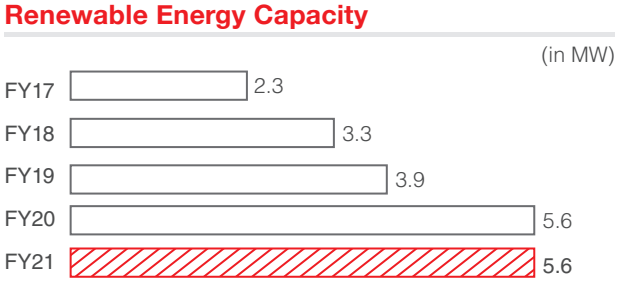
Employee Strength



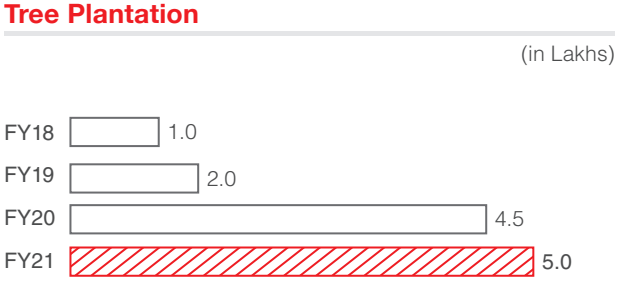
Employee Spend



Renewable Energy Capacity



Tree Plantation



Leadership for Sustainable Value Creation and Delivery

FOR A BUSINESS TO BE TRULY SUSTAINABLE, IT HAS TO CREATE AND DELIVER VALUE ON A CONTINUOUS BASIS ON VARIOUS PARAMETERS AND ACHIEVE SYNERGY. AT HAVELLS, THE COMPANY'S BOARD OF DIRECTORS IS FULLY COMMITTED TO STEERING THE ORGANISATION IN SUCH A WAY THAT IT ALWAYS

Non-Independent Directors



Anil Rai Gupta
Chairman and Managing Director



Surjit Kumar Gupta
Non-Executive Non-Independent Director



Ameet Kumar Gupta
Whole-Time Director



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



Siddhartha Pandit
Whole-time Director



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



Puneet Bhatia
Non-Executive Non-Independent Director

MAINTAINS ITS INNOVATION EDGE AND INCREASINGLY ENABLES SOCIETY TO LIVE GREENER & BETTER. THE DEPTH AND DIVERSITY OF HAVELLS' BOARD ENSURES A VERY HIGH QUALITY OF GOVERNANCE, ROOTED IN ETHICS AND PRUDENCE, KEEPING THE COMPANY ON THE PATH OF SUSTAINABLE GROWTH.

Independent Directors



Pratima Ram
Independent Director



Jalaj Ashwin Dani
Independent Director



Upendra Kumar Sinha
Independent Director



Subhash S Mundra
Independent Director



B Prasada Rao
Independent Director



Vivek Mehra
Independent Director



Namrata Kaul
Independent Director (Additional)



Ashish Bharat Ram
Independent Director (Additional)

Notes:

1. *With effect from 20th January, 2021, Smt. Namrata Kaul was appointed as an Additional Director (Independent) subject to approval of the shareholders at the ensuing AGM of the Company on 30th June, 2021*
2. *With effect from 20th May, 2021, Shri Ashish Bharat Ram was appointed as an Additional Director (Independent) subject to approval of the shareholders at the ensuing AGM of the Company on 30th June, 2021*

Our Strategic Business Objectives

WE HAVE DEFINED 8 STRATEGIC OBJECTIVES AND CONTINUE TO WORK TOWARDS THEM TO PENETRATE DEEPER INTO OUR CONSUMERS' HOME.



Brand Reinforcement

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

Product Extension and Expansion

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

Proximity to Consumer

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

In-House Manufacturing

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

Financial Management

- Maintain lean balance sheet accommodating growth and acquisitions
- Cost rationalisation and Net cash positive

Digitisation

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

Strengthening Lloyd Business

- To establish it as a "Mass Premium Segment" brand
- Leverage own production capacities to strengthen offerings
- Expanding product portfolio

Sustainable Business

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



OUR OUTLOOK ON INDUSTRY

Segment wise outlook on industry has been covered in detail in Management Discussion and Analysis section of this report.

Risk Management Framework



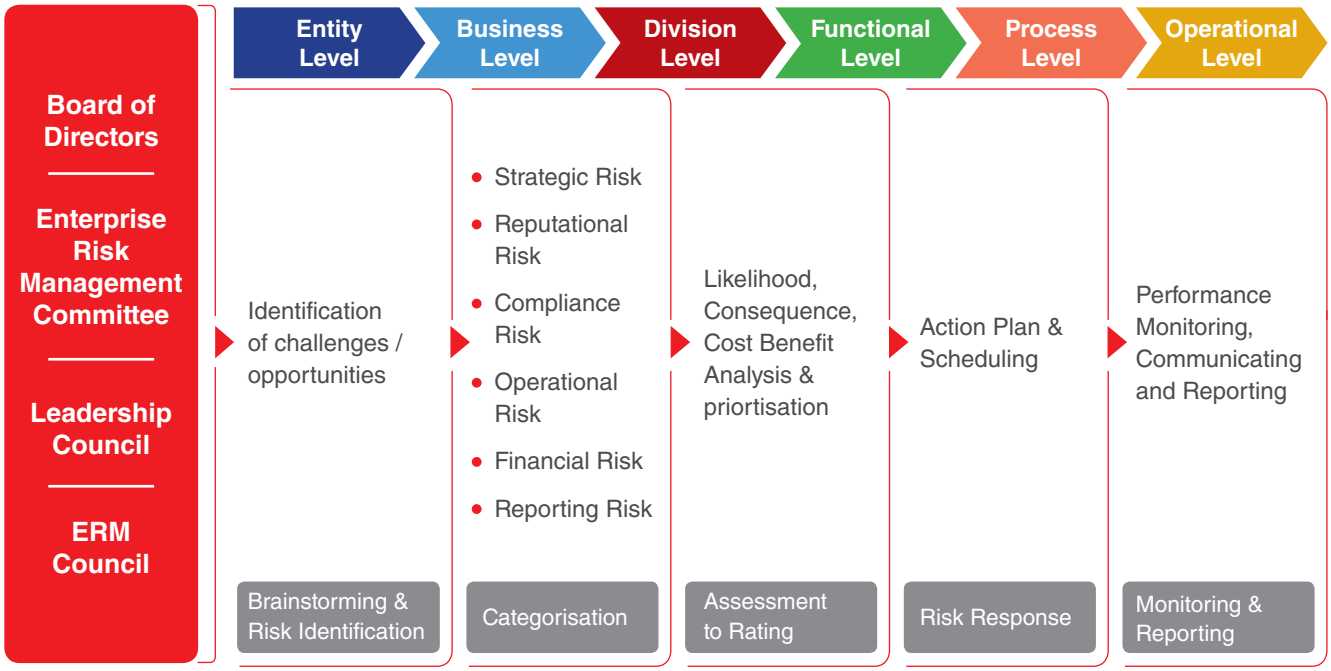
AT HAVELLS, OUR STRONG GOVERNANCE AND BUSINESS STRUCTURE, WITH STAKEHOLDER INTEREST AT THE CORE, MAKES US COGNIZANT OF THE RISK THAT OUR BUSINESS FACES.

COMPANY HAS WELL ESTABLISHED ENTERPRISE RISK MANAGEMENT FRAMEWORK TO ENSURE ACHIEVEMENT OF ITS STRATEGIC OBJECTIVES. INTERNATIONALLY ACCEPTED FRAMEWORK, ISSUED BY THE COMMITTEE OF SPONSORING ORGANISATIONS OF THE TREADWAY COMMISSION (COSO), IS CONSIDERED AS A SELF-BENCHMARKING FOR COMPANY'S ENTERPRISE RISK MANAGEMENT FRAMEWORK.

Our integrated risk management framework provides an enterprise-wide view i.e., from entity to operational level with a top-down and bottom-up approach, focussing on leveraging next-generation technology, informed decision-making process and culture of no surprise.

Our objectives towards ERM is to minimise adverse impacts and to leverage market opportunities effectively and efficiently, which helps to sustain and enhance short & long-term competitive advantage to the Company.

The Risk Management coordinator works with all the business and functional teams on a regular basis for performance monitoring of the execution plan and identification of the emerging risks. An update on enterprise risk management is presented to the ERM Council and Leadership Council on a periodical interval, and is subsequently presented to the ERM Committee of the Board of Directors.



Risk Assessment Matrix

Risk Category	Key Identified Risks	Likelihood (A)	Possible Impact (B)	Velocity (C)	Overall Rating (A*B)+C
Strategic	Risk of business disruption due to Black swan events	Less Likely	High	Very Rapid	High
	Risk of geographical and channel concentration	Likely	Medium	Slow	Medium
	Risk of timely leveraging technology to meet customer expectation and risk of technical obsolescence	Less Likely	High	Slow	Medium
	Third-party dependence for critical technology	Likely	Medium	Slow	Medium
	Cyber threats and risk of Information Security	Likely	High	Very Rapid	High
Reputational	Risk to brand positioning	Likely	High	Rapid	High
	Risk due to digitalisation and social media	Likely	High	Very Rapid	High
Financial	Risk of supply disruption and inventory obsolescence	Less Likely	Medium	Rapid	Medium
	Risk relating to commodity and currency fluctuation	Likely	High	Very Rapid	High
Compliance	Intellectual property infringement and counterfeit products	Likely	High	Rapid	High
	Non-compliance risk - statutory and other provisions	Less Likely	High	Very Rapid	High
Operational	Risk relating to Environment, Social & Governance (ESG)	Likely	High	Very Rapid	High
	Risk of import dependency	Likely	High	Rapid	High
	Risk of employee attrition	Likely	Medium	Slow	Medium
	Risk on Brand reputation on account of customer service	Less Likely	High	Slow	Medium
	Risk relating to quality assurance	Less Likely	Medium	Slow	Medium

Likely | Less Likely | Very Rapid | Rapid | Slow | High | Medium

Key Risks and Their Minimisation/Optimisation Plan

We have mapped our risk and mitigation actions to respective capitals. Summarised action taken status with respect to top identified risks are given below:

Geographical & Channel Concentration

Risk for having Geographical and Channel Concentration w.r.t key Product Categories, Customers and Geography

Risk Response

- Over the last few years, the Company has adopted a focussed approach towards expanding its reach in Tier II, III and rural markets under the **Rural Vistaar** initiatives.
- Hitherto, we have achieved 2,500 Rural Distributors covering 27,000 outlets.
- We created a separate team to focus on MFR/RR, CPC/CSD and E-Commerce and adopted DMDC (Different models for different channels) to avoid conflict with existing channels.

Technological Obsolescence

Risk of timely leveraging technology to meet customer expectation and risk of technical obsolescence



Risk Response

- The Company has taken multiple initiatives to address the challenges on account of technological obsolescence and to meet customer expectation like:
  - Introduced BLDC (Brushless DC) fans
  - Launch of Silencio - Quietest Juicer Mixer Grinder (50% reduced perceptible noise)
  - Advanced Engineering Plastic developed for Reo Elegant switches
  - High recovery / Flow point-of-use Water purification system (55% water recovery)

Brand Positioning and Impact of digitalisation and social media

Risk to Brand Positioning and Impact of Digitalisation and Social Media



Risk Response

- The Company keeps track of Brand Perception and continuously conducts brand audit and monitors brand health parameters
- The Company has implemented online reputation management (ORM) system and a state-of-the-art integrated digital command centre where feedback, post and complaints are monitored and responded on a real-time basis

Compliance Risk

Legal and Statutory provisions



Risk Response

- The Company has zero tolerance policy against non-compliance
- Mapping of applicable compliances through Control Manager
- Advance alert to concerned stakeholders
- Periodical compliance status along with exception (if any) reported to Senior Management, Audit Committee and Board of Directors

Protection of Intellectual Property Rights

Intellectual property infringement and counterfeit products



Risk Response

- There is a defined mechanism to protect our intellectual properties like trademarks, logos, patents, and aesthetics of products by registering under relevant acts.
- To protect our brands, we are taking appropriate action by initiating civil & criminal actions both domestically and globally

Procurement Management

Risk relating to fluctuation in Commodity prices, Currency and Import dependency



Risk Response

- The purchase of major commodities, such as Copper, Aluminium, Steel, and Engineering Plastics is based on the average price model, linked to the London Metal Exchange (LME) or related indices
- The average price is further benchmarked against current market prices (domestic/global) periodically
- Alternate sourcing avenues are identified for critical parts and raw materials for appropriate de-risking
- Accelerated localisation plan is initiated to reduce import dependency

Customer Service and Spare Management

Risk on Brand reputation on account of customer service



Risk Response

- There is established mechanism to address customer complaints on priority
- Monitoring customer loyalty cum satisfaction index through NPS methodology
- Use of Automation and enhanced technology for better customer experience
- Service personnel are given online and offline trainings on technical aspects and soft skills to improve service quality

Supply Disruption

Risk of Supply Disruption and Inventory obsolescence – Business continuity



Risk Response

- Prepared a disruption calendar of foreseen and unforeseen events and an action plan is prepared to reduce impact of disruption
- Response and mitigating actions codified into SOPs for advance preparedness and quick response
- Integrated, synchronised and visible supply chain for quick response to disruptions

Quality Assurance

Product life cycle management, Manufacturing process maturity, Supplier quality and product performance



Risk Response

- Established Integrated Quality Risk Assessment framework:
  - Application-based product validation
  - Transportation torture test
- Manufacturing process strengthening through:
  - Built-in-Quality (BiQ)
  - CTQ workstations
- Direct-on-Line (DOL) for components supplier, Critical part management

Information and Cyber Security

Data Protection, End-point Security, network and application security, business continuity, disaster management and IT security governance



Risk Response

- Well-defined cyber security architecture is in place
- Next-generation (including AIML based) security solutions are used to protect cyber threats. For e.g.:
  - Advance email phishing and threat protection
  - Next-gen antivirus with behavioural analytics
  - Endpoint detect and response (EDR) to protect from "**zero day**" attack
  - Data encryption
  - Use of VPN and VDI for 'WFH'
  - Implementation of Privilege Identity Management
  - Implementation of Multi Factor Authentication (MFA) for critical apps (Email, Microsoft Teams, OneDrive)
- Appropriate focus is given on BCDR (Business Continuity & Disaster Recovery)

Environmental, Social & Governance (ESG)

Risk relating to Environment, Health & Safety



Risk Response

- All our manufacturing plants are ISO 45001/OHSAS18001 certified
- Global Benchmarking is done w.r.t. Environment, Health & Safety
- As part of CSR initiatives, 11.5 lakh trees have been planted
- IGBC Gold Certificate awarded to Alwar plant for the Green Factory Building

Our Business Model

OUR BUSINESS MODEL IS BASED ON OUR VISION TO PROVIDE SUPERIOR ELECTRICAL AND CONSUMER DURABLE PRODUCTS DELIVERED BY SKILLED PEOPLE. CUSTOMER-CENTRICITY CONTINUES TO REMAIN THE CORE OF OUR BUSINESS. THE OPERATIONS ARE WITHIN THE BOUNDARY CREATED BY OUR CORE VALUES WHICH GUIDE AND ENABLE US TO LEVERAGE OUR PILLARS OF GROWTH IN CREATING SUSTAINED VALUE.

Inputs (FY 2020-21)

Financial Capital

Equity	₹ 5,164 crores
Cash (net of debt)	₹ 1,438 crores
Capital Expenditure	₹ 219 crores

Manufactured Capital

Manufacturing plants	14
Warehousing space in Sq. ft.	2.5 million sq ft (incl. temporary storage during season)
Gross Block Value	₹ 2,739 crores

Intellectual Capital

Total R&D spend	₹ 96 crores
1. Capital expenditure	₹ 5 crores
2. Operating expenditure	₹ 91 crores
No. of R&D Centres	10
R&D team strength	382

Human Capital

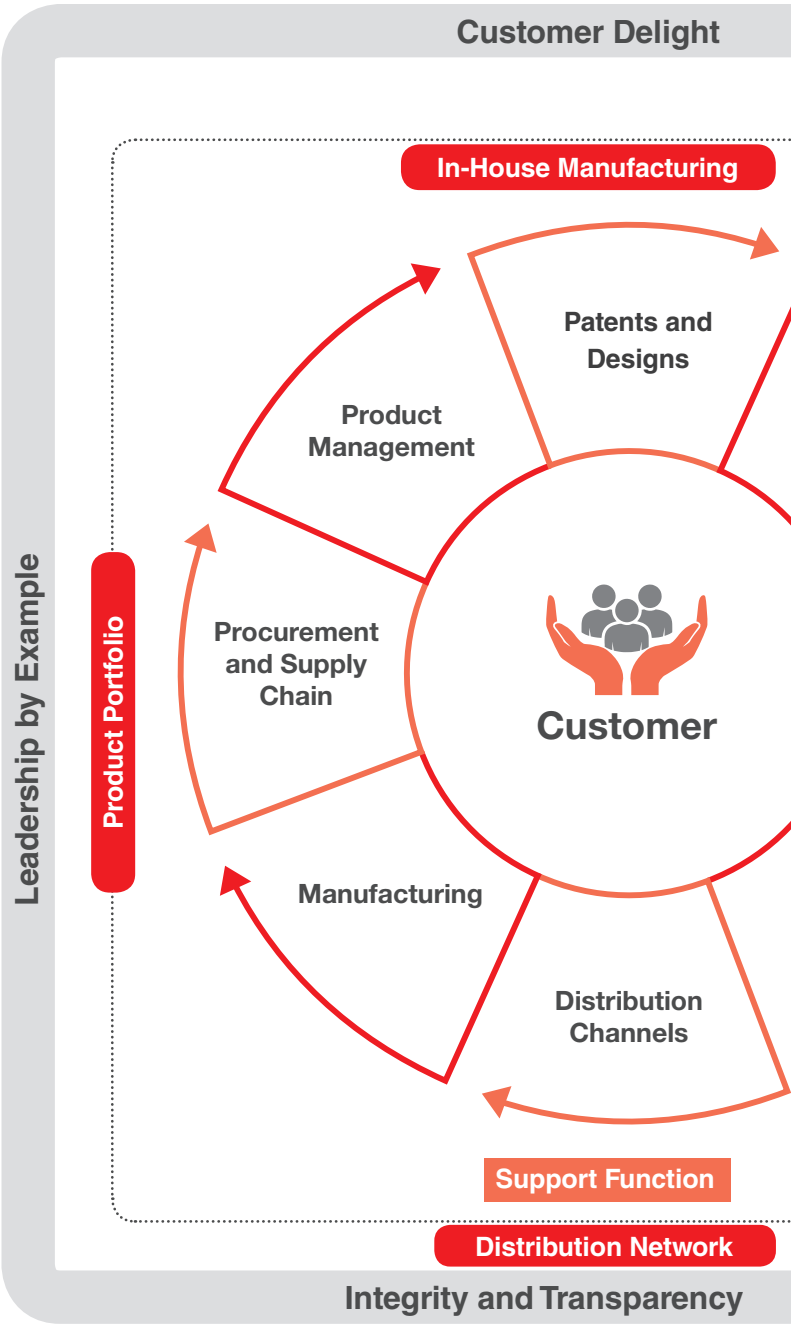
Total permanent employee count	5,727
Total no. of training hours to permanent employees	25,500+
No. of New Hires	911

Social & Relationship Capital

No. of Dealers	~14,270
No. of Retailers	~1.80 lakhs
No. of Electricians	~1.50 lakhs
Suppliers base	1,965
No. of MSMEs having business relationships	414
% of procurement spent on domestic suppliers	76%
CSR spend	₹ 21 crores

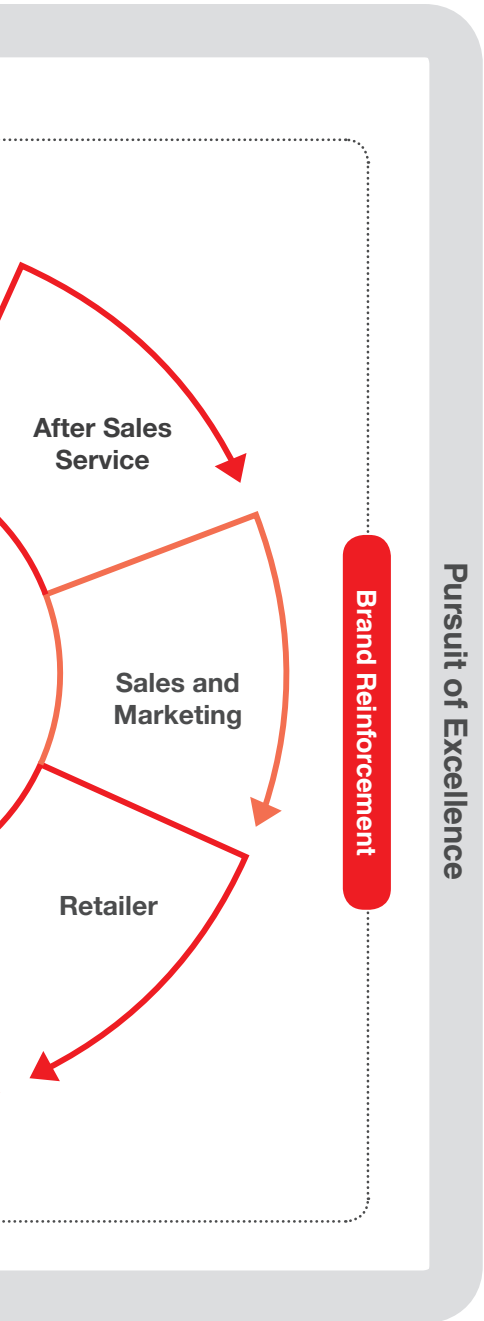
Natural Capital

Energy consumed	191674 MWh
Solar plants capacity	5.6 MW
Renewable energy consumed out of total electricity	8.5%
Tree plantation	
Recycling of Water	
E-waste disposal	



THE SIX CAPITALS FEED THE DESIRED INPUTS TO THE BUSINESS MODEL, TO GENERATE OUTPUT AND CREATE OUTCOMES TOO; WHICH IS THE ESSENTIAL VALUE CREATION.





Outputs

Key Products

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

Outcomes

Financial Capital

Turnover	₹ 10,428 crores
EBIDTA	₹ 1,565 crores
PAT	₹ 1,040 crores
Dividend payout ratio	39%
Contribution to exchequer	₹ 2,438 crores

Manufactured Capital

No. of product categories	21

Intellectual Capital

Number of new SKUs launched	4,766
No. of patents and designs filed	123

Human Capital

Permanent Employees trained	2,682
No. of occupational fatalities	Zero

Social & Relationship Capital

Distribution of sanitary pads to school girls	66,000+
Total no. of suppliers accessed on sustainability aspects	256
Net promoter score	64%

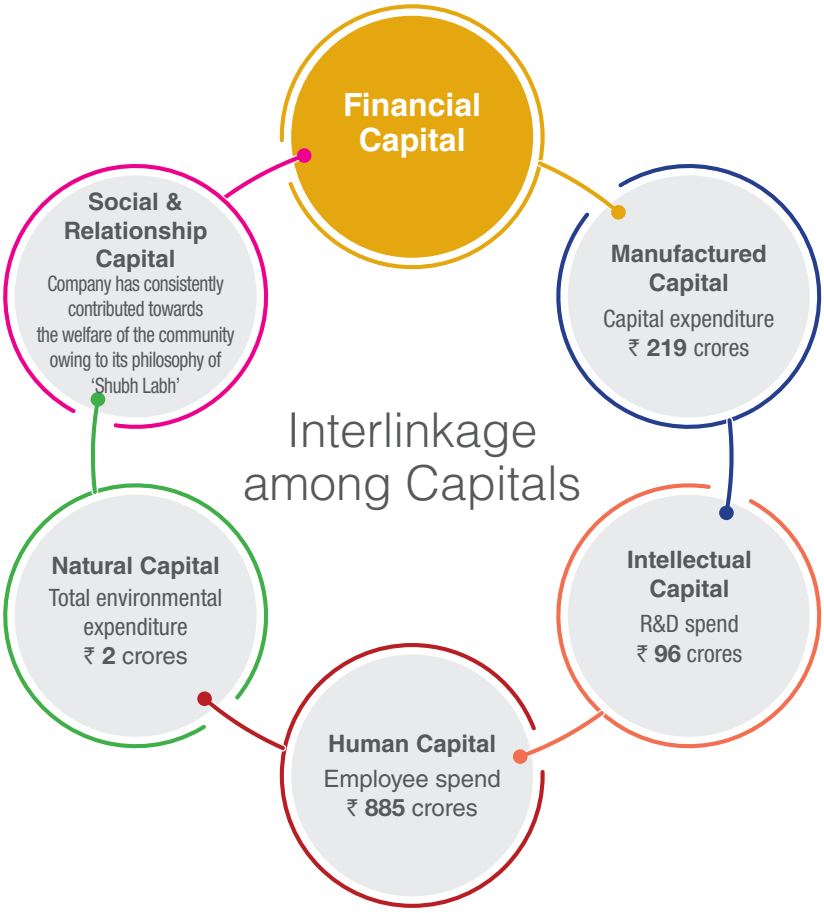
Natural Capital

CO_2 emission intensity reduction	47% w.r.t baseline FY 2015-16
Green energy generated	6577.8 MWh
% Total waste recycled	94%
Number of saplings planted	5 Lakhs+
Water recycled	0.059 Mn Cubic Meter
Achievement in e-waste disposal against target	105%

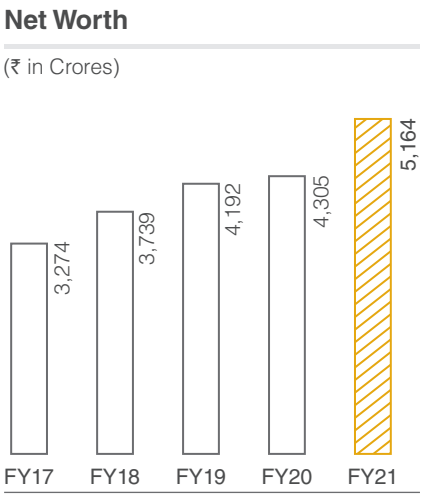
Financial Capital

Financial Capital strength is an important foundation for building a sustainable and long-lasting organisation. At Havells, we have always focussed on continuously building a strong financial capital framework while utilising the financial resources prudently and ensuring availability of capital for funding growth over the years. Last financial year was a unique year which required both abundant caution for initial few months given the unprecedented challenges posed by the pandemic onset and then a full throttle business acceleration and growth opportunity for the rest of the year. Accordingly, Havells adopted a very nimble-footed approach to the situation with several key initiatives:

We emphasise on building a strong financial capital framework, even as we make use of our financial resources prudently. During the year under review, the challenges in the backdrop of the Covid-19 outbreak were followed by a full throttle acceleration in business and opportunities for growth for the remaining part of the year.







Ensuring adequate liquidity:

A comfortable cash position was created not only with bank borrowing but also by organisation-wide sharp focus on reducing non-essential spends.

Supporting stakeholders:

Havells' prudent financial management ensured timely payment to all stakeholders like the employees, vendors and need-based credit support to the customers.

CFTs formation to drive specific & well-defined outcomes:

Various Cross functional teams (CFTs) were formed early on in last financial year with specific focussed objectives related to many key areas including bringing cost efficiency across the organisation. This format ensured a wider cross functional participation and quick decision-making. These CFT also came up with various 'new ways of workings' with dual objective of improving ease of doing business within the organisation and bringing overall efficiency.

Digital adoption:

COVID made us realise that various activities hitherto thought of as in-person activities only, can progress remotely - with significant productivity benefits resulting in lesser travel & administration costs. Interesting concepts such as 'E-travel', digital launches and channel meets etc. were adopted to maintain continuity of connect with trade partners and business development.

Automation:

During the year, Company has also implemented various Robotic Process Automation software (RPA) for performing some of its rule-based office tasks in the finance and accounts function with an intent to reduce cycle time and drive efficiencies further.

Capex:

In order to preserve precious liquidity all non-critical Capital Expenditure for the year were truncated, however, all essential and critical expansion plans were fully supported. Net Capital expenditure for the year was Rs. 219 crores.

Strong Balance Sheet:

Net worth at the year-end is Rs. 5,164 crores, an increase of Rs. 860 crores during the year. Healthy working capital maintained throughout the year to support growth. Cash & Bank balance and Current Investments of ₹ 1,931 crores as at the end of the year reflect robust liquidity.

₹1,040 CR.

Net Profit

₹1,931 CR.

Cash and Bank Balance & Current Investments

₹219 CR.

Net Capital Expenditure

Manufactured Capital

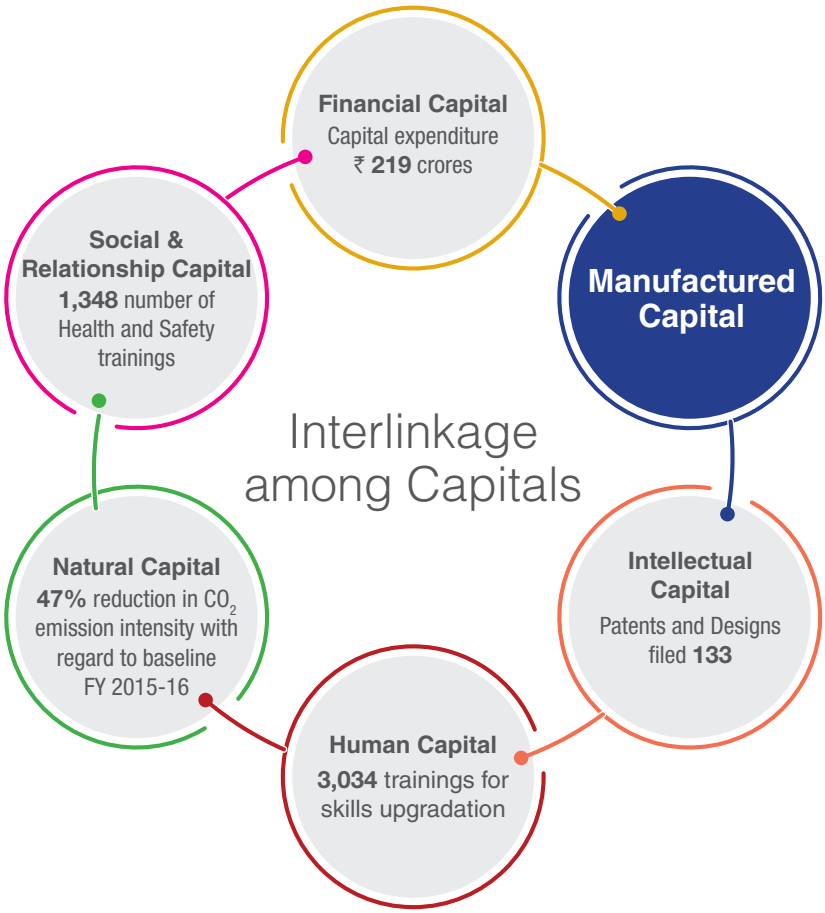
Substantial investments in purchase, development and maintenance of plant and equipment have given us the capacity to generate long-term returns. We deliver value by promoting technological innovation at our plants, and through their performance and development of capacity.





Daily temperature scanning of workers at the time of entry while maintaining social distance

We aim to utilise our manufacturing resources efficiently. During the year, our single-minded aim was to improve our management practices and to nurture our people skills at the manufacturing plants. We are taking several initiatives at our facilities, which have helped develop a strong base for establishing cost-effective options.



Our Manufacturing Facilities

1. Cable Plant, Alwar, Rajasthan

The plant in Alwar, which is now completing 25 years, is India's largest integrated plant for manufacturing cables and wires. The new site of Wires plant has been certified as IGBC Gold-rated Green Building. Constructed on sustainable architecture and design concepts, the plant aims to reduce its environmental impact through green concepts and techniques. It has installed the 4th generation energy-efficient Maillefer Extruder with proven European technology, which guarantees excellent centricity and highly stable product with homogeneity at the speed of 1200m/min.This plant has also been awarded as the 'Best Employer by Employers' Association of Rajasthan (EAR) for its excellent business practices and people empowerment. The new state-of-the-art Buss Kneader plant delivers diversified process engineering applications with high quality PVC compounds.

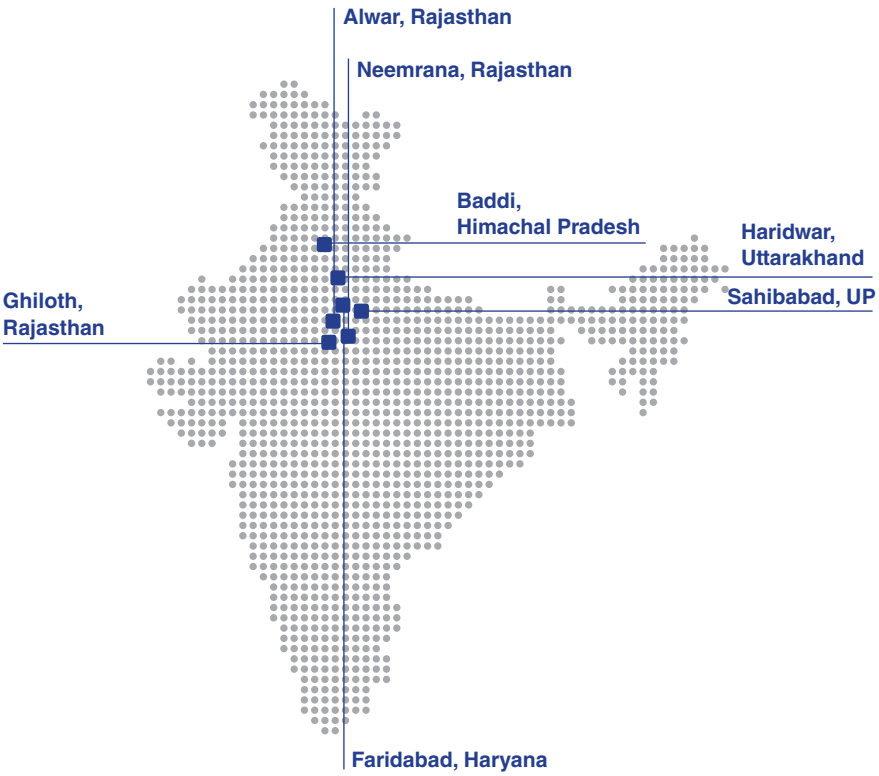
2. Water Heater Plant, Neemrana, Rajasthan

This most modern manufacturing set-up of Water Heaters in India has been integrated with saving on manpower and space, bringing it on par with global standards and making it capable of shifting to Industry 4.0. It is most compatible to have artificial intelligence and its modernised and integrated enamel coating section contains advance castings and has the capability of running 24/7. The MiG welding machines are energy-efficient with latest inverter-based technology and pulse mode, while the projection welding machines are also aligned with the latest technology.

3. Power Capacitor Manufacturing Plant, Sahibabad, Uttar Pradesh

This is India's first automated magnetic contactor assembly line with a capacity to manufacture 1.5 million contactors per annum. The plant is equipped with state-of-the-art fully automatic testing machines and enables real-time basis data capturing and sharing through cloud. In the previous year, the plant had entered into a technical collaboration with Hyundai Korea for magnetic contactors and MCCBs to manufacture world-class products.







BUSS Kneader plant

Attaining operational excellence

The manufacturing plants conducted a special drive to inculcate operational excellence during the year, termed as WoW (Ways of Working), with a time bound target-oriented approach. Based on a four-pillared approach, a sub-taskforce was created for each plant which trained employees to follow a standardised approach. The journey will help in optimum utilisation of machines and equipment. The drive enabled plants to measure their current efficiency levels. It also worked on making the plant operations more effective and eliminating the losses.

Through MOST techniques, plants measured manpower utilisation and productivity. By way of knowledge sharing, the plants worked on horizontal deployment of techniques like energy saving and special processes. As a part of digitisation, efforts were taken on improving efficiency, reducing skill dependency and implementing MES.

45-50%

Measure of performance in plants prior to OEE*

70%

Measurement of performance post-OEE*

**OEE - Overall Equipment Effectiveness*

OUR FOUR-PILLARED APPROACH

- Improving plant and machinery equipment efficiency through OEE Drive
- Learning from each other in developing best practices across the plants
- Improving manpower efficiency of operators through MOST
- Digitisation





KEY ELEMENTS OF COST OPTIMISATION

- Improving plant efficiency and productivity
- Implementing value engineering in products and processes
- Reducing cost of procurement through alternate sourcing, localisation and negotiation

Cost optimisation

Havells undertook cost optimisation at all its manufacturing facilities. Based on suggestions from the nominated team, the manufacturing facilities revalidated operational and manpower efficiency and aimed at improving localisation to reduce dependency on imports. We fully achieved the cost-optimisation measures planned for the year under review.

Managing Covid-19 at the manufacturing plants

As the COVID-19 induced lockdown ended in May, an urgent priority was to keep the factory workers safe. Providing a secure manufacturing environment and giving employees the confidence to return to work was crucial. While we maintained hygiene and physical distancing, we formulated SOPs to establish operational procedures / protocols for resuming work at the manufacturing units once the lockdown was lifted.

All SOPs aimed at preventing and controlling the spread of Covid-19 were adhered to at all the manufacturing facilities to make the employees, apprentices, contract workers and stakeholders feel safe and secure. We used Artificial intelligence to monitor social distancing in some plants. We also used camera feeds of employees at work, which once uploaded onto the cloud, issued an alert to the Safety Officer, in case a worker broke social distancing guidelines.

We focussed on four key areas to help Plant Leaders navigate the transition from initial crisis response to the "next normal":

1. **Protecting the workforce:** We formalised and standardised operating procedures, processes and tools to keep workforce safe. We built workforce confidence through effective, two-way communication and addressed their concerns through flexible adaptation.

2. **Managing risks to ensure business continuity:** We anticipated potential changes and modelled the way a plant should react ahead of fluctuations to enable rapid, fact-based actions.

3. **Driving productivity at a distance:** We continued to effectively manage the plant's performance, while physical distancing and remote working policies remained in place.

4. **Developing skilled manpower:** Due to the pandemic situation, public transportation was affected and there was a severe shortage of migrant labour. Plant leaders developed teams, trained and nurtured them according to the industrial culture and brought them to the desired skill level.



KEY LEARNINGS

- Paperless working
- Mistake proofing of critical operations to minimise dependency on human factor
- Regular health monitoring
- Use of Artificial Intelligence
- Use of IT in organising virtual meetings and interactions
- Effective use of mobile apps

Intellectual Capital

The cumulative value of Intellectual Capital that Havells has refined over the years drives our evolving business strategy. Our Intellectual Capital includes our industry insight, competitive intelligence, understanding of markets and customers, logistics management and our human assets. Building on to the other five capitals, this capital enables us to remain sustainable and serve the customers with better quality and innovative products.

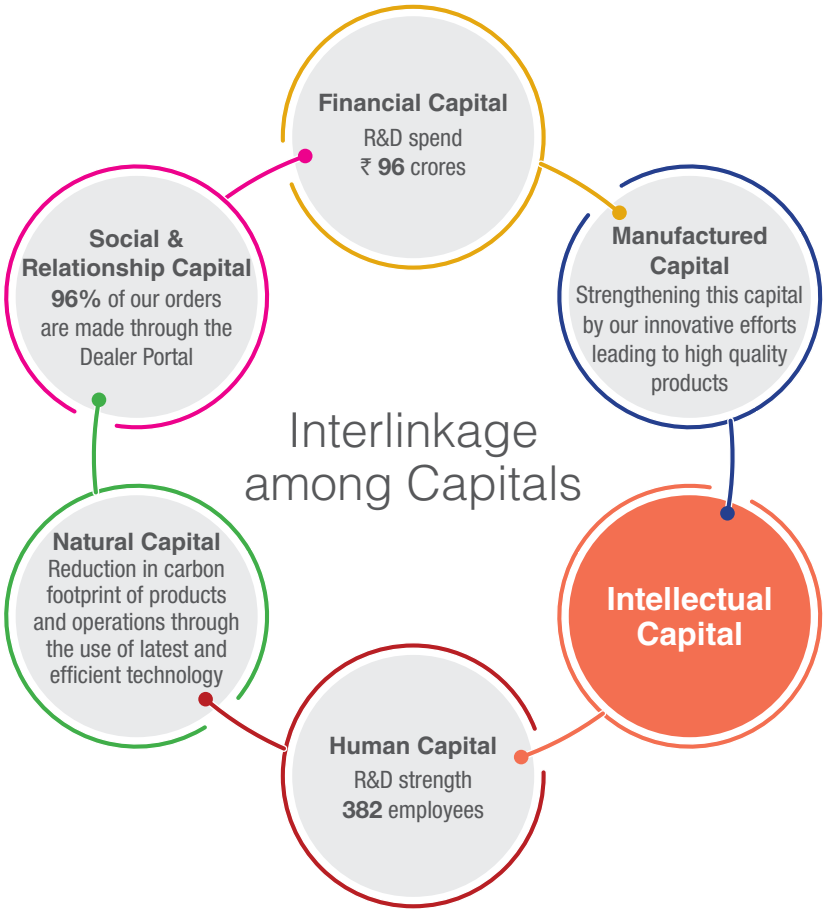
At Havells, Intellectual Capital is manifested in the knowledge base we have created over the years. It is one of the core pillars of our Enterprise Risk Management (ERM) strategy.

We use technology as an enabler and collaborate with our customers, vendors, academia and employees to enrich this capital. We democratise the technology by making it easily amenable to our consumers through enriched product designs and features.

Strengthening our competitive market positioning through Intellectual Capital

1. By consistently innovating and improving our products, services and manufacturing processes.
2. By blocking competition from copying our ideas. We do this by protecting our intellectual property primarily through patent filings and design registrations.

Readying digital transformation of our operations and processes to cater to the emerging needs of our business and the disruptive nature of technology has been a key focus area for us. We aim to create and deliver sustainable products - from usage to safe disposal.



4,766

New Stock Keeping Units (SKUs) launched

686

Total number of patents and designs

Innovate for Customer Delight

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

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

In order to provide a seamless, easy-to-use and superior experience to our consumers, UX design specialists in CRI-CXD developed the Havells Sync app. This was done through the process of design thinking and by utilising in-depth research tools and customer insight driven methodologies. The App caters to all of Havells brands for service, IoT products and e-store from a single touchpoint.

119

New designs filed in FY 2020-21

14

New patents filed in FY 2020-21



CUSTOMER EXPERIENCE & DESIGN



Awards received



Two Red Dot Awards



Four CII Excellence Design Awards



Seven India Design Mark Awards



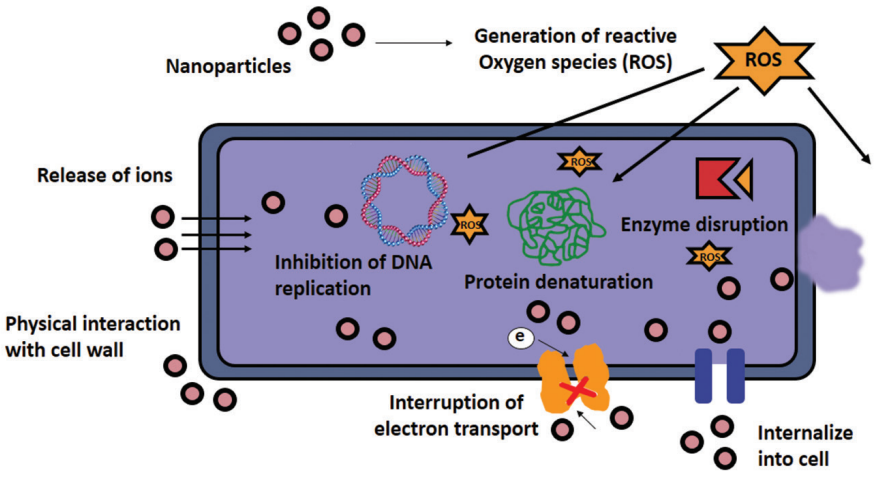
Innovative Applications of Materials

Materials technology is a cornerstone for all our innovations and we are continuously investing in building new competencies and infrastructure for this technology. We pioneered the launch of anti-bacterial anti-fungal Switches and Sockets in the Electrical Wiring and Accessories (EWA) segment, augmenting the existing Crabtree range. The nano-sized metal oxide-based technology provides "Safe Touch" against transmission of harmful microbes, including fungi that causes healthcare associated infections, with 99.99% efficacy. The inorganic nanoparticle produces reacting oxygen species (ROS) that damages the DNA, cell membranes and other vital components of the microbes.

We have launched several new initiatives to explore the use of different engineered materials to optimise energy and material consumption, in line with meeting the goals of sustainable product development. We catapulted the REO Elegant range of electrical switches using advanced engineered plastics. These products are light weight, easy-to-process and are recyclable and are environmentally safe.

30%

Energy savings from range of electrical switches of Reo Elegant



Alternate to Copper in Electrical Industry

With the growing demand of copper and its availability to meet the growing industry demand, there is a need to work on alternative and sustainable conductive materials at par with copper in performance. These materials need to have a smaller energy footprint, should be capable of operating in a harsh environment (corrosion resistant) and need to be environmentally safe.

"Soch"
Customers and Vendors

With an objective to encouraging the spirit of innovation, we created a dedicated platform "Soch" to invite suggestions from our stakeholders on innovation. The platform is fast gaining popularity with an increasing number of responses.



"Quality Circle"
Grassroot Employees

Through this initiative, we encourage cross-functional teams from the shop floor to come together and recommend improvements in products.



"Technology"
for Growth

Internet of Things, Cloud Computing, Artificial Intelligence and Machine Learning, digital transformation, immersive realities and green technologies are major areas of technological investment.



Human Capital

Human Capital refers to the strength of our employees including their health and well-being, expertise, experience, innovative capacity and attitude. We strive to cultivate and harness the power of our employees' passion and commitment, and differentiate ourselves through our people-centric approach to the business. Our focus in FY2021 has been to continue to transform our culture, making Havells a 'Great Place to Work' with people and skills to grow the business.

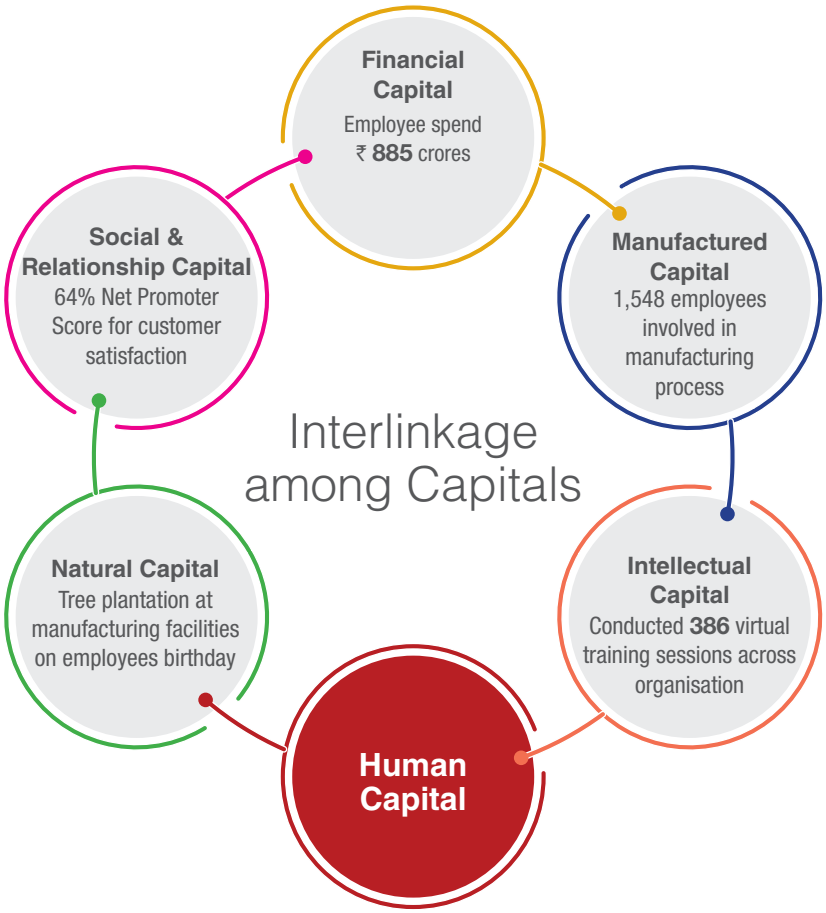
The year under review had indeed been a challenging one as the world witnessed the first-of-its-kind black swan event with the outbreak of the Covid-19 pandemic. However, the Havells family displayed great resilience, agility and entrepreneurial zeal in serving its customers during the tough environment.

Outreach by CMD

The year changed the world and the way we operate, bringing in new challenges, outlook and opportunities. However, one thing that remained constant was our commitment and compassion towards our employees and their well-being. At a time when several organisations, per force, took drastic measures to remain cost competitive, we fully supported our employees and ensured their well-being to the best of our abilities. We remain committed to promote a culture of togetherness and team spirit, along with a professional working environment, to reward the inhouse talent.

During the Covid-induced lockdown, as employees were concerned about their own health and well-being and the future of their families, our CMD Shri Anil Rai Gupta utilised the opportunity to address the employees. He engaged into regular online discussions with employees and tried to constantly motivate them to stay positive, committed and focussed to best serve the customer.

During the challenging times of Covid-19 pandemic, we provided complete support to our employees and ensured their well-being. Besides focussing on continuing a professional working environment, we focussed on promoting a culture of togetherness and team spirit.





Young Workforce

The average age of our 5,727 permanent workforce is 38 years. India being a young country, we wish to provide opportunities to youngsters. The average age of the 911 new joinees in the organisation is 29 years. We maintain a keen focus on talent deployment at our Centre of Research & Innovation (CRI) division. We recruited 373 engineers in this division with an average age of 34 years. This was much lower than the average age of the entire organisation. To ensure better diversity, 13.67% women employees were added in CRI, which is higher than the overall organisational percentage of 4.32%. We are also committed towards developing the skills of our freshers. We hired 369 apprentices during the year, which is 6.4% of the total hiring and way higher than the statutory limits.

38 years

Average age of permanent workforce

29 years

Average age of new hires

34 years

Average age in the CRI division

13.67%

Ratio of women employees in the CRI division

6.4%

Ratio of apprentice hired – Out of total hiring



Talent Development, Engagement & Retention

Amidst the changing scenario, we leveraged the opportunity to connect with all our stakeholders through the digital medium for upskilling and learning within the group and even outside. We conducted around 300 training sessions during the year, which was attended by 4,418 employees on MS Teams, including trade partners and end-users. These sessions included training on functional / behavioural and technical topics, in close coordination with our in-house experts from Business, CRI, Functions and Plants. This also included knowledge-sharing sessions on new technologies such as IoT and other advanced digital technologies.

Initiated "Buddy Program" for new employees in lower and middle level management for smooth induction and imparting them a better understanding about Company's value, ethics and culture

Buddy Program

115

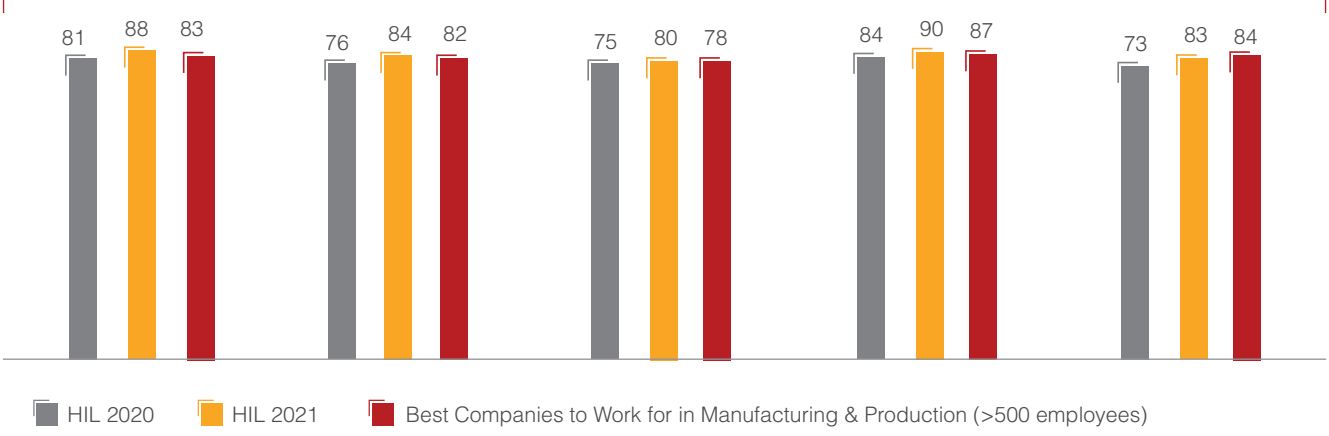
participants from Sales

Internal Job Posting (IJP)

250

jobs posted

Key findings of GPTW Survey



Providing Equal Opportunities

Havells is an equal opportunity employer. The employees within the organisation are evaluated solely on the basis of their qualification and performance. We provide equal opportunities in all aspects of employment, including retirement, training, work conditions, and career progression, among others. This reinforces our commitment that equal employment opportunities is a key element of our growth and competitiveness. Further, Havells is also committed to maintaining a workplace where each employee's privacy and personal dignity is respected and protected.

Great Place To Work (GPTW)

Despite the challenges of the pandemic, Havells participated in the 'Great Place to Work Assessment' during the year. It was certified as a 'Great Place to Work' for the second year in succession. The organisation has also been recognised among **'India's Best Workplaces in Manufacturing 2021' – Top 30.**

Out of 110 organisations in the manufacturing sector participating in the assessment, top 30 organisations were identified which excelled not only in people practices, but also in gaining feedback from their employees and creating a culture of high trust. This recognition showcases the solidarity and resilience of the Havells family, particularly in the current scenario where the ways of interaction and working is fast changing. This also reflects the pride and passion of our teams to achieve greater heights. We have been rated higher vis-à-vis the industry on most of the parameters.

Employee Welfare During Covid; New Way of Working; Digitisation

To deal with the COVID outbreak, we adopted a holistic approach to spread awareness amongst our employees through various platforms.

We reassured the employees that their safety is paramount to us and the organisation will do everything possible to safeguard their health and wellness. We were among the initial few organisations in India that announced reimbursement of the cost of Covid-19 vaccination for all direct and indirect employees.

Work from Home

Our factories resumed operations with strong compliance on hygiene and social distancing, along with other regulatory requirements. With social distancing becoming the new normal, we introduced **Work from Home (WFH)** facility for our employees and encouraged them to attend office only as per the roster. **Flexi-timings** as well as age and proximity-related relaxations were provided to enable employees balance home and work responsibilities suitably.

Proactive measures for employees during pandemic

- Workplace SOP and guidelines for Covid-19
- Dedicated Covid-19 helpline for information sharing and support
- Constant communication on preparedness and safety procedures
- Health support and guidelines
- Suggestive measures at home
- Awareness sessions at different locations involving local authorities

Samvaad

During the lockdown, an initiative called Samvaad was started with the help of health and wellness professionals in order to bring different perspectives on life: Health, Happiness, Karma, Work-life balance for employees and their families. A series of interactive virtual sessions helped our employees stay focussed and motivated during the unprecedented times and also work on their mental health and well-being.

Engaging with employees

- Havells Music Studio
- Lockdown Engagement Video

Increased digitalisation

To further emphasise and achieve our objective of online working, we moved a step ahead through digitalisation of our recruitment process and launch of an in-house e-recruitment solution by way of a portal.



PROCESSES HANDLED BY THE RECRUITMENT PORTAL

Shortlisting > Offer release

Interviewing > Digital acceptance of e-appointment letter

Approvals > On-boarding

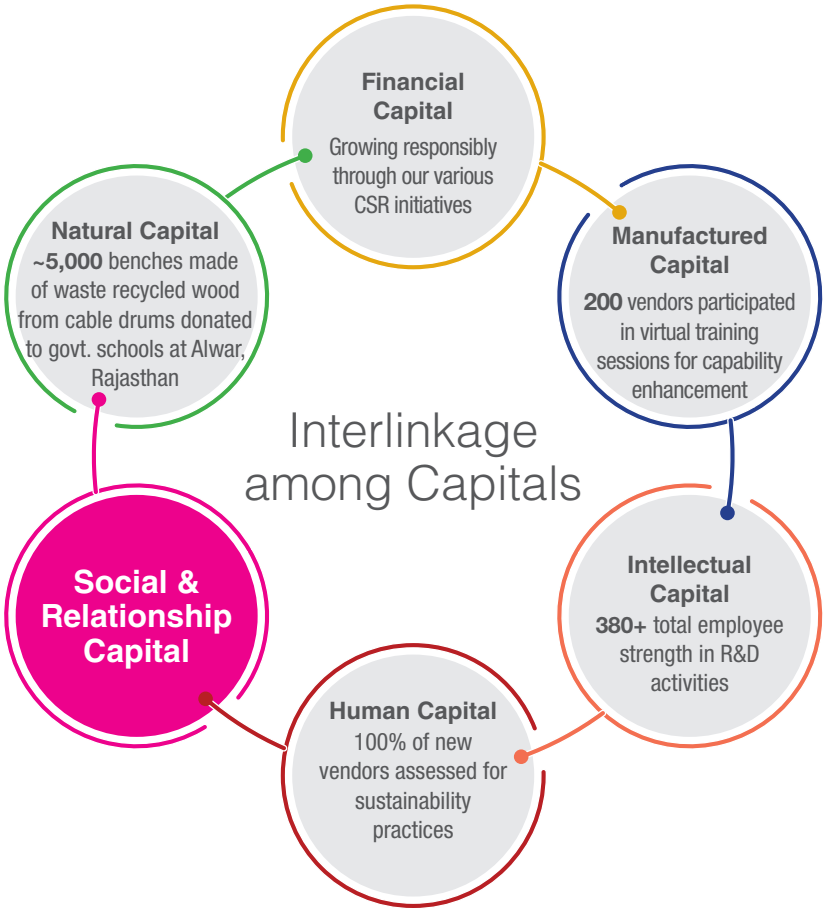
Social and Relationship Capital

Our business largely depends on our ability to create and sustain long-term and strong relationships with our customers, employees and the wider community. Through our approach, we find newer ways to engage with our customers and consumers, interact with stakeholder groups, support the growth of our communities, thus generating a positive impact on the society. This forms a part of our commitment to build and fair and more inclusive society.

At Havell's India, one of our major key attributes of the larger sustainability domain is "thriving with the communities". This single-minded focus became even more critical in 2020, as the entire world, including all the communities around us, were engulfed in the wave of the outbreak of the Covid-19 pandemic. We faced the challenging and tough times with great resilience and zeal. A few of the key initiatives we undertook during those times have been featured further in the report.

As we pledge our hands towards serving the society, our Stakeholders are a part of our larger family, and their health & safety is our key concern. The pandemic had a profound impact on our corporate social responsibility (CSR) initiatives. Facing the challenges and overcoming them even during adverse times showcases our commitment towards delivering our corporate social responsibilities in the most effective manner.

Our endeavour is to have a more profound impact on the world around us and go beyond our business focus to contribute to the well-being of all the stakeholders, including the community at large. Being a responsible corporate citizen, we have taken several initiatives in the areas of education, health and sanitation.



Resilient Social Initiatives

Mid-day Meals

One of our largest flagship CSR initiatives is the "Mid- day meal", which serves around 60,000 students in 693 schools in Alwar district, Rajasthan, on a daily basis. This was further enhanced to support people and migrant labourers in need of food and nutrition during the pandemic. More than 3.5 lakh meals were distributed in FY 2020-21. Till date more than 90 million meals have been distributed through this initiative.

~3.5 Lakh

Meals distributed to the needy FY 2020-21

60,000

Students served daily meals in 693 schools in Alwar (till date)

Water, Health and Sanitation

Through our WASH (Water, Health and Sanitation) initiative, we contribute to the United Nations' Sustainable Development Goals and Swachh Bharat Mission advocated by the Government of India. The initiative has gained immense significance in ensuring the overall development of children and their families in the areas of our intervention. Our key programmes include development and maintenance of bio-toilets in government schools in the district of Alwar and the distribution of reusable sanitary napkins to the girls.

128

Biotoilets constructed in FY 2021

60,000

Sanitary Napkins distributed to young girls in view of better hygiene and sanitation

Imparting quality education

We have partnered with Ashoka University, one of the most prestigious institutions in India, to develop and support education infrastructure for higher education. Focussing on our plan to strengthen the school infrastructure, we have donated over 2,500 education sets benefiting students in government schools in Alwar, Neemrana and Haridwar. These education sets are created out of waste recycled wood pallets in plants.

Environment protection

Foreseeing a vision of better and greener tomorrow, we planted 5 lakh tree saplings during the year, of these, 4 lakh saplings were planted at Bhopal, Madhya Pradesh, while the remaining 1 lakh were planted in Neemrana, Rajasthan.



5 Lakh

Saplings planted in FY 2021

11 Lakh+

Trees planted in last 3 years

Supply Chain

At Havells, we have adopted a progressive approach towards enabling a sustainable supply chain. Our aim is to create and cascade sustainable practices that flow smoothly throughout the supply chain or supply network. Our Supply Chain approach involves integration of regulatory compliances, financial viability, environmental and internal business drivers to complete supply chain practices. These practices include product design development, procurement, manufacturing, packaging, warehousing and transportation, distribution, return and disposal.

We believe one of the key drivers for our sustainable supply chain is transparency and visibility. Warehouse and transport management system, digitisation and automation of tasks, shipment tracker systems like EPOD, DPOD and API with service providers, e-bidding and e-indenting, availability of dashboards and inventory visibility are some key initiatives that help build transparency and visibility into our supply chain. We believe in medium to long-term infrastructure development that is ahead of the curve in meeting the sustainable growth plans of the organisation.

With an ever-increasing define VUCA (Volatility, Uncertainty, Complexity and Ambiguity) world, we work on risk mitigation plans with our strategic partners and maintain strong partner connect to avoid any supply disruptions. We enable this through flexible and strong networks, plug and play supply chain, converting learnings into SOPs through disruption calendar, smart inventory build-ups and the iterative planning process.

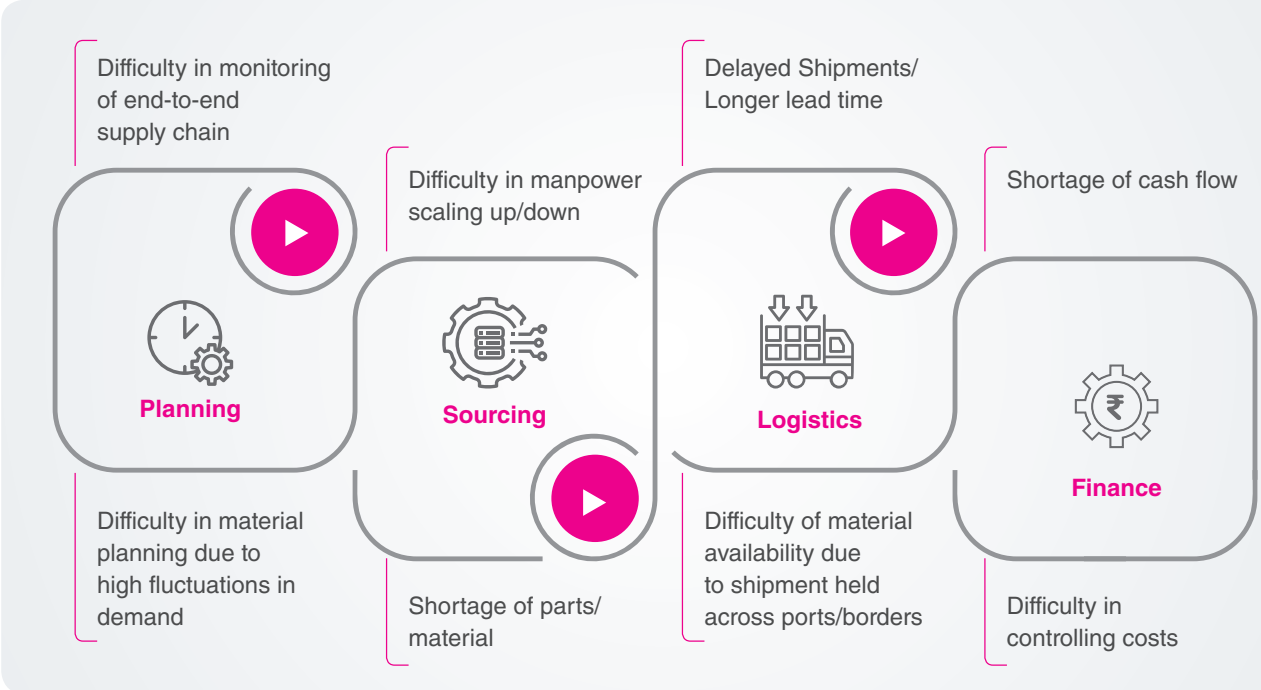
Supply Chain

The pandemic has led the organisation to prioritise its supply chain resilience significantly in order to adapt to the new normal. In order to react and adapt quickly to potential disruption, we made our supply chain more flexible and agile by enhancing our efforts in development of domestic sources and de-risking dependencies on overseas suppliers.

In the environment of new normal, survival is possible only with implementation of digital technologies. Hence, we moved from traditional to virtual mode and focussed on new capabilities of procurement. Technology played a much bigger role in implementation of our solutions as we faced the key challenges of handling risks, building collaborative resilience, financial crisis and technological upgradation. Our focus changed from being only cost effective to becoming economically and technically sustainable.

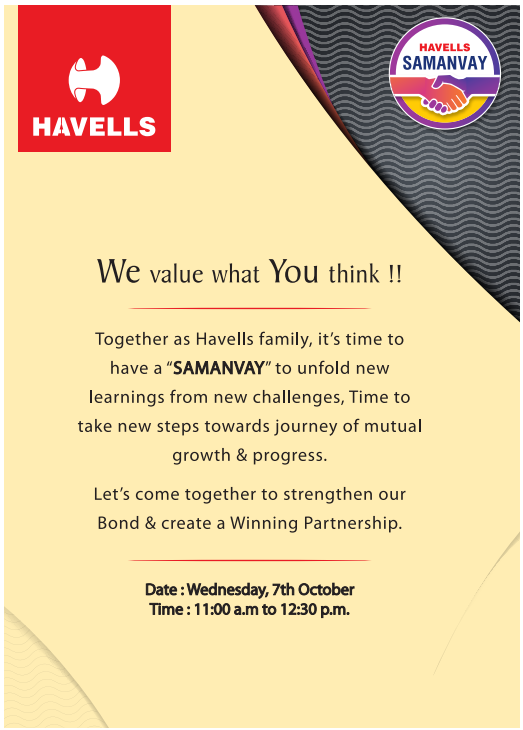
Increased competition in the global market drew attention towards the necessity for technology adoption and for an efficient supply chain innovative network. We maintained our focus on integrating, strategising, and planning to reassess and developing new platforms across functions. This further helped us effectively utilise our advanced digital platforms.

Challenges in Supply Chain



As part of the "Samanvay" Vendor Meet, the Chairman and Directors shared Havell's vision, its future growth and integrity practices with around 150 suppliers.

During the period of Covid-19 related lockdown, we kept our suppliers engaged through virtual meetings in order to increase their awareness on quality practices, environment regulations and safety. We conducted 7 Vendor Training sessions with around 200 suppliers and continues to conduct business with more and more business partners. As the vendor fraternity was facing cash flow crisis during Covid times, we extended our support to them and made timely and full payments in order to help them recover from the crisis quickly which further strengthened our supply chain.





Principles to maintain resilience in supply operations:

Health and Safety
We defined guidelines for safety of manpower, including COVID-19 protocols.

Agility
We ensured preparedness for production schedules based on available inventories, rapid re-planning and scheduling to avoid supply disruptions.

Visibility
We handled inventories, demand and supply conditions, flexible logistics to enable smooth flow of material.

End-to-End Cost Transparency
We revamped procurement strategies to review cost drivers and have better visibility on costs and saving potential. During the lockdown, we reconsidered existing purchase orders and renegotiated contracts to optimise spend.

Localisation
We encouraged regional manufacturers and developing competent suppliers locally to reduce our transport costs.

Leveraging Technology
We enabled information technology into the supply chain for smooth and intelligent operations like WMS, TMS, Vendor Portal.

Sustainability
We assessed financial health, statutory compliances, Energy & Environment Management, and Safety & Fire compliance status of our suppliers.



Various initiatives undertaken with Vendors:

- Initiated process of electronic signing of Vendor Code of Conduct (VCoC) through Vendor Portal which highlights ethical, legal and environmentally responsible business practices.
- Initiated electronic signing of Quality Policy to make suppliers aware of company policies and procedures.
- Implemented sustainability drive to evaluate suppliers and mitigate risks related to statutory and regulatory, financial, fire and safety, energy and environmental compliance in Components and Finished Goods suppliers. Suppliers have been audited covering 80% of the business spend.

Relationship with Channel Partners

Valuing the channel partner relationship

We instilled confidence in the minds of our dealers by simplifying the corporate and product schemes to ensure that it was easier for them to start business again. We did not differentiate between small and big dealers and gave them the necessary push to reach the last mile.

Tech to connect

We engaged with our partners over multiple digital events. We also established a two-way communication channel to better understand their requirements.

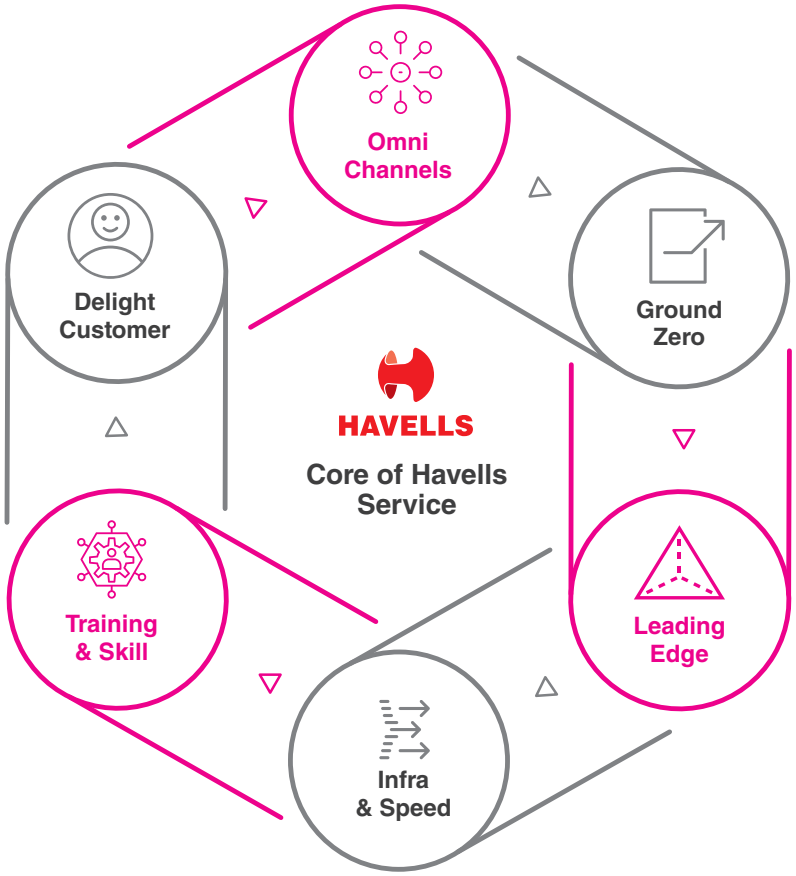
Going above and beyond

Our manufacturing plants, warehouses and sales teams worked cohesively round-the-clock to service our partners. As the lockdown was lifted and markets began opening up, the dealers returned the favour in spirit. We not only recovered all the sale back, but we also outperformed the previous year's sales numbers despite having faced challenging times during the year.

Customer Service

CARE360
ASSURANCE • REACH • EFFICIENCY

For Havells, customer experience is a top priority, and several initiatives are adopted to provide better customer experience during the pandemic. This led to the Company securing the industry's highest Net Promotor Score of 65%. Today, customers have full control over opening and closing a service request through the unique "Khushiyo Ki Guarantee".



SAKSHAM

The year under review witnessed the biggest challenge with restricted movement of people owing to the Covid-19 pandemic. It was indeed a great challenge in meeting the training and development needs. With the quick IT solutions, around, the entire training system was moved online and self-assisted. Through Saksham, our inhouse self-learning app, Microsoft Teams, we undertook over 91,000 man hours of training.

The lockdown led to closing down of customer care centres, resulting in a complete communication breakdown. However, with quick technology adoption, other online channels including WhatsApp were quickly made available. Through the unique video assisted on call resolution (OCR) programme, DIY (Do It Yourself) videos, the customers' needs were addressed seamlessly. We resumed our operations in May, 2020. Health and safety of the customer and employees was paramount to us. A Covid-19 protocol was developed and widely published to ensure customer comfort and safety.

Besides WhatsApp, we are using world-class CRM, Offline Technician App, Smart IVR and Automated Call Creation without the need for a physical agent. We are the first in the industry to have achieved this.



Natural Capital

Our business model involves converting natural resources into social and economic value. We actively support responsible manufacturing practices, robust resource management and strict regulatory compliance. We have made environmental performance a strategic initiative. We utilise a systematic approach to improve our energy usage and incorporate environmental goals into our routine operations. We measure and manage our impact on the environment in an effort to reduce this to a minimum.

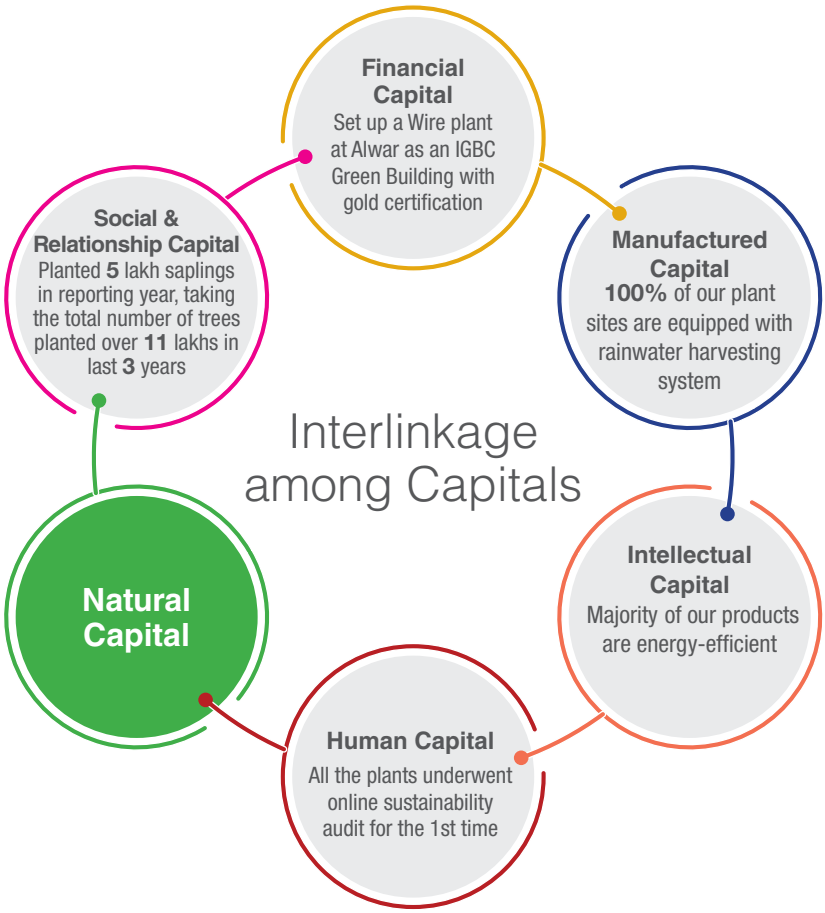
COVID-19 pandemic indirectly has been attributed to human interferences such as fragmentation of forest areas, un-sustainable use of resources, encroachment on animal habitats and loss of bio-diversity. The emergence of the pandemic has redefined the way we look at human-environment relationship. The impact of the lockdown on natural environment brought to the fore the need to improve aspects of environmental parameters such as quality of water, decreasing global emissions, and increase in bio-diversity richness, among others.

At Havells, our approach towards environmental sustainability is aimed at decoupling our business growth from emissions and resource use, while increasing our positive contribution. In the aegis of our resilient strategies on the aspects of clean manufacturing, we have sustained and improved our performance on natural parameters. We follow a long-term developmental process of accumulation and sound management of our portfolio of Natural Capital assets.



KEY AREAS OF ACTION, ALIGNED WITH STRATEGY 2022

- Climate and Energy
- Circular Economy
- Environment
- Communities



Rising share of Renewable Energy

In our contribution towards government's push to increase the renewable energy capacity, the Company has installed captive solar power plants at its manufacturing sites with total power generation capacity of 5.6 MW as of March 2020-21. The manufacturing site at Alwar, Rajasthan added 1.95 MW solar capacity, which will be commissioned in FY 2021-22.

5.6 MW

Total Capacity of solar power generation

8.5%

Share of renewable energy in total electricity consumed in FY2021

5394 tons

CO_2 emissions mitigated with substitution of conventional fuel based electricity with solar energy

47%

Reduction in energy intensity (compared to base year 2015-16)


Indian Green Building Council (IGBC)

hereby certifies that

Havells AC Manufacturing Plant

Havells India Limited, SP 1- 133, RIICO Industrial Area, Ghiloth, Alwar, Rajasthan

IGBC Registration No. GF 18 0173

has successfully achieved the Green Building Standards required for the following level of certification under the

IGBC Green Factory Buildings Rating System

Gold

March 2021

(This certification is valid for next 3 years)

Promoting Green Infrastructure

In view of enlarging our greener footprint and growing our environmental cautiousness, we have taken a step ahead towards green infrastructure. During the year, the wire manufacturing plant at Alwar and Air Conditioner Manufacturing Facility at Ghiloth, Rajasthan has been recognised and certified for Indian Green building council (IGBC) Gold-rated certificate, under IGBC Factory Building Rating system. This is aimed at implementing green concepts and techniques in the industrial sector to address national priorities such as handling consumer waste, water efficiency, reduction in use of fossil fuels, energy efficiency and conserving natural resources.



Water Stewardship

Water shortage and depleting water resources has led to its rise as a valuable asset. At Havells, we are a water positive company and understand the value of water as a resource. We have implemented various systems to reduce its consumption, increase recycling and reuse waste water, and recharge groundwater through rainwater harvesting. All our manufacturing plants are equipped with rainwater harvesting systems that include rooftop and paved surfaces for replenishment of groundwater.

Waste Management

We have installed Sewage Treatment Plants (STPs) at all our manufacturing sites, and Effluent Treatment Plants (ETPs), wherever needed, for the treatment of waste water. This treated water is used for horticulture, which reduces the need for fresh water. About 95% of our non-hazardous waste avoids landfill and 100% of our hazardous waste generated is sold to pollution control board authorised recyclers.

46114 KL

Water recycled in FY2021

94%

Share of Recycled Water consumed

Corporate Information

Company Secretary

Sanjay Kumar Gupta

Auditors

Statutory Auditors
S. R. Batliboi & Co. LLP
Chartered Accountants

Internal Auditors
KPMG

Cost Auditors
M/s Sanjay Gupta & Associates
Cost Accountants

Secretarial Auditors
M/s MZ & Associates
Company Secretaries

Bankers

- Canara Bank
- IDBI Bank Limited
- Yes Bank Limited
- HSBC Limited
- Standard Chartered Bank
- Citi Bank
- Axis Bank Limited
- ICICI Bank Limited
- HDFC Bank Limited

Registrars and Share Transfer Agent

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

Listed on

- National Stock Exchange of India Ltd.
- BSE Limited

Registered Office

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

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

Directors' Report

To
The Members

Your Directors take pleasure in presenting the 38th Integrated Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2021.

1. Financial Summary or Highlights

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

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	10,427.92	9,429.20	10,457.30	9,440.26
Other Income	187.82	111.98	187.36	113.41
Operating Profit before Finance Costs, Depreciation, Tax and Extraordinary items	1,753.08	1,139.36	1,759.14	1,142.06
Less: Depreciation and amortisation expenses	248.86	217.91	248.91	217.97
Finance Cost	72.64	19.72	72.68	19.72
Profit before Tax and Exceptional Expenses	**1,431.58**	**901.73**	**1,437.55**	**904.37**
Less: Tax	391.94	168.70	393.24	168.76
Net Profit for the Year from Continuing operations	1,039.64	733.03	1,044.31	735.61
Net Profit for the Year from Discontinued Operations	-	-	-	(0.26)
Profit for the year	**1,039.64**	**733.03**	**1,044.31**	**735.35**
Other Comprehensive Income	(2.02)	(3.73)	(1.59)	(3.23)
Total comprehensive income for the year, net of tax	**1,037.62**	**729.30**	**1,042.72**	**732.12**
Profit for the year attributable to:				
Equity holders of the parent company	1,039.64	733.03	1,044.31	735.35
Non-controlling interest	-	-	-	-
Total comprehensive income for the year attributable to:				
Equity holders of the parent company	1,037.62	729.30	1,042.72	732.12
Non-controlling interest	-	-	-	-

The year gone by started with an unprecedented nation-wide lockdown due to pandemic which negatively impacted the economic activities across the globe. Post relaxation of lockdown economic activities gradually started picking up from mid May 2020. Havells, backed by manufacturing strength, robust supply chain management and strong distribution network made a strong come back. The recovery was led by consumer segments of the business followed by pick up in industrial segments.

Since second half of the year, input costs have been on the rise. The Company is managing the same with constant monitoring and swift decisions in line with the market dynamics. EBIDTA margins improved YoY (15.0% in FY21 vs 10.9% in FY 20) on account of cost optimisation and operating leverage. The finance cost increased as the Company availed bank facilities during the year to meet any unforeseen exigencies. However, as Company generated healthy cashflows, a significant part of the borrowings was repaid within same fiscal year. Effective tax rate was higher due to one-time tax reversal during FY2019-20 as Company adopted lower tax regime in FY2019-20 as announced by Finance Ministry.

Economic environment continues to remain uncertain and challenging owing to Covid and partial lockdowns across the country. However, we as an organisation remain vigilant to the ground developments with confidence and optimism to manage emerging scenarios.

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

The raging pandemic is posing formidable and unprecedented challenges across the business value chain. Team Havells is facing the headwinds, taking nimble footed decisions and executing them with speed to meet the current challenges on the ground as well as remain firmly on course for long term sustainable growth.

Our Approach

- In the beginning of FY21 when the situation warranted, entire Company's focus was on employee safety, conservation of cash and all-round improvement of efficiency. Most of the non-essential OPEX and CAPEX were curtailed and sufficient liquidity was maintained without affecting payments to stakeholders. The plans for capex were minimized, still maintaining the continuity of projects in hand. Cross-functional teams (CFTs) were formed with senior leadership across the country focusing on different aspects of the Company such as Manufacturing, Branch operations, Supply chain, Go to Market etc. for swift decision making & execution during an unprecedented & uncertain environment.

- When the opportunity presented in H2 with pent up demand, improved consumer sentiment and brand preference we made a strong comeback with highly motivated teamwork across organization. The operations were taken to full scale, factories were ramped up to full capacities, supply chain strengths ensured continued availability of stocks at all levels. Consumer engagement was augmented through digital modes, Marketing spends were amplified. Despite this being a very challenging year, the R&D team continued to churn out new products to entice the consumers which were launched through digital events with extensive trade participation. 4,766 new SKUs were launched across various categories.

Operations

As we entered 2021, the outlook was uncertain & no specific expectations for growth were set, however as the year progressed, Havells was able to scale up and all the Business Units surpassed the 2020 base year revenue. Encouraging business performance with highest ever sales and profitability achieved during the year.

The revenue growth was secular across divisions and regions led by:

- ✓ Improvement in consumer sentiment as they adopted and learned to live with Covid related challenges
- ✓ Expanding distribution footprint in Urban markets alongside treading into alternate channels such as Online and CPC/CSD canteens
- ✓ Higher rural reach, both in terms of increased penetration in smaller towns and introduction of new product lines especially developed for these markets
- ✓ Robust supply chain gave an opportunity to capitalize on the vacuum created in the market due to supply chain disruptions faced by the unorganized sector and import related challenges especially in Switchgear, Wires and Lighting
- ✓ Home improvement emerged as one of the big growth drivers for all the product offerings but more so for Electrical Consumer durables

Air conditioners spearheaded the growth in Lloyd, supported by washing machines and recently launched Refrigerators. Significant AC growth owing to perceived change in industry dynamics consequent to import prohibitions, better availability from own production and wider network coverage through regional retail chains.

Balance sheet

The speed and scale of recovery ensured that Havells at overall level improved upon last financial year performance in both volumes and profitability, despite loosing crucial initial part of the year.

Havells carries a robust Balance sheet with healthy working capital and liquidity position. Short term loan was taken to meet exigencies during lockdown but the same was fully repaid during the year. Post the payment of Interim dividend of ₹ 188 crores and net Capex of ₹ 219 crores, there is a healthy cash balance of ₹ 1,931 crores as at the end of the year.

Awards and Accolades

Your Company received the following awards during the Financial Year ended 31st March, 2021:

1. 10th CII Design Excellence Awards 2020 for Crabtree SmartH Automation Range given by India's 30 Best Workplaces in Manufacturing
2. Received India Design Mark award for Edgelit – No dark edges Batten and Nu Bulb+ given by Indian Design Council
3. Gold Certification award for Green Factory Building Rating System by Indian Green

Building Council (IGBC) to Havells Wire Manufacturing Plant at Alwar, Rajasthan

4. Great Place to Work award "India's 30 Best Workplaces in Manufacturing – 2021" given by Great Place to Work® Institute
5. Award for runner up Quality Circle Competition FY 2020-21 given to Baddi Plant, by CII (Confederation of Indian Industry)
6. Best CEO Award to CMD Shri Anil Rai Gupta by the Business Today
7. Gold Certification award for Green Factory Building Rating System by Indian Green Building Council (IGBC) to Havells AC manufacturing plant, Ghiloth

Subsidiary Companies, Joint Venture and Consolidated Financial Statements

As on 31st March, 2021, the Company had two direct overseas subsidiaries:

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

The Consolidated Profit and Loss Account for the period ended 31st March, 2021, includes the Profit and Loss Account for the subsidiaries and the Joint Venture Company for the complete Financial Year ended 31st March, 2021. The Board of Directors of the Company has, by Resolution passed in its Meeting held on 20th May, 2021, given consent for not attaching the Balance Sheets of the subsidiaries concerned. The Consolidated Financial Statements of the Company including all subsidiaries duly audited by the statutory auditors are presented in the Integrated Annual Report. The consolidated financial statements have been prepared in strict compliance with applicable Accounting Standards and wherever applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as prescribed by the Securities and Exchange Board of India. A Report on Performance and Financial Position of each of the Subsidiaries and Joint Venture Companies included in the Consolidated Financial Statement is presented in a separate section in this Integrated Annual Report. Please refer (Form No. AOC-1) annexed to the Financial Statements in the Integrated Annual Report. The standalone annual accounts of the subsidiary companies and the detailed related information shall be made available to Shareholders of the Company and of its subsidiary companies upon request and it shall also be made available on the website of the Company i.e. https://www.havells.com/en/discover-havells/investor-relation/financials/balance-sheet.html

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

Joint Venture

Your Company had formed a 50:50 joint venture in People's Republic of China with Shanghai Yaming Lighting Co. Limited under the name of Jiangsu Havells Sylvania Lighting Co. Limited (JV). This Joint Venture Company was created with an objective to produce energy efficient lighting lamps. In Financial Year 2017-18, owing to the technological changes in the lighting Industry, the Company along with its JV partner had decided to close down the business and liquidate the JV. Accordingly, the regular operations were fully closed in October 2017. Liquidation of the company is under process.

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

There are no companies which have become or ceased to be subsidiary, joint venture and / or associate of the company during the financial year 2020-21.

4. Reserves

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

5. Dividend

In line with the Dividend Policy of the Company which is available in the "Codes & Policies" section in the Investor Relations section on the website of the Company and can be accessed at https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html The Board of Directors, in its Meeting held on 20th January, 2021, declared an interim dividend of ₹ 3/- per equity share of face value of ₹ 1/- each, to all the shareholders who were recorded on the register of members as on 29th January, 2021, being the record date fixed for this purpose.

In addition to the Interim Dividend, your Directors are pleased to recommend a Final Dividend @ ₹ 3.50 per equity share for the year 2020-21.

The proposed dividend, subject to approval of Shareholders in the ensuing Annual General Meeting of the Company, would result in appropriation of ₹ 219.10 crores (inclusive of TDS). The dividend would be payable to all Shareholders whose names appear in the Register of Members as on the Book Closure Date. The Register of Members and Share Transfer books shall remain closed from 19th June, 2021, Saturday to 23rd June, 2021, Wednesday (both days inclusive).

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

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

However, in terms of the Employee Stock Purchase Schemes of the Company, which are administered by Havells Employees Welfare Trust, 2,86,810 Equity Shares of ₹ 1/- each, were approved for Grant on 20th May, 2021 and Vested (pursuant to the respective Employee Stock Purchase Plan as hereunder) to the eligible employees, which, if exercised, shall result in an equivalent no. of Equity Shares of ₹ 1/- each to be allotted/ transferred to the eligible employees under the respective schemes.

A summary is given below:

	No. of Shares Granted	No. of Shares Vested
Havells Employees Stock Purchase Plan 2014	68,356	68,356
Havells Employees Stock Purchase Scheme 2015	2,10,000	2,10,000
Havells Employees Stock Purchase Scheme 2016	8,454	11,705*

**2,818 Shares vested as 1st tranche out of a total of 8,454 Shares Granted for financial year 2020-21, 4,386 Shares vested as 2nd tranche out of a total of 13,157 Shares Granted for financial year 2019-20 and 4,501 Shares vested as 3rd tranche out of a total of 16,273 Shares Granted for financial year 2018-19.*

7. Change in the nature of business, if any

There was no change in the nature of business of the Company during the financial year ended 31st March, 2021.

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

During the financial year 2020-21, the following were appointed as Independent Directors for a First Term of 5 (Five) years as approved by the Shareholders in the last Annual General Meeting of the Company held on 22nd June, 2020.

- Shri Subhash S Mundra (DIN: 00979731)
- Shri Bontha Prasada Rao (DIN: 01705080)
- Shri Vivek Mehra (DIN: 00101328)

Further, upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors, in its Meeting held on 20th January, 2021, appointed Smt. Namrata Kaul (DIN: 00994532) as an Independent Director (Additional) with effect from 20th January, 2021 and further in its Meeting held on 20th May, 2021, appointed Shri Ashish Bharat Ram (DIN: 00671567) as an Independent Director (Additional) with effect from 20th May, 2021. Both the Directors hold office upto the date of forthcoming AGM.

The Company has received consent in writing from both the Directors to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that they are not disqualified u/s 164(2) to act as Director. Both the persons are eligible to be appointed as Directors of the Company and their appointment requires the approval of Members at the ensuing Annual General Meeting. The Board recommends for shareholders' approval at the forthcoming AGM, the appointment of Smt. Namrata Kaul and Shri Ashish Bharat Ram as Independent Directors for a First Term of 5 (Five) years.

During the year, Shri Vellayan Subbiah (DIN: 01138759), resigned as an Independent Director on 22nd October, 2020.

The Board places on record its appreciation for the valuable contributions made by Shri Vellayan Subbiah in all areas of Board's functioning during their tenure as Non-Executive Independent Director on the Board.

The Members may also note that, Shri Upendra Kumar Sinha (DIN: 00010336) and Shri Jalaj Ashwin Dani (DIN: 00019080) were appointed as Independent Directors for a 1st term of 3 (Three) years with effect from 20th July, 2018 (the date of AGM 2018) upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2021.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 20th May, 2021, has approved and recommends the same for approval by the Shareholders, the re-appointment of Shri Upendra Kumar Sinha and Shri Jalaj Ashwin Dani, for a Second Term of 5 (Five) years with effect from the date of the forthcoming Annual General Meeting of the Company.

The Company has received declarations from the Independent Directors that they meet the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations. In the opinion of the Board, they fulfil the condition for appointment/ re-appointment as Independent Directors on the Board. Further, in the opinion of the Board, the Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5) (iiia) of the Companies (Accounts) Rules, 2014.

The Members may also note that, Shri T. V. Mohandas Pai (DIN: 00042167) and Shri Puneet Bhatia (DIN: 00143973), were appointed as directors liable to retire by rotation, in the AGM held on 20th July, 2018, upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2021.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 20th May, 2021, has approved and recommends the same for approval by the Shareholders, the re-appointment of Shri T. V. Mohandas Pai and Shri Puneet Bhatia, for a further period of 5 (Five) years upto the date of AGM to be held in the calendar year 2026.

Shri Siddhartha Pandit (DIN: 03562264), Whole-time Director, was last appointed by the Shareholders of the Company in the Annual General Meeting held in 2019 for a term of 3 (Three) years with effect from 29th May, 2019. His term shall expire next year on 28th May, 2022.

Accordingly, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 20th May, 2021, has approved the re-appointment of Shri Siddhartha Pandit, as a Whole-time Director of the Company for another term of 3 (Three) years with effect from 29th May, 2022. The re-appointment is subject to approval of the shareholders in general meeting and the Board recommends the same at the ensuing AGM.

Further, pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Ameet Kumar Gupta (DIN: 00002838) and Shri Surjit Kumar Gupta (DIN: 00002810), are due to retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. The Board recommends their appointment.

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

9. Number of Meetings of the Board of Directors

During the Financial Year 2020-21, the Board of Directors of the Company, met 5 (Five) times on 12th May, 2020, 27th July, 2020, 29th October, 2020, 20th January, 2021 and 24th March, 2021.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and upholding the good norms of Corporate Governance, separate Meetings of the Independent Directors of the Company were also held on 29th October, 2020 and 24th March, 2021, without the presence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

10. Directors' Responsibility Statement

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

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

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

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

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

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

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

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

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

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

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

13. Formal Annual Evaluation

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

(i) the Board as a whole,

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

(iii) various Committees of the Board.

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

Evaluation process tests whether the Board's composition, dynamics, operations and structure are effective for the Company and its business environment, both in the short- and long-term. The benchmarking of standards of performance and identifying areas of improvement help decide the future trajectory. Both inter member relations and intra committee relations are tested to see how well the Board and Committees have performed in achieving their desired roles and responsibilities. Board, Committee and individual director evaluation parameters cover topics that elicit valuable, candid and useful feedback on board dynamics, operations, structure, performance and composition.

Performance evaluation of the Board and Committees

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

- Board composition with emphasis on its size, diversity, skill set of members;
- Board processes, structure and communication with emphasis on the frequency of meetings, attendance thereof, flow of information, accessibility to product heads, senior management for informed decision making;
- Board responsibilities wherein disclosure of information and other key functions of the Board like monitoring effectiveness of Company's governance practices, ensuring integrity of Company's accounting and financial reporting systems, including independent audit, adequacy of controls for risk management, compliance with statutory laws etc. were evaluated.

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

- appropriateness of size, delegation of power basis the complexity and operations of the organisation;
- standards of legal compliance;
- Standards of financial reporting and control;
- Reporting to the Board on the Committee's activities;
- Major issues discussed and Recommendations made to the Board;
- Effectiveness of supporting the Board in fulfilling its responsibilities.

Performance Evaluation of Individual Directors

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

- Effectiveness as Chairman, in developing and implementing the strategic vision of the Company;
- Display of effective leadership and promoting a behaviour consistent with the culture and values of the organisation;

- Contributing objectively to thoughtful and clear discussions for decision making;
- Ability of perceiving risks for the Company;
- Demonstrating integrity, avoidance of conflict-of-interest disclosures and upholding utmost confidentiality of sensitive matters.

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

- ensuring that no action lead to loss of independence;
- absolute compliance of prevention from disclosure of confidential information, including, but not limited unpublished price sensitive information;
- support to Chairman and executive directors in instilling appropriate culture, values and behaviour in the boardroom;
- Facilitating well deliberated decision making;
- Expressing clearly their assent, dissent or neutrality to any decision
- Updating the Company's external environment in which it operates;
- Facilitate the promotion of the interest of the Company as a whole, in situations of conflict between management and shareholders' interest etc.

Evaluation Outcome

The Board considered and discussed the inputs received from the Directors. Further, the Independent Directors at a separate meeting reviewed the performance of the Non-Independent Directors, the Board as a whole and Chairman of the Board after taking into account the views of Executive Directors and other Non-Executive Directors.

It was found that the Board of Directors provided strategic leadership and contribution towards achieving the organizational objectives amidst the current pandemic situation. It was felt that the Board had provided appropriate support and guidance to lead the Company. The Board played a strategic role in ensuring the Company dealt with the unforeseen circumstances which could not have been provided for beforehand. The Board of Directors therefore ensured that all stakeholders were not adversely affected by the market exigencies. Individual Board Members continued to demonstrate a strong commitment to the principles of ethics and transparency which are the cornerstones of the Company's corporate governance framework. The Board itself and its Committees continued to function effectively.

As a strategic management exercise, the setting of long-term vision of the Company is paramount. In order to facilitate this operation, positive feedback was also received on the exclusive meeting of the Board, focused on matters including long term business strategies in different product segments, different market segments-including e-commerce strategy, export strategy, market share plans, capex etc.

14. Annual Return

A copy of the Extracts of the Annual Return of the Company as required under section 134(3)(a) of the Companies Act, 2013, in Form MGT-9, as they stood on the close of the financial year i.e. 31st March, 2021 is furnished in **ANNEXURE – 2** and forms part of this Report.

Further, a copy of the Annual Return of the Company containing the particulars prescribed u/s 92 of the Companies Act, 2013, in Form MGT-7, as they stood on the close of the financial year i.e. 31st March, 2020 is uploaded on the website of the Company in the Investor Relations Section under Disclosures and can be accessed from https://havells.com/en/discover-havells/investor-relation/disclosures.html

15. Auditors

1. Statutory Auditors

As per provisions of Section 139(1) of the Companies Act, 2013, at the forthcoming Annual General Meeting, M/s S.R. Batliboi & Co. LLP, Chartered Accountant (Regn. No. 301003E/ E300005) are completing their 2nd five year term as Statutory Auditors.

Upon the recommendation of the Audit Committee, the Board of Directors approves and recommends for shareholders' approval the appointment of M/s Price Waterhouse & Co Chartered Accountants LLP (Registration No. 304026E/ E300009) for a first term of 5 (Five) years to hold office from the conclusion of this 38th Annual General Meeting until the conclusion of the 43rd Annual General Meeting of the Company to be held in the calendar year 2026.

Statutory Auditors' Report

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

Details in respect of frauds reported by auditors

There were no instances of fraud reported by the auditors.

2. Cost Auditors

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

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder, M/s Sanjay Gupta & Associates, Cost Accountants (Firm Regn. No. 000212) were appointed as the Cost Auditor of the Company for the year ending 31st March, 2021.

The due date for filing the Cost Audit Report of the Company for the financial year ended 31st March, 2020 was 10th June, 2020 and the same was filed in XBRL mode by the Cost Auditor within due date.

Disclosure on maintenance of Cost Records

The Company made and maintained the Cost Records under Section 148 of the Companies Act, 2013 (18 of 2013) for the Financial Year 2020-21.

3. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s MZ & Associates were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2021.

Annual Secretarial Audit Report

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

Annual Secretarial Compliance Report

A Secretarial Compliance Report for the financial year ended 31st March, 2021 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s MZ & Associates Secretarial Auditors and submitted to both the stock exchanges.

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

The particulars of loans given, investments made and guarantees provided by the Company, under Section 186 of the Companies Act, 2013, as at 31st March, 2021, are furnished in **ANNEXURE – 4** and forms part of this Report.

17. Particulars of contracts or arrangements with Related Parties

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

18. Contribution to Exchequer

The Company is a regular payer of taxes and other duties to the Government. During the year under review your Company paid ₹ 271.78 crores towards Corporate Income Tax as compared to ₹ 352.24 crores paid (including Corporate Dividend Tax) during the last financial year. The Company has also paid an amount of ₹ 2,166.38 crores on account of GST and Custom duty and not claimed any government assistance and support during financial year 2020-21 as compared to ₹ 1,991.40 crores paid and claimed a government assistance and support of ₹ 26.92 crores during last Financial Year.

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

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

20. Corporate Social Responsibility (CSR)

Havells India Limited, since its inception has always believed that any organization with its roots in India owes a moral duty towards the people, environment and society in which it operates. This belief has led to targeted efforts by the organization for the communities in fields related to sanitation and hygiene, nutrition, infrastructural support, etc. Being a responsible corporate citizen, our initiatives are focused at delivering maximum value to the society, under our Corporate Social Responsibility (CSR) initiatives.

Company's approach to CSR has been more than just compliance. Our social initiatives started way before CSR was mandated by the government under the Companies Act, 2013. We try and strike an optimum balance between long-term plans and strategies and our medium- and short-term initiatives which in turn are guided by our strong CSR policy foundation.

Our focus primarily always has been towards the core areas for example our CSR activities focusses a great deal on activities pertaining to Child welfare, where, nutrition, sanitation and education plays crucial role in shaping

their future. Our initiatives are also aligned to United Nation's Sustainable development goals (UN-SDGs). Our various core areas of CSR interventions include Health & Nutrition, Sanitation, Education, Environment, Skill development, Heritage conservation, Healthcare and Humanitarian causes. Some of our major initiatives are:

Meals Distribution during COVID times

To counter malnutrition, eradicate hunger and promote education, Havells started the mid-day meal program in Alwar district in Rajasthan, way back in 2005. We started our journey with serving just 1,500 children across 5 schools and have over the years increased our reach to 693 schools where we are serving over 60,000 students daily. In wake of pandemic last year, the program has been suspended due to shutdown of schools.

However, in line with the local governments' initiative of food distribution to the needy people, we extended our mid-day meal kitchen facilities to provide food to the people impacted by the pandemic. During the year we distributed around 3.5 lakh meals. Since the inception of the initiative i.e. in 2005, we have served over 90 million meals to the students.

Hygiene and Sanitation – Bio-toilets and distribution of Re-usable Sanitary Napkins

The Company has been proactive in delivering its responsibility in the areas of hygiene and sanitation to the society. It is our firm belief that WaSH (Water, Health and Sanitation) initiative is critical for ensuring overall development of the child. This initiative aligns with the ambitious 'Swachh Bharat Mission' advocated by the Government of India and with the United Nations Sustainable Development Goal No-3 & 6.

It has been proved by various researchers across the world that in addition to intake of nutritional food, better sanitation and hygiene are also must for balanced growth and development of a child. Sanitation is one of the most basic amenities for which awareness has been continuously increased over the years. Our activities include development and maintenance of bio-toilets. Till last year we have constructed around 400 bio-toilets in the government schools in Alwar, Rajasthan. To further enhance the female health and hygiene standards, we also distribute reusable sanitary napkins to the girls in the government schools.

Contributing to Societal Education and Infrastructure

Education is one of the most important elements for any nation to reap benefits of its demographic dividend. A quality school education includes well defined-course curriculum and adequate infrastructure support to make it effective and sustainable. Contributing to educational support to the society, we have been supporting Ashoka University for developing educational infrastructure facilities.

Focusing on our plan to strengthen the school infrastructure, the Company also donates tables and benches to the government schools in district Alwar and Neemrana in Rajasthan and district Haridwar in Uttarakhand, that are made from recycled waste wood pallets in plants. This innovative approach ensures dual benefit, by not only reducing wastage of wood but by also effectively uses the left-over wood in making furniture. Till date we have donated over 2,500 such sets that is benefitting over 5,000 students in the government schools.

Towards greener society

Rapid urbanisation and defragmentation of forests is having severe effects on the environment. In view of our commitment to become wood and paper neutral in coming years, the Company has undertaken large scale tree plantation exercise outside its premises. Since last 3 years, we have planted over 11 lakhs, out of which approximately 5 lakhs tree saplings were planted in the present FY i.e. 2020-21 only.

Further, the Company has existing CSR Committee and Policy as per the applicable laws and regulations. The disclosures on the same as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, are annexed herewith as **ANNEXURE – 6** to this Report in the prescribed format.

21. Audit Committee

As at 31st March, 2021, the Audit Committee of the Board of Directors of the Company comprised of 4 (Four) Members, namely Shri Upendra Kumar Sinha, Smt. Pratima Ram, Shri Subhash S Mundra and Shri Surjit Kumar Gupta, majority of them being Independent Directors except Shri Surjit Kumar Gupta, who is a Non-Independent Non-Executive Director. Shri Upendra Kumar Sinha, an Independent Director, is the Chairman of the Audit Committee. The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

22. Enterprises Risk Management Framework

The Company has robust systems for Internal Audit and Enterprise Risk assessment and mitigation. As part of the Annual Internal Audit Plan, all the locations including plants, branches, warehouses and Head Office are covered. At the start of the year Risk Assessment refresh is done basis which Risk Based Internal Audits (RBIA) are carried out. The audit plan is approved by the Audit Committee. Further, on a quarterly basis summary of key findings is presented to the Audit Committee.

With increasing globalization and unprecedented changes in business environment Companies are currently operating in VUCA (Volatility, uncertainty, complexity and ambiguity) environment. The omnipresence and growing intensity of VUCA presents roadblock and uncertainties to most company's journey towards their objectives.

At Havells, our strong Governance and business structure, with stakeholder interest at the core, makes us cognizant of these risks and uncertainties that our business faces. The Company on a periodic basis identifies these uncertainties and after assessing them, formulates short-term and long-term action plans to mitigate any risk which could materially impact the Company's long-term Goals and Vision.

The Company has a well-established Enterprise Risk Management Framework and process to ensure achievement of its strategic objectives. Internationally accepted framework, issued by the Committee of Sponsoring Organizations (COSO) of the treadway Commission, is considered as a self-benchmarking for Company's Enterprise Risk Management framework.

Our sustainable focus on leveraging next generation technology, supports an enterprise-wide view of risks and compliance, enabling a more holistic approach towards informed decision making. Risks are assessed and managed at various levels with a top-down and bottom-up approach covering the enterprise, the Strategic business units, the geographies and the functions.

ERM Committee comprising of the Board Members, reviews the progress status of identified risks including emerging business challenges on a periodic basis. ERM Council works closely with all the business & functional teams for monitoring the agreed execution plan and identification of new emerging business challenges under the guidance of Top Leadership.

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

The Company has robust internal financial controls (IFC) systems, which is in line with requirement of the Companies Act, 2013, which is intended to increase transparency & accountability in an organization's process of designing and implementing a system of internal control. Our IFC process, facilitates orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Risk Control Matrices (RCMs) have been prepared for all Business functions along with the mapping with Functional Dashboard/ Compliance Management System/ GRC Process Control. The internal control system ensures compliance with all applicable laws and regulations.

To ensure effective Internal Financial Controls, Company has laid down the following measures:

1. Company has defined and documented the Standard Operating Procedures (SOPs) and Delegation of Authority (DOA) which forms the basis for compliance to laid down procedures. The SOPs and DOA are refreshed on a periodic basis.
2. All regulatory compliances are monitored for all locations Pan India through a fully automated tool. Company has a "Zero Tolerance" Policy towards non-compliances.

SAP GRC (with respect to access control) has been implemented which also take care of users' conflict relating to Segregation of Duties (SOD).

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

The Company has established a vigil mechanism "Satark" through which employees and business associates may report unethical behaviour, wrong doing, malpractices, fraud, violation of Company's code of conduct, leak or suspected leak of unpublished price sensitive information without fear of reprisal.

The Policy provides that the Company investigates such reported matters in an impartial manner and takes appropriate action to ensure that requisite standards of confidentiality, professional and ethical conduct are always upheld. Any complaint received under Satark policy are also reported to the Chairman of the Audit Committee. Satark policy of the Company is also available on the website of the Company https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html

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

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

26. Compliance with Secretarial Standards

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

27. Employee Relations

This year has changed the world and the way we operate, bringing new challenges, outlook and

opportunities, but one thing that didn't change for us was our commitment and compassion towards our employees and their wellbeing.

During Lockdown, when the whole country was on a standstill and everyone was concerned about health, well-being and future of their family, our CMD – Shri Anil Rai Gupta led from the front and addressed the employees online on regular basis. The intent was to reassure employees that we are all in this together and motivate them to stay positive and see how best to serve the customer.

To deal with COVID outbreak, we adopted a holistic approach to spread awareness among employees through various platforms. We reassured employees that their safety is paramount and their company is and will do everything to safeguard their interest and wellbeing. Our proactive measures included initiatives like Workplace SOP & Guidelines for COVID, dedicated Covid helpline for information sharing and support, constant communication on our preparedness and safety procedures, health support and guidelines, suggestive measures at home, awareness session at locations involving local authorities etc. Our factories also resumed operations with strong compliance on hygiene and social distancing along with other regulatory requirements.

During Lockdown, an initiative of SAMVAAD was started with the help of health & wellness professional, for bringing different perspectives of life: Health, Happiness, work-life balance and many more for employees and their families. The series of interactive virtual sessions helped employees stay focussed and motivated during these unprecedented times and work on mental health and wellbeing. Many other initiatives like Havells Music Studio, Lockdown Engagement Video etc. were also promoted to increase engagement level of employees.

We assessed the opportunity in changed scenario, to connect with all stakeholders through digital medium for upskilling & learning across the group and outside. In all, over 300 sessions on MS teams were conducted covering all our employees, trade partners and end users. Sessions included training on functional / behavioural and technical topics in close coordination with our in-house experts from Business, CRI (R&D), Functions and Plants. It also included knowledge sharing sessions on new technology like IoT and other advanced technical tools.

With social distancing becoming the new normal, we introduced Work from Home (WFH) facility for our employees and encourage them to come to office premise as per roster. Flexi timing and various relaxations related to age, proximity etc. were also provided, to help employees balance their home and work responsibilities suitably.

As part of our open and transparent culture, we always encourage employees to share their feedback and work upon it. Despite the challenges due to pandemic, we participated in the Great Place to Work Assessment and got certified for the second consecutive year. We have also been recognized among 'India's Best Workplaces in Manufacturing 2021' – Top 30. Out of 110 organizations in the Manufacturing sector who undertook the assessment, Top 30 organizations are identified, which excel both on people practices and the feedback from their employees on creating a High Trust Culture. This recognition is evidence of solidarity and resilience of Havells family, especially in today's scenario where our way of interactions and working is changing. It also reflects the pride and passion of our teams to achieve greater heights.

Towards our vision & focus of digital working, we have moved one step forward through digitalization of our Recruitment Process & launch of in-house e-recruitment solution. The portal facilitates the entire process of shortlisting, interviewing, approvals, offer release & acceptance digitally, along with on-boarding & e-appointment letter.

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

Nirbhaya

As a responsible employer, Havells has always been conscious of its duty towards prevention and control of sexual harassment at workplace. Reckoned to be a Great Place to Work® organization, is an achievement which puts the organization amongst its global peers. As mandated by law, Havells has in place the "Nirbhaya" policy for women employees. An Internal Complaints Committee has also been constituted as per the policy to provide a forum to all female personnel to lodge complaints (if any) and seek redressal. The Committee meets regularly to take note of useful tools, mobile applications, media excerpts, interactive sessions, etc., that sensitize the female employees. The Committee submits an Annual Report to the Audit Committee of the

Board of Directors on the complaints received and action taken by it during the relevant financial year. During the Financial Year 2020-21, no complaint was lodged with the Internal Complaints Committee (ICC).

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

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

29. Employees Stock Option Plans

The Company has in place 3 (Three) employee benefit schemes, namely, Havells Long Term Incentive Plan 2014 (LTIP 2014), Havells Stock Purchase Scheme 2015 (ESPS 2015) and Havells Stock Purchase Scheme 2016 (ESPS 2016). All these benefit schemes are administered by Havells Employees Welfare Trust under the supervision of the Nomination and Remuneration Committee. Promoters, Independent Directors, Directors directly or indirectly holding 10% or above of the equity share capital of the Company, Employees not residing in India or Non Resident Indians (NRIs) are not eligible for the grant of options/ issue of shares under any of the Schemes. The Company has received a certificate dated 20th May, 2021 from the Auditors of the Company that the Schemes have been implemented in accordance with the applicable SEBI Guidelines and the Resolutions passed by the shareholders dated 9th June, 2014, 4th December, 2015 and 13th July, 2016 in respect of LTIP 2014, ESPS 2015 and ESPS 2016 respectively. The Certificates would be available at the Annual General Meeting for inspection by Members. There has been no material change in any of the subsisting Schemes. Disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, in respect of LTIP 2014, ESPS 2015 and ESPS 2016 as at 31st March, 2021 are available on the website of the Company at https://www.havells.com/en/discover-havells/investor-relation/disclosures.html

30. Credit Ratings

CARE Ratings

CARE has yet again assigned a CARE AAA [Triple A] rating to the long-term facilities of your Company during the current Financial Year. This rating is applicable to facilities having a tenure of more than one year. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. CARE has also reaffirmed the CARE A1+ [A One Plus] rating assigned to the short-term facilities of your Company. This rating is applicable to facilities having a tenure upto one year. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations.

31. Global Certifications

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

- "CB Cert. - IEC 60335-1:2010 +A1:2013 +A2:2016, IEC 60335-2-80:2015" for Fan models
- "CB Cert. - IEC 60335-2-80:2015 in conjunction with IEC 60335-1:2010," for fan models
- "SONCAP" for various Fans & Lighting models
- IEC / GSO 2115/2011 for various fans and lighting models
- LED Panels & Round Highbay - UL & DLC 5.1 for USA Market
- LED Lighting Fixtures – IEC 60598
- LED Lamps – ESMA certification
- CE & CB DEKRA Certificates on MCB 6kA
- CE & CB UL certification 7.5kA MCB
- CE & CB UL I certification MCB 10kA as per IEC 60947-2
- CE & CB Dekra Certificate on RCCB
- CE / CB certification from UL certifications as per IEC 61439-3

32. Corporate Governance

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

Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Statutory Auditors

confirming compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Integrated Annual Report.

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

33. Environment, Health and Safety

The impact of the COVID-19 pandemic is unprecedented, unique and perhaps unparalleled in recent human history. During the year under review, Havells has emerged stronger and more resilient in the wake of the ongoing pandemic. For us, Environment, Health and Safety (EHS) is an integral part of our larger ambit of Sustainability umbrella. Our initiatives in response to Covid-19 have been detailed in **ANNEXURE - 8.**

All of our manufacturing facilities are certified for adopting best management systems such as ISO 45001/OHSAS 18001 (Occupational Health and Safety) and ISO 14001 (Environment Management system). This year also we sustained our status of Zero occupational fatality following best health and safety measures. Adhering to the COVID-19 prevention directions, we maintained the highest level of health and safety protocols at our all our establishments and working profiles. Our approach at workplaces was strategically formulated and implemented, considering the nature of working site, employee strength, floor density and other relevant attributes, through the robust COVID-19 Standard Operating Procedure (SOP). Detailed directions through SOPs were systematically issued and communicated to the workforce via work-email, employee intranet, displays at factory/office sites, online trainings, etc. Further, we are also reimbursing the COVID-19 Vaccination costs to our both permanent as well as contractual employees.

Though the manufacturing activity at our different locations were impacted during the pandemic over the entire year, but we sustained best environmental and health & safety standards and norms that are derived out of our Integrated Management System- Quality Energy Environment Health and Safety (IMS-QEEHS) Policy. Continuing our adherence to implement industry best sustainable practices, once again we have secured our position in the globally recognized S&P global Dow Jones Sustainability Index (DJSI) 2020, additionally acquiring entry in the reputed S&P global yearbook.

Our trainings and events on various aspects of health, safety and environmental awareness were conducted online and in field, following stringent COVID-19 protocols. Even though our company is not being categorized as part of the major polluting industry, we are still watchful of impact on the environment due to our operations. Contributing proactively to Nation's ambition to achieve the United Nations sustainable development goals (UN-SDGs), we have mapped our activities accordingly and have taken various steps in this direction. In pursuit to reduce our resource footprint, some of the major initiatives includes, planting over 11 lakhs tree saplings in the last 3 years, harnessing renewable solar power with a total installed capacity of 5.6 MW, sustaining on our status of net water positivity, 100% sites installed with rainwater harvesting systems etc. With our efforts we embrace the power of resilient strategic framework of our company during these tough pandemic times, which helped us to grow sustainably.

34. Research and Development

Over the last few years, we embarked upon a journey of strengthening our R&D – an initiative driven by our vision to grow Havells into a technology and engineering led organization bringing customer-centric value propositions for our end consumers. We took this strategic call to complement our strengths in products distribution and indigenized world-class manufacturing by bringing R&D within the same purview of our enhanced focus.

As a rapidly growing Fast-Moving Electrical Goods (FMEG) Company we operate in an extremely diverse product portfolio – ranging from seemingly simple products like capacitors to lighting solutions to electrical consumer durables, to large white goods to complex low-voltage switchgear products. The complexity posed by this diverse portfolio gets further compounded by rapid changes in consumer preferences/aspirations and technological advances (such as IoT, Data Analytics, AI, Machine Learning). However, our emphasis has been on addressing this complexity using technology as a common denominator across our products – leading to democratization of technology making it amenable to our vast consumer base. Despite the adversities that came along with COVID we stayed focused on our vision of being a company recognised as an early adopter of new technologies with agility to launch innovative products addressing explicit and latent needs of our customers.

With this vision, we have remained focused on our mission - investing in strengthening our in-house R&D capabilities which forms the foundation for our future. Our emphasis has always been on driving customer centricity with focus on three core pillars:

1. end-to-end (concept to end-of-useful life) responsibility for our products;

2. self-reliance for all critical technologies of our products; and
3. technologically differentiated innovative products.

During Financial Year 2020-21, our R&D spend stood at 96cr – marginally lower than the previous year – partly due to the OPEX savings arising during COVID. During FY 2019-20, we also had one-time effect of higher CAPEX investments in our new R&D infrastructure build-up (E1-Noida, Customer Design Studio in HO Noida and the innovation hub in Bangalore). Our total R&D spend stood at 0.9% of total revenue and we continued to ramp-up our R&D infrastructure and new competencies in all our R&D locations. Our target is to further intensify our efforts towards research and development and grow it towards ~2% of our revenues in coming years. This will clearly stand out as one of the highest allocations amongst our competition in the regional markets.

The Company continues to invest in world class infrastructure and test laboratories that is driving in-house research & development thus promoting a strong culture for open and collaborative innovation. We continued to build new competencies and infrastructure across our three core locations:

1. Our dedicated R&D Centre located at Sector-59, Noida,
2. Customer Experience and Design (CXD) Centre located at our Corporate Headquarters in Noida, and
3. The innovation hub (CRI-BLR) based out of Bangalore that works primarily on advanced technologies and digital platforms.

Our investments in state-of-the-art Customer Experience Design (CXD) Centre are being leveraged for directing design thinking approach into our product development process – allowing us to co-create and co-innovate the products along with our multiple stakeholders including potential customers. While the efforts of the CXD team are continuously appreciated by our customers, they were also recognized by external design agencies. We received the prestigious CII Design Excellence award for Crabtree SmartHome Automation Range. Two of our products – Edgelit Glow Batten and Nu Bulb+ were conferred the India Design Mark for 2020.

Our new matrix structured organization – comprised of product development teams as verticals and technology-based Centres of Excellence (COEs) as horizontals is working out quite well.

1. The product vertical teams work in close collaboration with business marketing teams on near term innovative products, and
2. The COEs working on mid-term to long-term focused innovation ideas that we believe have the potential of being game changers. These teams have also been working on common platforms (such as IoT and Cloud based connected products) and design methodologies (such as Simulations, Design for Six Sigma, Reliability, Materials and Manufacturing processes etc) that unify our product portfolio.

Our Bengaluru Innovation centre launched in 2019-20 continues to drive our transformational innovation strategy with clear focus on select Centres of Excellence (COEs) - IoT, Software, Engineering Design and Power Electronics. These COEs are playing a pivotal role in our innovation strategy and self-reliance for critical technologies while accelerating the digital journey for our products giving an unparalleled digital experience to our customers. In a short span of less than two years, this centre has grown to a team of 75+ top-notch R&D staff who are actively leveraging the Silicon Valley of India ecosystem by collaborating with technology providers, start-ups and academia.

The Company currently holds a broad collection of intellectual property rights. This includes patent filings, copyrights, trademarks and other forms of intellectual property rights in India and select foreign countries. The Company continues to strengthen its Intellectual Property position with new 133 IPR's during the year (includes 119 Design Registrations and 14 Patent Filings).

All around the globe, last year will stand out as a year of adversities – with COVID causing major disruptions in normal functioning of any organization. The impact was felt by R&D as well –with limited access of our lab/testing infrastructure during the duration of complete lockdown. We were also fortunate to have launched some of our specific initiatives over the past years which let our R&D activities continue with least impact of COVID. Our investments in digital tools and technologies – such as virtual product development, software engineering, digital platforms, DevOps framework for remote and secure collaborations enabled us to move many of our R&D development efforts to remote and safe environment of individual's homes. We stayed focused and successfully delivered on our commitments to the customers. We re-affirm our commitment to all our stakeholders that R&D within Havells will be the corner-stone of our future strategy – getting closer to the consumer and creating a formidable entry barrier for the competition.

35. Transfer to Investor Education and Protection Fund

(A) Transfer of Unpaid Dividend

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, your Company has transferred ₹ 13,57,193 during the year to the Investor Education and Protection Fund. Further, after the close of Financial Year, the Company has also transferred ₹ 8,96,365 in the Investor Education and Protection Fund.

These amounts were lying unclaimed/ unpaid with the Company for a period of 7 (Seven) years after declaration of Final Dividend for FY ended 2012-13 and Interim Dividend for FY ended 2013-14.

(B) Transfer of Shares underlying Unpaid Dividend

During the Financial Year, the Share Allotment and Transfer Committee, in its meeting held on 28th August, 2020, transmitted 28,593 Equity Shares of the Company into the DEMAT Account of the IEPF Authority held with NSDL (DPID/ Client ID IN300708/10656671) in terms of the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. These Equity Shares were the Shares of such 14 Shareholders whose unclaimed/ unpaid dividend pertaining to Financial Year 2012-13 had been transferred into IEPF and who had not encashed their dividends for 7 (Seven) years.

The Share Allotment and Transfer Committee in its Meeting held on 28th April, 2021, also transmitted 13,079 Equity Shares on account of Un-claimed Dividend for FY 2013-14 (Interim) into the DEMAT Account of the IEPF Authority. These Equity Shares were the Shares of such 7 Shareholders whose unclaimed/ unpaid dividend pertaining to Financial Year 2013-14 (Interim) had been transferred into the IEPF and who had not encashed their dividends for 7 years.

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

With the transfer of abovesaid shares into IEPF, a total of 2,18,258 Shares of the Company (after taking into account the shares claimed back out of IEPF) were lying in the Demat A/c of the IEPF Authority, hereinabove mentioned. Concerned Shareholders may still claim the shares or apply for refund to the IEPF Authority in Web Form No. IEPF-5 available on www.iepf.gov.in. The voting rights on shares transferred to the IEPF Authority shall remain frozen until the rightful owner claims the shares. The shares held in such DEMAT account shall not be transferred or dealt with in any manner whatsoever except for the purpose of transferring the shares back to the claimant as and when he approaches the Authority. All benefits except rights issue accruing on such shares e.g. bonus shares, split, consolidation, fraction shares etc., shall also be credited to such DEMAT account. Any further dividend received on such shares shall be credited to the IEPF Fund.

36. Shares lying in unclaimed suspense account in electronic mode

As at 31st March, 2021, total 2,10,100 Shares were lying in the Unclaimed Suspense Account in dematerialised form in the Havells India Limited Unclaimed Suspense A/c held with IDBI Bank Limited (DP). The voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the shares. The rightful owner can still claim his/ her shares from the suspense account after complying with the procedure laid down in the statute regarding the same. The Company had so far transferred 2,27,100 (Two Lakhs Twenty Seven Thousand and One Hundred Only) Equity Shares into Unclaimed Share Suspense Account in terms of Regulation 39(4) read with Schedule VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subsequently, 17,000 Shares of ₹ 1/- each were transferred to the rightful owners as approved by the Share Transfer and Allotment Committee. Further, the unpaid dividend for the last 7 (Seven) years was also paid to the said shareholders.

37. Listing of shares

The equity shares of the Company are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). The listing fee for the year 2021-22 has already been paid to the credit of both the Stock Exchanges

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **ANNEXURE - 9** and forms part of this Report.

39. Business Responsibility Report (BRR)

Continuing the endeavour of our approach to report aspects of corporate responsibility, we are publishing 5th Business Responsibility Report (BRR) of the company for the year 2020-21, that forms part of this Integrated Annual Report as required under Regulation 34(2(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The BRR for Financial Year 2020-21 is aligned with the nine principles of the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVG-SEE) notified by the Ministry of Corporate Affairs, Government of India. Havells strongly believes that sustainable and inclusive growth is only possible by using the levers of environmental and social responsibility based on strong governance fundamentals. While setting aspirational targets and improving economic performance to ensure business sustainability and rapid growth, the company has been resilient to the impacts of pandemic fluctuations to a larger degree. We are committed to leverage our focus on indigenous manufacturing to build competitive advantage in achieving high shareholder returns through customer centricity, innovation, good governance and inclusive human development while being sensitive to the environment.

The report is a testimony to our continuous efforts towards embracing and implementing balanced approach to ESG parameters in our business operations that are communicated to the stakeholders in addition to our annually published voluntary sustainability report based on globally accepted Global Reporting Initiative (GRI) standards that is available at www.havells.com.

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

40. Acknowledgements

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

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

Anil Rai Gupta
Chairman and Managing Director

Delhi, May 20, 2021

ANNEXURE – 1

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

Principle and Rationale

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

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

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

Company Philosophy

Havells is an equal opportunities employer. The organization does not discriminate on grounds of age, gender, colour, race, ethnicity, language, caste, creed, economic or social status or disability. The global workforce spread across continents, which has over the years transformed Havells into a global organisation forms the backbone of the entity. Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company and motivate them to do better in future. Employee recognition schemes in the form of ESOPs/ ESPS have also been introduced as successful tools in acknowledging their contribution and making them partners in the wealth created by Havells. The endeavour of the organization is to acknowledge the contributions of its directors, key managerial personnel and other employees with best compensation and benefits that appropriately reward performance in line with the regulatory and industry best practices.

Guiding Principles

In the formulation of this Policy, the Nomination and Remuneration Committee has also endeavored to ensure the guiding principles as prescribed u/s 178(4) of the Companies Act, 2013 and the section on Responsibilities of Board under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, summarized hereunder:

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate human resource including directors of the quality required to run the company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

c) remuneration to directors, key managerial personnel and senior management reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

d) facilitating effective shareholder participation in key Corporate Governance decisions such as the nomination and election of board members;

e) aligning key executive and board remuneration with the longer term interests of the company and its shareholders;

f) ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

Nomination of the Directors

The Nomination and Remuneration Committee of the Board of Directors is dedicated to ensuring the continuance of a dynamic and forward-thinking Board and recommend to the Board qualified candidates for directorship.

Before recommending a nominee's candidature to the Board for being appointed as a Director, the following criteria set out may be applied as guidelines in considering potential nominees to the Board of Directors.

General Criteria

The background and qualifications of the Directors considered as a group should provide a significant breadth of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities.

- Directors should be selected so that the Board of Directors should remain as a diverse body, with diversity reflecting gender, ethnic background, country of citizenship and professional experience. Because a mix of viewpoints and ideas enhances the Board's ability to function effectively, the Committee shall consider the diversity of the existing Board when considering potential nominees, so that the Board maintains a body of directors from diverse professional and personal backgrounds.

- Potential nominees shall not be discriminated against on the basis of race, religion, national origin, sex, disability, or any other basis prohibited by law.

- Any nominee should be free of any conflict of interest which would violate any applicable law or regulation or interfere with the performance of the responsibilities of a director.

- Commitment of the nominee to understanding the Company and its industry, embracing the organization's values to help shape its vision, mission and strategic direction including oversight of risk management and internal control.

- Commitment of the nominee to spending the time necessary to function effectively as a Director, including attending and participating in meetings of the Board and its Committees.

Specific Criteria

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

- The nominee reflects the right corporate tone and culture and excels at board-management relationships.

- Experience in strategic planning and managing multidisciplinary responsibilities, the ability to navigate among diverse professional groups and points of view, a track record of communicating effectively in a global environment and high standards of integrity and professional conduct.

- Nominees understand and endeavour to balance the interests of shareholders and/ or other stakeholders and put the interests of the company or organization above self-interest. He/ she has demonstrated a commitment to transparency and disclosure.

- He/ she is committed to superior corporate performance, consistently striving to go beyond the legal and/ or regulatory governance requirements to enhance, not just protect, shareholder value.

- Nominee contributes to effective governance through superior, constructive relationships with the Executive Directorate and management.

Remuneration of the Directors

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/ track record, macroeconomic review on remuneration packages of heads of other organizations.

The remuneration payable to the directors of the company, shall at all times be determined, in accordance with the provisions of the Companies Act, 2013

Appointment and Remuneration of Managing Director and Whole-time Director

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

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

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

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

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

- Financial and operating performance of the Company
- Relationship between remuneration and performance
- Industry/ sector trends for the remuneration paid to executive directorate

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

Insurance Premium as Part of Remuneration

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

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

Remuneration of Independent Directors

Independent Directors may receive remuneration by way of

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

Independent Directors shall not be entitled to any stock options.

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

Remuneration to Directors in other Capacity

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

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

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

Evaluation of the Directors

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

Section 178 (2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.

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

Nomination and Remuneration of the Key Managerial Personnel (other than Managing/ Whole-time Directors), Key Executives and Senior Management

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

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

The Companies Act, 2013 has for the first time recognized the concept of Key Managerial Personnel. As per section 2(51) "key managerial personnel", in relation to a company, means—

(i) the Chief Executive Officer or the managing director or the manager;

(ii) the whole-time director;

(iii) the Chief Financial Officer;

(iv) the company secretary;

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

(v) such other officer as may be prescribed.

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

Apart from the directors, the remuneration of

- All the Other KMPs such as the company secretary or any other officer that may be prescribed under the statute from time to time; and

- "Senior Management" of the Company which here means, the core management team comprising of such members of management as determined by the Company under Layer 1 of the System-Driven Disclosures in respect of Regulation 7(2) (b) of PIT Regulations, shall be determined by the Human Resources Department of the Company in consultation with the Managing Director and/ or the Whole-time Director Finance.

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

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

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

Remuneration of other Employees

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

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

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

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

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

General

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

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

ANNEXURE - 2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2021

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

I. Registration and Other Details

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

II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Cable	2732	30%
2.	Switchgears	2710	14%
3.	Electric Consumer Durables	2750	23%
4.	Lighting & Fixtures	2740	10%
5.	Lloyd Consumer	2750, 2640	16%

III. Particulars of Holding, Subsidiary and Associate Companies

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

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

1) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corporate	25,86,00,540	0	25,86,00,540	41.32	25,86,00,540	0	25,86,00,540	41.31	-0.01
(e) Financial Institiutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other - Trust	11,38,57,380	0	11,38,57,380	18.19	11,38,57,380	0	11,38,57,380	18.19	-0.01
Sub-Total (A)(1)	**37,24,57,920**	**0**	**37,24,57,920**	**59.52**	**37,24,57,920**	**0**	**37,24,57,920**	**59.50**	**-0.02**
(2) Foreign									
(a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Prom. & Prom. Grp. (A)=(A)(1)+(A)(2)	**37,24,57,920**	**0**	**37,24,57,920**	**59.52**	**37,24,57,920**	**0**	**37,24,57,920**	**59.50**	**-0.02**
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	1,99,23,911	0	1,99,23,911	3.18	140,07,989	0	1,40,07,989	2.24	-0.95
(b) Financial Institiutions/Banks	2,59,91,439	0	2,59,91,439	4.15	3,10,512	0	3,10,512	0.05	-4.10
(c) Central Government	14,60,996	0	14,60,996	0.23	11,98,496	0	11,98,496	0.19	-0.04
(d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	41,86,955	0	41,86,955	0.67	3,41,43,933	0	3,41,43,933	5.45	4.79
(g) FPIs/FFIs	14,41,59,365	0	14,41,59,365	23.04	15,59,39,124	0	15,59,39,124	24.91	1.87
(h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others									
(a) Alternate Investment Funds	16,63,544	0	16,63,544	0.27	9,22,497	0	9,22,497	0.15	-0.12

Category of Shareholder	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-Total (B)(1)	**19,73,86,210**	**0**	**19,73,86,210**	**31.54**	**20,65,22,551**	**0**	**20,65,22,551**	**32.99**	**1.45**
(2) Non-Institutions									
(a) Bodies Corporate									
1) Indian	59,94,761	0	59,94,761	0.96	34,72,034	0	34,72,034	0.55	-0.40
2) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individual									
(i) Indiv. hldg. nom. shr. cap.<= ₹ 1 Lakh	9,62,332	3,43,70,315	3,53,32,647	5.65	2,90,48,430	8,32,327	2,98,80,757	4.77	-0.87
(ii) Indiv. hldg. nom. shr. cap.> ₹ 1 Lakh	57,57,431	0	57,57,431	0.92	56,61,623	0	56,61,623	0.90	-0.02
(c) Others									
(1) Trusts	38,55,281	0	38,55,281	0.62	39,08,045	0	39,08,045	0.62	0.01
(2) Non Resident Indians	27,25,812	4,64,000	31,89,812	0.51	22,06,791	4,40,000	26,46,791	0.42	-0.09
(3) Clearing Members	7,13,909	0	7,13,909	0.11	4,43,990	0	4,43,990	0.07	-0.04
(4) Hindu Undivided Families	7,11,845	0	7,11,845	0.11	5,96,016	8,000	6,04,016	0.10	-0.02
(5) IEPF	1,92,918	0	1,92,918	0.03	2,05,179	0	2,05,179	0.03	0.00
(6) Unclaimed Shares	2,10,100	0	2,10,100	0.03	2,10,100	0	2,10,100	0.03	0.00
Sub-Total (B)(2)	**2,11,24,389**	**3,48,34,315**	**5,59,58,704**	**8.94**	**4,57,52,208**	**12,80,327**	**4,70,32,535**	**7.51**	**-1.43**
Total Public Shareholding(B)=(B)(1)+(B)(2)	**21,85,10,599**	**3,48,34,315**	**25,33,44,914**	**40.48**	**25,22,74,759**	**12,80,327**	**25,35,55,086**	**40.50**	**0.02**
C. Shares held by Custodian for GDR & ADR	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C)	**59,09,68,519**	**3,48,34,315**	**62,58,02,834**	**100.00**	**62,47,32,679**	**1280327**	**62,60,13,006**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares of the Company	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total sharesof the Company	% Change in shares holding during the Year
1.	Shri Anil Rai Gupta	0	0.00	N.A	0	0.00	N.A	0.000
2.	Shri Surjit Kumar Gupta	0	0.00	N.A	0	0.00	N.A	0.000
3.	Shri Ameet Kumar Gupta	0	0.00	N.A	0	0.00	N.A	0.000
4.	Smt. Vinod Gupta	0	0.00	N.A	0	0.00	N.A	0.000
5.	Smt. Santosh Gupta	0	0.00	N.A	0	0.00	N.A	0.000
6.	Smt. Sangeeta Rai Gupta	0	0.00	N.A	0	0.00	N.A	0.000
7.	Smt. Shalini Gupta	0	0.00	N.A	0	0.00	N.A	0.000
8.	Shri Abhinav Rai Gupta	0	0.00	N.A	0	0.00	N.A	0.000
9.	Shri Anil Rai Gupta (as Managing Trustee of ARG Family Trust)	7,74,25,200	12.37	N.A	7,74,25,200	12.37	N.A	-0.004
10.	Shri Surjit Kumar Gupta (as Trustee of SKG Family Trust)	3,64,32,180	5.82	N.A	3,64,32,180	5.82	N.A.	-0.002
11.	QRG Investments and Holdings Limited	6,87,41,660	10.98	N.A	6,87,41,660	10.98	N.A	-0.004
12.	QRG Enterprises Limited	18,98,58,880	30.34	N.A	18,98,58,880	30.33	N.A	-0.010
	TOTAL	**37,24,57,920**	**59.52**		**37,24,57,920**	**59.50**		**-0.020**

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

(iii) Change in promoters' shareholding

There was no Change in the Promoters' Shareholding during the Financial Year 2020-21.

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

Sl. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**NALANDA INDIA EQUITY FUND LIMITED**						
	At the beginning of the year			3,30,44,930	5.28		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			3,30,44,930	5.28		
2.	**LIFE INSURANCE CORPORATION OF INDIA**						
	At the beginning of the year			1,68,94,840	2.70		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		03.04.2020	50,000			1,69,44,840	2.71
		10.04.2020	1,42,942			1,70,87,782	2.73
		17.04.2020	8,92,790			1,79,80,572	2.87
		24.04.2020	6,47,000			1,86,27,572	2.98
		01.05.2020	5,49,040			1,91,76,612	3.06
		08.05.2020	3,95,686			1,95,72,298	3.13
		15.05.2020	9,03,098			2,04,75,396	3.27
		22.05.2020	3,55,684			2,08,31,080	3.33
		19.06.2020	5,31,432			2,13,62,512	3.41
		26.06.2020	14,83,163			2,28,45,675	3.65
		30.06.2020	1,03,005			2,29,48,680	3.67
		03.07.2020	6,16,848			2,35,65,528	3.76
		10.07.2020	34,480			2,36,00,008	3.77
		17.07.2020	2,97,438			2,38,97,446	3.82
		24.07.2020	9,89,431			2,48,86,877	3.98
		31.07.2020	14,96,367			2,63,83,244	4.21
		07.08.2020	12,16,085			2,75,99,329	4.41
		14.08.2020	2,72,154			2,78,71,483	4.45
		21.08.2020	2,11,826			2,80,83,309	4.49
		20.11.2020	-9,90,499			2,70,92,810	4.33
		27.11.2020	-8,30,774			2,62,62,036	4.20
		04.12.2020	-12,54,875			2,50,07,161	3.99
		11.12.2020	-8,49,325			2,41,57,836	3.86
		18.12.2020	-57,914			2,40,99,922	3.85
		19.02.2021	-2,20,817			2,38,79,105	3.81
		26.02.2021	-4,12,389			2,34,66,716	3.75
		05.03.2021	-10,14,785			2,24,51,931	3.59
		12.03.2021	-8,07,676			2,16,44,255	3.46
		19.03.2021	-7,56,987			2,08,87,268	3.34
		31.03.2021	-37,388			2,08,49,880	3.33
	At the End of the Year (or on the date of Separation, if Separated during the Year)			2,08,49,880	3.33		
3.	**GOVERNMENT PENSION FUND GLOBAL**						
	At the beginning of the year			1,21,68,461	1.94		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		15.05.2020	-92,000			1,20,76,461	1.93

Sl. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		10.07.2020	-85,000			1,19,91,461	1.92
		16.10.2020	1,55,000			1,21,46,461	1.94
		30.10.2020	1,55,140			1,23,01,601	1.97
		27.11.2020	-1,34,877			1,21,66,724	1.94
		11.12.2020	-1,77,741			1,19,88,983	1.92
		05.02.2021	-1,20,000			1,20,04,413	1.92
		26.03.2021	1,35,430				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			1,20,04,413	1.92		
4.	**SMALLCAP WORLD FUND, INC**						
	At the beginning of the year			63,64,000	1.02		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		16.04.2020	3,15,000			66,79,000	1.07
		24.04.2020	1,44,478			68,23,478	1.09
		28.08.2020	7,05,522			75,29,000	1.20
		18.09.2020	19,50,444			94,79,444	1.51
		25.09.2020	6,56,711			1,01,36,155	1.62
		09.10.2020	8,74,000			1,10,10,155	1.76
	At the End of the Year (or on the date of Separation, if Separated during the Year)			1,10,10,155	1.76		
5.	**LIFE INSURANCE CORPORATION OF INDIA P & GS FUND**						
	At the beginning of the year			63,04,475	1.01		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		03.04.2020	1,66,000			64,70,475	1.03
		10.04.2020	62,000			65,32,475	1.04
		17.04.2020	50,283			65,82,758	1.05
		24.04.2020	1,96,858			67,79,616	1.08
		01.05.2020	4,76,000			72,55,616	1.16
		08.05.2020	2,74,818			75,30,434	1.20
		15.05.2020	8,21,665			83,52,099	1.33
		22.05.2020	2,27,517			85,79,616	1.37
		19.06.2020	1,33,000			87,12,616	1.39
		26.06.2020	4,30,948			91,43,564	1.46
		30.06.2020	49,548			91,93,112	1.47
		03.07.2020	1,68,599			93,61,711	1.50
		17.07.2020	1,28,000			94,89,711	1.52
		24.07.2020	2,68,350			97,58,061	1.56
		31.07.2020	2,78,650			1,00,36,711	1.60
		07.08.2020	75,000			1,01,11,711	1.62
		14.08.2020	2,09,608			1,03,21,319	1.65
		21.08.2020	3,17,197			1,06,38,516	1.70
		11.09.2020	2,00,000			1,08,38,516	1.73
		18.09.2020	2,91,618			1,11,30,134	1.78
		25.09.2020	1,58,618			1,12,88,752	1.80
		30.09.2020	2,25,000			1,15,13,752	1.84
		06.11.2020	-3,13,600			1,12,00,152	1.79

Sl. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		13.11.2020	-5,02,550			1,06,97,602	1.71
		20.11.2020	-4,08,389			1,02,89,213	1.64
		27.11.2020	-1,74,422			1,01,14,791	1.62
		04.12.2020	-37,701			1,00,77,090	1.61
		11.12.2020	-25,000			1,00,52,090	1.61
		18.12.2020	-1,90,000			98,62,090	1.58
		25.12.2020	-1,45,000			97,17,090	1.55
		31.12.2020	-62,844			96,54,246	1.54
		01.01.2021	-22,156			96,32,090	1.54
		08.01.2021	-1,70,000			94,62,090	1.51
		15.01.2021	-64,463			93,97,627	1.50
		22.01.2021	-537			93,97,090	1.50
		29.01.2021	-50,000			93,47,090	1.49
		05.02.2021	-77,500			92,69,590	1.48
		12.02.2021	-22,500			92,47,090	1.48
		19.02.2021	-35,000			92,12,090	1.47
	At the End of the Year (or on the date of Separation, if Separated during the Year)			92,12,090	1.47		
6.	**STEADVIEW CAPITAL MAURITIUS LIMITED**						
	At the beginning of the year			52,73,488	0.84		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		17.04.2020	-8,65,000			44,08,488	0.70
		24.04.2020	-16,35,000			27,73,488	0.44
		01.05.2020	-3,73,488			24,00,000	0.38
		08.05.2020	-13,61,320			10,38,680	0.17
		15.05.2020	-10,38,680			0	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
7.	**MIRAE ASSET LARGE CAP FUND**						
	At the beginning of the year			47,84,677	0.76		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		26.06.2020	-2,72,838			45,11,839	0.72
		31.07.2020	-2,20,000			42,91,839	0.69
		07.08.2020	-7,52,059			35,39,780	0.57
		14.08.2020	-67,412			34,72,368	0.55
		30.09.2020	-2,08,094			32,64,274	0.52
		23.10.2020	-1,28,000			31,36,274	0.50
		30.10.2020	-1,38,560			29,97,714	0.48
		06.11.2020	-5,08,000			24,89,714	0.40
		25.12.2020	-23,425			24,66,289	0.39
		05.02.2021	-2,00,000			22,66,289	0.36
		05.03.2021	-1,10,000			21,56,289	0.34
	At the End of the Year (or on the date of Separation, if Separated during the Year)			21,56,289	0.34		

Sl. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	**VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND**						
	At the beginning of the year			43,83,473	0.70		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares)**				
		24.04.2020	-1,07,604			42,75,869	0.68
		12.06.2020	-5,53,45			42,20,524	0.67
		21.08.2020	-9,587			42,10,937	0.67
		04.09.2020	-95,958			41,14,979	0.66
		30.09.2020	-1,03,106			40,11,873	0.64
		16.10.2020	-95,652			39,16,221	0.63
		30.10.2020	-93,936			38,22,285	0.61
		13.11.2020	-92,132			37,30,153	0.60
		04.12.2020	-89,147			36,41,006	0.58
		15.01.2021	-78,373			35,62,633	0.57
		29.01.2021	-81,989			34,80,644	0.56
		05.02.2021	-88,740			33,91,904	0.54
		05.03.2021	-1,65,233			32,26,671	0.52
		12.03.2021	-28,892			31,97,779	0.51
	At the End of the Year (or on the date of Separation, if Separated during the Year)			31,97,779	0.51		
9.	**GOVERNMENT OF SINGAPORE**						
	At the beginning of the year			43,38,229	0.69		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares)**				
		10.04.2020	11,867			43,50,096	0.70
		17.04.2020	-78,248			42,71,848	0.68
		08.05.2020	-2,615			42,69,233	0.68
		15.05.2020	84,613			43,53,846	0.70
		29.05.2020	69,292			44,23,138	0.71
		05.06.2020	3,96,048			48,19,186	0.77
		12.06.2020	32,897			48,52,083	0.78
		19.06.2020	-2,796			48,49,287	0.77
		03.07.2020	8,112			48,57,399	0.78
		10.07.2020	5,210			48,62,609	0.78
		17.07.2020	-3,857			48,58,752	0.78
		24.07.2020	-678			48,58,074	0.78
		31.07.2020	-62,191			47,95,883	0.77
		07.08.2020	-11,160			47,84,723	0.76
		14.08.2020	-2,304			47,82,419	0.76
		21.08.2020	11,344			47,93,763	0.77
		04.09.2020	-6,60,565			41,33,198	0.66
		11.09.2020	-1,20,706			40,12,492	0.64
		18.09.2020	-1,388			40,11,104	0.64

Sl. No.	For Each of the TOP 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		02.10.2020	-16,916			39,94,188	0.64
		09.10.2020	-6,80,193			33,13,995	0.53
		16.10.2020	-1,49,002			31,64,993	0.51
		23.10.2020	14,117			31,79,110	0.51
		30.10.2020	-1,02,734			30,76,376	0.49
		06.11.2020	-32,167			30,44,209	0.49
		13.11.2020	1,60,622			32,04,831	0.51
		27.11.2020	-1,51,139			30,53,692	0.49
		04.12.2020	-7,66,849			22,86,843	0.37
		11.12.2020	35,574			23,22,417	0.37
		18.12.2020	332			23,22,749	0.37
		08.01.2021	46,928			23,69,677	0.38
		15.01.2021	33,510			24,03,187	0.38
		22.01.2021	-5,328			23,97,859	0.38
		29.01.2021	-337			23,97,522	0.38
		05.02.2021	-3,16,695			20,80,827	0.33
		12.02.2021	-5,136			20,75,691	0.33
		05.03.2021	-5,89,430			14,86,261	0.24
		12.03.2021	25,339			15,11,600	0.24
		19.03.2021	-4,832			15,06,768	0.24
		26.03.2021	-2,786			15,03,982	0.24
	At the End of the Year (or on the date of Separation, if Separated during the Year)			15,03,982	0.24		
10.	**CREDIT SUISSE (SINGAPORE) LIMITED - ODI**						
	At the beginning of the year			40,00,180	0.64		
	Sale(-)/Purchase(+) during the Year	**As on Benpos Date**	**No. of shares**				
		17.04.2020	-180			40,00,000	0.64
		25.09.2020	-1,50,674			38,49,326	0.61
		30.09.2020	-2,23,085			36,26,241	0.58
		27.11.2020	-1,54,879			34,71,362	0.55
		04.12.2020	-84,824			33,86,538	0.54
		11.12.2020	-1,86,442			32,00,096	0.51
		18.12.2020	-2,35,689			29,64,407	0.47
		25.12.2020	-3,17,898			26,46,509	0.42
		01.01.2021	-27,780			26,18,729	0.42
		08.01.2021	-2,87,300			23,31,429	0.37
		15.01.2021	-5,01,510			18,29,919	0.29
		22.01.2021	-1,98,450			16,31,469	0.26
		29.01.2021	-1,01,005			15,30,464	0.24
		05.02.2021	-85,617			14,44,847	0.23
		05.03.2021	-50,867			13,93,980	0.22
	At the End of the Year (or on the date of Separation, if Separated during the Year)			13,93,980	0.22		

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMPs			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**SHRI SURJIT KUMAR GUPTA**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
2.	**SHRI ANIL RAI GUPTA**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
3.	**SHRI AMEET KUMAR GUPTA**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
4.	**SHRI RAJESH KUMAR GUPTA**						
	At the beginning of the year			9,00,688	0.14		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
	Shares allotted under Havells Employees Stock Purchase Scheme 2015	22.05.2020	60,000			9,60,688	0.15
	At the End of the Year (or on the date of Separation, if Separated during the Year)			9,60,688	0.15		
5.	**SMT. PRATIMA RAM**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
6.	**SHRI T. V. MOHANDAS PAI**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		

Sl. No.	For Each of the Directors and KMPs			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	**SHRI PUNEET BHATIA**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
8.	**SHRI VELLAYAN SUBBIAH***						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
	** Resigned wef 22nd October, 2020*						
9.	**SHRI JALAJ ASHWIN DANI**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
10.	**SHRI UPENDRA KUMAR SINHA**						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
11.	**SHRI VIVEK MEHRA***						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
	** Appointed wef 12th May, 2020*						

Sl. No.	For Each of the Directors and KMPs			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12.	**SHRI SUBHASH SHEORATAN MUNDRA***						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
	** Appointed wef 12th May, 2020*						
13.	**SHRI BONTHA PRASADA RAO***						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
	** Appointed wef 12th May, 2020*						
14.	**SMT. NAMRATA KAUL***						
	At the beginning of the year			0	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
		N.A.	0				
	At the End of the Year (or on the date of Separation, if Separated during the Year)			0	0.00		
	** Appointed wef 20th January, 2021*						
15.	**SHRI SIDDHARTHA PANDIT**						
	At the beginning of the year			3,077	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
	Shares allotted under Havells Employees Long Term Incentive Plan 2014	22.05.2020	1,575			4,652	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			4,652	0.00		
16.	**SHRI SANJAY KUMAR GUPTA (KMP)**						
	At the beginning of the year			3,857	0.00		
	Increase(+)/Decrease(-) during the Year	**As on Benpos Date**	**No. of shares**				
	Shares alloted under Havells Employees Long Term Incentive Plan 2014	22.05.2020	1,364			5,221	0.00
		20.11.2020	-3,000			2,221	0.00
	At the End of the Year (or on the date of Separation, if Separated during the Year)			2,221	0.00		

IV. Indebtedness

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

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	40.50	-	-	40.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**40.50**	**-**	**-**	**40.50**
Change in Indebtedness during the financial year				
• Addition	500.00	1,000.00	-	1,500.00
• Reduction	49.50	1,000.00	-	1,049.50
Net Change	**(450.50)**	**-**	**-**	**(450.50)**
Indebtedness at the end of the financial year				
i) Principal Amount	491.00	-	-	491.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.20	-	-	1.20
Total (i+ii+iii)	**492.20**	**-**	**-**	**492.20**

Note: Unsecured Loans includes short term loan and commercial papers

V. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount (₹)
		Shri Anil Rai Gupta (Chairman and Managing Director)	Shri Ameet Kumar Gupta (Whole-time Director)	Shri Rajesh Kumar Gupta (Whole-time Director (Finance) and Group CFO)	Shri Siddhartha Pandit (Whole-time Director)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,53,50,000	2,19,00,000	5,00,50,000	91,43,464	13,64,43,464
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	39,600	39,600	39,600	-[$]	1,18,800
	(c) Profits in lieu of salary u/s 17(3) of the Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option / ESPS (no. of shares)	-	-	60,000[#]	1575[#]	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	18,34,91,000*	7,33,97,000**	7,33,97,000**	-	33,02,85,001
	- others, specify…					
5.	Others, (PF Contribution)	66,42,000	26,28,000	60,06,000	4,71,961	1,57,47,961
	Total (A)	**24,55,22,600**	**9,79,64,600**	**12,94,92,600**	**96,15,425**	**48,25,95,226**
	Ceiling as per the Act	10% of Net profit for all Executive Directors - Managing and Whole-time Directors 5% of Net profit to any one Managing or Whole-time Director				

[$]Perquisites exclude value of shares exercised during financial year 2020-21 under the Havells Employees Stock Purchase Scheme 2015 and Havells Employees Long Term Incentive Plan 2014.

[#]During the year 2020-21, 60,000 Equity Shares of ₹ 1/- each, were allotted to Shri Rajesh Kumar Gupta under Havells Employees Stock Purchase Scheme 2015 and 1,575 Equity Shares of ₹ 1/- each were allotted to Shri Siddhartha Pandit under the Havells Employees Long Term Incentive Plan 2014 of the Company.

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

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

B. Remuneration to other directors

Sl. no.	Particulars of Remuneration	Name of Directors											Total Amount (₹)
		Shri Upendra Kumar Sinha (ID)	Smt. Pratima Ram (ID)	Shri Jalaj Ashwin Dani (ID)	Shri Vellayan Subbiah$ (ID)	Shri B Prasada Rao% (ID)	Shri Subhash S Mundra% (ID)	Shri Vivek Mehra% (ID)	Smt Namrata Kaul^ (ID)	Shri Surjit Kumar Gupta (NED, Non-Indepen-dent)	Shri Puneet Bhatia (NED, Non-Indepen-dent)	Shri T. V. Mohan-das Pai (NED, Non-Inde-pendent)	
1.	Independent Directors (ID)												
	• Fee for attending board committee meetings	6,00,000	6,90,000	6,00,000	2,40,000	4,80,000	5,40,000	4,50,000	1,50,000	NA	NA	NA	37,50,000
	• Commission	10,00,000	10,00,000	10,00,000	7,50,000	10,00,000	10,00,000	10,00,000	2,50,000	NA	NA	NA	70,00,000
	• Others	-	-	-	-	-	-	-	-	NA	NA	NA	-
	Total (1)	**16,00,000**	**16,90,000**	**16,00,000**	**9,90,000**	**14,80,000**	**15,40,000**	**14,50,000**	**4,00,000**	**NA**	**NA**	**NA**	**1,07,50,000**
2.	Other Non-Executive Directors (NED)												
	• Fee for attending board committee meetings	NA	NA	NA	NA	NA	NA	NA	NA	-	3,60,000	4,20,000	7,80,000
	• Commission	NA	NA	NA	NA	NA	NA	NA	NA	-	10,00,000	10,00,000	20,00,000
	• Others	NA	NA	NA	NA	NA	NA	NA	NA	-	-	-	-
	Total (2)	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**-**	**13,60,000**	**14,20,000**	**27,80,000**
	TOTAL (B)=(1+2)	**16,00,000**	**16,90,000**	**16,00,000**	**9,90,000**	**14,80,000**	**15,40,000**	**14,50,000**	**4,00,000**	**-**	**13,60,000**	**14,20,000**	**1,35,30,000**
Total Managerial Remuneration		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**49,61,25,226**
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-executive Directors											

$Resigned as Director wef 22nd October, 2020.

%Appointed as Director wef 12th May, 2020.

^Appointed as Director wef 20th January, 2021.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹)
		CEO*	Company Secretary	CFO*	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	78,64,594	-	78,64,594
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option / ESPS (no. of shares)	-	1,364#	-	1,364#
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify…	-	-	-	-
5.	Others, (PF Contribution)	-	4,08,642	-	4,08,642
	TOTAL	**-**	**82,73,236**	**-**	**82,73,236**

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

#During the year 2020-21, 1,364 Equity Shares of ₹ 1/- each, were allotted to the Company Secretary under Havells Employees Long Term Incentive Plan 2014. In respect of these shares, amount has been contributed by the beneficiary himself.

VII. Penalties/ Punishment/ Compounding of Offences

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

ANNEXURE - 3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

To,
The Members,
Havells India Limited

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 to ascertain the compliance of various provisions of:-

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

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

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

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

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

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

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

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

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

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

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

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

(vi) The Employees State Insurance Act, 1948

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

(viii) Employers Liability Act, 1938

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

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

(xi) Factories Act, 1948

(xii) Industrial Dispute Act, 1947

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

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

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

We further report that

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

We further report that during the audit period the Company has issued and allotted Equity Shares under Havells Employees Stock Purchase Plan 2014, Havells Employees Stock Purchase Scheme 2015 and Havells Employees Stock Purchase Scheme 2016 which were successfully listed and currently traded at both the Stock Exchanges. Further, the Company successfully issued and redeemed Commercial Paper on the due date of maturity i.e. 26th March 2021, for an amount of ₹ 500 crores, which were duly listed on National Stock Exchange of India Limited. Furthermore, we report that there were no instances of:

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

ii. Redemption / buy-back of securities.

iii. Foreign technical collaborations

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

For **MZ & ASSOCIATES**
Company Secretaries

CS Mohd Zafar
Partner
Membership No: FCS 9184
CP: 13875
UDIN: F009184C000244683

Date: 05th May, 2021
Place: New Delhi

ANNEXURE A

To
The Members,
Havells India Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever 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 procedures on test 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 **MZ & ASSOCIATES**
Company Secretaries

CS Mohd Zafar
Partner
Membership No: FCS 9184
CP: 13875
UDIN: F009184C000244683

Date: 05th May, 2021
Place: New Delhi

ANNEXURE - 4

Details of Investments as on 31st March, 2021

Name of Company	Amount (INR)
Havells Holdings Limited	1,18,74,365
Jiangsu Havells Sylvania Lighting Limited	17,27,36,045
Havells Guangzhou International Limited	45,29,301
TOTAL	**18,91,39,711**

Notes:

a) The Company is carrying an amount of ₹ 13.59 crores as provision for impairment of investment held in Havells Holdings Limited.

b) The Company has measured its investment in its Joint Venture (Jiangsu Havells Sylvania Lighting Limited) at fair value less cost to sell {refer note 11(E)(b) and note 13(b)} of Standalone Financial Statements).

Details of Loans as on 31st March, 2021

As at 31st March, 2021, the Company has not given any loan.

Details of Guarantees as on 31st March, 2021

As at 31st March, 2021, the Company has not given any guarantee.

ANNEXURE - 5

Form No. AOC-2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Anil Rai Gupta
Chairman and Managing Director

Delhi, May 20, 2021

ANNEXURE - 6

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

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

1. Brief outline on CSR Policy of the Company

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

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

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

2. Composition of CSR Committee

As at 31st March, 2021, the Corporate Social Responsibility Committee comprised of 4 (Four) Members of the Board, 2 (Two) of which were Independent Directors and 2 (Two) were Executive. The Chairman of the Committee is an Independent Director.

Sl. No.	Name and Designation/ Nature of Directorship	Total No. of CSR Committee Meetings held during the year – 3		
		Attendance in CSR Committee Meetings held on		
		12 -May- 20	29- Oct- 20	23- Mar- 21
1.	Shri Jalaj Ashwin Dani, Independent Director, CHAIRMAN	✓	✓	✓
2.	Shri Bontha Prasada Rao# Independent Director, MEMBER	NA	✓	✓
3.	Shri Vellayan Subbiah* Independent Director, MEMBER	✓	NA	NA
4.	Shri Anil Rai Gupta, Executive Director, MEMBER	✓	✓	✓
5.	Shri Rajesh Kumar Gupta, Executive Director, MEMBER	✓	✓	✓

 # Appointed as a Member after the Committee Meeting held on 12th May, 2020.

** Shri Vellayan Subbiah resigned as an Independent Director on 22nd October, 2020.*

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

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

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

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

4. Provide the 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 (attach the report).

Not applicable for financial year 2020-21.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.			
2.			
3.			
	TOTAL		

6. Average net profit of the Company as per Section 135(5) – ₹ **1,048.55 crores**

7.

(a)	Two percent of average net profit of the company as per section 135(5)	**20.97 crores**
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	**NIL**
(c)	Amount required to be set off for the financial year, if any	**NIL**
(d)	Total CSR obligation for the financial year (7a+7b-7c)	**20.97 crores**

8. (a) CSR spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
22.47 crores	12 crores	29.04.2021	NA	Nil	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Impleme-ntation - Direct (Yes/ No)	Mode of Impleme-ntation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	**Supporting education**	**(ii)**										
	IFRE- Ashoka University.		Yes	Haryana	Sonepat	3 years	16.00 cr	4.00 cr	12.00 cr	No	IFRE	**CSR00000712**
	TOTAL						**16.00 cr**	**4.00 cr**	**12.00 cr**			

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Project Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of impleme-ntation - Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Regn No., if already registered
1.	**Environment Conservation**	**(iv)**							
	Plantation Works		Yes	MP, HP, Rajasthan	Bhopal, Baddi, Neemrana	3.31 cr	Yes		Yes
				NCR, UP		0.05 cr	No	QRG Foundation	CSR00001995

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Project Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of impleme-ntation - Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Regn No., if already registered
	Electric Charging Station Installation		Yes	Delhi (Under process of installation)	Anand Vihar	0.08 cr	No	Rotary Panchshila Park Service	
	Kanya Upvan		Yes	Rajasthan	Alwar	0.21 cr	Yes		Yes
2.	**Providing sanitation facilities**	**(i)**							
	Distribution of re-usable sanitary pads for young girls		Yes	Across various major States		1.44 cr	No	QRG Foundation	CSR00001995
	Building toilets in schools where mid-day meals are provided.		Yes	Rajasthan	Alwar	0.44 cr	Yes		
3.	**Mid-Day Meal (MDM) and Covid -19 Programme**	**(i)/ (xii)**							
	Covid Meals to poor through QRG Foundation		Yes	Rajasthan	Alwar	0.74 cr	No	QRG Foundation	CSR00001995
	Covid Meals to Poor		Yes	Rajasthan	Neemrana	0.04 cr	Yes		
4.	**Supporting education of underprivileged children**	**(ii)**							
	Providing tables and benches to children in government primary schools in Haridwar & Neemrana.		Yes	Rajasthan, HP	Haridwar, Baddi, Alwar & Neemrana	0.04 cr	Yes		
5.	**Protection and Conservation of Heritage**	**(v)**							
	Contributing to Aga Khan Foundation India, a private non-profit foundation registered under the Companies Act, 2013 engaged in restoration and conservation of various heritage monuments		Yes	Delhi	Delhi	0.07 cr	No	Aga Khan Foundation	
6.	**Covid care support**	**(xii)**							
	Fans for Quarantine Centre		Yes	Uttarakhand	Rudrapur	0.05 cr	Yes		
	TOTAL					**6.47 cr**			

(d) Amount spent in Administrative Overheads : **NIL**

(e) Amount spent on Impact Assessment, if applicable : **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **₹ 22.47 crores**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	**20.97 cr**
(ii)	Total amount spent for the Financial Year	**22.47 cr**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**1.50 cr**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**NIL**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**1.50 cr**

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
1.							
2.							
3.							
	TOTAL						

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
1.								
2.								
3.								
	TOTAL							

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

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in cr.)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
27-04-20	0.03	Govt. Sec. School Village-Bhaggu Ka Bas, Tehsil-Bansur-301412	Bio Toilet at Bansur
27-04-20	0.03	Govt. Sr. Sec. School Village-Devson, Tehsil-Bansur-301412	Bio Toilet at Bansur
04-05-20	0.03	Govt. Sr. Sec. School Shivaji Park, Alwar City, Tehsil-Alwar-301001	Bio Toilet at Alwar
07-05-20	0.03	Govt. Sec. School Village-Jangiwada, Tehsil-Mundawar-301401	Bio Toilet at Mundawar
07-05-20	0.03	Govt. Sr. Sec. School Village-Babriya, Tehsil-Bansur-301412	Bio Toilet at Bansur
09-05-20	0.03	Govt. Sec. School Village-Jalawas Manethi, Tehsil-Mundawar-301401	Bio Toilet at Mundawar

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in cr.)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
11-05-20	0.03	Govt. Sr. Sec. School Village-Girundi, Tehsil-Bansur-301402	Bio Toilet at Bansur
11-05-20	0.03	Govt. Upper Primary School, Village-Bichala, Tehsil-Mundawar-301024	Bio Toilet at Mundawar
11-05-20	0.03	Govt. Upper Primary School Village-Chobara, Tehsil-Behror-301706	Bio Toilet at Behror
20-05-20	0.03	Govt. Upper Primary School Village-Choroti Bas, Tehsil-Ramgarh-301001	Bio Toilet at Ramgarh
20-05-20	0.03	Govt. Sr. Sec. School Village-Bilali, Tehsil-Bansur-301024	Bio Toilet at Bansur
20-05-20	0.03	Govt. Sr. Sec. School Village-Choola, Tehsil-Bansur-301402	Bio Toilet at Bansur
25-05-20	0.03	Govt. Sr. Sec. School Village-Mothuka, Tehsil-Bansur-301402	Bio Toilet at Bansur
25-05-20	0.03	Govt. Sr. Sec. School Village-Rasnali, Tehsil-Bansur-301402	Bio Toilet at Bansur
Total	**0.38**		

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

Anil Rai Gupta
Chairman and Managing Director

Jalaj Ashwin Dani
Chairman CSR Committee

Date: 20th May, 2021

ANNEXURE - 7

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

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration (excluding Commission) of each director to the median remuneration of the employees of the company for the financial year	- Ratio of the remuneration of Shri Anil Rai Gupta, Chairman and Managing Director to the median remuneration of the employees – 74:1 - Ratio of the remuneration of Shri Ameet Kumar Gupta, Whole-time Director to the median remuneration of the employees – 29:1 - Ratio of the remuneration of Shri Rajesh Kumar Gupta, Whole-time Director (Finance) and Group CFO – 67:1 - Ratio of the remuneration of Shri Siddhartha Pandit, Whole-time Director – 14:1
(ii)	Percentage increase in remuneration (excluding Commission) of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	- Shri Anil Rai Gupta, CMD – 2.47% - Shri Ameet Kumar Gupta, WTD – 2.75% - Shri Rajesh Kumar Gupta, WTD (CFO) – 6.91% - Shri Siddhartha Pandit, WTD – 6.98% - Shri Sanjay Kumar Gupta, CS – 6.82%
(iii)	Percentage increase in the median remuneration of employees in the financial year	6.76%
(iv)	Number of permanent employees on the rolls of company	5,727 Employees
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	- Average increase in remuneration of Managerial Personnel – 4.39% - Average increase in remuneration of employees other than the Managerial Personnel – 5.81% The top level compensation is linked to Profit Before Tax.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.

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

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Rules are available to any shareholder for inspection on request.

Such details are also available on your Company's website at https://havells.com/en/discover-havells/investor-relation/disclosures.html

ANNEXURE - 8

Our response to Covid- 19

Despite the difficult situation, Havells remained resilient drawing strength from its Culture, Brand, Digital & Physical Infrastructure, strong trust & relationships with channel partner along with Entrepreneurial spirit of the team.

Scale of the Problem

Covid-19 led lockdown was an unprecedented event which was beyond the risks conceptualized in traditional ERM exercise. Though there have been several disruptions in the past which were either supply led or demand led however Covid-19 dwarfed all previous disruptions seen in the recent decades.

Leadership team came to Fore

It was important to ensure that when the opportunity presents, Havells should be able to sprint back. Priorities were set:

- **Employee safety**

  Health and safety of the employees remained absolute priority for the Company. Regular sanitization at offices and factory, roster-based working, AI based tools to monitor social distancing were deployed.

- **High Morale**

  Several digital events were organized for the employees which varied from subject trainings, ideation sessions, entertainment programs, live celebrity engagements, Yoga and motivational sessions to ensure physical as well as psychological wellbeing.

- **Communication**

  The frequency and intensity of the communication with channel partners and vendors was increased through digital modes addressing large audience while maintaining close appearance.

- **Adequate liquidity**

  Cash buffer was created with bank borrowing and reducing non- essential spends.

- **Support stakeholders**

  Ensuring timely payment to the employees, its vendors and need based credit support to the customers.

Business Continuity

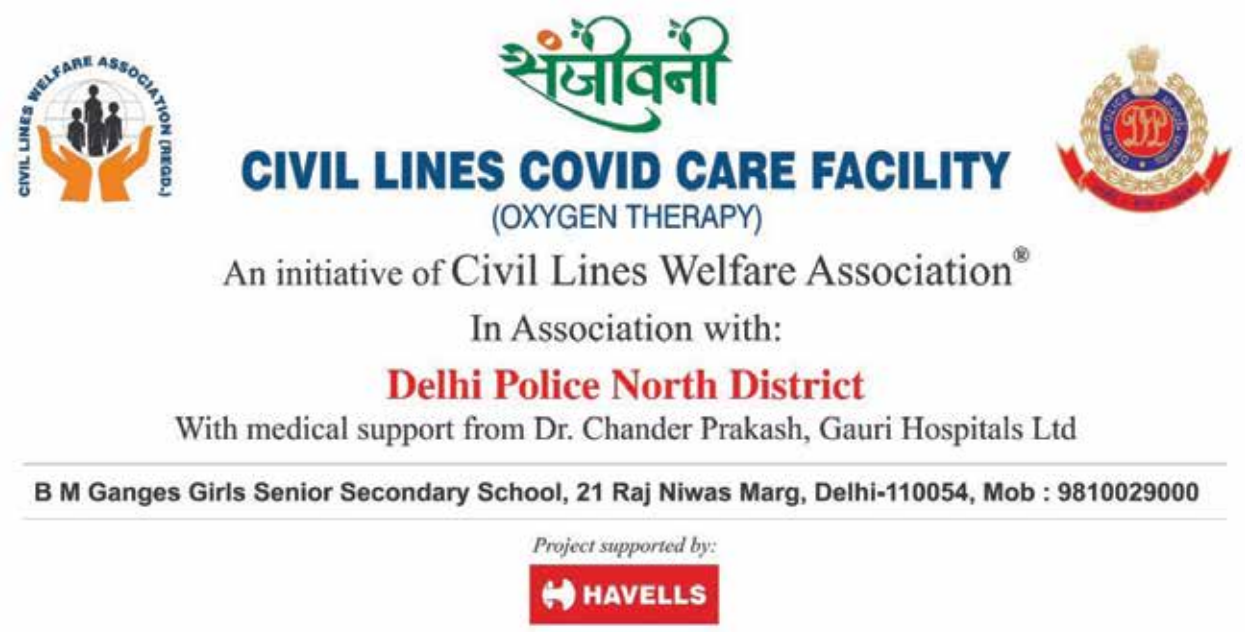
From May 2020, we concentrated on business continuity with strict safety protocols. Agility and digitisation were the key enablers to ensure a quick bounce back once the lockdown was relaxed.

Factories operations resumed with focus on manufacturing the SKUs in demand from the trade. Supply chain team went out of the way to ensure that the deliveries alongside the credit team which offered varied solutions to the customers to facilitate quick restart and pave way towards normalization. Customer service team approached the situation with extreme empathy, helping customers through on-call resolutions, DIY videos and need based contact-less physical visits. SOPs were defined for the field service engineers, including hygiene protocols and zero contact service and trained them to use virtual tools including video call-assisted self-service.

Second Wave

The second wave has been ferocious and disruptive, there were heightened call for medical assistance which were addressed as feasible with entire support from Havells infrastructure and connect including hospitalization, provision of medicines, oxygen and other needs.

- Contributed ventilators to QRG Health City, Hospital in Faridabad
- We assisted in establishing a temporary 20 beds Covid facility with oxygen concentrators at Civil Lines in Delhi
- Facilitated in importing 1,000 Oxygen concentrators for employees and channel partners. Have created a pool of Oxygen concentrators at branches and factories to be made available to Employee for exigencies
- The 45+ employee category has been fully vaccinated in the Company. We are engaged with hospital chains to evaluate vaccination for the remaining employees. The Company would bear the cost of vaccination of employees







While Covid is an unfortunate event which has brought misery to public at large, it has strengthened our resolve for increased technology adoption and become stronger than ever before with skilled & motivated employees.

ANNEXURE – 9

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

(A) Conservation of Energy

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

(a) Steps taken or Impact on conservation of Energy

At Havells, our continuous pursuit has been towards gaining maximum energy efficiency in our operations and products. We do it through implementing one of the best Energy Management Systems (ISO 50001-EnMs), cutting edge technology and dedicated research and development centres. In the present financial year the company undertook about 37 nos. of projects towards conservation of energy. Through our initiatives, we were able to mitigate 1,884.13 tons of CO2 emissions, thereby contributing to combatting climate change. Details for the projects is given below:

Description of the project	Energy saved per year (KWh)	Capital Expenditure incurred in purchase of energy conservation equipment (INR)
Energy Saved due to Optimization of motors and pumps	9,80,782	18,40,369
Process Optimization and Elimination of Ideal running of machines and equipment	5,31,128	1,97,250
Savings through Installation of New machines, technology (dryer installation, energy efficient fans, etc)	7,85,808	51,12,873
TOTAL	**22,97,718**	**71,50,492**

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

Contributing to sustainable development goals and government's agenda of adopting clean and green energy, the Company has been substituting a share of its total electricity requirement through solar energy. The Company at present has solar power generation capacity of 5.6 MW, which is about 8.5% of total electricity consumption. Recently, the Company has added 1.95 MW rooftop solar power plant at its Alwar plant site, which will be commissioned in FY 2021-22 thereby taking the captive solar power generation capacity to 7.4 MW.

ii Capital Investment on Energy Conservation Equipment

During the financial year the Company has invested INR 71.5 Lakhs for purchase and installation of state-of-the-art technology equipment and in projects for achieving energy efficiency through upgradations and process optimization.

Havells' R&D Commitment

Havells is investing significantly in R&D, both in people and infrastructure. With an aspiration to be a global peer in Electrical products, Havells has invested in a new R&D centre in Noida with a capacity for more than 400 R&D engineers and technicians. The centre located in Sector 59, boasts of state-of-the-art laboratories for performance and endurance testing, prototyping, materials testing & characterization, metrology for multiple product categories. Additionally, the Company has invested in another centre in Bengaluru which focuses on Innovation, platform creation and digital products and services. While the Company is and will continue to be very focused on the building blocks for organic R&D activities, it is also working with leading academic institutions, national research institutes and product and services vendors for creating future products. The open innovation portal "Soch" has been an enabler for such partnerships. Finally, the Company has been nurturing an Innovative culture with specific emphasis on meaningfully protecting its Intellectual Property through a proper framework for evaluating all invention disclosures and design registrations.

Basic Tenets of Technology Absorption

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

SMART Connected Products

There is a technological revolution happening by the convergence of mechanical, electrical, electronics and information technology-based systems, also referred to as Cyber-physical systems. These technologies which swept the large industrial products few years ago are now getting more and more pervasive in consumer electrical goods as well. The future is not restricted to connected (IoT) devices but extending into Smart home living concepts with more and more appliances becoming intelligent and capable of autonomous learning facilitated by technologies such as Machine Learning (ML), Artificial Intelligence (AI), Natural Language Processing (NL) and edge computing. In the past, we made our forays into IoT, AI enabled devices with the launch of connected products such as Adonia-I (WiFi enabled water heater), Lloyd Grande Heavy Duty Smart Air conditioner, Futuro ceiling fan, smart connected lighting platform for individual and group lighting control.

During 2020-21, we further intensified our smart connected product journey by strategic decision to standardize on indigenously developed IoT & AI platform which is comprehensive platform with connectivity, control hardware, product cloud, voice control with AI/ ML capability & syncing of Havells unified app - addressing the need of scalability, security & complete data ownership- to provide an unmatched consumer experience into Havells digital products. Our smart products are providing voice-activated services such as Alexa, Google Assistant and Siri that provide convenience and flexibility of hands-free voice computing to our Consumers. We have planned many more smart products & devices in the forthcoming years which augment the life style and well-being factors of consumers with the help of data driven processing and decision making.

We extended our smart product portfolios with our flagship product in the Fans category – Carnesia-I, Stealthwood-I which have integrated smart sense technology with unique algorithm to sense room temperature and humidity, intelligently regulate fan speed based on Heat Index thus delivering maximum comfort. We have added more intelligent algorithms into our smart appliances and devices to enable situation-based decision-making capabilities. introduction of Glamax Smart Batten 20 W Tunable White, Glamax Smart Bulb 9W Tunable White and RGB, 16A Smart Socket and smart accessories for home automation. Other intelligent product introductions include: Color temperature (CCT) varying Street Lights in line with our smart city and smart office ecosystem initiatives which is first of its kind in India and one of the few installations worldwide, Entire range of Human Centric Lighting launched for office segment, ST^DX Range of communication ready MCBs, RCCBs with all accessories for final distribution protection, Wi-Fi Enabled 6/16A Smart Sockets, Smart extensions, Voice & App control, Wired & Wireless Home automation to control Modular Switches, Curtains, Smart Surveillance & Security products to provide a suite of home automation solutions and all-in-one solar street light with motion sensor, Long Range (LoRa) based system monitoring and control with user settable dimming profiles that enables individual as well as remote management of streetlight lamps along with autonomous operation based on predefined schedules, light level sensor, and adaptive lighting.

Energy Conservation/ Efficiency

We see energy efficiency as a big thrust in years to come. Havells continues to launch products that are energy efficient, whether it be in the field of star labeled LED lighting (both indoor and outdoor), fan or appliances. In this year, we have launched Enticer & Efficiencia Neo ceiling fan with BLDC motor, which saves more than 50% power consumption as compared to normal Induction motor. With the revision of BEE energy start rating in induction motors, we were able to save 75,000 MWH energy consumption in 2020. Majority of our SWAM series washing machine is already fulfilling 5-star rating well ahead in the market where mandatory BEE regulation is going to be effective by Jan 01, 2022. Reo Elegant Switch range used energy efficient materials which will save 30% more energy than previously used materials. Our refrigeration system with frost free model and DC inverter models are energy efficient and development is in progress for 4 & 5 star rated refrigerators. Our Silencio mixer grinder is capable of reducing 50% perceived noise level and equipped with energy efficient HVDC motors.

Sustainability

Havells is committed to Sustainability, whether it be in the choice of materials during the design development process or in design/ development of products that are resource efficient (energy and/or water), or in

operational practices at its manufacturing plants or other locations. From a design side, Havells has decided to use only RoHS compatible materials and manufacturing processes. We have initiated RoHS compliant electrical contact materials for EWA and started lead free soldering in electronic components of lighting products. In Packaging design, the focus areas were technology innovations for eco-friendly and recyclable materials. Our Lloyd top & front load washing machines are capable of minimizing water consumption by use of selective logic programs. We are well on our target of 15% increase in usage of sustainable packaging material (bio-degradable or recyclable or recycled or material from renewable sources) against the baseline of Financial Year 2019-20.

Adherence to Regulations and Standards

This is an overarching driver which ensures quality standards in development of all new products as mandated by governing/certifying bodies to ensure compliance to worldwide (and country specific) norms. Our goal is to design, develop and launch products that will meet global requirements for safety, performance and reliability. Towards this, we are adopting global best practices such as the adoption of safety standard IEC60335, RoHS compliance, relevant certifications as required for all our products. Our export markets continue to expand. Havells takes special pride in developing products that comply to all electrical industry standards and quality marks as regulated by local institutions such as BIS, BEE, CEAMA, and IEEMA. Specifically, for Lighting, washing machine (BIS is not applicable and BEE is voluntary), BEE star rating for Water Heaters, AC, Domestic/kitchen appliances, AC, and Fans.

Specific Efforts of Technology Absorption

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

- **Small Domestic Appliances –** Digitalization and adoption of WiFi in small appliance segment was the major technological development in this year. India's first digital OFR commercialized by Havells along with In-house developed & launch of WiFi platform for Adonia-I and Preset Menu digital mixer grinder. Development of odor-free honeycomb pad for air cooler and descalant to get rid of scale due to hard water in water heater is going to bring smile at consumer's face. Localization of components in appliances has also been done with development of sealed submersible pump PCBA and swing motor for air cooler and heating element for water heater as substitute for the import.

- **Electrical Wiring and Accessories –** REO Elegant switch range design, development and commercialization completed in record time under the tough situation of COVID-19 pandemic using energy efficient & cost-effective advanced engineering plastic material. Adaptation of unique & first in its kind with 8+1 (8step with zero mode) Electro-Mechanical Fan Regulator to meet the consumer's need. Development & commercialization of antifungal antibacterial Crabtree Switch ranges which is first time in India with concurrent demand against germ safety during COVID-19 pandemics along with locally developed cost effective WiFi Switches.

- **Lighting –** Indigenous development of decorative Nu batten & Glamus antiglare batten Completed and commercialized. App based smart home lighting (Glamax RGB/ Tunable White, Glamax Batten), UV-C handheld UVED T8-8W for disinfection and antibacterial cabinet for kitchen application against germ in this concurrent demand of pandemic COVID-19. Besides, viaduct lighting, tunnel lighting, variable connected solar street projects completed and commercialized in various parts of India. Havells is first entrant in the lighting market with driver on board (DOB) Technology in LED lamp & Downlighter segments.

- **Water and air purifier –** Adaptation of alkaline water media from Globexi Japan was completed and MOU signed with ionic water solutions Canada for CiM (Capacitive ion Movement) desalinization technology for the point of usability.

- **Fans –** The flagship model of smart connected device with smart sensing, Stealth wood-I has been launched which is more premium & elegant in look & finish with state-of-the-art temperature & humidity control. UV metallization process used to replace chrome plating with improved finish & lifespan, protecting environment from the use of hazardous substances and is RoHS compliant. Stepping towards health and environment, coating material & process for the fans has been improved with minimum energy use and low organic volatile contents (VOCs). Implemented coating process with 2C1B paints (2-coat 1-bake) instead of 3C2B (3-coat 2-bake) to save fuel and reduce VOCs for fans. Controller for BLDC technology motor for ceiling fans developed locally in India.

- **Circuit Breakers (Distribution Products and Industrial Switchgear) -** Electronic Sub metering in Current Limiting devices having unique features of Dual Energy Meter with online display, analysis reports & user mobile application experience has

been introduced along with electronic accessories for protection & control devices to monitor, control its working from local as well as remote locations. Development of Arc Fault Protection in existing circuit breakers with integrated as well as add on possibilities will provide option to consumers. IPR5+ ACB (Intelligent Protection Release for Air Circuit Breakers) with MODBUS communication and protection features, Hyundai contactor range local manufacturing initiated to aid business growth and DFSS (Design for Six Sigma) process adopted in HIM+ MCCB to improve robust design & product reliability.

- **Lloyd –** During 2020-21, we introduced Plasma ion generator in Air Conditioners to safeguard from air-borne pathogens (bacteria & viruses), PM0.3 (Particulate Matter 0.3 micron) & bad odor removal. We accelerated the development of our indigenized AC Controller with dual objectives of (a) important substitution and (b) taking control of critical technologies to help better positioning of our products in future.

For LED's we went for technological upgradation with launch of official Android TVs ranging from 32'' to 55'' screen with HD (High Definition), FHD (Fully HD), and 4K resolution. In washing machines category, our efforts have been directed towards making our products lead the market in terms of energy efficiency – more so since 5-star energy rating is going to be mandatory from Jan 1, 2022. We have also launched 5-star rated SAWM (Semi-Automatic Washing Machine) series developed with glass top and damper lid technology which is the widest range of washing machines in the industries. In refrigeration category, we launched complete series of refrigerators with different capacity with frost free and inverter models which are capable of continuous operation even on home inverter during power outage. We are also actively pursuing initiatives for indigenous development against import substitutes.

Benefits derived from these R&D Efforts:

We had a successful launch of several new products – Over 400 projects completed in the Financial Year 2020-21. This includes multiple new category projects under various segments such as water purifiers, connected products in the appliance, switches and lighting areas, low noise ceiling fans and mixer grinders, power saving BLDC (Brush-Less DC) fans. In many cases, products are evolved from previous versions to be more robust and better performing. This has been achieved through a combination of prevention and detection methodologies used in the development process. Prevention methodology includes FMEA (Failure Modes and Effects Analysis), Finite Element, CFD (Computational Fluid Dynamics) Simulation, DFSS (Design for Six Sigma) and Mold flow analysis (MFA). The use of different simulation techniques is to establish optimize design & performance with first time right approach of tool & product manufacturing. The organization continues to drive more rigor in testing and validation process by using larger sample size and failure testing amongst others to detect potential field issues prior to launch of product in the market. All these efforts have led to sizeable impact on the revenue from the new product launches. During FY 2020-21, the contribution to the top line was approximately 14% from products launched during FY20-21 (Apr'20 – Mar'21) and 29% from products launched during FY19-20 (Apr'19 – Mar'20) – thereby yielding 43% of FY revenues from products launched during last 8 quarters.

Value enhancement through product engineering – Havells has a continuous improvement methodology consisting of analyzing field returns, finished goods rejects, in process rejects and validation rejects. Based on the data, we continuously improve our products using FMEA's, Structured Problem-solving methodologies, Stress and environmental Failure testing. We also continuously improve the cost position of our products by using tools such as Functional Analysis where cost is assigned to important functions and cost due to unimportant functions are deleted using brainstorming and innovation.

Havells is focused on innovative products and encourages employees to be creative and file for patents and registrations as part of their day to day activity. In Financial Year 2020-21, the Company filed for **133+** new IPRs (Intellectual Property Rights) including Patent filings and Design Registrations.

The Company has Imported following technologies during last three years reckoned from the beginning of the financial year:

Details of Technology Imported	Year of Import/ Introduction	Whether technology has been fully absorbed	If not fully absorbed, areas where this has not taken place
Ansys License for CFD (Computational Fluid Dynamics)	2018	Yes	N.A.
Microsoft Office PMO – Project Management Office	2018	Yes	N.A.
Microsoft Project Online	2018	Yes	N.A.
Goniometer for Luminaire Spatial	2018	Yes	N.A.

Details of Technology Imported	Year of Import/ Introduction	Whether technology has been fully absorbed	If not fully absorbed, areas where this has not taken place
FTIR for material identification	2019	Yes	N.A.
Surge Protection Testing Equip.	2019	Yes	N.A.
Programmable AC Power Source	2019	Yes	N.A.
Chroma make Prog DC Electronic Load main & load Module	2019	Yes	N.A.
5 H Surge Generator & Isolated Voltage Regulator	2019	Yes	N.A.
Electric Water Heater Life Testing Machine with Accessories	2019	Yes	N.A.
Artec Space Spider 3D Scanner & Accessories	2019	Yes	N.A.
Programmable DC Power Supply	2019	Yes	N.A.
Creo for Simulate to give quick design guidance from structural perspective	2019	Yes	N.A.
Altair Hypermesh License	2019	Yes	N.A.
Ansys HPC Licenses for Parallel computing	2019	Yes	N.A.
View Master – Advanced Gerber and PCB layout editor (software)	2020	Yes	N.A.
4 channels isolated hand-held oscilloscope	2020	Yes	N.A.
4 channel 500Mhz oscilloscope with function generator and logic analyzer	2020	Yes	N.A.
SMD rework station	2020	Yes	N.A.
High power (12KW) variable DC power supplies	2020	Yes	N.A.
Isolation transformers	2020	Yes	N.A.
High power Variac	2020	Yes	N.A.
Power analyser	2020	Yes	N.A.
Multi-channel data logger	2020	Yes	N.A.
Precision multi output power supply	2020	Yes	N.A.
6.5-digit multimeter	2020	Yes	N.A.
LCR meter	2020	Yes	N.A.
MATLAB Licenses (2 Nos)	2020	Yes	N.A.
MATLAB Licenses (2 Nos)	2020	Yes	N.A.
Submersible pump with sealed technology air cooler	2020	Localized	N.A.

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

The expenditure incurred on Research and Development

(₹ in Crores)

Particulars	2020-21	2019-20
(a) Capital	5.16	16.00
(b) Recurring	90.43	85.56
TOTAL	**95.59**	**101.56**
Total R & D expenditure as % of Total Turnover	**0.92%**	**1.08%**

(c) Foreign Exchange Earnings and Outgo

During FY 2020-21, our international business spread to many more geographies & we also started exporting new product categories like Air-conditioners, British standards Switchgear & RoHS 3.0 & REACH compliant Switchboards.

We saw growth on all product categories across all regions in this FY.

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

- We went started a new strategic alliance with a prominent International player with signing

of new contracts this year for Switchgear Category and we are exploring new product categories for cooperation.

- We have successfully entered into newer markets this year and added more than 20 new countries this year.
- We are continuously investing on international certification & have added UL certifications for American subcontinent and RoHS 3.0 for European markets. We are optimistic that this will help us grow at developed markets.
- We are continuing the investment in Brand building & Channel engagement activities like Retail branding, display, merchandising and other dealers/ electrician/ architect meets across different markets.

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

(₹ in Crores)

Particulars	2020-21	2019-20
Foreign Exchange earned	309.28	245.59
Foreign Exchange used	1,785.55	1,881.40

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

Anil Rai Gupta
Chairman and Managing Director

Delhi, May 20, 2021

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sl. No.	Disclosures	Information/Reference Sections
1	Corporate Identity Number (CIN) of the Company	L31900DL1983PLC016304
2	Name of the Company	Havells India Limited
3	Registered address	904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110001
4	Website	http://www.havells.com/
5	E-mail id	investors@havells.com
6	Financial Year reported	1st April 2020 to 31st March 2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	See table below
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. SWITCHGEAR: Switches, Domestic Switchgears, Industrial Switchgears, Capacitors, Automation and Control 2. CABLES : Power Cable and Flexible Cables 3. LIGHTING AND FIXTURES : Professional Luminaires and Consumer Luminaires 4. ELECTRICAL CONSUMER DURABLES: Fans, Small domestic appliances and Water Heaters 5. LLOYD CONSUMER : Air Conditioners, Refrigerator, Washing Machine Televisions, and other domestic appliances 6. Others : Motors, Solar, Pump, Water purifiers and Personal Grooming Products
9	Total number of locations where business activity is undertaken by the Company: a. No. of International Location (Provide Details of Major 5) b. No. of National Location	Our Business activity is spread across both National and International locations. For details please refer page no. 08 &132 of this Integrated Annual Report.
10	Markets served by the Company	We have sales presence in over 60+ countries

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sl. No.	Disclosures	Information/Reference Sections
1	Paid-up Capital (INR)	62.60 Crores
2	Total Turnover (INR)	10427.92 Crores
3	Total Profit after Taxes (INR)	1039.64 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after Tax (%)	During the Financial Year 2020-21, the Company spent 20.97 Crores on Corporate Social Responsibility activities.
5	List of activities in which expenditure in 4 above has been incurred	List of major CSR Activities undertaken by Havells India Limited are : 1. **Meals to Needy during COVID Times (extended Havells Mid-Day meal)** – Distributed meals to the needy people, during COVID times. 2. **Hygiene and sanitation Initiative** – a. Construction and maintenance of bio-toilets in govt. schools. b. Distribution of re-usable sanitary napkins to girls, across various states. 3. **Education and School Infrastructure-** a. Providing support and assistance to Ashoka university for developing educational infrastructure. b. Donating table and benches to government schools, made from recycled waste wood. 4. **Tree Plantation-** Large scale tree plantation initiative in Madhya Pradesh and Rajasthan.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Please refer Director's report

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

The Subsidiary Companies do not participate in the BR Initiatives of the Company.

3. Do any other entity/entities (e.g. Suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].

The other entities e.g. Suppliers, distributors, etc. with whom the Company does business, do not participate in the BR Initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

DIN Number : 00002838

Name : Ameet Kumar Gupta

Designation : Director

b) Details of the BR head:

Name : Shri Nitin Singh
Designation : Head CSR & Sustainability
Telephone no. : 0120-477-2465
e-mail id : Nitin.Singh@havells.com

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

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

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

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

Principle 3 Businesses should promote the wellbeing of all employees.

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

Principle 5 Businesses should respect and promote human rights

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

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

Principle 8 Businesses should support inclusive growth and equitable development.

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

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

List of policies

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

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

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

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

P5: Human Rights Policy - http://www.havells.com/en/investor-relations/Codes-and-Policies.html

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

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

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

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

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

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

3. Governance related to BR

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

The Management assess the Business responsibility performance periodically annually.

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

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), the Company has been publishing BRR from the FY 2016-17 onwards as an integral part of the Annual Report.

Besides, the Company also publishes a voluntary Corporate Sustainability Report based on internationally accepted Global Reporting Initiative (GRI) Framework since FY 2012-13.

Above reports are available on website of the Company:

Business Responsibility Report:
https://www.havells.com/en/discover-havells/investor-relation/financials/annual-reports.html

Corporate Sustainability Report:
https://www.havells.com/en/discover-havells/sustainability/reports.html

SECTION E: PRINCIPLE- WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

Policy relating to ethics, bribery and corruption is applicable to all stakeholders (employees/ Vendors/ Customers) including Group Companies. The values and conduct mentioned in its existing "Code of ethics for directors, senior management and other employees" is practiced by all of its permanent staff. All the employees sign this Code at the time of joining the Company. Every year, the board members and senior management affirm compliance with this Code of Conduct. Further, the company has a separate

"Code of Conduct for Vendors", it is imperative that our Vendors/suppliers, which we regard as our 'Extended Enterprise', conducts business respectfully in line with the values and principles on which Havells itself respects and operates.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so**

   During the FY the company received 4 (Four) complaints and 100% of the received complaints were satisfactorily resolved by the management.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   At Havells, we acknowledge that product design is integral to our core business strategy and following the path of sustainable development requires commitment, goodwill and passion for which we rely on nourishing ideas and innovation. Our products are designed and developed keeping in mind their resource efficiency in their developing and use phase. Most of the products are energy efficient. Our manufacturing facilities are certified for implementing international system standards ISO 90001, for Quality Management System, ISO14001 Environment Management System and ISO50001 for Energy Management System, etc. The 3 most innovative products are given below:

   a) **Heat Pump Water Heaters**: Our recently launched Heat Pump water heaters work at high energy efficiency as compared to conventional water heaters. Their 'Coefficient of Performance' (COP) is as high as 4, which means that for every single unit of energy input to the compressor of this heat pump, one would get 4 units of output energy as heat. This makes them 4 times more energy efficient than conventional water heaters. Thus, with Heat Pump water heaters, a customer gets an economical and effective water heating source, with additional benefits of reduced environmental footprint.

   b) **Resource Efficient Washing Machines:** The Socio-economic responsibility is vital to Washing Machine (WM) products and is given high prominence. All the products are validated to comply Safety, performance and prevailing statutory regulations. With the Bureau of Energy Efficiency (BEE) Certification program coming into force from 1st Jan 2022, important parameters pertaining to socio economic aspects is getting further streamlined as we are already progressing with them in advance. As per voluntary measures we consider some major methods for measuring the performance, such as, Wash performance, Rinse performance, Energy consumption, Water consumption, Water extraction performance (residual water content), etc. Our products are Restriction of Hazardous Substances (ROHS) compliant which makes them environment friendly. Also, E-Waste disposal process is communicated to the end user in the User Guidebook for environment protection obligations.

   Majority of our " Semi-Automatic Washing Machine (SAWM)" range is now 5 star rated as per Bureau of Energy Efficiency (BEE). The Fully automatic range is tested and falls under 5 Star category, under registration process. The Front loaders are being fine-tuned to achieve 5-star rating which will be completed before the stipulated date of actual date coming into force of BEE regulations, addressing important aspects of Socio economic responsibility.

   c) **Electrical Wiring Accessories (EWA):** Keeping in view the pandemic that caused huge setback to human health around the world, Havells was first in market to launch Anti-Fungal Anti-bacterial Switches and Sockets in Electrical Wiring and Accessories segment, ameliorating existing Crabtree range at no additional cost. The Nano sized inorganic metal oxide based technology deployed offers "Safe Touch" against transmission of harmful microbes including fungi that cause healthcare associated infections (HAI), impeding their proliferation with an efficacy of 99.99%. Havells catapulted REO Elegant range of Electrical switches and sockets crafted for rural segment with advanced engineered plastics, which is light weight, easy to process, recyclable offering, 30% energy saving and environmental safety in production and after end of life.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   Our specific water consumption (Million Litres/ Revenue in Crores) has reduced to 0.010 compared to 0.014 in FY 2019-20. For energy efficiency initiatives please refer to the Annexure-9 of the Annual Report.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Being a responsible company, we believe in judicious use of natural resources during manufacturing as well as during the use phase of products. Most of our product offerings are energy efficient in nature. However, tracking of reduction achieved is not possible due to variable use of various equipment at consumer end.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Believing in responsible Sourcing, we are committed to ethical, legal, safe, fair and environmentally responsible business practices. As per company policy, signing of Product sourcing Agreement (PSA) & Supplier code of conduct is mandated before on-boarding of suppliers. We believe integrating sustainability aspects at the stage of selecting a supplier covering financial health, statutory & regulatory compliances, energy & environment management, safety & fire compliance, etc. 256 suppliers covering major purchase value in accordance with sustainability drive. We further encourage our supply chain partners to follow aspects of sustainable manufacturing in their business.

Our supply chain partners are key stakeholders and are being updated on company policies, quality guidelines, business plan through various engagement drives. Supplier are assessed based on Quality, Cost, Delivery and Service parameters on monthly basis and action plan is generated for improvement.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

With increasing business variants and to maintain flexibility, Havells always intend to develop suppliers in close vicinity of its manufacturing Plants. We are continuously working for exploring and selecting competent suppliers locally, thereby supporting government's initiative of "Atmanirbhar Bharat Abhiyaan". About 76% of total is sourced from Local & Small Vendors. In our efforts to support Micro, Small and Medium Enterprise (MSME) in the reporting year we engaged with 400+ MSME suppliers.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

In our commitment to ensuring a greener tomorrow, we at Havells strive to reduce and recycle our waste. We have a strong processes and system in place which ensures that we minimise generation of waste. Around 95% of our non-hazardous waste is recycled and reused. We also provide E-Waste take-back & recycling services as per the applicable laws and guidelines. All the domestic wastewater generated in our facilities is recycled through the Sewage treatment Plants and treated water is utilized in development of greenbelt and plantation.

Principle 3

1. Please indicate the Total number of employees.

5727

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

12159

3. Please indicate the Number of permanent women employees.

241

4. Please indicate the Number of permanent employees with disabilities

02

5. Do you have an employee association that is recognized by management.

No.

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Nil, there were no complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

Total 1384 nos. of health and safety trainings and total 3034 nos. of skill up-gradation training were provided to the employees.

Total 2682 nos. of permanent employees were provided skill-upgradation training, out of which 2611 were males and 71 were females.

Total 217 nos. of permanent employees were given health and safety trainings, out of which 205 were males and 12 were females.

100% employees under disabled category were imparted safety & skill up-gradation training.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the company has mapped its internal and external stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the company has identified the disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Being a responsible corporate citizen, we focus on taking everyone along in our journey of growth. Our agenda of sustainability provides for key focus on Social responsibility and its delivery. We have in place various social interventions that are aimed towards betterment of community w.r.t Food and Nutrition, Healthcare, Sanitation, Environment, Education, Skill Development, etc. Our CSR program started way back in 2005 even when CSR was not mandated by law. Our initiatives are aligned to the various Sustainable Development Goals given by United Nations. Some of our major interventions over the year includes, providing more than 3.4 lakh meals to needy, under our extended mid- day meal programme through which we served about 60,000 students daily prior to pandemic and distribution of more than 60,000 reusable sanitary napkins to the girls in view of better hygiene and sanitation.

Continuing its Chaanv program, of large-scale tree sapling plantation, the company during the year has planted 5 lakh tree saplings in Madhya Pradesh and Rajasthan, totalling to more than 11 lakh tree saplings over the course of last 3 years. Also, in view of promoting education, the company through Ashoka University provides support and assistance to build educational infrastructure.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

At Havells, stakeholder engagement is a key pillar of sustainability that encompasses policies and programmes which supports internationally recognized human rights and seeks to avoid human rights abuses. We support the principles contained within the ILO Core Conventions on Labour Standards, UN Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights. The policy on human rights covers the company, its suppliers and contractors and society.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no complaints in the FY 2020-21.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

The policies cover the company, suppliers and contractors.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the company have strategies/ initiatives towards addressing the global environmental issues. Some of the major Initiatives includes installation of 5.6 MW roof-top solar power plants to harness renewable energy, large plantation programmes to sequester the CO2 emissions and adding value to biodiversity, maintaining water positivity, etc.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, the Company has identified and assessed potential environmental risks associated with its operations.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   No, the company do not have any project related to Clean Development Mechanism.

5. **Has the company undertaken any other initiatives on –clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   The company believes that climate change is a defining issue of our time and we must act responsibly to mitigate its impact. Various initiatives have been taken by the company in view of aspects of clean technology, energy efficiency, renewable energy, etc. Some of the major initiatives includes, rainwater harvesting at Sites, sewage and effluent treatment plants for recycling wastewater, captive solar power plants with total capacity of 5.6 MW, etc. More initiatives can be found in our sustainability reports at- https://havells.com/en/discover-havells/sustainability/reports.html

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   All the Emissions/Waste generated by the company are within the permissible limits given by the regulatory bodies for the financial year being reported.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   Nil.

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes the company is member of various trade and chamber associations, some of the major are listed below:

   1. Indian Electrical and Electronics Manufacturers Association (IEEMA)
   2. Electric Lamp and Component Manufacturers Association of India (ELCOMA)
   3. Consumer Electronics and Appliances Manufacture Association (CEAMA)
   4. Indian Fan Manufacturers Association (IFMA)
   5. Water Quality Association
   6. United Nations Global Compact (UNGC)
   7. Confederation of Indian Industries (CII)
   8. PHD Chamber of Commerce and Industry
   9. National Safety Council

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   No.

Principle 8

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes, our strategy of doing business is supported by our careful concern towards society. We believe that community is an integral part of any business to exist and grow. Our various interventions under CSR initiatives have been part of our larger contribution to social sustainability.

2. **Are the programmes/projects undertaken through in - house team/own foundation/external NGO/ government structures/any other organization?**

   Our programmes/initiatives undertaken towards welfare of community are strategically designed and implemented. To drive the maximum value for the society, we believe in doing things on our own and through external partners like NGOs, Govt. bodies, etc.

3. **Have you done any impact assessment of your initiative?**

   No.

4. **What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken.**

   Our approach to implement programmes and initiatives for welfare of community has been in place even when corporate social responsibility was not mandated by law. Our contributions largely lie in the areas of nutrition, sanitation infrastructure, female hygiene, environment conservation and education.

   Expenditure and other details for the above said interventions are provided at page 83-87 of the annual report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so**

   Our efforts towards betterment of society through various interventions are being successfully adopted by the community. Our flagship programmes like distributing Mid-day meal to around 60,000 students daily, Distribution of re-usable sanitary pads to more than 60,000 girls in the year and providing funding to educational institutes to promote education have helped created positive impact in the society.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   During the year, we have received 59 complaints relating to minor product defects, of which 9 have already been resolved/ closed and 50 are in the process of being resolved.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).**

   Yes, the company display product information on the product label as per applicable rules & guidelines.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti- competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   During the year we did not receive any such complaints.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes, we carry out periodic survey for our customers & Partners to analyse the satisfaction level using Net Promoter Score (NPS) methodology. We achieved an NPS score of 64% and average survey undertaken were over 10,000 per month since August 2020 for this Fiscal, as activity was suspended from April- July 2020 due to pandemic lockdown.

Management Discussion and Analysis

The events of 2020 tested the resilience of our business model, people and financial strength. The pandemic has been ferocious, unrelenting and unprecedented in its scope and coverage. In face of such uncertainty, we relied on our established tenets of communication, engagement, positive support and team working to tide over challenges. The satisfactory outcome has further affirmed our resolve to deepen our principles of sustainability, technology & trust with exceptional standards of governance.

Industry trends and relative position

The electrical industry has immense growth potential especially considering the increased penetration of electricity and home improvement drive. Historically, the industry has high incidence of unorganised suppliers. Over the years, there has been a gradual shift of demand from unorganised to organised, Covid has in fact accelerated this process. It was seen that supplies in the unorganised space were disrupted severely due to Covid led challenges such as working capital shortage, unavailability of labour, gaps in supply chain and alike. Further, the imported supplies were adversely impacted, causing disruption for those who infiltrate the market with substandard imported items.

In this environment, Havells having extensive manufacturing base with backward integration could seize the opportunity. We believe channel partners tend to have long-term sustainable relationship with company such as Havells who can ensure continuity in supply of fast moving goods. The preference of end consumers is also structurally shifting towards branded and good quality products which augurs well with our strategy to continue investment in R&D, brand building and manufacturing.

We have a robust infrastructure to support our aspirational growth and we are further committed to continued investment towards R&D, talent acquisition and manufacturing. Havells believes in self-reliance for its manufacturing requirements.

Structural boosters

- **Policy:** The central government has recently announced its intent to give production linked incentives (PLI) to promote manufacturing in India. PLI is an extensive, investment-based, time bound incentive module which can trigger a virtuous capex-led demand cycle. It may not immediately reflect in demand yet a fairly positive development for industry. The Government has also notified PLI scheme for air-conditioners and lighting. We are in the process of reviewing details and seeking clarifications from the concerned ministry before we finalise our plans.
- **Home:** Work from home (WFH) has channelised greater awareness around home, garnering better share of the wallet. There seems to be higher demand for housing products including new and additional housing. It is early to conclude whether the real-estate cycle has revived though green shoots are visible in the sector which augurs well for Havells portfolio.

Our strategy:

- **Availability, Assurance and Affordability:** Havells has emerged as a bellwether being a trusted brand with growing footprint having innovative and large product basket. We plan to continue the portfolio expansion in the relevant categories building on the trust established with the trade channel and consumers. We maintain and expand the markets through retail penetration, high quality standards and manufacturing scale respectively. We are further focussing on price laddering with Reo covering the affordable housing and rural channels.
- **Transitioning skill set:** Havells has been investing in people, developing existing manpower and accumulating fresh talent to have a workforce which is apt for changing consumer preferences. Over the years, the product portfolio has evolved and so has the expectations from product development and customer service teams. We are able to appreciate and adapt to the different dynamics between the customer expectations from a sturdy product like cable and a daily rugged product like mixer grinder.
- **Technology adoption:** Technology is ubiquitous in every aspect of doing business. We embrace and accelerate technology in everything we do. Automation, simplification and data integrity are key drivers for acceleration in tech adoption. We are constantly working on positioning every Havells product as tech-enabled and future-ready. The entire ecosystem with stakeholders viz. employees, dealers and vendors is through online platforms and mobile apps.
- **Sustainability:** A sustainable growth is at the core of Havells' philosophy. It is a multifaceted endeavour inculcating the long-term interests of each stakeholder including the society, customers, local communities and shareholders. The decisions are predicated on enduring business model, with proportionality, balance and fairness and to impart a positive impact on our stakeholders. We believe in what's good for society is good for business.
- **Inflationary trends:** Past few months have seen sharp increase in the commodity prices leading to increase in

cost of products. While we have been able to pass on most of the impact of cost increase to the customers, the full impact is yet to be reflected. We are evaluating alternate materials to reduce costs as also improve productivity to minimise incidence of asymmetric rise in commodities on our pricing and profitability.

Business Growth Levers:

(A) KEY GTM INITIATIVES:

Havells has constantly maintained its position in the industry with a growth mindset driving channel expansion, improved sales phasing, engagement with employees & seamless communication with all stakeholders by leveraging digital technology at scale.

SMALL DEALER ACTIVATION

Dealers doing limited business with Havells but otherwise having high growth potential were identified. Detailed information was gathered including digital survey on SFA & basis the diagnostics, 4 stage programme was devised and implemented to support their business with Havells, resulting in an encouraging overall growth.

IMPROVED SALES PHASING

Covid gave an opportunity to reflect upon our sales phasing wherein it was realised that the sales skew usually is towards later part of the month. Initially a conscious effort was made to communicate the concept of uniform billing also termed as 'daily billing' but later this became way of life at Havells now. Both the sales team as well as channel partners latched on the practice as it not only made supply chain more efficient but also gave an opportunity to the trade partners to grow more with improved working capital cycle.

LIVE DIGITAL EVENTS

As part of the Havells culture, we always like to maintain a transparent channel of communication with our stakeholders; especially with our Channel Partners. We were quick to adapt to the new normal where physical meetings weren't feasible, so we switched to digital platforms and continued our dialogue to keep them informed and engaged.

Havells has conducted multiple digital events with its partners, employees, and consumers during the year. Participants attending these events were engaged keeping in mind the theme of event. Events were hosted by our CMD Mr. Anil Rai Gupta along with a celebrity (selected as per the target audience).

We had conducted 6 distinguished events including product launches covering 1,72,000+ participants (including Channel Partners & Consumers)

Few events were first of its kind for the industry where we connected with the family members of our Channel Partners.

- Grihalaxmi - 2k+ spouses of our Channel Partners joined us for an informal interaction on importance of women in home & family business.
- YEF (Young Entrepreneurs Forum) - The upcoming younger generation of our Channel partners bonded over a motivational session with Mr. Sonam Wangchuk wherein our CMD also introduced our Company's vision & culture.
- Product launches - During the year, we had several digital events of product launch for Refrigerators, Air Conditioners and Fans. These events were attended by more than 1 lakh channel partners.

REGISTRATION PROCESS AUTOMATION

We leveraged the technological tools to continue with our business without interruptions as right from registration to order booking to query resolution was possible digitally.

A completely paperless process to help our channel partners & influencers to quickly initiate their sales transactions with Havells was also launched. All direct Channel Partners were enrolled through Online Customer Registration (OCR). All indirect Channel Partners & Influencers were onboarded in Sampark & E-Plus via Sales Force Automation App (SFA)

ORDER BOOKING AUTOMATION

Order booking portal though an initiative taken two years ago, had come in very handy during the social distancing era. During Covid, trade partners were able to continue their business transactions by booking their orders digitally through Havells mKonnect Mobile App & Dealer Portal. Currently 96% of the orders from our trade business are through these digital portals bringing in greater transparency, accuracy and efficiency.

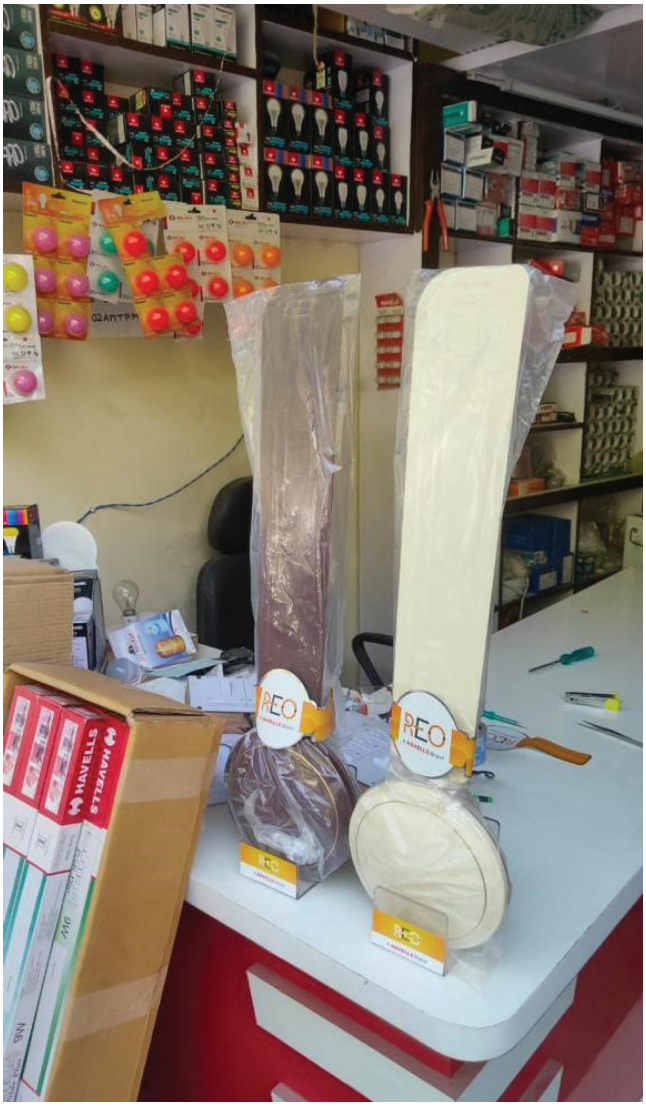
This year, we have launched order booking functionality for our Indirect Channel Partners also facilitating seamless order booking experience through Retailer App (Sampark)

(B) SEMI-URBAN AND RURAL:

In the recent years, there has been a significant improvement in power supplies to rural areas due to Government's rural electrification programmes. Apart from this, increasing telecom and internet penetration has also created an awareness for good quality products in rural markets. Havells with a large range of electrical products backed by R&D investments and manufacturing capabilities is well placed to capture rural markets.







Havells' approach is to focus on consumers in towns with population between 10,000 and 50,000 and delight them with our products and services. New category segments launched this year includes Personal Grooming, Water Heater and Capacitors. This is in addition to so far launched categories of switchgears, wires, lighting, fans and appliances.

Last year, the Covid-19 pandemic led to disruption in the conventional supply chain which impacted all. However, it was seen that Rural Markets were more resilient and showed a quick recovery in terms of demand.

Havells has now reached 2,500+ Rural towns with a numerical reach of more than 28,000 outlets. The plan is to reach 3000+ towns within the next financial year with a retail footprint of 40,000+ outlets.

(C) E-COMMERCE:

Havells has an omnichannel approach and accordingly E-commerce has been part of the mainstream for the past few years especially for the Electrical consumer durable (ECD) portfolio. Our offering to E-commerce platforms are in such a way that the prices and terms of trade are in sync with the offline channel. Covid-19 has presented an opportunity to have higher growth aspirations from this channel since the online traffic has increased significantly. Thrust in the demand for products like personal grooming, fans, small domestic appliances and water heaters have helped to almost double the revenue from E-commerce. We plan to strengthen the brand position for these products and expand the offering with LED Lighting and large consumer appliances such as Air Conditioners, Refrigerators and Washing Machines.

Havells also took the opportunity to expand its direct to consumer (D2C) online business by incepting its own O2O (online to offline) model. The objective was to give opportunity to the offline trade partners to also participate in the spurt of online business. This would generate additional business to the trade partners from

online orders, enhance hyper-local network around dealers, increase in consumer data for the local area and accelerate sales in the slowdown period.

While we are already among the top three brands on the online platforms in few of the product categories, the potential which E-commerce channel offers is huge and we will continue to expand our online presence in tandem with the offline channel expansion.

(D) EXPORTS:

Exports has been one of the priorities for Havells and with supply chains evolving post Covid-19, international business is at its inflection point. Many large organisations around the world are looking beyond China. Havells, with its brand strength, manufacturing base and R&D capabilities is well equipped to take advantage of this opportunity.

Havells is a well-recognised brand in the Indian sub-continent & Africa, backed up with 40+ international certifications. We are present in 60+ countries across SAARC, Middle East, Africa and Asia. We are investing strongly on new product development especially on Air-Conditioners and Switchgears to fill the product gaps for international markets. Specific focus is on penetrating newer geographies and large customers. With these initiatives, International business reported growth of 14% over last year.

(E) ENTERPRISE BUSINESS:

Enterprise business though interwoven with the respective segments maintains a focussed approach towards projects in Residential, Government, Industrial and Commercial segments. The growth drivers for these segments has been the augmentation and improvement in the transmission and distribution networks, Government's initiatives on smart cities & focus on affordable housing etc.

'Prescription' approach has been adopted to expand the footprint in the specifier segment constituted by Architects and Consultants. This has helped us participate in several prestigious projects in the Private and the Government sectors including smart city projects. We are currently working closely with 1,500+ end customer accounts and 2,000+ Architects and Consultants.

Enterprise Business Approach has been a key contributor to the business generated across business units, getting approvals for the basket of products & solutions and steadily consolidating the B2B base.

(F) RESEARCH & DEVELOPMENT (CRI):

We continued to strengthen our strategic positioning of R&D – a journey that we embarked upon three years ago primarily driven by our vision to secure our technology future and leverage R&D as a key differentiator for our products.

Our emphasis has been to democratise technology making it amenable to our vast consumer base by delivering customer value propositions – be it in terms of incremental innovations for our existing product portfolio or creating new platforms that form the common basis for new products. Despite the adversities that came along with COVID last year, we stayed focussed on our vision of being a company recognised as an early adopter of new technologies with agility to launch innovative products addressing explicit and latent needs of our customers.

Our three-pronged strategy for R&D is focussed on (1) end-to-end (concept to end-of-useful life) responsibility for our products; (2) self-reliance for all critical technologies, and (3) technologically differentiated innovative products. This helped us bring several "industry first" innovations to the market. To name a few: (a) Silencio, backed by four patent filings branded as industry's quietest mixer grinder with 50% less perceptible noise, (b) Carnesia-I and Stealthwood-I fans with integrated smart sense technology to intelligently regulate fan speed based on temperature and humidity thus delivering maximum comfort, (c) 16A Smart Socket and smart accessories for home automation, (d) Intellilogic – country's first AC with energy-efficient simultaneous control of temperature and humidity. We are extremely proud of the fact that the technology building blocks for these products are being developed in-house by our innovation centre in Bengaluru. All our future smart product developments are being built using our own in-house developed IoT platform – tested and proven to be highly secure with data hosted entirely in India.

Segment-wise Overview including industry structure, developments and outlook

- **Switchgears**

Havells' switchgear portfolio offers a complete range for Circuit protection for the rapidly urbanising Indian market. Though the real estate sector has been generally underperforming over the last couple of years, however uptick in residential and commercial construction and ongoing electrification programmes of Government would support growth of switchgear market.

Havells continues to invest in R&D and introduced technology-driven, operationally efficient products like SPD, PV range, Industrial Plug and socket and modular contactor which have received excellent response. Havells R&D is developing new range of MCCB & ACB to capture





the expanding Government and private infrastructure sector along with IOT-enabled communication capable MCBs, RCCBs and Energy meter.

Electrical Wiring and Accessories which is part of the switchgear segment is primarily constituted by modular & non-modular switches and accessories. Havells competes in this market with four brands – Crabtree, Havells, Standard and REO addressing the distinctive customer segments with differentiated go-to market approach. Crabtree competes in the luxury and B2B segments, Havells and Standard are addressing the mass premium and value plus segment while Reo brand addresses fastest growing affordable customer segment. With slew of new product launches, over the past 3 years, Havells has been gaining market share.

Post Covid there was sharp recovery in demand owing to our comprehensive product basket and focus on expansion of semi-urban and rural markets. While the unorganised sector faced challenges in supply chain, Havells was able to leverage its manufacturing capacity spread over four units to produce and feed the requirement of the market.

The Switchgear division registered net revenues at ₹ 1,461 crores during FY 2020-21 with contribution margins at 39.8% compared to net revenues of ₹ 1,339 crores with contribution margins at 41.0% during FY 2019-20.

- **Cables**

Due to the pandemic, first half of the year was challenging for the Indian Cable & Wire Industry as the demand from Industrial and Infrastructure segment was severely impacted and the recovery in housing sector was tepid. The second half of the year though has been

WeatherPruf™ TECHNOLOGY

New All-Weather range with WeatherPruf tech

ViruzSafe™ Technology
* Terms and Conditions apply

India's first Anti-viral switches





promising supported by positive demand sentiment in the residential segment and revival of Infrastructure projects. Havells was able to register a healthy performance owing to one of the largest network of highly engaged channel partners, introduction of digital platforms and our recently revamped manufacturing capacity at Alwar.

The infusion of fund by the Government in infrastructure projects, implementation of strict RERA norms in real estate and push for schemes such as 'AatmaNirbhar Bharat' and Saubhagya would help sustained demand for wires and power cables. Lower interest rate regime for home loans is expected to spur the first-time home buyers and the affordable home segment.

The Cables division registered net revenues at ₹ 3,180 crores during FY 2020-21 with contribution margins at 16.3% compared to net revenues of ₹ 2,994 crores with contribution margins at 16.3% during FY 2019-20.

- **Lighting and Fixtures**

LED Lighting Industry has been growing with investment in infrastructure, commercial spaces and residential demand. Government's drive towards demand side electricity management has supported in adoption of LED lighting in India. Demand for smart lighting, IoT compliant lighting solutions and smart cities are the new growth drivers for LED lights in the urban sector. Havells is well placed in the Smart lighting segment with a strong product profile, well-entrenched trade network along with supportive Consultants, Contractors, Specifiers & ESCOs.

Havells has a strong presence both in Consumer lighting and Professional luminaire market segment. Focus is on Innovation, Brand building and Customer engagement. Specialised lighting design offering such as Tunnel Lighting, Facade & Landscaping Lighting, Smart Lighting Solutions and Highway lighting designs are also expected to be growth drivers.

Lighting is the spearhead product in Havells' journey of expansion into rural markets.

The Lighting and Fixtures division registered net revenues at ₹ 1,085 crores during FY 2020-21 with contribution margins at 31.3% compared to net revenues of ₹ 1,014 crores with contribution margins at 30.1% during FY 2019-20.

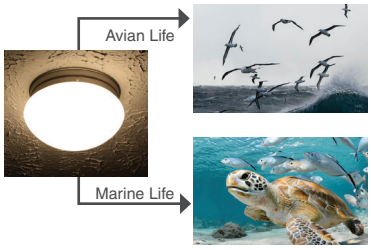
- **Electrical Consumer Durables**

Improving comfort and décor at home has now become the highest priority among the household and consumer



Mood Setup

ENVIRONMENTAL LIGHTING



Environmental lighting - "GO SOFT" on wildlife

durable industry is adopting to the associated changes in consumer behaviour. Products like fan, water heater are no longer just necessity but are also seen as an important part of Home décor driving premiumisation. Modern design and technologically advanced models are gaining popularity.

Post covid, the In-Home Focus towards health and hygiene and 'Do It Yourself' (DIY) have given a big thrust to the Kitchen appliances and Personal grooming portfolio. Havells continues to broaden its reach and portfolio in these segments, the expansion strategy includes:

- Omnipresence: Strong presence in all key E-commerce platforms: Horizontal as well as vertical
- Deeper distribution: Leveraging both urban and rural channel
- Expanding Non-Trade Presence: Canteens and Modern format retail
- Multiple India Multiple Opportunities: Expanding the addressable base with Geography / Consumer need-based product launches such as 'Thalaiva' a super speed fan launched for Tamil Nadu, Wet Grinder catering to the cooking needs of South and Instant water heaters catering to Western India

Innovation has always been core to our offerings, exciting the customer with aspirational products. Some of recent launches such as Fan with inbuilt Air Purifier, Feeling Fan range of smart IoT fans which can sense temperature / humidity & adjust speed, Induction-based water heater and Low noise mixer grinder Silencio are testaments of the inhouse innovation capabilities.

The Electronic Consumer Durables division registered net revenues at ₹ 2,377 crores during FY 2020-21 with contribution margins at 25.1% compared to net revenues of ₹ 2,005 crores with contribution margins at 26.1% during FY 2019-20.

Fan Purifier



Carnesia I: IoT-based Smart Ceiling Fan



- **Lloyd Consumer**

  With the structural improvements undertaken in Lloyd in the last two years, the brand is now moving confidently towards being an aspirational consumer durable brand with a comprehensive portfolio. Consumer durables present a vast opportunity for the 'deeper into homes' strategy.

  With own manufacturing facility of Air Conditioners (AC), Lloyd is well placed to take advantage of the opportunity created by prohibition on import of gas-filled ACs. In order to cater to the aspirational growth in both domestic as well as export markets, Havells has decided to setup its second AC manufacturing facility in Sricity, Andhra Pradesh.

  With improved trade confidence, Lloyd has entered Refrigerator category which is biggest sub segment of the home appliances industry having market Size of 12.5 Million Units with value of ₹ 20,000 crores. Lloyd has launched a wide range of models both for Direct cool and Frost-free segment. The products are Made in India with superior quality and aesthetics.

  Encouraged with the performance of Washing machines, Lloyd is setting up facility to manufacture own patented design semi-automatic machines in Ghiloth Rajasthan with a capacity of 3 lakh units p.a.

  Lloyd has been expanding its distribution reach both in the traditional channels as well as in the modern format retail. In the last two years, entry into large retail chains has been a priority as it helps premiumise the brand and increase customer reach. Lloyd is now present in most of the national and regional retail chains. We are also making concerted efforts to build strong presence on E-Commerce platforms for Lloyd products going forward.

  The Lloyd Consumer division registered net revenues at ₹ 1,689 crores during FY 2020-21 with contribution margins at 12.7% compared to net revenues of ₹ 1,590 crores with contribution margins at 10.6% during FY 2019-20.

Opportunities and Threats:

(A) Infrastructure investment: Government's focus on Infrastructure developments such as roads, railways, ports, housing is expected to create demand for electrical goods such as Cables, Switchgears and Lighting. Slowdown in the infrastructure activities may impact the near to mid-term growth prospects for Industrial and Infra segments.

(B) Favourable demographics: Favourable demographic indicators like urbanisation, young aspirational population, increase in disposable income of individuals, aspiration for good quality branded products, nuclear families etc. are expected to catalyse the growth for electrical and electronic goods. Economic slowdown may impact disposable income resulting in low consumer sentiment.



1 Grande Heavy Duty



HOT & DRY

2 Intelli-Logic AC



HOT & HUMID






(C) Electricity penetration: India has seen rapid growth in access to electricity in deeper pockets and improvement in quality of supply in urban and semi-urban geographies. Various Government schemes are focussed towards the mission of 'electricity for all' and reducing transmission loss of electricity. This has created opportunity for the Company to expand into Rural and Semi-urban markets. Any reduction on Government expenditure on electrification might impact the Rural vistaar.

(D) Under penetration: Majority of consumer facing products in India have lower penetration vis-à-vis other emerging countries. It is expected that increase in per capita income and yearning for comfort could lead to exponential rise in penetration in medium-to-long term timeframe. However, under penetration could lead to hyper competitive environment due to smaller pie.

(E) Exports: The world market is evaluating Indian companies as an alternative to other Asian countries. Having a large manufacturing base, gives an opportunity to capture the export market especially the developing countries in Africa and South East Asia. Global economic slowdown led due to pandemic or other factors might reduce the growth opportunity.

(F) Product basket: Having a large product basket across Industrial & Infrastructure and Consumer & Residential segment is a great opportunity to increase the shelf space at the retail counter and share of wallet of the consumer. It increases the chances of disproportionate gain when the consumer sentiment is positive and serves as a natural hedge in case of economic downturn. Management of Large basket requires focus and Investment and exposure to a degrowing segment to impact the overall performance.

Risk and Concerns:

(A) Economic slowdown: Slowdown in the Indian economy due to global developments could adversely impact growth in the short-term.

(B) Commodity inflation: Sharp increase in commodity prices could lead to increase in cost of finished goods impacting the affordability and consumer sentiment.

(C) Slower than expected pick-up in housing: Demand for new housing has been sluggish since couple of years. Continued weak demand for housing could impact demand for electrical goods.

(D) Increase in competition: Hyper competitiveness is normal, but it becomes a risk in case it leads to irrational behaviour in the market in terms of pricing and other trade practices.

(E) Non-availability of regular and quality power: Availability of quality electricity is the key for demand of electrical products, any substantial shortfall in the supply of electricity may hamper growth prospects for the industry.

(F) Pandemic: Deterioration in supply chain and demand due to pandemic such as COVID-19 have emerged as a significant business risk. Strong supply chain system with robust digitisation and interlinking of various divisions is the need of the hour to tackle similar situations in future.

Key Financial Ratios:

The key financial ratios are given as below:

Ratio	FY 2020-21	FY 2019-20	Explanation to significant change wherever applicable
Debtors turnover (times)	25.67	28.02	
Inventory turnover (times)	4.64	4.97	
Interest Coverage Ratio (times)	18.12	41.05	Increased interest cost on account of increase in borrowings led to change in interest coverage ratio
Current Ratio (times)	1.92	1.49	Current ratio is higher due to increase in inventory which was mainly increased as a conscious effort to cater to forthcoming season
Debt-Equity Ratio (times)	0.10	0.01	Variance in debt-equity ratio is on account of bank facilities availed during the year to meet Covid-led exigencies
Operating Profit Margin (%)	15.0%	10.9%	Substantial improvement in margins and profitability is owing to cost efficiencies and operating leverage
Net Profit Margin (%)	10.0%	7.8%	
Return on Net Worth (%)	22.0%	17.3%	

Note: *For the purpose of calculating interest coverage ratio and operating profit margin, EBIT and EBIDTA have been considered before other income.*

Financial Performance

The key highlights of financial performance is as under:

- Total revenue for FY 2020-21 was ₹ 10,428 crores compared to ₹ 9,429 crores in the previous FY 2019-20.
- Earnings before interest, depreciation, tax and amortisation (EBIDTA) for FY 2020-21 was ₹ 1,565 crores compared to ₹ 1,027 crores in the previous FY 2019-20.
- Profit before tax for FY 2020-21 was ₹ 1,432 crores compared to ₹ 902 crores in the previous FY 2019-20.
- Profit after tax for FY 2020-21 was ₹ 1,040 crores compared to ₹ 733 crores in the previous FY 2019-20.
- The Board of Directors of the Company has approved Final Dividend of ₹ 3.50 per equity share, making a total dividend of ₹ 6.50 per equity share for the financial year 2020-21, including interim dividend of ₹ 3.00 per equity share declared earlier during the financial year 2020-21.

Material developments in Human Resources/ Industrial Relations front:

At Havells, we are committed to sustainable work practices and a transparent work culture. Our standing as an exciting and enriching workplace attracts some of the most talented people in the industry. The year gone by brought many challenges owing to Covid led disruptions which posed serious threats to the entire mankind. Amidst all these thought-provoking scenarios, we leveraged use of digital assets to connect with various stakeholders, including our employees. IT tools were optimally utilised for skills enhancement and training of employees when most of the business activities were standstill everywhere.

Maintaining balance between safety of employees and business continuity, Work From Home (WFH) facility was accorded to people immediately post lockdown. As the things started to ease, proactive measures for employees were undertaken like, workplace SOPs, awareness sessions, roster facilities to suit the age and proximity-related requirements of our workforce etc. Similarly, our factories resumed operations with robust hygiene norms and considering all the social-distancing regulations.

Despite the challenges of the pandemic, Havells participated in the 'Great Place to Work Assessment' during the year. It was certified as a 'Great Place to Work' for the second year in succession. The organisation has also been recognised among **'India's Best Workplaces in Manufacturing 2021'– Top 30**.

In our commitment towards building an eco-friendly & efficient workplace, we have digitalised our various HR processes through e-recruitment, e-appointment letter, e-boarding, e-separation and moved towards a paperless working. This has enhanced process efficiencies with secured and faster transfer of information. Our Performance Management Process and discussion at various levels has helped employees get developmental feedback.

The Company had a total of 5,727 permanent employees as on 31st March, 2021.

Internal Control Systems and Their Adequacy

The Company has robust internal financial controls (IFC) systems, which facilitates orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The internal control system ensures compliance with all applicable laws & regulations, key controls, significant business challenges, fraud prevention

and controls. Our internal control system facilitates in optimum utilisation of available resources and protect the interests of all stakeholders.

The Company has a clearly defined Policies, Standard Operating Procedures (SOP), Financial & Operation Delegation of Authority (DOA) and organisational structure for its business functions to ensure a smooth conduct of its business across the organisation. We leverage technologies in processes standardisation, automation and their controls.

SAP GRC (with respect to Access control) has been implemented which also takes care of users' conflict relating to Segregation of Duties (SOD). COSO (The Committee of Sponsoring Organisations of the Treadway Commission) framework is considered as a self-benchmarking for Company's Enterprise Risk Management. Non-compliance, if any, is seriously taken by the Management and corrective and preventive actions are taken immediately.

Risk-based Internal audit is performed, basis which significant audit observations and follow-up actions thereon are reported to the Sub Audit Committee and Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

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

Disclaimer Clause

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Corporate Governance Report

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a Report on Corporate Governance for the year ended 31st March, 2021 is presented below:

(1) A Brief Statement on Listed Entity's Philosophy on Code of Governance

Who we are is defined by what we do and how we do

This simple philosophy underlines our approach to Corporate Governance. So, if growth is our intention, how we achieve this growth is a part of our Corporate Governance. For us, Corporate Governance goes beyond philanthropy and compliance but actually deals with how we manage our triple bottom lines – economic, social and environmental impacts. It monitors our role as well as the quality of our relationships in key spheres of influence including the workplace, the market place, the supply chain, the community and the public policy realm.

As a Company, we distinguish ourselves in the market by offering a portfolio of ecologically responsible electrical products and services that deliver powerful, sustainable and energy efficient solutions that do not compromise on capacity or security.

Our eco-friendly approach is evident in our efforts to develop an alternate energy strategy so as to reduce the environmental impact from our business. We are equally committed to managing a responsible supply chain in a manner that is consistent and compliant with our high standards for environment and business practices.

We recognise that there are barriers that constrain innovation, both, in individuals and communities and we work to overcome them. We build communities and promote the exchange of ideas through assistive technologies; participative programs and standardization that transforms the way people experience our products. Our energy efficient solutions enable people to save money and protect their capital investment while also lowering their energy usage and protecting the environment.

This contributes to our social responsibility of sustenance of depleting environmental resources.

Corporate Governance and Ethics

As a Company we have always worked on the side of ethics and have shunned expediency in any form. We believe that if something is important enough to be done, it is important that we do it ethically. We supplement our traditionally held values of ethical behaviour and moral conduct with explicit rules and regulations that guide our efforts in financial, propriety, customer care and business excellence.

We uphold the policy of "Leadership with trust" that has come to play a vital role in how our customers perceive us. This is important, given the climate of unparalleled public distrust of people in positions of power and authority in contemporary business and politics.

(2) Board of Directors

The Board of Directors has an optimum combination of Executive and Non-Executive Directors with Two Woman Directors and fifty per cent of the Board of Directors comprises of Non-Executive and Independent Directors. The Chairperson of the Board is an Executive Director. The profiles of Directors can be accessed on the Company's website at https://www.havells.com/en/aboutus/directors.html

The Board meets atleast 4 (Four) times a year and more often if Company needs merit additional oversight and guidance. During the Financial Year 2020-21, the time gap between any two Board Meetings did not exceed 120 (One Hundred and Twenty) days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are informed to the Board to enable it to discharge its responsibility of strategic supervision of the Company.

Tenure of Independent Directors

The Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the Listing Regulations. As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities as a Director. The template of the letter of appointment is available on our website.

Lead Independent Director

The Independent Directors of the Board had nominated Shri Upendra Kumar Sinha as the Lead Independent Director of the Company. The role of the Lead Independent Director is to provide leadership to the Independent Directors, liaise on their behalf and ensure effective functioning of the Board.

(a) Composition and category of Directors (e.g. Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee Director - institution represented and whether as lender or as equity investor)

As at 31st March, 2021, the composition of the Board of Directors of the Company was as follows:

Sr. No.	Name of the Director		Category
1.	Shri Anil Rai Gupta	Promoters	Executive Chairman and Managing Director
2.	Shri Surjit Kumar Gupta		Non-Executive Non-Independent Director
3.	Shri Ameet Kumar Gupta		Executive Whole-time Director
4.	Shri Rajesh Kumar Gupta	Non-Promoters	Executive Whole-time Director (Finance) and Group CFO
5.	Shri Siddhartha Pandit		Executive Whole-time Director
6.	Smt. Pratima Ram		Independent Director
7.	Shri Jalaj Ashwin Dani		Independent Director
8.	Shri T. V. Mohandas Pai		Non-Executive Non-Independent Director
9.	Shri Puneet Bhatia		Non-Executive Non-Independent Director
10.	Shri Upendra Kumar Sinha		Independent Director
11.	Shri Subhash S Mundra		Independent Director
12.	Shri B Prasada Rao		Independent Director
13.	Shri Vivek Mehra		Independent Director
14.	Smt. Namrata Kaul*		Independent Director

**With effect from 20th January, 2021, Smt. Namrata Kaul was appointed as an Additional Director (Independent) subject to approval of the shareholders at the ensuing AGM of the Company.*

Note: Additionally, Shri Ashish Bharat Ram was also appointed as an Additional Director (Independent), with effect from 20th May, 2021, subject to approval of the shareholders at the ensuing AGM of the Company.

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

Sr. No.	Name of the Director	Attendance in Board Meetings					
		12 May 20	27 July 20	29 Oct 19	20 Jan 21	24 Mar 21	AGM 22 Jun 20
1.	Shri Anil Rai Gupta	✓	✓	✓	✓	✓	✓
2.	Shri Surjit Kumar Gupta	✓	✓	✓	✓	✓	✓
3.	Shri Ameet Kumar Gupta	✓	✓	✓	✓	✓	✓
4.	Shri Rajesh Kumar Gupta	✓	✓	✓	✓	✓	×
5.	Smt. Pratima Ram	✓	✓	✓	✓	✓	✓
6.	Shri T. V. Mohandas Pai	✓	✓	✓	✓	✓	✓
7.	Shri Puneet Bhatia	✓	✓	✓	✓	✓	✓
8.	Shri Vellayan Subbiah*	✓	✓	NA	NA	NA	✓
9.	Shri Jalaj Ashwin Dani	✓	✓	✓	✓	✓	✓
10.	Shri Upendra Kumar Sinha	✓	✓	✓	✓	✓	✓
11.	Shri Siddhartha Pandit	✓	✓	✓	✓	✓	×
12.	Shri Subhash S Mundra	✓	✓	✓	✓	✓	✓
13.	Shri B Prasada Rao	✓	✓	✓	✓	✓	✓
14.	Shri Vivek Mehra	✓	✓	✓	✓	✓	✓
15.	Smt. Namrata Kaul#	NA	NA	NA	✓	✓	NA

**Shri Vellayan Subbiah resigned from the office of Director (Independent) wef 22nd October, 2020.*

#Smt. Namrata Kaul was appointed as an Additional Director (Independent) wef 20th January, 2021.

(c) Number of other Board of Directors or Committees in which a Director is a member or chairperson as on 31st March, 2021

Sr. No.	Name of the Director	Directorships in Other Board of Directors*	Membership of Committees of Other Boards**	Chairmanship of Committees of Other Boards**
1.	Shri Anil Rai Gupta	1	1	1
2.	Shri Surjit Kumar Gupta	1	2	0
3.	Shri Ameet Kumar Gupta	1	4	0
4.	Shri Rajesh Kumar Gupta	1	0	0
5.	Smt. Pratima Ram	2	3	0
6.	Shri T. V. Mohandas Pai	1	0	0
7.	Shri Puneet Bhatia	1	1	0
8.	Shri Jalaj Ashwin Dani	2	4	2
9.	Shri Upendra Kumar Sinha	4	5	3
10.	Shri Siddhartha Pandit	1	0	0
11.	Shri Subhash S Mundra	4	4	1
12.	Shri B Prasada Rao	2	2	1
13.	Shri Vivek Mehra	7	7	3
14.	Smt. Namrata Kaul	3	3	0

Data presented above is after taking into account the disclosures furnished by the continuing Directors in the first Board Meeting of the Financial Year 2021-22.

** Directorships are reported for listed companies only including Havells India Limited in terms of Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The count for the number of listed entities on which a person is a Director/ Independent Director is of only those whose equity shares are listed on a Stock Exchange.*

*** Committee Memberships/ Chairmanships are reported for listed and unlisted public companies put together (including Havells India Limited) in terms of Regulation 26(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Committee Memberships include Chairmanship, if any. Committees considered for the purpose are those prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders' Relationship Committee.*

Names of the Listed entities where the person is a Director and the category of Directorship as on 31st March, 2021

Sr. No.	Name of Director	Name of Listed Entity in which Director	Category of Directorship
1.	Shri Anil Rai Gupta	Havells India Limited	Chairman and Managing Director
2.	Shri Surjit Kumar Gupta	Havells India Limited	Non-Executive Non-Independent Director
3.	Shri Ameet Kumar Gupta	Havells India Limited	Whole-time Director
4.	Shri Rajesh Kumar Gupta	Havells India Limited	Whole-time Director (Finance) and Group CFO
5.	Shri Siddhartha Pandit	Havells India Limited	Whole-time Director
6.	Smt. Pratima Ram	Havells India Limited	Independent Director
		Minda Corporation Limited	Independent Director
7.	Shri T. V. Mohandas Pai	Havells India Limited	Non-Executive Non-Independent Director
8.	Shri Puneet Bhatia	Havells India Limited	Non-Executive Non-Independent Director
9.	Shri Jalaj Ashwin Dani	Havells India Limited	Independent Director
		Housing Development Finance Corporation Limited (HDFC Ltd.)	Independent Director
10.	Shri Upendra Kumar Sinha	Havells India Limited	Independent Director
		Vedanta Limited	Independent Director
		Housing Development Finance Corporation Limited (HDFC Ltd.)	Independent Director
		Max Healthcare Institute Limited	Independent Director

Sr. No.	Name of Director	Name of Listed Entity in which Director	Category of Directorship
11.	Shri Subhash S Mundra	Havells India Limited	Independent Director
		PTC India Limited	Independent Director
		Indiabulls Housing Finance Limited	Independent Director
		BSE Limited	Independent Director
12.	Shri B Prasada Rao	Havells India Limited	Independent Director
		Magma Fincorp Limited	Independent Director
13.	Shri Vivek Mehra	Havells India Limited	Independent Director
		HT Media Limited	Independent Director
		Jubilant Pharmova Limited	Independent Director
		Chambal Fertilisers and Chemicals Limited	Independent Director
		DLF Limited	Independent Director
		Digicontent Limited	Independent Director
		Zee Entertainment Enterprises Limited	Independent Director
14.	Smt. Namrata Kaul	Havells India Limited	Independent Director
		Prime Securities Limited	Independent Director
		Schneider Electric Infrastructure Limited	Independent Director

1. *The count for the number of listed entities on which a person is a Director/ Independent Director is of only those whose equity shares are listed on a Stock Exchange.*
2. *Data presented above is after taking into account the disclosures furnished by the continuing Directors in the first Board Meeting of the Financial Year 2021-22.*

(d) Number of Meetings of the Board of Directors held and dates on which held

During the financial year 2020-21, 5 (Five) Board Meetings were held. The dates on which these Meetings were held are given in the Table provided in pt. no. (b) hereinabove.

(e) Disclosure of relationships between directors inter-se

Shri Ameet Kumar Gupta, Whole-time Director on the Board of Directors is the son of Shri Surjit Kumar Gupta, Non-Executive Non-Independent Director.

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

None of the Non-Executive Directors holds any share in the Company.

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

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant, Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/ technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively.

The details regarding Independent Directors' Familiarisation Programmes are given under the "Codes & Policies" in the Corporate Governance section on the website of the Company and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

(h) Skills/ Expertise/ Competence of the Board of Directors including the areas as identified by the Board in the context of the Company's Business

The Company is a Fast Moving Electrical Goods (FMEG) Company with the individual Members of its Board of Directors bringing in knowledge and experience from a variety of sectors, demonstrating breadth and depth of management and leadership experience in the following competence areas:

- Financial and business acumen;
- Guiding and setting the pace for Company's Operations and future development by aiding implementation of best systems and processes;
- Building effective Sales & Marketing strategies, Corporate Branding and Advertising functions;
- Overseeing the development and implementation of Risk Management/ GRC tools;
- Management and strategy of the Information Technology function; and
- Human Resources Management.

The Nomination and Remuneration Policy of Directors, KMPs and Other Employees of the Company sets out the criteria which serve as guidelines in considering potential nominees to the Board of Directors to ensure the continuance of a dynamic and forward-thinking Board.

Expertise/ Skill of Directors

Sr. No.	Name of the Director	Expertise/ Skill
1.	Shri Anil Rai Gupta	Strategic Marketing, Brand transformation and Finance.
2.	Shri Surjit Kumar Gupta	Technical planning and foreign alliances.
3.	Shri Ameet Kumar Gupta	Business development, spearheading new projects.
4.	Shri Rajesh Kumar Gupta	Finance and allied fields, standardization of systems and processes across the organization.
5.	Shri Siddhartha Pandit	Contract Drafting & Negotiations, Litigation Management, Dispute Resolution, M&A Statutory Compliances, Intellectual Property Rights (IPR) etc.
6.	Smt. Pratima Ram	Investment Banking, Corporate Advisory and Project Appraisal.
7.	Shri T. V. Mohandas Pai	IT reforms, Human Resources, Education & Research, Social Reforms and betterment of the nation in areas of Trade and Industry.
8.	Shri Puneet Bhatia	Strategic private equity investment and Business Management.
9.	Shri Jalaj Ashwin Dani	Supply Chain, Human Resources, Corporate Quality and Safety Functions, Advanced Management and Skill Development.
10.	Shri Upendra Kumar Sinha	Asset Management, Securities Laws, Corporate Governance, Banking, Finance, Foreign Investment, Corporate Bond Management and Investor Protection.
11.	Shri Subhash S Mundra	Banking, Risk Management, Corporate Governance, Operations and Process Optimization.
12.	Shri B Prasada Rao	Corporate Management, Planning & Development activity, Capacity & Capability Building.
13.	Shri Vivek Mehra	Tax and Regulatory reforms, Cross-border Investments and Transaction Structuring
14.	Smt. Namrata Kaul	Banking & Finance, Treasury Operations, Debt Capital Market & Corporate Finance, Risk and Credit Management, Social Development.

(i) Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are independent of the management

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2021-22, the Board hereby certify that all the Independent Directors appointed by the Company fulfills the conditions specified in these regulations and are independent of the management.

(j) Detailed reasons for the resignation of the Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:

Shri Vellayan Subbiah (DIN: 01138759) resigned from the office of Independent Director of the Board of Directors of the Company with effect from 22nd October, 2020, due to increasing commitments with other businesses. Further, Shri Vellayan Subbiah confirmed that apart from the above, there was no other material reason for his resignation.

Separate Meeting of the Independent Directors

Abiding the highest norms of Corporate Governance, separate Meetings of the Independent Directors of the Company are held every year in terms of the Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, whereat, inter alia, the following prescribed items are discussed:

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

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

c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In respect of the financial year 2020-21, the Independent Directors met separately twice on 29th October, 2020 and 24th March, 2021 without the presence of any Non-Independent Director or representatives of management.

Company's Code of Conduct to Regulate, Monitor, Report Trading by Designated Persons

The Company has formulated a Code of Conduct to Regulate, Monitor, Report Trading by Designated Persons to deter the insider trading in the securities of the Company based on the unpublished price sensitive information.

The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The said policy was last updated by the Board of Directors on 21st January, 2020 pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019.

The full text of the Code is available on the website of Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/en/aboutus/corporate-governance.html

For the purpose of monitoring the Policy, the Company uses a system-based software through which reports and analytics are made available based on the criteria defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Subsidiary

The Company has 2 (Two) Subsidiary Companies which are incorporated outside India.

Please refer to the Directors' Report for further details regarding subsidiaries.

The Board has approved a "Policy for determining Material Subsidiaries" of the Company viz. Havells India Limited and the same is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/en/aboutus/corporate-governance.html

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

The Minutes of the Board Meetings of the unlisted foreign subsidiary companies are placed at the Board Meeting(s) of the Company held at the end of every quarter for approval of financial results.

The Management periodically brings to the attention of the Board of Directors, a statement of all significant transactions and arrangements entered into by the unlisted foreign subsidiary companies.

Related Party Transactions

The Board of Directors has approved a Policy on "Related Party Transactions" and also on dealing with Related Party Transactions and the same was last reviewed by the Board of Directors on 22nd January, 2019.

The Policy is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://havells.com/en/aboutus/corporate-governance.html

The shareholders of the Company vide Special Resolution passed on 9th June, 2014 approved per annum limits (beginning 1st April, 2014) for certain Related Party Transactions of the Company.

Within the permissible limits under the Companies Act, 2013 and/ or shareholder approved limits, the Audit Committee and Board approve the annual limits for Related Party Transactions projected for the next financial year.

Further, a statement on all Related Party Transactions is presented before the Audit Committee on a quarterly basis for its review.

(3) Audit Committee

(a) Brief description of terms of reference

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (Section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II).

The Role of the Audit Committee includes the following:

(i) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

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

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

(iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3)of Section 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

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

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

(f) disclosure of any related party transactions;

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

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

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

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

(viii) approval or any subsequent modification of transactions of the Company with related parties;

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

(x) valuation of undertakings or assets of the Company, wherever it is necessary;

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

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

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

(xiv) discussion with internal auditors of any significant findings and follow up thereon;

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

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

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

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

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

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

(xxi) reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;

(xxii) reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI Regulations and the Companies Act, from time to time.

The Audit Committee has been granted powers as prescribed under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The Committee also mandatorily reviews the information as specified in the SEBI Regulations –management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, submitted by management, management letters/ letters of internal control weaknesses issued by the statutory auditors, if any, internal audit reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the chief internal auditor.

(b) Composition, Name of Members and Chairperson

The Audit Committee comprises of 4 (Four) Non-Executive Directors as Members. All Members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal/ Statutory Auditors of the Company attend the Meetings of the Audit Committee

on invitation of the Chairman of the Committee. The Composition of Audit Committee as on 31st March, 2021, is given below:

Sr. No.	Name	Category	Designation
1.	Shri Upendra Kumar Sinha*	Non-Executive Independent	Chairman
2.	Smt. Pratima Ram	Non-Executive Independent	Member
3.	Shri Subhash S Mundra#	Non-Executive Independent	Member
4.	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Member

**Appointed as Chairman wef 12th May, 2020*

#Appointed as Member wef 12th May, 2020

(c) Meetings and attendance during the year

Sr. No.	Name	Attendance in Audit Committee Meetings held on					
		12 May 20	27 Jul 20	28 Sep 20	29 Oct 20	20 Jan 21	23 Mar 21
1.	Shri Upendra Kumar Sinha	✓	✓	✓	✓	✓	✓
2.	Smt. Pratima Ram	✓	✓	✓	✓	✓	✓
3.	Shri Subhash S Mundra	NA*	✓	✓	✓	✓	✓
4.	Shri Surjit Kumar Gupta	✓	✓	✓	✓	✓	✓

**Shri Subhash S Mundra was appointed as a Member on 12th May, 2020 after the Committee Meeting held on that date.*

(4) Nomination and Remuneration Committee

(a) Brief description of terms of reference

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Managing Director and Whole-time Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

Further, in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, the Nomination and Remuneration Committee also supervises the ESOP/ ESPS Plans of the Company namely - Havells Employees Long Term Incentive Plan 2014, Havells Employees Stock Purchase Scheme 2015 and Havells Employees Stock Purchase Scheme 2016.

(b) Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee comprises of 4 (Four) Non-Executive Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee as on 31st March, 2021, is given below:

Sr. No.	Name	Category	Designation
1.	Shri Vivek Mehra*	Non-Executive Independent	Chairman
2.	Smt. Pratima Ram$	Non-Executive Independent	Member
3.	Smt. Namrata Kaul#	Non-Executive Independent	Member
4.	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Member

**Appointed as Member wef 12th May, 2020 and Chairman with effect from 20th January, 2021*

$Appointed as Member wef 12th May, 2020

#Appointed as a Member with effect from 20th January, 2021

Note: Shri Vellayan Subbiah, Independent Director, was appointed as Member & Chairman of the Committee wef 12th May, 2020 upto his resignation on 22nd October, 2020

(c) Meetings and attendance during the year

Sr. No.	Name	Attendance in Nomination and Remuneration Committee Meetings held on	
		12 May 20	20 Jan 21
1.	Shri Vivek Mehra	NA$	✓
2.	Shri Vellayan Subbiah*	✓	NA
3.	Smt. Pratima Ram	✓	✓
4.	Smt. Namrata Kaul	NA#	NA#
5.	Shri Surjit Kumar Gupta	✓	✓

$Appointed wef 12th May, 2020 after the Committee Meeting held on that date

**Resigned as Director wef 22nd October, 2020*

#Appointed wef 20th January, 2021 after the Committee Meeting held on that date

Note: During the financial year 2020-21, the Nomination and Remuneration Committee also passed 2 (Two) Resolutions by Circulation dated 14th December, 2020 with the consent of all Members of the Committee for the purpose of appointment of Smt. Namrata Kaul as Additional Director (Independent) of the Company and appointment of Trustee(s) for Havells Employees Welfare Trust.

(d) Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief synopsis of the performance evaluation carried out for the financial year is provided in the Directors' Report Section of this Report.

(5) Remuneration of Directors

(a) Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity

None, except for the Sitting Fee or the payment of Commission to Non-Executive Directors (except for promoter director).

(b) Criteria of making payments to Non-Executive Directors

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company at https://havells.com/en/aboutus/corporate-governance.html in the "Code & Policies" section in Corporate Governance.

The Non-Executive Directors, except for promoter director, are entitled to Sitting fees for attending meetings of the Board, its Committees and the Shareholders. The Non-Executive Directors, except promoter directors are also paid an annual commission of ₹ 10 lakhs per annum in addition to the fee payable to such Directors for attending the Board and other Meetings or reimbursement of expenses, if any.

The remuneration to the Managing Director and Whole-time Director(s) is paid on the scale determined by the Nomination and Remuneration Committee within the limits approved by the Shareholders at the General Meeting.

(c) Disclosures with respect to Remuneration

(i) Details of remuneration/ sitting fees paid to Directors during the Financial Year 2020-21 are given below:

(₹ in lakhs)

Sr. No.	Name of Director	Service Term	No. of shares allotted/ transferred under ESPS	Sitting Fee (A)	Salary (B)	Perks (C)	Commi-ssion (D)	Total (A+B+C+D)
1.	Shri Anil Rai Gupta* (Chairman and Managing Director)	1-4-19 to 31-3-24	0	NA	619.92	0.40	1,834.91	2,455.23
2.	Shri Ameet Kumar Gupta** (Whole-time Director)	1-1-20 to 31-12-24	0	NA	245.28	0.40	733.97	979.65
3.	Shri Rajesh Kumar Gupta** (Whole-time Director (Finance) and Group CFO)	1-4-20 to 31-3-25	60,000	NA	560.56	0.40#	733.97	1,294.93
4.	Shri Surjit Kumar Gupta	-	0	NA	-	-	-	-
5.	Shri Siddhartha Pandit (Whole-time Director)	29-5-19 to 28-5-22	1,575	NA	96.15	-#	-	96.15
6.	Smt. Pratima Ram	-	0	6.90	-	-	10.00	16.90
7.	Shri T. V. Mohandas Pai	-	0	4.20	-	-	10.00	14.20
8.	Shri Puneet Bhatia	-	0	3.60	-	-	10.00	13.60
9.	Shri Vellayan Subbiah$	-	0	2.40	-	-	7.50	9.90
10.	Shri Jalaj Ashwin Dani	-	0	6.00	-	-	10.00	16.00
11.	Shri Upendra Kumar Sinha	-	0	6.00	-	-	10.00	16.00
12.	Shri Subhash S Mundra%	-	0	5.40	-	-	10.00	15.40
13.	Shri B Prasada Rao%	-	0	4.80	-	-	10.00	14.80
14.	Shri Vivek Mehra%	-	0	4.50	-	-	10.00	14.50
15.	Smt. Namrata Kaul^	-	0	1.50	-	-	2.50	4.00

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

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

#Excluding the value of shares i.e. ₹ 280.41 lakhs exercised by Shri Rajesh Kumar Gupta and ₹ 3.22 lakhs exercised by Shri Siddhartha Pandit during the financial year 2020-21 under the Employees Stock Purchase Plan of the Company.

$Resigned as Director wef 22nd October, 2020.

%Appointed as Director wef 12th May, 2020.

^Appointed as Director wef 20th January, 2021.

(ii) Service contracts, notice period, severance fees

The appointment of the Executive Directors is governed by Resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

(iii) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable

During the financial year 2020-21, 60,000 Equity Shares of ₹ 1/- each were allotted under Havells Employees Stock Purchase Scheme 2015 to Shri Rajesh Kumar Gupta and 1,575 Equity Shares of ₹ 1/- each were allotted under Havells Employees Long Term Incentive Plan 2014 to Shri Siddhartha Pandit.

(6) Stakeholders Relationship/ Grievance Redressal Committee

The terms of reference and the ambit of powers of Stakeholders Relationship/ Grievance Redressal Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of shareholder correspondences, queries, grievances etc. are endeavored to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/ Grievance Redressal Committee.

(a) Name of Non-Executive Director heading the committee

The Stakeholders Relationship/ Grievance Redressal Committee comprises of 3 (Three) members of which, 2 (Two) are Non-Executive and Independent Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship/ Grievance Redressal Committee. The Composition of Stakeholders Relationship/ Grievance Redressal Committee as on 31st March, 2021, is given below:

Sr. No.	Name	Category	Designation
1.	Shri Upendra Kumar Sinha	Non-Executive Independent	Chairman
2.	Shri Jalaj A Dani	Non-Executive Independent	Member
3.	Shri Ameet Kumar Gupta	Executive	Member

Note: The Committee was reconstituted and each of the Members was appointed wef 12th May, 2020

(b) Name and designation of compliance officer

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

(c) Number of shareholders' complaints received so far

The number of shareholders' complaints received and resolved during financial year 2020-21 is given below:

(i) Number of shareholders' complaints received – 4

(ii) Number of shareholders' complaints resolved – 4

(d) Number not solved to the satisfaction of shareholders

None. All complaints were resolved to the satisfaction of shareholders.

(e) Number of pending complaints

As at 31st March, 2021, no complaint was pending unresolved.

(f) Meetings and attendance during the year

During the financial year 2020-21, the Stakeholders Relationship/ Grievance Redressal Committee met once on 12th May, 2020 which was attended by all the Members of the Committee.

Besides the above, the Board of Directors has Corporate Social Responsibility (CSR) Committee, Enterprises Risk Management Committee, Share Allotment and Transfer Committee and an Executive Committee. In respect of these Committees brief details of the role, terms of reference, composition and no. of meetings held etc. are given below:

Corporate Social Responsibility Committee

(a) Brief description of terms of reference

The Corporate Social Responsibility Committee was formed pursuant to Section 135 of the Companies Act, 2013 as amended read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities, action plan and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Policy of the Company ("CSR Policy") is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed from https://havells.com/en/aboutus/corporate-governance.html

The details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report.

(b) Composition, Name of Members and Chairperson

The Corporate Social Responsibility Committee comprises of 4 (Four) members of which 2 (Two) are Non-Executive and Independent, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee. The Composition of Corporate Social Responsibility Committee as on 31st March, 2021, is given below:

Sr. No.	Name	Category	Designation
1.	Shri Jalaj A Dani*	Non-Executive Independent	Chairman
2.	Shri B Prasada Rao#	Non-Executive Independent	Member
3.	Shri Anil Rai Gupta	Executive	Member
4.	Shri Rajesh Kumar Gupta	Executive	Member

**Appointed as Member and Chairman wef 12th May, 2020*

#Appointed as Member wef 12th May, 2020 after the Committee Meeting held on that date

Shri Vellayan Subbiah was the Chairman upto 12th May, 2020 and a Member upto 22nd October, 2020

(c) Meetings and attendance during the year

Sr. No.	Name	Attendance in Corporate Social Responsibility Committee Meetings held on		
		12 May 20	29 Oct 20	23 Mar 21
1.	Shri Jalaj A Dani	✓	✓	✓
2.	Shri B Prasada Rao	NA#	✓	✓
3.	Shri Vellayan Subbiah*	✓	NA	NA
4.	Shri Anil Rai Gupta	✓	✓	✓
5.	Shri Rajesh Kumar Gupta	✓	✓	✓

#Appointed as Member wef 12th May, 2020 after the Committee Meeting held on that date

**Resigned as Director wef 22nd October, 2020*

Enterprises Risk Management Committee

The role of the Enterprises Risk Management Committee is to identify the risks impacting the Company's business and formulate and administer policies/ strategies aimed at risk minimization and risk mitigation as part of risk management.

The Committee comprises of 5 (Five) members out of which 3 (Three) are Non-Executive Directors. The Chairman being Non-Executive and Independent Director. The Company Secretary of the Company acts as Secretary to the Enterprises Risk Management Committee. The Composition of Enterprises Risk Management Committee as on 31st March, 2021, is given below:

Sr. No.	Name	Category	Designation
1.	Smt. Pratima Ram	Non-Executive Independent	Chairman
2.	Shri Jalaj A Dani*	Non-Executive Independent	Member
3.	Shri T. V. Mohandas Pai*	Non-Executive Non-Independent	Member
4.	Shri Anil Rai Gupta	Executive	Member
5	Shri Rajesh Kumar Gupta	Executive	Member

**Appointed as Member wef 12th May, 2020*

The Enterprises Risk Management Committee met on 12th May, 2020 and 23rd March, 2021**.** The Meetings were attended by all the Members of the Committee.

Share Allotment and Transfer Committee

The Share Allotment and Transfer Committee meets regularly to consider requests of share transfer/ transmission/ transposition/ split/ consolidation/ sub-division/ duplicate share certificate etc. and also to take note of the investor grievances. The summary of number of requests/ grievances received and resolved in every quarter is also placed before the Stakeholders Relationship/ Grievance Redressal Committee for its information and review.

The Committee comprises of 1 (One) Non-Executive Director and 2 (Two) Executive Directors. Shri Surjit Kumar Gupta being Non-Executive Director is the Chairman of the Committee. The Company Secretary of the Company acts as Secretary to the Share Allotment and Transfer Committee. The Composition of Share Allotment and Transfer Committee as on 31st March, 2021, is given below:

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

During the financial year 2020-21, the Share Allotment and Transfer Committee met 5 (Five) times.

Executive Committee

The role of the Executive Committee is to expeditiously decide business matters of routine nature and implementation of strategic decisions of the Board. The Committee functions within the approved framework and directions of the Board. The Committee also performs other activities as per the terms of reference of the Board. The Committee comprises of 1 (One) Non-Executive Director and 3 (Three) Executive Directors. Shri Surjit Kumar Gupta being Non-Executive Director is the Chairman of the Committee. The Company Secretary of the Company acts as Secretary to the Executive Committee. The Composition of Executive Committee as on 31st March, 2021, is given below:

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

During the financial year 2020-21, the Executive Committee met 20 (Twenty) times.

(7) General Body Meetings

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

Date of AGM	Location	Time
22nd June, 2020	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	10:00 a.m.
27th July, 2019	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003	10:00 a.m.
20th July, 2018	Kamani Auditorium, 1, Copernicus Marg, New Delhi - 110 001	10:00 a.m.

(b) Whether any special resolutions passed in the previous three Annual General Meetings

Date of AGM	Details of Special Resolutions passed, if any
22nd June, 2020	Re-appointment of Shri Vellayan Subbiah (DIN: 01138759) as an Independent Director for a Second Term.
27th July, 2019	Nil
20th July, 2018	1. Appointment of a Director in place of Shri Surjit Kumar Gupta (DIN: 00002810), who retires by rotation and being eligible, offers himself for re-appointment 2. Re-appointment of Smt. Pratima Ram (DIN: 03518633) as an Independent Director for a Second Term 3. Re-appointment of Shri T. V. Mohandas Pai (DIN: 00042167) as a Director for a Second Term 4. Re-appointment of Shri Puneet Bhatia (DIN: 00143973) as a Director for a Second Term 5. Amendment to Main Object Clause of the Memorandum of Association

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

Nil

(d) Person who conducted the postal ballot exercise

Not Applicable

(e) Special Resolution proposed to be conducted through postal ballot

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

(8) Means of Communication

(a) Quarterly Results

The Company publishes limited reviewed un-audited standalone & consolidated financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results both standalone & consolidated for the complete financial year.

(b) Newspapers wherein results normally published

The quarterly, half-yearly and annual financial results are published in Economic Times in English and Jansatta Hindi Daily editions.

(c) Website, where displayed

The financial results and the official news releases are also placed on the Company's website www.havells.com in the investor relations section and can be accessed from https://www.havells.com/en/discover-havells/investor-relation/financials/quarterly-results.html

(d) Official news releases

Yes, the Company regularly publishes an information update on its financial results and also displays official news releases in the investor relations section.

(e) Presentations made to institutional investors or to the analysts

The Company holds analysts calls in each quarter, to apprise and make public the information relating to the Company's working and future outlook.

(9) General Shareholder Information

(a) Annual General Meeting - Date, Time and Venue

Day : Wednesday

Date : 30th June, 2021

Time : 10:00 a.m.

Venue : Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)

Company's Registered Office i.e. 904, 9th Floor, Surya Kiran Building, KG Marg, Connaught Place, New Delhi – 110 001 will be considered as Venue for the purpose of this Annual General Meeting

(b) Financial year

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

(c) Dividend Payment Date

The Board of Directors of your Company declared an interim dividend of ₹ 3/- per equity share of ₹ 1/- each i.e. @300% during the financial year 2020-21. Payment of dividend was done within 30 days from date of declaration i.e. 20th January, 2021.

The Board of Directors of your Company has also recommended a Final Dividend of ₹ 3.50 per equity share of ₹ 1/- each i.e. @ 350% for the financial year 2020-21. Date of payment of dividend would be within 30 days from the date of AGM.

(d) Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)

The equity shares of the Company are listed at:

- The National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051
- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

The annual listing fee for the financial year 2021-22 has been paid by the Company to both the stock exchanges within the stipulated time.

(e) Stock code

NSE	BSE	ISIN
HAVELLS	517354	INE176B01034 (Shares)

(f) Market price data- high, low during each month in last financial year

Monthly high & low prices and volumes of the equity shares of the Company at the National Stock Exchange of India Ltd. (Nifty) and BSE Limited (Sensex) during financial year 2020-21 are as under:

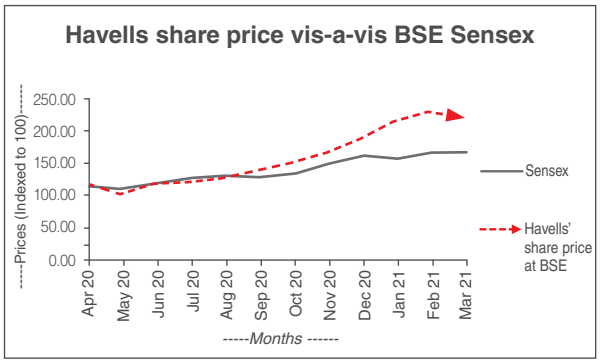
(Amount in ₹)

Period	NSE			BSE		
	High	Low	Volume (No. of shares)	High	Low	Volume (No. of shares)
Apr 2020	579.85	466.50	3,70,90,505	579.25	466.60	16,44,582
May 2020	552.75	447.05	6,06,78,562	559.90	447.20	21,65,667
Jun 2020	593.40	502.05	6,26,34,145	593.00	503.95	23,33,293
Jul 2020	612.65	562.20	5,13,95,601	613.00	562.40	21,68,695
Aug 2020	667.90	576.70	3,78,06,503	667.15	577.05	20,05,933
Sep 2020	693.00	608.45	3,59,72,422	692.95	609.10	11,63,849
Oct 2020	741.00	663.85	3,71,05,083	740.65	664.10	7,88,737
Nov 2020	855.00	730.00	6,46,23,451	854.60	726.00	18,03,377
Dec 2020	928.50	798.10	5,67,15,994	928.60	798.00	16,33,305
Jan 2021	1,194.85	904.75	9,31,35,948	1,195.30	904.60	36,90,870
Feb 2021	1,231.90	1,033.05	4,90,93,553	1,237.80	1,033.75	26,47,282
Mar 2021	1,185.80	986.50	4,30,04,579	1,185.55	986.55	20,96,635

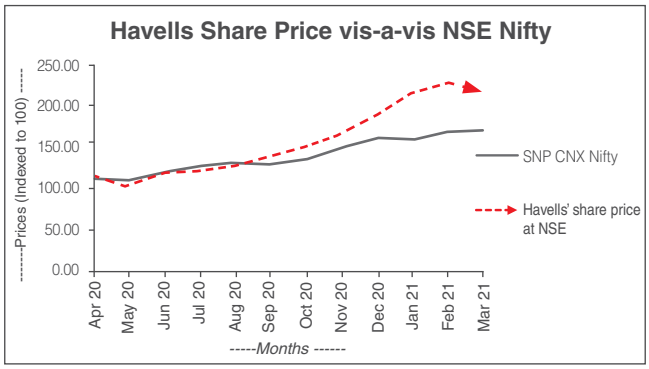
(Source: NSE and BSE website)

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's share on the respective Stock Exchanges.

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



Note: The graph indicates monthly closing positions. Share prices and BSE Sensex are indexed to 100 as on 1st April.



Note: The graph indicates monthly closing positions. Share prices and NSE Nifty are indexed to 100 as on 1st April.

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

Not applicable.

(i) Registrar to an issue and share transfer agent

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

(j) Share transfer system

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form.

As per Regulation 40 of the Listing Regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in demat form with a depository.

In compliance of the provisions of Listing Regulations, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him/ her.

In case of request for dematerialization of shares, confirmation of dematerialization is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously.

(k) Distribution of shareholding as on 31st March, 2021

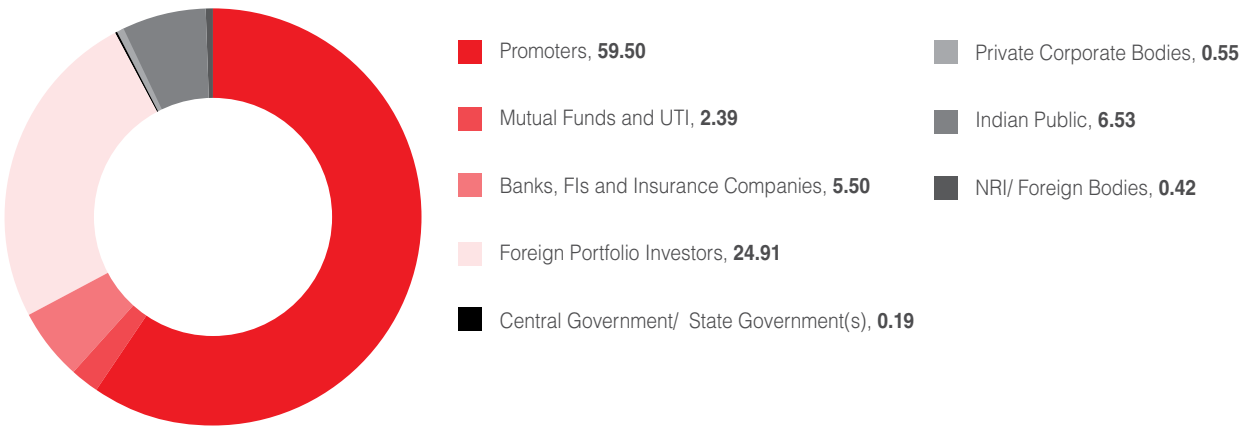
Shareholding of Nominal Value of ₹1/- each	Shareholders (Numbers)	% of Total Share Holders	No. of Shares	Nominal Value (in ₹)	% of Nominal Value
Upto 5,000	1,61,062	98.88	2,20,83,162	2,20,83,162	3.53
5,001 - 10,000	796	0.49	58,86,764	58,86,764	0.94
10,001 - 20,000	360	0.22	51,55,129	51,55,129	0.82
20,001 - 30,000	147	0.09	36,54,777	36,54,777	0.58
30,001 - 40,000	68	0.04	24,21,481	24,21,481	0.39
40,001 - 50,000	45	0.03	20,61,456	20,61,456	0.33
50,001 - 1,00,000	126	0.08	89,82,142	89,82,142	1.43
1,00,001 & Above	276	0.17	57,57,68,095	57,57,68,095	91.97
GRAND TOTAL	**1,62,880**	**100.00**	**62,60,13,006**	**62,60,13,006**	**100.00**

Ownership Pattern as on 31st March, 2021

Category	No. of Shareholders	No. of Shares Held	% of Total Holding
Promoters			
Indian Promoters	4	37,24,57,920	59.50
Non Promoters			
Institutional Investors			
Mutual Fund and Alternative Investment Funds	39	1,49,30,486	2.39
Foreign Portfolio Investors	622	15,59,39,099	24.91
Bank, Financial Institutions and Insurance Companies	21	3,44,54,445	5.50
Central Government/ State Government(s)	3	11,98,496	0.19
Non-Institutions			
Indian Public*	1,52,040	4,08,71,750	6.53
NRI	4,731	26,46,816	0.42
Bodies Corporate	1,053	34,72,034	0.55
Non Promoter Non Public			
Employee Benefit Trust	1	41,960	0.01
GRAND TOTAL	**1,58,514**	**62,60,13,006**	**100.00**

**Indian Public shareholding includes shareholdings of individuals, shares with IEPF Authority, Trusts, HUF, Unclaimed Suspense A/c, and Clearing Members.*

Details of Ownership Pattern given above are based on the Shareholding Pattern filed with the Stock Exchanges as at 31st March, 2021, wherein the Shareholding is consolidated on the basis of PAN in terms of SEBI Circular dated 19th December, 2017.



List of Shareholders other than Promoters holding more than 1% as on 31st March, 2021

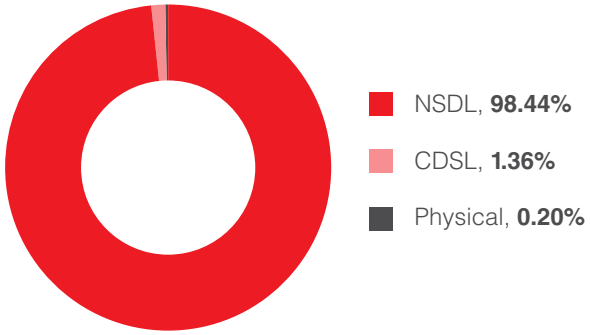
Sr. No.	Name of Shareholder	No. of Shares held	% of Total Shareholding
1.	NALANDA INDIA EQUITY FUND LIMITED	3,30,44,930	5.28
2.	LIFE INSURANCE CORPORATION OF INDIA	3,04,27,370	4.86
3.	GOVERNMENT PENSION FUND GLOBAL	1,20,04,413	1.92
4.	SMALLCAP WORLD FUND, INC	1,10,10,155	1.76
	TOTAL	**8,64,86,868**	**13.82**

(I) Dematerialization of shares and liquidity

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31st March, 2021, 62,47,32,679 Equity shares out of 62,60,13,006 Equity Shares of the Company, forming 99.80% of the Company's paid up capital is held in the dematerialized form. Majority of demat shares are with National Securities Depository Limited. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the NSE and BSE.

Particulars	As on 31st March, 2021		As on 31st March, 2020	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form	**62,47,32,679**	**99.80**	**62,43,76,502**	**99.77**
NSDL	61,62,45,670	98.44	61,54,10,656	98.34
CDSL	84,87,009	1.36	89,65,846	1.43
Shares in Physical Form	12,80,327	0.20	14,26,332	0.23
TOTAL	**62,60,13,006**	**100.00**	**62,58,02,834**	**100.00**

Ownership in Demat and Physical Mode



(m) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity

There are no GDRs/ ADRs/ Warrants outstanding as on 31st March, 2021.

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

In order to manage the Company's Foreign Exchange exposure, the Company has in place a Board approved Policy on Foreign Exchange for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

(o) Plant locations

Sr. No.	Unit/ Plant	Products
1.	Distt. Solan, Baddi, Himachal Pradesh	Electrical Wire Accessories and Switchgears
2.	Plot No. 2 and 2A, Sector - 12, SIDCUL Industrial Area, Haridwar, Uttarakhand	Water Purifier and Appliances
3.	14/3, Mathura Road, Faridabad, Haryana	Switchgears
4.	Plot No.6, Site - IV, Sahibabad Industrial Area, Sahibabad (U.P.)	Switchgears and Capacitors
5.	SP-181 – 189 & 191(A) Industrial Area, Phase II, Neemrana, Alwar, Rajasthan	Motor and Pump Lighting & Fixture, Water Heater and Water Cooler
6.	A/461-462, & SP – 215, 204 & 204(A) Matsya Industrial Area, Alwar, Rajasthan	Industrial & Domestic Cable
7.	Plot No. 2A, Sector - 10, SIDCUL Industrial Area, Haridwar, Uttarakhand	Fan
8.	SP1-133, Rico Industrial Area, Behror, Ghiloth, Alwar, Rajasthan - 301706	Air Conditioner

(p) Address for correspondence

The Company Secretary
Havells India Limited
(Secretarial Department)
QRG Towers, 2D, Sector – 126,
Expressway, Noida – U.P.
Pin – 201304
Telephone No.: 0120 – 3331000
Fax No.: 0120 – 3332000
Email: investors@havells.com

Address for Correspondence with the Registrar and Transfer Agents

Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH 2,
LSC, C-1 Block, Near Savitri Market,
Janakpuri, New Delhi-110058
Telephone: 011-41410592,93, 011-49411000
Fax: 011-41410591
Email: delhi@linkintime.co.in

(q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

The Company has obtained the following Credit Ratings from CARE:

Long-term Bank Facilities	CARE AAA (Triple A)
Short-term Bank Facilities	CARE A1+ (A One Plus)

The details on credit ratings are provided in the Directors Report and are also available on the website of the Company in the Investor Relations section and can be accessed at https://www.havells.com/en/discover-havells/investor-relation/credit-rating.html

During the year ended 31 March, 2021, there was no change in the above ratings by CARE.

Till 31st May, 2020, the Company also had a Corporate Governance Rating of CARE CGR 2+ (Two Plus) issued by CARE. Subsequently, the credit rating agencies, in terms of SEBI mandate, discontinued such ratings.

(10) Other Disclosures

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

During the financial year 2020-21, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. For reference, the details of related party transactions in accordance with IND AS–24 are given in Note No. 6 of Other Notes on Accounts of the Annual Report.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

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

(c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee

The Company has adopted a Whistle Blower Policy called 'Satark' which means alert/ vigilant empowering any person associated with the organization to file a grievance if he/ she notices any irregularity. 'Satark' Policy is available on the website of the Company at https://www.havells.com/en/aboutus/corporate-governance.html

No person has been denied access to the Audit Committee for any grievance.

The Company has in addition to Whistle Blower Policy also adopted a policy named 'Idea' to promote a culture of innovative thinking, creativity and vigilance in all areas of its business. The ideas may be related to technical aspects of business, non-technical aspects, commercial aspects, administrative aspects, processes, cost saving or any such other aspect that may benefit the Company.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(e) Web link where policy for determining 'material' subsidiaries is disclosed

The policy for determining 'material' subsidiaries is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

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

The policy on dealing with related party transactions is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

(g) Disclosure of commodity price risks and commodity hedging activities

In order to manage the Company's Foreign Exchange exposure, the Company has in place a Board approved Policy on Foreign Exchange Management for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

Policy on Foreign Exchange Risk and Commodity Price Risk alongwith Foreign Currency exposure is given under Note No. 10 of Other Notes on Accounts of the Annual Report.

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

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year.

(i) Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority

On the basis of written representations/ declaration received from the directors, as on March 31, 2021, M/s MZ & Associates, Company Secretaries (Membership No. FCS 9184, CP No. 13875), have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/ MCA or any such authority and the same also forms part of this Report.

(j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof

The Board accepted the recommendations of its Committees, wherever made, during the year.

(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, are as follows:

Type of Service	Amount (₹ in crores)
Audit Fee	1.35
Tax Audit Fee	0.05
Other Certification Fee	0.04
Reimbursement of expenses	0.01
TOTAL	**1.45**

Note: Out of Pocket expenses are reimbursed on actual basis.

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A Nirbhaya policy which is in line with the statutory requirements is in place.

a. number of complaints filed during the financial year – 0

b. number of complaints disposed of during the financial year – 0

c. number of complaints pending as on end of the financial year – 0

(11) Disclosure of the Extent to which the Discretionary Requirements as Specified in Part E of Schedule II have Been Adopted

(a) The Board: As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.

Shareholder Rights: Quarterly financial statements are published in leading newspapers and uploaded on Company's website https://www.havells.com/en/discover-havells/investor-relation/financials/quarterly-results.html

(b) Modified opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

(c) Separate posts of Chairperson and CEO: Presently, Shri Anil Rai Gupta is the Chairman and Managing Director of the Company. He is also the CEO of the Company.

(d) Reporting of Internal Auditor: The Company appointed KPMG as the Internal Auditors for conducting the internal audit for the financial year 2020-21, representatives whereof report to the Head, Risk Management and Governance Department who reports to the Director (Finance) and Group CFO and has direct access to the Audit Committee.

(12) Disclosures of the Compliance with Corporate Governance Requirements Specified in Regulations 17 to 27 and clauses (B) to (I) of Sub-Regulation (2) of Regulation 46

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Declaration signed by the Chief Executive Officer stating that the Members of Board of Directors and Senior Management Personnel have affirmed Compliance with the Code of Conduct of Board of Directors and Senior Management

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. Havells' Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company.

The Code is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at https://www.havells.com/en/aboutus/corporate-governance.html

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended 31st March, 2021.

Anil Rai Gupta
Chairman and
Managing Director

Delhi, May 20, 2021

Compliance Certificate from either the auditors or Practicing Company Secretaries regarding compliance of conditions of Corporate Governance

The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance forms an integral part of the Annual Report.

Disclosures with Respect to Demat Suspense Account/ Unclaimed Suspense Account

The Company has 2,10,100 Equity Shares of ₹ 1/- each in respect of 30 Shareholders, lying into one folio, namely, the Unclaimed Suspense A/c and in the demat account held with NSDL (IN30045014669162). Further, the dividend accruing on such Shares was also credited to Unpaid Dividend Account.

The requisite disclosures as per Schedule V (F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard are given below:

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Year – 30 (No. of shareholders) 2,10,100 (No. of shares) respectively.

(b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year – Nil

(c) Number of shareholders to whom shares were transferred from suspense account during the year – NA

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of year – 30 (No. of shareholders) 2,10,100 (No. of shares) respectively

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Other useful Information for Shareholders

ECS Facility

The Company provides facility of "Electronic Clearing Service" (ECS) for payment of dividend to its shareholders. ECS facility assists in quick remittance of dividend without possible loss/delay in postal transit. Shareholders holding shares in physical form are requested to provide details of their bank account for availing ECS facility. However, if the shares are held in dematerialized form, the ECS mandate has to be communicated to the respective Depository Participant (DP). Changes, if any, in the details furnished earlier may also be communicated to the Company or DP, as the case may be.

Updation of KYC Details

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

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

Update E-mails for receiving notice/ documents in e-mode

The shareholders who have not registered their email addresses with the Company are requested to kindly register their e-mail addresses with the Company in the Form annexed with the Notice of Annual General Meeting enabling the Company to better service shareholder correspondence

through e-mode. The shareholders have also an option to register their email addresses with their Depository through Depository Participant.

In line with the General Circular No. 20/2020 dated 5th May, 2020 and General Circular No. 02/2021 dated 13th January, 2021 issued by the Ministry of Corporate Affairs, your Company is sending the Notice calling the AGM along with the Annual Report to the shareholders in electronic mode at their email addresses.

Encash Dividend Promptly

The shareholders are advised to encash their dividend promptly to avoid hassles of revalidation or losing right to claim dividend owing to transfer of unclaimed dividends beyond seven years to the Investor Education and Protection Fund.

Unclaimed Dividend and shares

In terms of the provisions of the Companies Act, 2013, dividends remaining unpaid/ unclaimed for a period of seven years have to be statutorily transferred to the Investor Education and Protection Fund (IEPF) and such shares in respect of which dividend entitlements remained unclaimed for seven consecutive years or more are also required to be transferred by the Company to the Investor Education and Protection Fund, administered by the Central Government. To ensure maximum disbursement of unclaimed dividend, the Company regularly sends reminder to the relevant investors.

Unclaimed Dividend in respect of the financial year 2013-14 (Final) and the shares in respect of which dividend entitlements remain unclaimed for seven consecutive years will be due for transfer to the IEPF on 15th August, 2021 in terms of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Members who have not encashed their Final Dividend in respect of the financial year ended 31st March, 2014 or any subsequent year(s) are requested to lodge their claims with the Company.

A separate communication in this regard has already been sent to the Shareholders of the Company who have not encashed their dividend warrants, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same.

In respect of Final Dividend for the financial year ended 31st March, 2014, it will not be possible to entertain claims which are received by the Company after 15th August, 2021.

Members are advised that in terms of the provisions of Section 124 of the Companies Act, 2013, once unclaimed dividend and shares are transferred to IEPF, no claim shall lie against the Company in respect thereof. However members may apply for the same with the IEPF authority by making an application in the prescribed Form No. IEPF-5.

Financial Year	Dividend Type	Dividend Per Share (₹)	Date of Declaration	Due date of transfer to IEPF
2013-14	Final	10.00	09.07.2014	15.08.2021
2014-15	Final	3.00*	13.07.2015	19.08.2022
2015-16	Interim	3.00	03.02.2016	12.03.2023
2015-16	Final	3.00	13.07.2016	19.08.2023
2016-17	Final	3.50	07.07.2017	14.08.2024
2017-18	Final	4.00	20.07.2018	26.08.2025
2018-19	Final	4.50	27.07.2019	31.08.2026
2019-20	Interim	4.00	06.03.2020	10.04.2027
2020-21	Interim	3.00	20.01.2021	24.02.2028

**During the Financial Year 2014-15, the Equity Shares of the Company, which were of the face value of ₹ 5/- each, were sub-divided into 5 Equity Shares of ₹ 1/- each.*

Note: The amount lying in the unpaid Interim dividend for the financial year 2013-14 due date whereof was 20th April, 2021 was transferred to IEPF account as per the provision of the Companies Act, 2013.

Dematerialization of Shares

Equity Shares of the Company are under compulsory demat trading segment. Considering the advantages of scrip less trading, members are advised to consider dematerialization of their shareholding so as to avoid inconvenience involved in the physical shares such as mutilation, possibility of loss/ misplacement, delay in transit etc. and also to ensure safe and speedy transaction in securities.

The Company periodically sends communications to all those Shareholders of the Company who have not yet dematerialized their physical share certificates, outlining the procedure for dematerialization and benefits thereof.

Transfer/ Transmission/ Transposition of Shares

As per Regulation 40 of the SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialised form. Members holding shares in physical form are advised to avail the facility of dematerialisation. These provisions are not applicable for transmission (i.e. transfer of title of shares by way of inheritance/ succession) and transposition (i.e. re-arrangement/ interchanging of the order of name of shareholders) cases.

In terms of the relevant SEBI circulars, a copy of the PAN card is to be furnished to the Company in the following cases:

(a) deletion of name of deceased shareholder(s) where shares are held jointly in the name of two or more shareholders;

(b) transmission of shares to the legal heirs where shares are held solely in the name of deceased shareholder; and

(c) transposition of shares where order of names of shareholders are to be changed in the physical shares held jointly by two or more shareholders.

Investors, therefore, are requested to furnish the self-attested copy of PAN card, at the time of sending the physical share certificate(s) to the Company, for effecting any of the above stated requests.

Shareholders are also requested to keep record of their specimen signature before lodgment of shares with the Company to avoid probability of signature mismatch at a later date.

Nomination Facility

Provision of Section 72 of the Companies Act, 2013 read with rule 19(1) of the rules made thereunder extends nomination facility to individuals holding shares in the physical form. To help the legal heirs/ successors get the shares transmitted in their favour, shareholder(s) are requested to furnish the particulars of their nomination in the prescribed Nomination Form. Shareholder(s) holding shares in Dematerialized form are requested to register their nominations directly with their respective DPs.

Update your Correspondence Address/ Bank Mandate/ Email Id

To ensure all communications/ monetary benefits received promptly, all shareholders holding shares in physical form are requested to notify to the Company, change in their address/ bank details/ email id instantly by written request under the signatures of sole/ first joint holder.

Shareholder(s) holding shares in dematerialized form are requested to notify change in bank details/ address/ email Id directly with their respective DPs.

Quote Folio No./ DP ID No.

Shareholders/ Beneficial Owners are requested to quote their Folio Nos./ DP ID Nos., as the case may be, in all correspondence with the Company.

Shareholders are also requested to quote their E-mail IDs, Contact/ Fax numbers for prompt reply to their correspondence.

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

Anil Rai Gupta
Chairman and Managing Director

Delhi, May 20, 2021

CEO'S/ CFO'S CERTIFICATE

We, Anil Rai Gupta, Chairman and Managing Director and Rajesh Kumar Gupta, Director (Finance) and Group CFO of Havells India Limited, to the best of our knowledge and belief, certify that:

a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee, wherever applicable,

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **Havells India Limited**

(Anil Rai Gupta)
Chairman and Managing Director
Delhi, May 20, 2021

For **Havells India Limited**

(Rajesh Kumar Gupta)
Director (Finance) and Group CFO

Certificate of Non-Disqualification of Directors (Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Havells India Limited having CIN L31900DL1983PLC016304 and having registered office at 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi 110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Shri Anil Rai Gupta	00011892	30/09/1992
2.	Shri Surjit Kumar Gupta	00002810	08/08/1983
3.	Shri Ameet Kumar Gupta	00002838	22/12/2014
4.	Shri Rajesh Kumar Gupta	00002842	21/03/1992
5.	Smt. Pratima Ram	03518633	28/07/2014
6.	Shri Mohandas Pai Tellicheery Venkataraman	00042167	22/12/2014
7.	Shri Puneet Bhatia	00143973	22/12/2014
8.	Shri Jalaj Ashwin Dani	00019080	16/08/2017
9.	Shri Upendra Kumar Sinha	00010336	01/03/2018
10.	Shri Siddhartha Pandit	03562264	29/05/2019
11.	Shri Subhash Sheoratan Mundra	00979731	12/05/2020
12.	Shri Bontha Prasada Rao	01705080	12/05/2020
13.	Shri Vivek Mehra	00101328	12/05/2020
14.	Smt. Namrata Kaul	00994532	20/01/2021

Ensuring the eligibility of every Director for the appointment/ continuity on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MZ & ASSOCIATES**
Company Secretaries

CS Mohd Zafar
Partner
M No.: FCS 9184
CP: 13875
UDIN: F009184C000244650

Date: May 05, 2021
Place: New Delhi

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Havells India Limited

1. The Corporate Governance Report prepared by Havells India Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held April 01, 2020 to March 31, 2021:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Nomination and Remuneration Committee;

      (d) Corporate Social Responsibility Committee;

      (e) Enterprise Risk Management Committee;

      (f) Stakeholders Relationship/ Grievance Redressal Committee;

      (g) Share Allotment and Transfer Committtee;

      (h) Annual General Meeting (AGM)

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

ix. Verified the fee disclosures as required by Clause 10(k), Part C, Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 21091813AAAACP2142
Place of Signature: Gurugram
Date: May 20, 2021

Independent Auditor's Report

To the Members of Havells India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Havells India Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report.

We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of impairment of goodwill and intangible assets with indefinite useful life (as described in note 4 of the standalone financial statements)	
As at March 31, 2021 the standalone financial statements includes Goodwill of ₹ 310.47 crores and intangible assets of ₹ 1029.00 crores having indefinite useful life pertaining to acquisition of a business in earlier years. In accordance with Indian Accounting Standards (Ind-AS) – 36 'Impairment of Assets', the management has allocated goodwill and intangible assets having indefinite life to the underlying cash generating unit (CGU) and tested these for annual impairment using a discounted cash flow model. The impairment test model used by management factors impact of COVID-19 and also includes sensitivity testing of key assumptions.	Our audit procedures, among others included the followings: (a) We obtained an understanding of the process and tested the operating effectiveness of internal controls over the impairment assessment process and preparation of the cash flow forecast based on assumptions and inputs to the model used to estimate the future cash flows. (b) We assessed the Company's methodology applied in determining the CGU to which these assets are allocated. (c) We assessed the assumptions used in the cash flow forecasts including discount rates, expected growth rates and terminal growth rates.

Key audit matters	How our audit addressed the key audit matter
The annual impairment of goodwill and intangible assets having indefinite useful life and impact of COVID-19 pandemic on such assessment is considered as significant accounting judgement and estimate and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and materiality of the balances to the standalone financial statements as a whole.	(d) We compared the cash flow forecasts used in impairment testing to approved budget and other relevant market and economic information, as well as testing the underlying calculations. (e) We discussed the potential changes in key assumptions as compared to previous year and impact of COVID-19 in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. (f) We obtained the management testing of impairment and report of management specialist on impairment assessment and discussed the assumptions and other factors used in the assessment. (g) We also engaged specialist to assess the assumptions and methodology used by the management to determine the recoverable amount and also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. (h) We tested the arithmetical accuracy of the models. (i) We evaluated the adequacy of disclosures in the standalone financial statements related to management's assessment including impact of COVID-19 on the annual impairment tests and as required under Indian Accounting Standard (Ind-AS) -36 Impairment of Assets

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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

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.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 21091813AAAACL9343
Place of Signature: New Delhi
Date: May 20, 2021

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: Havells India Limited (the Company)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for:

- Land taken on lease by the Company from its group company duly approved by board of directors for which lease deed is yet to be registered with appropriate authorities. The Company has constructed building on such land which is appearing in the Company's property, plant and equipment having gross block of ₹ 31.67 crores and net block of ₹ 26.74 crores.
- Freehold land having gross block of ₹ 15.89 crores and net block of ₹ 15.89 crores for which title deed is not in the name of the Company. The Company has constructed building on such land amounting to gross block of ₹ 2.43 crores and net block of ₹ 1.05 crores. The Company is in the process of getting them registered in its name.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture or service of electricals and electronic goods and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to sales tax, service tax, duty of excise and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to sales tax, service tax, duty of excise and value added tax are not applicable to the Company.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount of Demand without netting of amount paid under protest (₹ in crores)	Amount paid under protest (₹ in crores)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Disallowances and additions to taxable income.	19.48	9.68	2005-06, 2009-10 to 2013-14	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Disallowances and additions to taxable income.	26.45	1.98	2009-10 to 2012-13	Commissioner of Income Tax (Appeal), New Delhi
Income Tax Act, 1961	Disallowances and additions to taxable income.	1.87	1.87	2016-17 and 2018-19	Assessing Officer, New Delhi
Central Excise Act, 1944	Excise duty demand/ disallowance of Cenvat credit on various items.	0.23	-	2007-08 to 2009-10	CESTAT, (Chandigarh)
The Custom Act,1944	Custom duty demand on various Matter	0.16	0.01	2019-20	Commissioner of customs (Appeals)
Finance Act,1994	Service tax demand on various matter	0.01	-	2015-16	Assistant Commissioner (CGST), Alwar
Sales Tax/ VAT	Sales tax demand on various matter	0.12	-	2001-02	Joint Commissioner (Appeal), Faridabad
Sales Tax/ VAT	Sales tax demand on various matter	2.68	1.74	2010-11, 2013-14 to 2016-17	Joint Commissioner (Appeal), Uttarakhand
Sales Tax/ VAT	Sales tax demand on various matter	20.03	13.47	2007-08 to 2015-16	Tribunal Commercial Tax (Patna)
Sales Tax/ VAT	Sales tax demand on various matter	0.62	0.41	2016-17	Commissioner (appeal) Patna
Sales Tax/ VAT	Sales tax demand on various matter	0.33	0.28	2005-06	Appellate Tribunal, Commercial Tax, Ernakulam, (Kerala)
Sales Tax/ VAT	Sales tax demand on various matter	0.05	0.03	2007-08	Appellate Tribunal, Commercial Tax, (Tamil Nadu)
Sales Tax/ VAT	Sales tax demand on various matter	2.32	0.30	2008-09 to 2011-12	Appellate Tribunal, Commercial Tax, (Orissa)
Sales Tax/ VAT	Sales tax demand on various matter	1.25	1.23	2009-10 to 2012-13	Commercial Tax Tribunal, (Uttarakhand)
Sales Tax/ VAT	Sales tax demand on various matter	0.03	0.03	2010-11	Nagpur Municipal Corporation
Sales Tax/ VAT	Sales tax demand on various matter	0.04	0.01	2013-14	Appellate Tribunal Commercial Tax (Punjab)
Sales Tax/ VAT	Sales tax demand on various matter	0.25	0.15	2003-04, 2005-06 to 2006-07	High Court (Punjab and Haryana)
Sales Tax/ VAT	Sales tax demand on various matter	0.21	-	2005-06	High Court (Rajasthan)
Goods and Service Tax (GST)	GST demand on various matter	0.46	0.46	2017-18	High Court (Uttar Pradesh)
Goods and Service Tax (GST)	GST demand on various matter	0.10	0.10	2019-20	Additional Commissioner (A), Noida, (Uttar Pradesh)
Goods and Service Tax (GST)	GST demand on various matter	0.11	0.11	2019-20	Additional Commissioner (A), Dehradun (Uttarakhand)
Goods and Service Tax (GST)	GST demand on various matter	0.58	-	2017-18	High Court (Uttar Pradesh)

viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing dues to banks and financial institutions. The Company did not have any outstanding loan or borrowing dues in respect of a government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, the Company has utilized the monies raised by way of debt instruments in the nature of commercial papers and term loans for the purposes for which they were raised. The Company has not raised any money way of initial public offer and further public offer.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 21091813AAAACL9343
Place of Signature: New Delhi
Date: May 20, 2021

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HAVELLS INDIA LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Havells India Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**
Partner
Membership Number: 091813
UDIN: 21091813AAAACL9343
Place of Signature: New Delhi
Date: May 20, 2021

Balance Sheet

as at March 31, 2021

(₹ in crores)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 Non-current assets			
Property, plant and equipment	3	1,860.70	1,899.44
Capital work in progress	3	86.26	82.77
Goodwill	4	310.47	310.47
Other intangible assets	4	1,119.13	1,139.51
Intangible assets under development	4	3.65	3.36
Investment in subsidiaries	5	1.63	1.63
Contract assets	6	49.79	60.58
Financial assets	7		
(i) Trade receivables		3.32	7.96
(ii) Other financial assets		19.94	21.37
Other non-current assets	8	54.62	50.67
Non current tax asset (net)	9	23.56	16.53
Total Non current assets		**3,533.07**	**3,594.29**
2 Current assets			
Inventories	10	2,619.89	1,871.88
Contract assets	6	20.11	20.01
Financial assets	11		
(i) Investments		306.30	-
(ii) Trade receivables		560.31	240.92
(iii) Cash and cash equivalents		326.57	242.09
(iv) Bank balances other than (iii) above		1,298.17	864.83
(v) Other financial assets		45.99	29.44
Other current assets	12	109.23	164.60
Total Current assets		**5,286.57**	**3,433.77**
Assets classified as held for sale	13	0.58	19.80
		5,287.15	**3,453.57**
Total assets		**8,820.22**	**7,047.86**
EQUITY AND LIABILITIES			
1 Equity	14		
Equity share capital		62.60	62.58
Other equity		5,101.85	4,242.23
Total equity		**5,164.45**	**4,304.81**
2 Liabilities			
Non-current liabilities			
Contract liabilities	6	4.57	4.32
Financial liabilities	15		
(i) Borrowings		393.65	-
(ii) Lease liabilities		101.51	89.74
(iii) Other financial liabilities		1.31	1.13
Provisions	16	58.43	35.57
Deferred tax liabilities (Net)	17	339.11	286.52
Other non-current liabilities	18	-	17.71
Total Non current liabilities		**898.58**	**434.99**
Current liabilities			
Contract liabilities	6	9.54	15.74
Financial liabilities	19		
(i) Lease liabilities		29.15	31.87
(ii) Trade payables			
a) Total outstanding dues of micro enterprise and small enterprises		188.78	106.28
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,408.00	1,307.79
(iii) Other financial liabilities		668.98	531.30
Provisions	20	257.55	210.01
Current tax liabilities (net)	21	74.26	-
Other current liabilities	22	120.93	105.07
Total Current liabilities		**2,757.19**	**2,308.06**
Total liabilities		**3,655.77**	**2,743.05**
Total equity and liabilities		**8,820.22**	**7,047.86**
Summary of significant accounting policies	2		
Commitments and contingencies	32		
Other notes on accounts	33		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Pankaj Chadha
Partner
Membership No. 091813

Date: May 20, 2021
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Associate Vice President- Finance

Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in crores)

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
I	**INCOME**			
	Revenue from operations	23	10,427.92	9,429.20
	Other income	24	187.82	111.98
	Total Income		**10,615.74**	**9,541.18**
II	**EXPENSES**			
	Cost of raw materials and components consumed	25	5,390.51	4,389.58
	Purchase of traded goods	26	1,615.46	1,272.82
	Change in inventories of finished goods, traded goods and work in progress etc.	27	(531.07)	172.74
	Employee benefits expense	28	885.33	899.58
	Finance costs	29	72.64	19.72
	Depreciation and amortization expenses	30	248.86	217.91
	Other expenses	31	1,502.43	1,667.10
	Total expenses		**9,184.16**	**8,639.45**
III	**Profit before tax**		**1,431.58**	**901.73**
IV	**Income tax expenses**	17		
	Current tax		339.35	198.93
	Deferred tax charge / (credit) {(refer note 17(ii)}		52.59	(30.23)
	Total tax expense		**391.94**	**168.70**
V	**Profit for the year**		**1,039.64**	**733.03**
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss in subsequent periods			
	i) Re-measurement gains / (loss) on defined benefit plans {refer note 33(4)}		(2.70)	(4.98)
	ii) Income tax effect on above {refer note no 17(b)}		0.68	1.25
	Other comprehensive income/(loss) for the year, net of tax		**(2.02)**	**(3.73)**
VII	**Total comprehensive income for the year, net of tax**		**1,037.62**	**729.30**
VIII	**Earnings per equity share (EPS) {refer note no. 33(12)}**			
	(nominal value of share ₹ 1/-)			
	Basic EPS (₹)		16.61	11.71
	Diluted EPS (₹)		16.61	11.71
	Summary of significant accounting policies	2		
	Commitments and contingencies	32		
	Other notes on accounts	33		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Pankaj Chadha
Partner
Membership No. 091813

Date: May 20, 2021
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Associate Vice President- Finance

Statement of Changes in Equity

for the year ended March 31, 2021

A) Equity Share Capital

Particulars	Numbers	Amount (₹ in crores)
As at April 01, 2019	**625,472,910**	**62.55**
Add: Exercise of employee stock purchase plan - proceeds received	329,924	0.03
As at March 31, 2020	**625,802,834**	**62.58**
Add: Exercise of employee stock purchase plan - proceeds received	210,172	0.02
As at March 31, 2021	**626,013,006**	**62.60**

B) Other Equity

(₹ in crores)

Particulars	Reserves and surplus					Total
	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	
As at April 01, 2019	**7.63**	**56.40**	**722.72**	**0.27**	**3,342.63**	**4,129.65**
Profit for the year	-	-	-	-	733.03	733.03
Other comprehensive income for the year						
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	(3.73)	(3.73)
Total Comprehensive income for the year						**729.30**
Transaction with owners in their capacity as owners:						
Final Dividend paid for financial year ended March 31, 2019	-	-	-	-	(281.61)	(281.61)
Dividend distribution tax on Final Dividend	-	-	-	-	(57.89)	(57.89)
Interim Dividend paid during the year	-	-	-	-	(250.32)	(250.32)
Dividend distribution tax on interim dividend	-	-	-	-	(51.45)	(51.45)
Employee stock option expense	-	-	-	0.37	-	0.37
Equity shares issued under employee stock purchase plan	-	24.18	-	-	-	24.18
As at March 31, 2020	**7.63**	**80.58**	**722.72**	**0.64**	**3,430.66**	**4,242.23**
Profit for the year	-	-	-	-	1,039.64	1,039.64
Other comprehensive income for the year						
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	(2.02)	(2.02)
Total Comprehensive income for the year						**1,037.62**
Transaction with owners in their capacity as owners:						
Interim Dividend paid during the year	-	-	-	-	(187.80)	(187.80)
Equity shares issued under employee stock purchase plan	-	9.80	-	0.01	-	9.81
Options lapsed during the year				(0.01)		(0.01)
As at March 31, 2021	**7.63**	**90.38**	**722.72**	**0.64**	**4,280.48**	**5,101.85**

Summary of significant accounting policies	2
Commitments and contingencies	32
Other notes on accounts	33

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Pankaj Chadha
Partner
Membership No. 091813

Date: May 20, 2021
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Associate Vice President- Finance

Statement of Cash Flows

for the year ended March 31, 2021

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,431.58	901.73
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	248.86	217.91
Loss /(gain) on disposal of property, plant and equipment (net)	(40.39)	6.73
Unrealized foreign exchange loss /(gain) (net)	1.30	(1.31)
Impairment allowance for trade receivables and other assets - credit impaired	24.48	18.23
Impairment of investment in subsidiary company/Joint Venture	1.10	0.03
Bad debts written off	1.43	0.82
Unwinding of discount on long term provisions	4.21	3.55
Discounting of long term warranty provision	(6.24)	(4.21)
Lease rent concession	(2.54)	-
Interest income on bank deposits and investment	(99.42)	(69.58)
Interest expenses	58.29	5.17
Interest on lease liability	9.68	10.92
Liabilities no longer required written back	(4.49)	(4.33)
Employee stock option expense	-	0.37
Operating Profit before working capital changes	**1,627.85**	**1,086.03**
Movement in working capital		
(Increase)/ Decrease in trade receivables and contract assets	(329.20)	157.32
(Increase)/ Decrease in financial assets	2.82	(1.89)
(Increase)/ Decrease in non-financial assets	33.58	(20.03)
(Increase)/ Decrease in inventories	(748.01)	47.09
Increase/ (Decrease) in trade payables	181.44	(148.76)
Increase/ (Decrease) in financial liabilities	81.25	(59.64)
Increase/ (Decrease) in non financial liabilities and contract liabilities	9.91	4.33
Increase/ (Decrease) in provisions	69.73	0.11
Cash generated from operations	**929.37**	**1,064.56**
Income tax paid (net of refunds)	(271.44)	(239.79)
Net Cash flow from Operating Activities (A)	**657.93**	**824.77**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(249.89)	(360.93)
Receipt of grant related to assets	30.90	-
Proceeds from sale of property, plant and equipment	96.32	1.69
Investment in fixed deposits with the bank and financial institutions made during the year	(729.64)	(250.87)
Interest on fixed deposit and investment received	89.42	62.46
Net Cash flow used in Investing Activities (B)	**(762.89)**	**(547.65)**

Statement of Cash Flows

for the year ended March 31, 2021

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of employee stock purchase plan - share capital	0.02	0.03
Proceeds from exercise of employee stock purchase plan - security premium received	9.80	24.18
Payment of principal portion of lease liabilities	(27.19)	(28.75)
Payment of interest portion of lease liabilities	(9.68)	(10.92)
Proceeds from issue of Commercial Paper {refer note 11 (C)}	488.25	-
Proceeds from short term borrowing {refer note 11 (C)}	500.00	-
Proceeds from long term borrowing	500.00	-
Repayment of short term borrowings {refer note 11 (C)}	(500.00)	-
Repayment of long term borrowings	(49.50)	(54.00)
Repayment of Commercial Paper {refer note 11 (C)}	(488.25)	-
Interest paid	(45.88)	(5.17)
Final Dividend paid to equity shareholders of the Company (including Dividend Distribution Tax)	-	(339.50)
Interim Dividend paid to equity shareholders of the Company (including Dividend Distribution Tax)	(187.80)	(301.77)
Net Cash Flow from Financing Activities (C)	**189.77**	**(715.90)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**84.81**	**(438.78)**
Cash and cash equivalents at the beginning of the year	242.09	680.87
Net foreign exchange differences on cash and cash equivalents held in foreign currency	(0.33)	-
Cash and Cash Equivalents at the end of the period	**326.57**	**242.09**

Notes :

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

2 Components of cash and cash equivalents :-

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Balances with banks:		
Current accounts	20.11	12.52
Cash credit accounts	32.09	54.10
Fixed deposits account with a original maturity of less than three months	274.27	175.35
Cash on hand	0.10	0.12
	326.57	**242.09**

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Pankaj Chadha
Partner
Membership No. 091813

Date: May 20, 2021
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Associate Vice President- Finance

Notes to Financial Statements

for the year ended March 31, 2021

1 CORPORATE INFORMATION

Havells India Limited ('the Company') is a public limited Company domiciled in India and incorporated on August 08, 1983 under the provisions of the Companies Act, 1956 having its registered office at 904, 9th Floor, Surya Kiran Building, K.G. Marg, Connaught Place, New Delhi-110001. The Company is listed on BSE Limited and National Stock Exchange of India Limited.

The Company is consumer electrical/electronics and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Motors, Pumps, Solar Products, Fans, Power Capacitors, LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches, Water Heaters, Coolers and Domestic Appliances, Personal Grooming, Air Purifier, Water Purifier, Air conditioner, Television, Washing machine and Refrigerator covering the entire range of household, commercial and industrial electrical needs.

The Company's manufacturing facilities are located at Faridabad in Haryana, Alwar, Ghiloth and Neemrana in Rajasthan, Haridwar in Uttarakhand, Sahibabad in Uttar Pradesh, Baddi in Himachal Pradesh. The research and development facilities are located at Noida (Uttar Pradesh) and Bangalore.

These standalone financial statements were approved for issue in accordance with a resolution of the directors on May 20, 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) Standalone financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8

- Definition of a Business – amendments to Ind AS 103

- COVID-19 related concessions – amendments to Ind AS 116

The 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.

2.01 Basis of preparation of Standalone Financial Statements

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These standalone financial statements are presented in INR and all values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

The financial statements have been prepared on a historical cost convention, except for the following assets and liabilities:

i) Certain financial assets and liabilities that is measured at fair value

ii) Assets held for sale-measured at fair value less cost to sell

iii) Defined benefit plans-plan assets measured at fair value

iv) Share based payments

2.02 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle

- Held primarily for purpose of trading

- Expected to be realized within twelve months after the reporting period, or

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for purpose of trading

Notes to Financial Statements

for the year ended March 31, 2021

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.03 Property, plant and equipment

Freehold Land is carried at historical cost.All other items of Property, Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The historical cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of item can be measured reliably.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on prorata basis on straight-line method using the useful lives of the assets estimated by management. The useful life is as follows:

Assets	Useful life (in years)
Building	30 and 60
Plant and Equipment	15
Moulds and Dies	6
Furniture and Fixtures	10
Vehicles	8 and 10
R &D Equipment	5 and15
Office Equipment	3 and 5
Mobile Phones	3
Electric Fans and Installations	3 and 10
Computers	3
Laptops	4

The useful lives have been determined based on technical evaluation done by the management's expert. In respect of moulds and dies and mobile phones and laptops, useful lives are lower than those specified by schedule II to the Companies Act 2013 and are depreciated over the estimated useful lives of 6 years, 3 years and 4 years respectively, in order to reflect the actual usage of assets. The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful lives are reviewed, and adjusted if appropriate.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their initial agreement period unless the entity expects to use the asset beyond the lease term.

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

Notes to Financial Statements

for the year ended March 31, 2021

2.04 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost of intangible assets acquired in business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Company has separately acquired brand.The Company has assessed indefinite life for such brand considering the expected usage,expected investment on brand,business forecast and challenges to establish a premium electronic segment.These are carried at historical cost and tested for impairment annually.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life as under:

Assets	Useful life (in years)
Computer Software	6
R&D Software	6
Distributor/ Dealer Network	8
Non-Compete Fee	7
Brand and Trademarks	Indefinite

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sale the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sale the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life and is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at

Notes to Financial Statements

for the year ended March 31, 2021

the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses,if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.05 Impairment of non- financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to

Notes to Financial Statements

for the year ended March 31, 2021

OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.06 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 'Revenue from contracts with customers'.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortised cost (debt instruments)

Notes to Financial Statements

for the year ended March 31, 2021

- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) **Business Model Test :** The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and;

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) **Business Model Test :** The objective of financial instrument is achieved by both collecting contractual cash flows and selling the financial assets; and

b) **Cash flow characteristics test:** The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are

Notes to Financial Statements

for the year ended March 31, 2021

recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Embedded Derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses(ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company follows "simplified approach" for recognition of impairment loss allowance on:

Notes to Financial Statements

for the year ended March 31, 2021

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of Ind AS 116 -Leases

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

(a) **Financial assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

(b) **Loan commitments and financial guarantee contracts:** ECL is presented as a provision in the balance sheet, i.e. as a liability.

(c) **Debt instruments measured at FVTOCI:** For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the accumulated impairment amount.

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

(i) Financial liabilities at fair value through profit or loss

(ii) Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. the Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses

Notes to Financial Statements

for the year ended March 31, 2021

are recognized in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

Trade Payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid per the term of contract with suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets/ financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.07 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Notes to Financial Statements

for the year ended March 31, 2021

For the purpose of hedge accounting, hedges are classified as:

(i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

(ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

(iii) Hedges of a net investment in a foreign operation

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.08 Investment in Subsidiaries and joint venture

The investment in subsidiary and Joint venture are carried at cost as per IND AS 27. The Company regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Company controls an investee if and only if it has all the following:

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee and

(c) the ability to use its power over the investee to affect the amount of the returns.

Investments are accounted in accordance with IND AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

2.09 Inventories

a) Basis of valuation:

i) Inventories other than scrap materials are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held

Notes to Financial Statements

for the year ended March 31, 2021

for use in the production of inventories are not written down below cost unless the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

ii) Inventory of scrap materials have been valued at net realizable value.

b) Method of Valuation:

i) Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

iii) Cost of traded goods has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.10 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is considered highly probable. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold. The Company treats sale of the asset to be highly probable when:

i) The appropriate level of management is committed to a plan to sell the asset

ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable)

iii) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

2.11 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income Tax expense for the year comprises of current tax and deferred tax.

a) Current income tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Notes to Financial Statements

for the year ended March 31, 2021

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity).Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax

Notes to Financial Statements

for the year ended March 31, 2021

benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognised in profit or loss.

2.12 Revenue from contract with customers

The Company manufactures/ trades and sells a range of consumer electrical and electronic products. Revenue from contracts with customers involving sale of these products is recognized at a point in time when control of the product has been transferred, and there are no unfulfilled obligation that could affect the customer's acceptance of the products which usually happen on delivery of goods. Delivery occurs when the products are shipped to specific location and control has been transferred to the customers. The Company also provides installation, annual maintenance and warranty services that are either sold separately or bundled together with the sale of goods. The Company recognizes these service revenue from sales of services over a period of time, because the customer simultaneously receives and consumes the benefits provided by the Company. The Company has objective evidence that all criterion for acceptance has been satisfied. A receivable is recognised when the control of the product is transferred as the consideration is unconditional and payment becomes due upon passage of time as per the terms of contract with customers.

(a) Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations.

The Company considers, whether there are other promises in the contract in which their are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company allocates a portion of the transaction price to different performance obligations goods bases on its relative standalone prices and also considers the following:-

(i) Variable consideration

The Company recognizes revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, reimbursement, investments etc. Revenue from contract with customer is presented after deducting cost of all these schemes.

(ii) Warranty obligations

The Company generally provides for warranties for general repair of defects. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), consistent with its current practice. However, in certain non-standard contracts in respect of sale of consumer durable goods, the Company provides extended warranties and such warranties are termed as service-type warranties and therefore, accounted for as separate performance obligations to which the Company allocates a portion of the transaction price. Revenue from service-type warranties is recognised over the period in which the service is provided based on the time elapsed

(iii) Significant Financing Components

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the

Notes to Financial Statements

for the year ended March 31, 2021

effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle. In respect of long term contracts, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance).

(b) Sale of services

The Company provides installation, annual maintenance and extended warranty services that are either sold separately or bundled together with the sale of goods. Contracts for bundled sales of equipment and installation services are comprised of two performance obligations because the equipment and installation services are both sold on a stand-alone basis and are distinct within the context of contract. Accordingly, the Company allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services The Company recognizes revenue from sales of services over time, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from services related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

(c) Contract balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Company satisfies a performance obligation but does not have an unconditional rights to consideration.A receivables represents the Company's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

2.13 Other Income

(a) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

2.14 Other Operating Revenues

(a) Export benefit

Revenue from export benefits arising from Duty entitlement pass book (DEPB scheme), duty drawback scheme, merchandise export incentive scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

(b) Government Grants

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

Notes to Financial Statements

for the year ended March 31, 2021

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grant related to the non-monetary asset are recognised at nominal value and presented by deducting the same from carrying amount of related asset and the grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

2.15 Retirement and other employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

a) Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust with its investments maintained with Bajaj Allianz Life Insurance Co.Ltd. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

b) Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

b) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. the Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

c) Other employee benefits

The Company provides long term incentive plan to employees via equity settled share based payments as enumerated below:

(i) Havells Employees Long term Incentive plan:

The fair value of options granted under this option plan is recognised as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments when grant is made. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At end of the reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates,

Notes to Financial Statements

for the year ended March 31, 2021

if any, in profit or loss, with corresponding adjustment to equity.

(ii) **Havells Employee Stock Purchase Plan:** These are in nature of employee benefit wherein employees (including senior executives) of the Company purchase shares of the Company at fair value on the grant cum allotment date and receives remuneration in the form of ex-gratia equivalent to predefined percentage of purchase price paid by designated employee subject to serving of relevant period of service after the grant cum allotment date. These are recognised at fair value of shares granted and allotted as employee benefit expense over the period of employee serving relevant period.

2.16 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company's lease asset classes primarily comprise of lease for land and building. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.As practical expedient of Ind AS 116 "Leases", the company has considered Covid-19-related rent concessions not to be lease modification, hence the income towards rent concession is recognised in "Other Income" in the statement of profit and loss account.

(i) Right-of-use assets (ROU)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the building (i.e. 30 and 60 years)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

The Company classifies ROU assets as part of Property plant and equipment in Balance Sheet and lease laibility in " Financial Liability".

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal

Notes to Financial Statements

for the year ended March 31, 2021

and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.17 Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products/services. Further:

1 Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter - segment revenue.

2 Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

3 Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

4 Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.

5 Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

6 Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

2.18 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.19 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

2.20 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Notes to Financial Statements

for the year ended March 31, 2021

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.21 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(iii) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

2.22 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty Provisions

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. the Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to seven years.

Provision for E-Waste

Provision for E-Waste management costs are recognized when the liability in respect of products sold to customer is established in accordance with E-waste Management Rules, 2016 as notified by Government of India. Initial recognition is based on liability computed based on Extended Producer Responsibility as promulgated in said Rules including cost to comply the said regulation and as reduced by expected realisation of collectable waste. The Comapny has assessed the liability to arise on year to year basis.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Notes to Financial Statements

for the year ended March 31, 2021

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.23 Dividend Distributions

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.24 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted(unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.25 Business Combinations

(i) Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

(ii) Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is

Notes to Financial Statements

for the year ended March 31, 2021

not transitory is accounted using the pooling of interests method as enumerated below:

a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

c) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with corresponding balance appearing in the financial statements of the transferee or is adjusted against revenue reserve.

e) The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

f) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to revenue reserves.

2.26 Significant accounting judgments, estimates and assumptions

The preparation of these standalone financial statements requires the management to make judgments, use estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Refer to Note 33(10) for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

b) Revenue from contract with customers

The Company applied judgements that affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations in a bundled sales transactions, wherein, the Company sell goods and maintenance/ warranty services separately or bundled together with sales of goods. In certain non-standard contracts, where the Company provides extended warranties in respect of sale of consumer durable goods, the Company allocates the portion of the transaction price to goods based on its relative standalone prices. Also, certain contracts of sale includes volume rebates that give rise to variable consideration. In estimating the variable consideration the Company has used a combination of most likely amount method and expected value method. Further, as the case may be, in respect of long term contracts, the Company has used the incremental borrowing rate to the discount the consideration as this is the rate which commensurate with rate that would be reflected in separate financing arrangement between the Company and its customer.

Notes to Financial Statements

for the year ended March 31, 2021

c) Taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. (Refer Note 17)

d) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Future salary increases and pension increases are based on expected future inflation rates for India. Further details about the assumptions used, including a sensitivity analysis, are given in Note 33(4).

e) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f) Impairment of financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. (Refer Note 31)

g) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset including intangible assets having indefinite useful life and goodwill may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are estimated based on past rend and discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators. (Refer Note no 30)

h) Provision for warranty and e- waste

Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. In respect of e-waste, management calculates the obligation in accordance with

Notes to Financial Statements

for the year ended March 31, 2021

E-Waste management Rules, 2016 and accounts/ fulfil the obligation on its own account or on 3rd party service provider. It is adjusted to account for unusual factors related to the goods that were sold, such as defective inventory lying at the depots. The warranty/e-waste claims may not exactly match the historical warranty/e-waste percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.The assumptions are consistent with prior years. (Refer Note 20)

i) Provision for expected credit losses (ECL) of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Note 33(10)

j) Property, Plant and Equipment and intangible assets

Property, Plant and Equipment represent significant portion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Company's assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology.

2.27 Standards issued but not effective

There are no standards that are issued but not yet effective on March 31, 2021.

3 PROPERTY, PLANT AND EQUIPMENT

(₹ in crores)

Particulars	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Moulds and Dies	Furniture and fixtures	Vehicles	R & D Equipment's	Office Equipment's	Electrical Installations	Right to use asset		Total	Capital Work in progress	Grand Total
												Leasehold Land	Leasehold Building			
Gross carrying amount (at cost)																
At April 01, 2019	**27.28**	**185.38**	**706.04**	**16.81**	**580.30**	**143.25**	**39.02**	**12.11**	**25.34**	**91.75**	**42.53**	**-**	**-**	**1,869.81**	**232.15**	**2,101.96**
Reclassified on account of adoption of Ind AS 116 "Leases" {refer note (ii) (c) below}	-	(185.38)	-	-	-	-	-	-	-	-	-	176.98	-	**(8.40)**	-	**(8.40)**
Transition impact on account of adoption of Ind AS 116 "Leases"	-	-	-	-	-	-	-	-	-	-	-	-	129.59	**129.59**	-	**129.59**
Additions	-	-	85.37	0.77	254.19	83.67	8.45	1.38	14.09	19.18	4.72	40.82	24.95	**537.59**	58.66	**596.25**
Disposals/adjustments	-	-	1.50	(4.20)	(0.73)	(0.31)	(0.39)	(0.67)	(0.10)	(2.45)	(1.02)	-	(1.36)	**(9.73)**	(208.04)	**(217.77)**
Transfers to assets classified as held for sale	-	-	(1.17)	-	(4.15)	(0.98)	(0.44)	-	(1.28)	(0.87)	(0.11)	-	-	**(9.00)**	-	**(9.00)**
At March 31, 2020	**27.28**	**-**	**791.74**	**13.38**	**829.61**	**225.63**	**46.64**	**12.82**	**38.05**	**107.61**	**46.12**	**217.80**	**153.18**	**2,509.86**	**82.77**	**2,592.63**
Additions	-	-	35.57	1.45	41.81	79.56	10.03		4.08	12.12	3.19	39.58	56.96	**284.35**	143.34	**427.69**
Recognition of grant related to assets {Refer note (vi) below}	-	-	(0.21)	-	(3.08)	(2.83)	(0.69)	-	-	(1.17)	(0.26)	(17.71)	-	**(25.95)**	-	**(25.95)**
Disposals/adjustments	-	-	(52.02)	(1.67)	(0.94)	(1.37)	(2.45)	(0.08)	-	(1.79)	(2.23)	(11.39)	(27.64)	**(101.58)**	(139.85)	**(241.43)**
Transfers to assets classified as held for sale	-	-	-	-	(8.21)	(5.54)	-	-		(0.22)	-	-	-	**(13.97)**	-	**(13.97)**
At March 31, 2021	**27.28**	**-**	**775.08**	**13.16**	**859.19**	**295.45**	**53.53**	**12.74**	**42.13**	**116.55**	**46.82**	**228.28**	**182.50**	**2,652.71**	**86.26**	**2,738.97**
Accumulated Depreciation																
At April 01, 2019	**-**	**8.40**	**100.19**	**4.92**	**181.93**	**61.72**	**12.25**	**5.60**	**6.20**	**41.77**	**13.33**	**-**	**-**	**436.31**	**-**	**436.31**
Reclassified on account of adoption of Ind AS 116 "Leases" {refer note (ii) (c) below}	-	(8.40)	-	-	-	-	-	-	-	-	-	-	-	**(8.40)**	-	**(8.40)**
Charge for the year	-	-	28.78	2.57	62.11	24.77	4.57	1.71	5.12	19.51	4.54	2.16	36.53	**192.37**	-	**192.37**
Disposals/adjustments	-	-	0.82	(1.52)	(0.52)	(0.14)	(0.28)	(0.60)	(0.08)	(2.03)	(0.24)	-	(0.38)	**(4.97)**	-	**(4.97)**
Transfers to assets classified as held for sale	-	-	(0.10)	-	(2.12)	(0.76)	(0.23)	-	(0.89)	(0.75)	(0.04)	-	-	**(4.89)**	-	**(4.89)**
At March 31, 2020	**-**	**-**	**129.69**	**5.97**	**241.40**	**85.59**	**16.31**	**6.71**	**10.35**	**58.50**	**17.59**	**2.16**	**36.15**	**610.42**	**-**	**610.42**
Charge for the year	-	-	30.44	1.73	76.82	39.92	5.12	1.41	6.17	20.92	5.29	2.44	32.48	**222.74**	-	**222.74**
Disposals/adjustments	-	-	(11.56)	(0.84)	(0.66)	(1.14)	(1.28)	(0.07)	-	(1.48)	(1.92)	(0.89)	(9.02)	**(28.86)**	-	**(28.86)**
Transfers to assets classified as held for sale	-	-	-	-	(7.63)	(4.52)	-	-	-	(0.14)	-	-	-	**(12.29)**	-	**(12.29)**
At March 31, 2021	**-**	**-**	**148.57**	**6.86**	**309.93**	**119.85**	**20.15**	**8.05**	**16.52**	**77.80**	**20.96**	**3.71**	**59.61**	**792.01**	**-**	**792.01**
Net carrying amount																
At March 31, 2020	**27.28**	**-**	**662.05**	**7.41**	**588.21**	**140.04**	**30.33**	**6.11**	**27.70**	**49.11**	**28.53**	**215.64**	**117.03**	**1,899.44**	**82.77**	**1,982.21**
At March 31, 2021	**27.28**	**-**	**626.51**	**6.30**	**549.26**	**175.60**	**33.38**	**4.69**	**25.61**	**38.75**	**25.86**	**224.57**	**122.89**	**1,860.70**	**86.26**	**1,946.96**

Notes:

(i) All property, plant and equipment (excluding "Right of Use" as per Ind AS 116) are held in name of the company, except:
  (a) Building situated, at Sahibabad, net block amounting to ₹ 26.74 Crores constructed on the land taken on lease by the company from its related party for which lease deed is yet to be registered with the appropriate authority.
  (b) Freehold land, located at Samaypur Badli, Delhi, net block amounting to ₹ 15.89 Crores (March 31, 2020: ₹ 15.89 Crores) and building constructed on such land, net block amounting to ₹ 1.05 Crores (March 31, 2020: ₹ 1.28 Crores) which is pending for registration with appropriate authority.

(ii) Right of Use asset includes:-
  (a) "Leasehold Land" represents land obtained on long term lease from various Government authorities.
  (b) Leasehold Building represents properties taken on lease for its offices and warehouses accounted for in accordance with principle of Ind AS 116 'Leases'. Refer Note 33(3)
  (c) During the previous year the net block of Leasehold land of ₹ 176.98 crores (Gross block - ₹ 185.28 crores and accumulated depreciation - ₹ 8.40 crores) was reclassified to "Right of Use" assets on account of adoption of Ind AS 116 "Leases".

(iii) Capital work in progress as at March 31, 2021 includes assets under construction at various plants including water heater, cable and wires and switch gears, etc. Adjustment in relation to capital work in progress relates to addition in property, plant and equipment made during the year.

(iv) Plant and machinery, generators, furniture and fixtures, electric fans and installations has been pledged/hypothecated as security by the company {refer note 32(C)}

(v) Disclosure of Contractual commitment for the acquisition of property plant and equipment has been provided in note 32(B).

(vi) During the current year, the Company has recognised the grants related to assets in accordance with Ind As 20 - "Government Grant" as reduction from carrying value of assets.

Notes to Financial Statements

for the year ended March 31, 2021

4 GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ in crores)

Particulars	Computer Software	R & D Software	Trademarks	Distributor/ Dealer Network	Non-compete Fee	Total Other Intangible Asset	Goodwill	Intangibles assets under development	Total Intangible Asset
Gross carrying amount (at cost)									
At April 01, 2019	**45.26**	**7.27**	**1,029.00**	**82.40**	**58.50**	**1,222.43**	**310.47**	**0.51**	**1,533.41**
Additions	3.88	1.31	-	-	-	**5.19**	-	3.30	**8.49**
Disposals/adjustments	(0.05)	-	-	-	-	**(0.05)**	-	(0.45)	**(0.50)**
At March 31, 2020	**49.09**	**8.58**	**1,029.00**	**82.40**	**58.50**	**1,227.57**	**310.47**	**3.36**	**1,541.40**
Additions	4.83	1.08	-	-	-	**5.91**	-	1.28	**7.19**
Recognition of grant related to assets {Refer note 3 (vi)}	(0.17)	-	-	-	-	**(0.17)**	-		**(0.17)**
Disposals/adjustments	(0.03)	-	-	-	-	**(0.03)**	-	(0.99)	**(1.02)**
At March 31, 2021	**53.72**	**9.66**	**1,029.00**	**82.40**	**58.50**	**1,233.28**	**310.47**	**3.65**	**1,547.40**
Accumulated amortization									
At April 01, 2019	**23.99**	**3.12**	**-**	**19.60**	**15.86**	**62.57**	**-**	**-**	**62.57**
Charge for the year	5.71	1.17	-	10.30	8.36	**25.54**	**-**	-	**25.54**
Disposals/adjustments	(0.05)	-	-	-	-	**(0.05)**	**-**	-	**(0.05)**
At March 31, 2020	**29.65**	**4.29**	**-**	**29.90**	**24.22**	**88.06**	**-**	**-**	**88.06**
Charge for the period	6.19	1.27	-	10.30	8.36	**26.12**	-	-	**26.12**
Disposals/adjustments	(0.03)	-	-	-	-	**(0.03)**	-	-	**(0.03)**
At March 31, 2021	**35.81**	**5.56**	**-**	**40.20**	**32.58**	**114.15**	**-**	**-**	**114.15**
Net carrying amount									
At March 31, 2020	**19.44**	**4.29**	**1,029.00**	**52.50**	**34.28**	**1,139.51**	**310.47**	**3.36**	**1,453.34**
At March 31, 2021	**17.91**	**4.10**	**1,029.00**	**42.20**	**25.92**	**1,119.13**	**310.47**	**3.65**	**1,433.25**

Note:

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill of ₹ 310.47 crores and Trademark of ₹ 1029.00 crores acquired on acquisition of Lloyd business having indefinite useful lives as assessed by the Management have been allocated to a separate single cash generating unit (CGU) i.e. LLOYD consumer which is also an operating and reportable segment, for impairment testing. The Company has performed an annual impairment test to ascertain the recoverable amount of CGU. The recoverable amount is determined based on value in use calculation. These calculations uses management assumptions and pre tax cash flow projections based on financed budgets approved by management covering generally over a period of 5 years. Cash flow projection beyond 5 years time period are extrapolated using the estimated growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. Further the management have factored the impact of COVID-19 on the cash flow projections used in assessment of recoverable amount of CGU. Management has determined following assumptions for impairment testing of CGU as stated below.

Assumption	March 31, 2021	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	13.50%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	5.00%	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The calculations performed indicate that there is no impairment of CGU of the company. Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of CGU. Based on this analysis, management believes that change in any of above assumption would not cause any material possible change in carrying value of unit's CGU over and above its recoverable amount.

Notes to Financial Statements

for the year ended March 31, 2021

5 INVESTMENTS IN SUBSIDIARIES

(₹ in crores)

	As at March 31, 2021		As at March 31, 2020	
Investments in equity instruments of subsidiary companies (unquoted)				
(valued at cost, unless stated otherwise) {refer note 33 (1) (b)}				
Havells Holdings Limited	13.65		13.65	
17,37,362 (March 31, 2020 : 17,37,362) ordinary shares of 1 GBP each fully paid up				
Less: Provision for impairment	(12.47)	1.18	(12.47)	1.18
Havells Guangzhou International Limited				
(100% contribution fully paid in capital) (March 31, 2020: 100% contribution fully paid in capital)		0.45		0.45
Aggregate amount of unquoted investments		**1.63**		**1.63**
Aggregate amount of Impairment in value of investments		**12.47**		**12.47**

6 CONTRACT BALANCES

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(A)	**Trade Receivables {refer note (a) below and note 11(B)}**	563.63	248.88
		563.63	**248.88**
(B)	**Contract Assets (Unsecured, considered good) {refer note (b)}**	69.90	80.59
		69.90	**80.59**
	Non-current portion	49.79	60.58
	Current portion	20.11	20.01
(C)	**Contract Liability {refer note (c) and note 23(v)}**	14.11	20.06
		14.11	**20.06**
	Non-current portion	4.57	4.32
	Current portion	9.54	15.74

Note:

(a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.

(b) During the earlier years, the Company had entered in to an agreement with customer wherein the Company had identified multiple performance obligations in contract as per Ind AS 115 "Revenue from contract with customers". The Company's right to receive consideration is conditional upon satisfaction of all performance obligations. Accordingly, the Company has recognised contract asset in respect of performance obligation satisfied during the year. Contract assets are in the nature of unbilled receivables, which arises when Company satisfies a performance obligation but does not have an unconditional rights to consideration. Contract assets have decreased in the current year on account of change in the time frame for a" right to consideration" become unconditional.

(c) The Company has entered into the agreements with customers for sales of goods and services. The Company has identified these performance obligations and recognised the same as contract liabilities in respect of contracts, where the Company has obligation to deliver the goods and perform specified services to a customer for which the Company has received consideration. There has been no significant change in the contract liabilities.

7 NON-CURRENT FINANCIAL ASSETS

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(A)	**TRADE RECEIVABLES (valued at amortised cost)**		
	Unsecured {refer note 11(B)}		
	Trade receivables from contract with customers - considered good	3.32	7.96
		3.32	**7.96**
(B)	**OTHER FINANCIAL ASSETS (valued at amortised cost)**		
	Unsecured, considered good		
	Earnest money and Security Deposits	19.94	21.37
		19.94	**21.37**

Notes to Financial Statements

for the year ended March 31, 2021

8 OTHER NON-CURRENT ASSETS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Capital advances	14.81	10.16
Others		
Prepaid expenses	6.17	5.84
Deposits with Statutory and Government authorities	33.64	34.67
	54.62	**50.67**

9 NON CURRENT TAX ASSET (NET)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Income tax assets (net of provision for income tax)	23.56	16.53
	23.56	**16.53**

10 INVENTORIES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw materials and components	635.71	427.67
Work-in-progress	167.53	100.52
Finished goods	1,211.73	836.99
Traded goods	542.66	459.30
Stores and spares	25.40	21.02
Loose tools	0.86	2.02
Packing materials	21.09	15.41
Scrap materials	14.91	8.95
	2,619.89	**1,871.88**

Notes:

(a) The above includes goods in transit as under:		
Raw materials	*110.61*	*81.64*
Finished goods	*136.37*	*44.86*
Traded goods	*44.04*	*63.62*
(b) The stock of scrap materials have been taken at net realisable value.		
(c) Inventories are hypothecated with the bankers against working capital limits. {refer note 32(C)}		
(d) During the year ₹ Nil (March 31, 2020 : ₹ 16.69 Crores) was recognised as an expense for inventories carried at the net realisable value.		

Notes to Financial Statements

for the year ended March 31, 2021

11 CURRENT FINANCIAL ASSETS

(A) CURRENT INVESTMENT (valued at amortised cost)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Deposits account with financial institution with original maturity of more than three months but less than twelve months {refer note (a)}	154.77	-
Deposits account with financial institution with original maturity of more than twelve months {refer note (a)}	151.53	
	306.30	**-**

Note:

(a) The deposits maintained by the Company with financial institution comprise of the time deposits and are made of varying periods between one day to twelve months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

(B) TRADE RECEIVABLES (valued at amortised cost)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Trade receivables from contract with customers - considered good	563.63	248.88
Trade receivables from contract with customers - credit impaired	69.35	44.87
Trade receivables (gross)	**632.98**	**293.75**
Less : Impairment allowance for trade receivables	69.35	44.87
Trade receivables (net)	**563.63**	**248.88**
Current portion	560.31	240.92
Non - current portion {refer note 7 (A)}	3.32	7.96

Note:

(a) Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

(b) Neither trade nor other receivables are due from directors or other officers of the company either severally or jointly with any other person, Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(c) The Company has availed Receivable Buyout facility from banks against which a sum of ₹ 167.99 crores (March 31, 2020 : ₹ 404.31 crores) has been utilised as on the date of Balance Sheet. The Company has assigned all its rights and privileges to the bank and there is no recourse on the Company. Accordingly the amount of utilization has been reduced from trade receivables.

(d) The Company has arranged channel finance facility for its customers from banks against which a sum of ₹ 681.35 crores (March 31, 2020: ₹ 605.99 crores) has been utilised as on the date of Balance Sheet and correspondingly, the trade receivables stand reduced by the said amount as there is no recourse on the Company.

(C) CASH AND CASH EQUIVALENTS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
Current accounts	20.11	12.52
Cash credit accounts	32.09	54.10
Deposits with a original maturity of less than three months {refer note (b)}	274.27	175.35
Cash on hand	0.10	0.12
	326.57	**242.09**

Note:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(b) Short-term deposits are made of varying periods between one date to three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposits rates.

Notes to Financial Statements

for the year ended March 31, 2021

(c) Changes in liabilities arising from financing activities:

(₹ in crores)

	Long Term Borrowing		Short Term Borrowing		Lease Liability	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening balance	40.50	94.50	-	-	121.61	-
Transition impact on account of adoption of Ind AS 116 {refer Note 33(3)}	-	-	-	-	-	126.80
Addition on account of new leases during the year {refer Note 33(3)}	-	-	-	-	56.84	24.95
Deletion on account of termination of leases during the year {refer Note 33(3)}	-	-	-	-	(18.06)	(1.39)
Lease rent concession					(2.54)	-
Cash inflow from borrowings	500.00		500.00	-	-	-
Cash inflow from issue of commercial paper {refer note (a)} below	-	-	488.25	-	-	-
Cash outflows	(49.50)	(54.00)	(988.25)	-	(27.19)	(28.75)
Interest expense	25.04	5.17	22.04	-	9.68	10.92
Interest paid	(23.84)	(5.17)	(22.04)	-	(9.68)	(10.92)
Closing balance	**492.20**	**40.50**	**-**	**-**	**130.66**	**121.61**
Non-current Borrowing {refer note 15 (A)}	393.65	-	-	-	-	-
Non-current lease liability {refer note 15 (B)}	-	-	-	-	101.51	89.74
Current maturity of long term borrowing {refer note 19 (C}	98.55	40.50	-	-	-	-
Current maturity of long term lease liability {refer note 19 (A)}	-	-	-	-	29.15	31.87

Note:

(a) During the year the Company has issued unsecured Commercial Paper (CP) worth ₹ 500 crores at the issue price of ₹ 488.25 crores having maturity date of March 26,2021. These have been fully repaid on due date including interest thereon.

(b) During the year, the Company has availed working capital loan of ₹ 200 crores from HSBC Bank for general business purpose for a period of 90 days and the same was rolled over for further 90 days. The same has been repaid on due date including interest theron.

(c) During the year company has availed unsecured working capital loan of ₹ 300 crores from DBS bank which was repayable on demand and the same has been repaid fully during the year including interest theron.

(d) For term loan refer note 15A.

(D) OTHER BANK BALANCES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Deposits account with original maturity of more than three months but less than twelve months {refer note (a)}	384.62	625.58
Deposits account with original maturity of more than twelve months {refer note (b)}	910.68	235.62
Unpaid dividend account {refer note (c)}	2.87	3.63
	1298.17	**864.83**

Note:

(a) The deposits maintained by the Company with banks comprise of the time deposits, which may be withdrawn by the Company at any point of time without prior notice and are made of varying periods between one day to twelve months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

(b) Fixed deposit with original maturity of more than twelve months but remaining maturity of less than twelve months have been disclosed under other bank balances.

(c) The Company can utilise the balance towards settlement of unclaimed dividend.

Notes to Financial Statements

for the year ended March 31, 2021

(E) OTHER FINANCIAL ASSETS (valued at amortised cost)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Earnest money and security deposits	3.91	4.53
Retention money	1.67	1.67
Contractual claims and other receivables (refer note below)	23.14	23.24
Consideration Receivable	17.27	-
	45.99	**29.44**

Note:

(a) Contractual claims and other receivables includes claims in accordance with contract with vendors.

(b) Consideration receivable includes the amount receivable upon liquidation of joint venture namely "Jiangsu Havells Sylvania Lighting Co. Limited" as per terms agreed with joint venture partner.

12 OTHER CURRENT ASSETS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advances other than capital advances		
Advances for materials and services	16.49	21.44
Others		
Prepaid expenses	23.25	8.77
Duty free licenses in hand	0.19	1.85
Insurance claim receivable	-	0.74
Government grant receivable	23.02	71.18
Balance with Statutory/ Government authorities	46.28	60.62
	109.23	**164.60**
Movement of Government grant receivable		
Opening balance	71.18	41.87
Accrual of grant related to income (credited to statement of profit and loss account) (refer note 23)	9.87	33.16
Accrual of grant related to assets	8.41	22.49
Grant related to asset realised	(30.90)	-
Grant related to income realised	(35.54)	(26.34)
Closing Balance	**23.02**	**71.18**

Note: Government grant receivable includes export incentives, Budgetary support for refund of Goods and Service Tax and investment subsidy.

13 ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment		
Assets retired from active use {refer note (a) below}	0.58	0.95
Investment in joint venture		
Jiangsu Havells Sylvania Lighting Co., Limited {refer note (b)}	-	18.85
(50% contribution in paid in capital)	**0.58**	**19.80**

Note:

(a) The Company classified certain items of Property Plant and Equipment retired from active use and are held for sale recognised and measured in accordance with Ind-AS 105 "Non Current Assets Held For Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. The Company expects to complete the sale by September 2020 (previous year :-September 2019) by selling it in the open market.

(b) In the earlier year, the Company and its joint venture partner in respect of their joint venture namely "Jiangsu Havells Sylvania Lighting Co. Limited", have applied for liquidation and formed a liquidation committee. Accordingly, the investment in joint venture was classified as asset held for sale, recognised and measured in accordance with Ind-AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. During the current year, final consideration amounting to USD 2.35 million has been agreed between the co-venturers, accordingly the same has been classified to other financial assets {refer note 11(E)(b)}

Notes to Financial Statements

for the year ended March 31, 2021

14 EQUITY

(A) Share capital

a) Authorized Share Capital

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
1,032,000,000 equity shares of ₹ 1/- each (March 31, 2020: 1,032,000,000 equity shares of ₹ 1/- each)	103.20	103.20
5,50,000 preference shares of ₹ 10/- each (March 31, 2020: 5,50,000 preference shares of ₹ 10/- each)	0.55	0.55
	103.75	**103.75**

b) Issued, subscribed and fully paid-up

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
626,013,006 equity shares of ₹ 1/- each (March 31, 2020: 625,802,834 equity shares of ₹ 1/- each)	62.60	62.58

c) Reconciliation of the shares outstanding at the beginning and at the end of the period/ year

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ in crores	No. of shares	₹ in crores
At the beginning of the year	625,802,834	62.58	625,472,910	62.55
Add: Exercise of employee stock purchase plan - proceeds received	210,172	0.02	329,924	0.03
	626,013,006	**62.60**	**625,802,834**	**62.58**

d) Terms/rights attached to equity shares

The Company has only one class of issued share capital i.e. equity shares having a par value of ₹ 1/- per share (March 31, 2020 : ₹ 1/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):

Name of shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Shri Anil Rai Gupta as Managing Trustee of ARG Family Trust	77,425,200	12.37	77,425,200	12.37
Shri Surjit Kumar Gupta as Trustee of SKG Family Trust	36,432,180	5.82	36,432,180	5.82
QRG Enterprises Limited	189,858,880	30.33	189,858,880	30.34
QRG Investments and Holdings Limited	68,741,660	10.98	68,741,660	10.98
Nalanda India Equity Fund Limited	33,044,930	5.28	33,044,930	5.28

f) Shares reserved for issue under Employee stock purchase plan

Information relating to Employee stock purchase plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period are set out in note 33 (7).

Notes to Financial Statements

for the year ended March 31, 2021

(B) Other Equity

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
	Capital reserve	7.63	7.63
	Securities premium	90.38	80.58
	Share option outstanding account	0.64	0.64
	General reserve	722.72	722.72
	Retained earnings	4,280.48	3,430.66
	Total other equity	**5,101.85**	**4,242.23**
a)	**Capital reserve**	**7.63**	**7.63**
b)	**Securities premium**		
	Opening balance	80.58	56.40
	Add: Exercise of Employee stock purchase plan - proceeds received	9.80	24.18
	Closing balance	**90.38**	**80.58**
c)	**Stock options outstanding account**		
	Opening balance	0.64	0.27
	Add : Employee stock option expense	0.01	0.37
	Less: Options lapsed during the year	(0.01)	-
	Closing balance	**0.64**	**0.64**
d)	**General reserve**	**722.72**	**722.72**
e)	**Retained earnings**		
	Opening balance	3,430.66	3,342.63
	Net profit for the year	1,039.64	733.03
	Items of other comprehensive income recognised directly in retained earnings		
	Re-measurement gains / (losses) on defined benefit plans (net of tax)	(2.02)	(3.73)
	Dividends		
	Final Dividend ₹ Nil per share for 2019-20, (₹ 4.5 per share for FY 2018-19)	-	(281.61)
	Dividend distribution tax on final dividend	-	(57.89)
	Interim Dividend of ₹ 3 per share for FY 2020-21 (₹ 4 per share for FY 2019-20)	(187.80)	(250.32)
	Dividend distribution tax on interim dividend	-	(51.45)
	Closing balance	**4,280.48**	**3,430.66**

(C) Nature and Purpose of Reserves

(a) Capital reserve

During amalgamation/ merger approved by honourable court, the excess of net assets taken over the consideration paid, if any, is treated as capital reserve. This capital reserve has arisen as a result of scheme of amalgamation in the past periods.

(b) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(c) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations adjusted by utilisation of reserve in accordance with scheme of Amalgamation in earlier years. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Notes to Financial Statements

for the year ended March 31, 2021

(d) Share options outstanding account

The share option outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock purchase plan.

(e) Retained earnings

Retained Earnings are profits that the Company has earned till date less transfer to General Reserve, dividend or other distribution or transaction with shareholders.

15 NON CURRENT FINANCIAL LIABILITIES

(A) Borrowings (valued at amortised cost)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Term loans from banks (secured)		
Term loans {refer note (a) to (d) below}	492.20	40.50
	492.20	**40.50**
Non-current portion	393.65	-
Current maturity of long term borrowing {refer note 19 (C)}	98.55	40.50

Notes:

(a) The Company has availed a secured loan of ₹ 108 Crores against sanctioned amount of ₹ 300 crores from CITI bank N.A. during financial year 2017-18.The current outstanding and sanctioned amount against the loan is ₹ Nil (March 31, 2020; ₹ 40.50 Crores). The loan was obtained for the purpose of reimbursement of prior capital expenditure incurred by the company during 12 months previous to sanction date. The loan was having 15 months moratorium period and repayable in 8 quarterly instalments thereafter. This loan was secured by way of first exclusive charge by way of a hypothecation over the Company's all movable fixed assets both present and future situated at SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India. The Company has complied with all covenants throughout the reporting period. The said loan has been repaid on due date during the year including interest thereon.

(b) The company has availed secured loan of ₹ 250 crores (March 31, 2020: ₹ Nil) against the sanctioned term loan amount of ₹ 250 crores (March 31, 2020: ₹ Nil) from CITI Bank N.A.The current outstanding amount against the loan is ₹ 250 Crores (March 31, 2020: ₹ Nil).The loan was obtained for the purpose of fresh capital expenditure and reimbursement of prior capital expenditure incurred by the company during the previous year. The term loan is repayable in 16 equated quarterly instalments commencing from 15th month from first drawdown. This term loan is secured by way of first exclusive charge by way of a hypothecation over the Company's all movable fixed assets both present and future situated at (i) SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India (ii) Unit-1 Village Dharampur, Sai Road, Baddi, Dist Solan,Himachal Pradesh,(iii) Unit-II Village Gulerwala, Dist Solan, Baddi, Himachal Pradesh, (iv) Unit-I, Sector -10, Plot No 2A,BHEL Complex,Haridwar (v) Unit-II, Plot No 2A and 2D/1 Sector-10, Sidcul Industrial Area, Haridwar, Uttarakhand.

(c) The company has availed secured loan of ₹ 250 Crores (March 31, 2020 : ₹ Nil) against the sanctioned amount of ₹ 350 crores (March 31, 2020: ₹ Nil) from HDFC Bank Limited. The current outstanding amount against the loan is ₹ 241 Crores (March 31, 2020: ₹ Nil). The loan was obtained for the purpose of fresh capital expenditure and reimbursement of prior capital expenditure incurred by the company during 12 months of first drawdown.. The term loan is repayable in 16 quarterly instalments over the period of 5 years as per terms of agreement. This loan is secured by way of first exclusive charge by way of a hypothecation over the Company's all movable fixed assets, plant and machinery and all movable properties both present and future situated at (i) A-461/462,SP-215 and 204 & 204A, Matsya Industrial Area, Alwar, Rajasthan and (ii) SP-1-133,General Zone, RIICO Industrial Area, Ghiloth.

(d) The Company has satisfied all debt covenants prescribed in terms of term loan agreements.

(B) Lease Liabilities

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Lease Liability {refer note 33 (3)}	101.51	89.74
	101.51	**89.74**

Notes to Financial Statements

for the year ended March 31, 2021

(C) Other Financial Liabilities (valued at amortised cost)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Employee stock purchase plan compensation payable	0.58	1.13
Long Term Employee Retention scheme	0.73	-
	1.31	**1.13**

16 NON-CURRENT PROVISIONS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Product warranties and E-waste {Refer note 20(a)}	58.43	35.57
	58.43	**35.57**

17 INCOME TAXES

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

(a) Income tax expense in the statement of profit and loss comprises :

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Current income tax charge	346.73	198.93
Adjustment in respect of current income tax of previous year	(7.38)	-
Total current income tax	**339.35**	**198.93**
Deferred Tax charge / (credit)		
Relating to origination and reversal of temporary differences {refer note (ii)}	52.59	(30.23)
Income tax expense reported in the statement of profit or loss	**391.94**	**168.70**

(b) Other Comprehensive Income

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Current income tax related to items recognised in Other comprehensive income during the year:		
Current income tax on re-measurement loss on defined benefit plans	0.68	1.25
Income tax related to items recognised in Other comprehensive income during the year	**0.68**	**1.25**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Accounting Profit before tax	1,431.58	901.73
Applicable tax rate	25.168%	25.168%
Computed Tax Expense	**360.30**	**226.95**
Impact of adoption of new tax regime under section 115BAA on deferred tax liability including reversal of MAT credit entitlement	-	(72.35)
Expense not allowed for tax purpose	8.68	14.19
Additional allowances for tax	(0.05)	(0.09)
Impact of amendment in income tax law pursuant to Finance Act, 2021 on deferred tax liability {refer note (ii)}	32.96	-
Utilisation of previously unrecognised tax losses	(9.95)	-
Income tax charged to Statement of Profit and Loss at effective rate of 27.38% (March 31, 2020: 18.71%) {Refer Note (v) below}	**391.94**	**168.70**

Notes to Financial Statements

for the year ended March 31, 2021

(d) Deferred tax liabilities comprises :

(₹ in crores)

	Balance Sheet		Statement of profit and loss	
	As at March 31, 2021	As at March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Accelerated Depreciation for Tax purposes	368.63	315.47	53.16	(55.23)
Right of Use as per Ind AS 116	30.93	29.45	1.48	29.45
Lease liability as per Ind AS 116	(32.88)	(30.61)	(2.27)	(30.61)
Expenses allowable on payment basis	(11.65)	(17.58)	5.93	1.26
Allowance for doubtful debts	(17.45)	(11.29)	(6.16)	(2.37)
Unabsorbed Depreciation and carried forwarded tax losses	-	-	-	4.82
Other Items giving rise to temporary differences	1.53	1.08	0.45	(0.13)
	339.11	**286.52**	**52.59**	**(52.81)**
MAT credit entitlement	-	-	-	22.58
Deferred tax liabilities (net)	**339.11**	**286.52**	**52.59**	**(30.23)**

(e) Deferred tax liabilities (net)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Opening balance as per last balance sheet	286.52	316.75
Deferred tax charged/(credited) to profit and loss account during the year	52.59	(30.23)
Closing balance	**339.11**	**286.52**

Notes:

(i) The Company has unabsorbed capital loss of ₹ 342.05 crores as on March 31, 2021 (previous year 368.55 crores) out of which capital loss of ₹ 219.75 crores will expire in financial year 2023-24 and capital loss of ₹ 122.30 crores will expire in financial year 2025-26, on which no deferred tax asset has been created by the management due to lack of probability of future capital gain against which such deferred tax assets can be realised. If the Company were able to recognise all unrecognised deferred tax assets, the profit after tax would have increased by ₹ 78.26 crores (Previous year ₹ 85.86 crore).

(ii) The union budget presented on February 1, 2021 which got enacted on March 28, 2021, made an important change by disallowing depreciation on goodwill for tax deduction retrospectively from April 01, 2020. Accordingly, the tax base of goodwill as on April 01, 2020 has become Nil. As a result of above amendment, there is difference between book base and tax base of goodwill resulting in recognition of deferred tax liability by ₹ 32.96 crores with consequential impact on deferred tax expense.

(iii) During the previous year, the Company had opted for reduced tax rate as per section 115BAA of the Income Tax Act, 1961 (introduced by the Taxation Laws (Amendment) Ordinance, 2019). Accordingly, the Company had recognised Provision for Income Tax for that year and re-measured its Deferred tax liability basis the rate prescribed in the said section and unutilised MAT credit entitlement was written off.

(iv) During the previous year, the Company had paid Final dividend to its shareholders for the year ended March 31, 2019 and Interim Dividend for the year ended March 31, 2020. This had resulted in payment of dividend distribution tax (DDT) amounting to ₹ 109.34 crores to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity in previous year.

(v) Effective tax rate has been calculated on profit before tax.

18 OTHER NON CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Deferred capital goods credit {refer note 32(E)}	-	17.71
	-	**17.71**

Notes to Financial Statements

for the year ended March 31, 2021

19 CURRENT FINANCIAL LIABILITIES

(A) Lease Liabilities

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Current maturities of Lease liability {refer note 33 (3)}	29.15	31.87
	29.15	**31.87**

(B) Trade Payables

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprise and small enterprises	188.78	106.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,408.00	1,307.79
	1,596.78	**1,414.07**

Notes:

(i) Trade Payables include due to related parties ₹ 15.85 crores (March 31, 2020 : ₹ 4.95 crores) {refer note 33(6)(D)}

(ii) The amounts are unsecured and non interest-bearing and are usually on varying trade term.

(iii) For terms and conditions with related parties. {refer to note 33(6)}

(iv) Trade payables includes acceptances of ₹ 64.11 crores (March 31, 2020: ₹ 389.71 crores)

a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006 as at the end of each accounting year		
	Principal	188.78	106.28
	Interest	-	-
ii)	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are ₹ Nil (March 31, 2020 : ₹ Nil)

(C) Other Financial Liabilities (valued at amortised cost)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unpaid dividend {refer note (a)}	2.87	3.63
Other payables		
Current Maturity of Long term loan {refer note 15A)}	98.55	40.50
Employee stock purchase plan compensation payable	3.18	3.78
Creditors for capital goods	31.25	39.41
Retention money	50.96	46.74

Notes to Financial Statements

for the year ended March 31, 2021

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Other liabilities		
Payable for services	152.76	111.69
Payable to banks against receivable buyout facilities (refer note (b))	28.03	155.28
Sales incentives payable	293.05	113.29
Others {refer note (c)}	8.33	16.98
	668.98	**531.30**

Notes:

a) Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. The Company has transferred ₹ 0.14 crores (March 31, 2020: ₹ 0.11 crore) out of unclaimed dividend to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 of the Companies Act,2013.

b) Monies collected on behalf of banks and remitted after the balance sheet date.

c) Other includes amount against E-waste liability {refer note 20(a)(ii)} and amount refundable to customers.

20 CURRENT PROVISIONS

i) Provision for employee benefits

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Gratuity {refer note no. 33(4)}	18.25	19.08
(A)	**18.25**	**19.08**

ii) Other provisions

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Product warranties and E-waste	226.37	176.94
Litigations	12.93	13.99
(B)	**239.30**	**190.93**
(A) + (B)	**257.55**	**210.01**

a) Provision for warranties and E-waste

(i) Warranties

A provision is recognized for expected warranty claims and after sales services on products sold during the last one to seven years, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within seven years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current sales levels and current information available about defective returns based on one to seven years warranty period for all products sold and are consistent with those in the prior years. The assumptions made in relation to the current year are consistent with those in the prior year.

(ii) E-waste

A provision is recognised for probable e-waste liability based on “Extended Producer Responsibility” as furnished by the Company to Central Pollution Control Board in accordance with E-Waste Management Rules, 2016 notified by Government of India during the year. A provision for the expected costs of management of historical waste is recognised when the costs can be reliably measured. These costs are recognised as ‘Other expenses’ in the statement of profit and loss. As a part of acquisition of Lloyd business in earlier year, the seller company had agreed to ensure compliance with “ extended producer responsibility” (EPR) in accordance with E- waste management rules, 2016 in

Notes to Financial Statements

for the year ended March 31, 2021

respect of sales made by the seller company in respect of Lloyd consumer durable business prior to date of business acquisition i.e. May 08, 2017. Further management has assessed liability under E-Waste management rules on year to year basis and same has been accounted for accordingly. Towards this, the seller company has paid an amount of ₹ 8.09 crore (March 31, 2020: ₹ 9.46 crore).

(iii) The table below gives information about movement in Warranty and E-waste provisions:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	212.51	208.74
Addition during the year(refer note 31)	243.37	192.61
Utilized during the year	(175.29)	(192.39)
Unwinding of discount {refer note no. 29}	4.21	3.55
At the end of the year	**284.80**	**212.51**
Current portion	226.37	176.94
Non-current portion	58.43	35.57

b) Provision for litigations

Provision for litigation amounting to ₹ 12.93 Crores (March 31, 2020: ₹13.99 Crores) is created against demands raised in various ongoing litigations in ordinary course of business. Based on the facts of the case and legal precedents, the management believes there would be a probable outflow of resources and accordingly, has created a provision in books of account.

The table below gives information about movement in litigation provisions:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	13.99	7.60
Addition during the year	-	6.39
Utilized during the year	(1.06)	-
At the end of the year	**12.93**	**13.99**
Current portion	12.93	13.99
Non-current portion	-	-

21 CURRENT TAX LIABILITIES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Current tax liabilities (net of advance tax and tax deducted at source)	74.26	-
	74.26	**-**

22 OTHER CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Advances from customers	25.17	38.43
Others		
Goods and Service Tax Payable	40.07	29.79
Other statutory dues payable	55.69	36.85
	120.93	**105.07**

Notes to Financial Statements

for the year ended March 31, 2021

23 REVENUE FROM OPERATIONS

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contract with customers			
Sale of products		10,300.19	9,309.83
Sales of services		53.16	40.69
Scrap sales		64.70	45.52
	(A)	**10,418.05**	**9,396.04**
Other operating revenues			
Export Incentive		9.87	7.95
Government assistance for refund of Goods and Service Tax {refer note (a) below}		-	25.21
	(B)	**9.87**	**33.16**
Total revenue from operations	**(A) + (B)**	**10,427.92**	**9,429.20**

Notes:

(a) Government assistance for refund of Goods and Service Tax represents benefits provided by the Government to the Company in respect of its manufacturing units in the state of Assam, Himachal Pradesh and Uttarakhand in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 05, 2017 which were earlier eligible for excise duty exemption. The exemption in respect of its manufacturing unit at Himachal Pradesh and Uttarakhand has expired on December 11, 2019 and January 17, 2020 respectively while manufacturing facility situated at Assam has been closed during the current year.

(i) Timing of revenue recognition

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Goods transferred at a point in time	10,360.58	9,351.42
Goods transferred over the time	4.31	3.93
Services transferred over the time	53.16	40.69
Total revenue from contract with customers	**10,418.05**	**9,396.04**

(ii) Disaggregation of revenue based on product or service

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Switchgears	1,454.51	1,321.92
Cables	3,178.88	2,993.30
Lighting and fixtures	1,084.29	1,013.94
Electrical consumer durables	2,375.28	1,990.97
Lloyd Consumer*	1,688.61	1,590.27
Others	636.48	485.64
Total revenue from contract with customers	**10,418.05**	**9,396.04**

* Includes revenue from procurement services and service-type warranties.

(iii) Revenue by location of customers

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
India	10,057.53	9,079.01
Outside India	360.52	317.03
Total revenue from contract with customers	**10,418.05**	**9,396.04**

Notes to Financial Statements

for the year ended March 31, 2021

(iv) Reconciliation of revenue recognised in statement of profit and loss with contracted price

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contracted price	10,493.13	9,462.71
Less: Cash discount	(75.08)	(66.67)
Total revenue from contract with customers	**10,418.05**	**9,396.04**

(v) Performance obligation

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of maintenance period based on time elapsed and acceptance of the customer. In certain non-standard contracts, where the Company provides warranties in service of consumer durable goods, the same is accounted for as a separate performance obligation and a portion of the transaction price is allocated based on its relative standalone prices. The performance obligation for the warranty service is satisfied over a period of time based on time elapsed.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of services as at March 31, 2021 and expected time to recognise the same as revenue is as follows:-

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Within one year	9.54	15.74
More than one year	4.57	4.32
	14.11	**20.06**

Note: The remaining performance obligation expected to be recognised in more than one year relates to amounts received from customer against which performance obligation is to be satisfied over the period of one to seven years. All other remaining performance obligation are expected to be recognised within one year. During the year ended March 31, 2021, revenue recognised from amount included in contract liability at the beginning of year is ₹ 15.22 crores (March 31, 2020: ₹ 1.32 crores). Revenue recognised from performance obligation satisfied in the previous period is ₹ Nil (March 31, 2020: ₹ Nil)

24 OTHER INCOME

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest received on financial assets carried at amortised cost:		
Deposits with banks	83.89	69.58
Investment	15.53	-
Others	8.10	7.02
Other non-operating income		
Exchange fluctuations (net)	24.05	19.53
Liabilities no longer required written back	4.49	4.33
Gain on disposal of property, plant and equipment (net)	40.39	-
Lease rent concession {refer note 33(3)}	2.54	-
Miscellaneous income	8.83	11.52
	187.82	**111.98**

Notes to Financial Statements

for the year ended March 31, 2021

25 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Copper	1,830.22	1,370.66
Aluminium	514.16	532.21
General plastic and Engineering Plastic	238.98	220.45
Paints and chemicals	311.46	292.04
Steel	166.56	162.24
Packing materials	231.51	193.64
Other material	2,097.62	1,618.34
	5,390.51	**4,389.58**

26 PURCHASE OF TRADED GOODS

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Switchgears	87.82	63.15
Lighting and fixtures	252.37	165.24
Electrical consumer durables	357.97	353.64
Lloyd Consumer	695.03	528.72
Cables	0.73	0.55
Others	221.54	161.52
	1,615.46	**1,272.82**

27 CHANGE IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS ETC.

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020	(Increase)/ Decrease
Inventories at the end of the year			
Finished goods	1,211.73	836.99	(374.74)
Traded goods	542.66	459.30	(83.36)
Work in progress	167.53	100.52	(67.01)
Scrap materials	14.91	8.95	(5.96)
	1,936.83	**1,405.76**	**(531.07)**

(₹ in crores)

	As at March 31, 2020	As at March 31, 2019	(Increase)/ Decrease
Inventories at the beginning of the year			
Finished goods	836.99	623.31	(213.68)
Traded goods	459.30	851.66	392.36
Work in progress	100.52	98.77	(1.75)
Scrap materials	8.95	4.76	(4.19)
	1,405.76	**1,578.50**	**172.74**

Notes to Financial Statements

for the year ended March 31, 2021

28 EMPLOYEE BENEFITS EXPENSES

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages, bonus, commission and other benefits	819.68	818.89
Contribution towards PF, Family Pension and ESI	36.17	37.06
Employee stock purchase plan expense {refer note no. 33(7)}	7.59	17.06
Gratuity expense {refer note no. 33(4)}	15.55	14.11
Staff welfare expenses	6.34	12.46
	885.33	**899.58**

29 FINANCE COSTS

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	47.08	5.17
Interest on income tax	11.21	-
Interest on lease liability {refer note no. 33(3)}	9.68	10.92
Miscellaneous financial expenses	0.46	0.08
Total interest expense	**68.43**	**16.17**
Unwinding of discount on long term provisions {refer note no. 20(a)(iii)}	4.21	3.55
Total Finance cost	**72.64**	**19.72**

30 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment {refer note 3}	187.82	153.68
Amortization of intangible assets {refer note 4}	26.12	25.54
Depreciation of Right of use assets (refer note 3)	34.92	38.69
	248.86	**217.91**

31 OTHER EXPENSES

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	48.74	45.21
Power and fuel	84.32	92.44
Job work and service charges	246.91	203.09
Rent	31.22	37.49
Repairs and maintenance:		
Plant and machinery	9.55	10.18
Buildings	2.85	2.31
Others	45.38	50.77
Rates and taxes	4.54	1.55
Insurance	20.86	17.66
Trade mark fee and royalty	0.21	0.15
Travelling and conveyance	40.98	83.78

Notes to Financial Statements

for the year ended March 31, 2021

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Communication expenses	6.83	10.27
Legal and professional charges	20.52	19.81
Payment to Auditors		
As Auditors:		
Audit fee	1.35	1.35
Tax audit fee	0.05	0.05
Certification fee	0.04	0.05
Reimbursement of expenses	0.01	0.09
Contribution towards Corporate Social Responsibility (CSR) {refer note no. 33(8)}	20.97	20.32
Directors sitting fees	0.45	0.35
Selling and distribution expense	361.54	343.04
Advertisement and sales promotion	132.55	320.94
Secondary sales promotion expense	33.88	48.56
Commission on sales	73.99	73.22
Product warranties and after sales services (net of reversals)	243.37	192.61
Bank Charges	17.33	31.48
Loss on sale/ discard of property, plant and equipment (net)	-	6.73
Bad debts written off	1.43	0.82
Impairment allowance for trade receivables - credit impaired	24.48	18.23
Impairment of Investment in subsidiary company /Joint Venture	1.10	0.03
Miscellaneous expenses	26.98	34.52
	1,502.43	**1,667.10**

32 COMMITMENTS AND CONTINGENCIES

A Contingent liabilities (to the extent not provided for)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
a Claims / Suits filed against the Company not acknowledged as debts (Refer point (i))	6.86	6.47
b Disputed tax liabilities in respect of pending litigations before appellate authorities {Amount deposited under protest ₹ 31.86 crores (March 31, 2020: ₹ 30.96 crores, included in "deposit with statutory and government authorities" in note no. 8) {refer point (ii)}	64.16	78.13

Notes:

i) Claims / suits filed against the Company not acknowledged as debts which represents various legal cases filed against the company. The Company has disclaimed the liability and defending the action. The Company has been advised by its legal counsel that its position is likely to be upheld in the litigation process and accordingly no provision for any liability has been made in the financial statement.

Notes to Financial Statements

for the year ended March 31, 2021

ii) The various disputed tax litigations are as under :

(₹ in crores)

Sl.	Description {refer note below}	Period to which relates	Disputed Amount As at March 31, 2021	Period to which relates	Disputed Amount As at March 31, 2020
a)	**Excise / Customs / Service Tax**				
	Demands raised by Excise and Custom department.	2007-08 to 2009-10, 2015-16 and 2019-20	0.40	2007-08 to 2009-10 and 2019-20	0.39
b)	**Income Tax**				
	Disallowances / additions made by the income tax department.	2005-06, 2009-10 to 2013-14	42.21	2003-04, 2005-06 to 2013-14	56.21
c)	**Goods and Service Tax**				
	Demands raised by GST Department	2017-18 and 2019-20	1.26	2017-18 and 2019-20	1.26
d)	**Sales Tax / VAT**				
	Demands raised by Sales tax / VAT department.	2005-06 to 2016-17	20.14	2005-06 to 2015-16	20.12
e)	**Others**				
	Demand of local area development tax by the concerned authorities.	2001-02	0.12	2001-02	0.12
	Demand of octroi along with penalty in the state of Maharashtra by the concerned authorities.	2010-11	0.03	2010-11	0.03
			64.16		**78.13**

Note:

The Company is contesting these demands and the management, believe that its position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements for these tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations. Based on favourable decisions in similar cases, the Company does not expect any liability against these matters in accordance with principles of Ind AS -12 'Income taxes' read with Ind AS -37 'Provisions, Contingent Liabilities and Contingent Assets' and hence no provision has been considered in the books of accounts except for provision created in respect of few years {refer note 20 (ii)}. Besides the above, show cause notices from various departments received by the Company have not been treated as contingent liabilities, since the Company has adequately represented to the concerned departments and does not expect any liability on this account.

B Commitments

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
a)	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	112.04	103.16
b)	Corporate Social Responsibility commitment	-	28.16
		112.04	**131.32**

Notes to Financial Statements

for the year ended March 31, 2021

C Undrawn committed borrowing facility

(a) The Company has availed fund based and non fund based working capital limits amounting to ₹ 235.00 crores (March 31, 2020 : ₹ 235.00 crores) from banks under consortium of Canara Bank, IDBI Bank Limited, Standard Chartered Bank, Axis Bank, ICICI Bank Limited, Yes Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited. An amount of ₹ 217.12 crores remain undrawn as at March 31, 2021 (March 31, 2020 : ₹ 212.28 crores). Further The limit availed is secured by way of:

i) Pari-passu first charge with consortium banks by way of hypothecation on entire paid stocks consisting of raw material, work in progress, finished goods kept at Company's godown, factories and book debts along with receivables of the Company, both present and future.

ii) Pari-passu first charge with consortium banks by way of equitable mortgage of land and building at 14/3, Mathura Road, Faridabad.

iii) Pari-passu second charge with consortium banks by way of hypothecation of plant and machinery, generators, furniture and fixtures, electric fans and installations on which 1st charge is held with term lenders.

(b) The Company has availed a secured loan of ₹ 108 Crores against sanctioned amount of ₹ 300 crores from CITI bank N.A. during financial year 2017-18.The current outstanding and sanctioned amount against the loan is ₹ Nil (March 31, 2020; ₹ 40.50 Crores). The said loan has been repaid on due date during the year including interest thereon. The loan is closed during the year and an amount of ₹ Nil is undrawn as at March 31, 2021 (March 31, 2020: ₹ 192 crores).{refer note 15 (A) (a)}

(c) The company has availed secured loan of ₹ 250 Crores (March 31, 2020 : ₹ Nil) against the sanctioned amount of ₹ 350 crores (March 31, 2020: ₹ Nil) from HDFC Bank Limited. The current outstanding amount against the loan is ₹ 241 Crores (March 31, 2020: ₹ Nil).An amount of ₹ 100 crores is undrawn as at March 31, 2021. {refer note 15(A)(c)}

D Other Litigations

The Company has some sales tax and other tax related litigation of ₹ 12.93 crores (March 31, 2020: ₹ 13.99 crores) against which liability has been assessed as probable and adequate provisions have been made with respect to the same.

E Land situated at Ghiloth District, General Zone Industrial Area RIICO in the state of Rajasthan was allotted to the Company for a consideration of ₹ 71.21 crores which was to be adjusted by rebate of ₹ 17.71 crores subject of fulfilment of certain condition attached to grant. As at March 31, 2021, the Company is reasonably certain that it will fulfil the condition attached to the grant, accordingly grant related to assets has been recognised by the Company by deducting the same from carrying amount of related asset as per Ind AS 20 - "Government Grant"

F The Company has outstanding obligation amounting to ₹ 0.80 crores (March 31, 2020: ₹ 1.65 crores) in respect of bonds given to central tax department against import of goods at concessional rate of basic custom duty. The Company expects to fulfil the obligation in due course of time.

G The Company has export obligation of ₹ 10.18 crore (March 31, 2020: ₹ Nil) on account of import duty exemption of ₹ 0.50 crores (March 31, 2020: ₹ Nil) on capital goods under the Export Promotion Capital Goods (EPCG) scheme laid down by the Government of India. The Company expects to fulfil the obligation in due course of time.

Notes to Financial Statements

for the year ended March 31, 2021

33 OTHER NOTES ON ACCOUNTS

1 Investment in subsidiaries and joint ventures

(a) These financial statement are separate financial statements prepared in accordance with Ind AS-27 " Separate Financial Statements".

(b) The Company 's investments in subsidiaries are as under:

Name of the subsidiaries	Country of incorporation	Portion of ownership interest as at March 31, 2021	Portion of ownership interest as at March 31, 2020	Method used to account for the investment
Havells Holdings Limited	Isle of Man	100%	100%	At cost
Havells Guangzhou International Limited	China	**100%**	100%	At cost

(c) The Company's investment in Joint venture is as under:

Name of the Joint venture	Country of incorporation	Portion of ownership interest as at March 31, 2021	Portion of ownership interest as at March 31, 2020	Method used to account for the investment
Jiangsu Havells Sylvania Lighting Co. Limited {refer note 11(E)(b)}	China	50%	50%	At cost

2 During the year, the Company has capitalised the following pre-operative expenses directly relatable to the cost of property, plant and equipment, being expenses related to projects and development of Dies and Fixtures. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cost of material consumed	9.48	8.48
Employee benefits expense	2.27	5.12
Other expenses	0.74	2.42
	12.49	**16.02**

3 Leases

(i) The Company's lease asset primarily consist of leases for land and buildings for branch offices and warehouses having the various lease terms. The Company also has certain leases of with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

(ii) Following is carrying value of right of use assets and the movements thereof :

(₹ in crores)

Particulars	Right of Use Asset		Total
	Leasehold Land	Leasehold Building	
Balance as at April 01, 2019 (Restated)	**176.98**	**129.59**	**306.57**
Additions during the year	40.82	24.95	65.77
Deletion during the year	-	(0.98)	(0.98)
Depreciation of Right of use assets (refer note 30)	(2.16)	(36.53)	(38.69)
Balance as at March 31, 2020	**215.64**	**117.03**	**332.67**
Additions during the year	39.58	56.96	96.54
Recognition of grant related to assets	(17.71)	-	(17.71)
Deletion during the year	(10.50)	(18.62)	(29.12)
Depreciation on Right of use assets (refer note 30)	(2.44)	(32.48)	(34.92)
Balance as at March 31, 2021	**224.57**	**122.89**	**347.46**

Notes to Financial Statements

for the year ended March 31, 2021

(iii) The following is the carrying value of lease liability and movement thereof :

(₹ in crores)

Particulars	Amount
Balance as at April 1, 2019 (Restated)	126.80
Additions during the year	24.95
Finance cost accrued during the year	10.92
Deletion during the year	(1.39)
Payment of lease liabilities including interest	(39.67)
Balance as at March 31, 2020	**121.61**
Additions during the year	56.84
Finance cost accrued during the year	9.68
Deletion during the year	(18.06)
Lease rent concession	(2.54)
Payment of lease liabilities including interest	(36.87)
Balance as at March 31, 2021	**130.66**
Current maturities of Lease liability {refer note 19 (A)}	29.15
Non-Current Lease Liability {refer note 15 (B)}	101.51
	130.66

(iv) The maturity analysis of lease liabilities are disclosed in Note 33(10).

(v) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 8.5%

(vi) Amounts recognised in the statement of profit and loss during the year

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation charge of right-of-use assets - leasehold building	32.48	36.53
Depreciation charge of right-of-use assets - leasehold land	2.44	2.16
Finance cost accrued during the year (included in finance cost) (refer note 29)	9.68	10.92
Expense related to short term leases (included in other expense) (refer note 31)	31.22	37.49

(vii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(viii) During the current year, the Company has received the Covid-19-related rent concessions for lessees amounting to ₹ 2.54 crores and on the basis of practical expedient as per Ind AS 116 "Leases", the same is not considered to be lease modification, hence the income towards rent concession is recognised in "Other Income" in the statement of profit and loss account.

(ix) The Company has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

(x) Non-cash investing activities during the year:

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Acquisition of right of use assets	56.96	24.95
Recognition of grant related to assets	(17.71)	-
Disposals of right of use assets	(18.62)	(0.98)

Notes to Financial Statements

for the year ended March 31, 2021

4 Gratuity and other post-employment benefit plans

Disclosures pursuant to Ind AS - 19 "Employee Benefits" (notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below :

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

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employer's Contribution towards Provident Fund (PF) and NPS	35.80	36.55
Employer's Contribution towards Employee State Insurance (ESI)	0.37	0.51
	36.17	**37.06**

Defined Benefit Plan

The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust which maintains its investments with Bajaj Allianz Life Insurance Co.Ltd. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn basic salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss, the funded status and amounts recognised in the balance sheet for the respective plans:

a) Reconciliation of opening and closing balances of Defined Benefit obligation

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Present value of Defined Benefit obligation at the beginning of the year	108.26	91.09
Opening obligation transferred to group companies	-	(0.08)
Interest Expense	7.15	6.65
Current Service Cost	14.90	13.36
Benefit paid	(4.75)	(8.03)
Remeasurement of (Gain)/loss recognised in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	4.04	4.66
Actuarial changes arising from changes in experience adjustments	(0.38)	0.61
Present value of Defined Benefit obligation at year end	**129.22**	**108.26**

b) Reconciliation of opening and closing balances of fair value of plan assets

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Fair value of plan assets at beginning of the year	89.18	71.63
Expected return on plan assets	6.50	5.90
Employer contribution	19.08	19.39
Remeasurement of Gain/(loss) in other comprehensive income		
Return on plan assets excluding interest income	0.96	0.29
Benefits paid	(4.75)	(8.03)
Fair value of plan assets at year end	**110.97**	**89.18**

Notes to Financial Statements

for the year ended March 31, 2021

c) Net defined benefit asset/ (liability) recognised in the balance sheet

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Fair value of plan assets	110.97	89.18
Present value of defined benefit obligation	(129.22)	(108.26)
Amount recognised in Balance Sheet- Asset / (Liability)	**(18.25)**	**(19.08)**
Current portion {refer note 20(i)}	(18.25)	(19.08)
Non-current portion	-	-

d) Net defined benefit expense (recognised in the Statement of profit and loss for the year)

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	14.90	13.36
Interest cost (net)	0.65	0.75
Net defined benefit expense debited to statement of profit and loss	**15.55**	**14.11**

e) Remeasurement (gain)/ loss recognised in other comprehensive income

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial changes arising from changes in financial assumptions	4.04	4.66
Actuarial changes arising from changes in experience adjustments	(0.38)	0.61
Return on Plan assets excluding amounts included in net interest expense	(0.96)	(0.29)
Recognised in other comprehensive income	**2.70**	**4.98**

f) Broad categories of plan assets as a percentage of total assets

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Insurer managed funds	100%	100%

g) Principal assumptions used in determining defined benefit obligation

	Year ended March 31, 2021	Year ended March 31, 2020
Mortality Table (LIC)	**2012-14 (Ultimate)**	**2012-14 (Ultimate)**
Discount rate (per annum)	6.76%	6.75%
Salary Escalation	9.00%	8.50%
Attrition Rate	7.00%	7.00%

Notes to Financial Statements

for the year ended March 31, 2021

h) Quantitative sensitivity analysis for significant assumptions is as below:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
Discount rate		
Increase by 0.50%	(4.37)	(3.71)
Decrease by 0.50%	5.03	4.25
Salary increase		
Increase by 0.50%	4.90	4.17
Decrease by 0.50%	(4.36)	(3.72)
Attrition rate		
Increase by 0.50%	(0.70)	(0.49)
Decrease by 0.50%	0.80	0.55

i) Maturity profile of defined benefit obligation

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Within the next 12 months (next annual reporting period)	8.73	7.42
Between 2 and 5 years	57.65	50.45
More than 5 years	173.52	143.27
Total expected payments	**239.90**	**201.14**

j) The average duration of the defined benefit plan obligation at the end of the reporting period is 21.98 years (March 31, 2020: 22.77 years)

k) The plan assets are maintained with Bajaj Allianz Life Insurance Co.Ltd.

l) The Company expects to contribute ₹ 18.25 crores (March 31, 2020 : ₹ 19.08 crores) to the plan during the next financial year.

m) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

n) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

o) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in an assumptions occurring at the end of the reporting period while holding all other assumption constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

p) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes to Financial Statements

for the year ended March 31, 2021

5 Segment Reporting

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act). For management purposes, the Company is organized into business units based on its products and services and has six reportable segments as follows:

a) Operating Segments

Switchgears	:	Domestic and Industrial switchgears, electrical wiring accessories and capacitors.
Cables	:	Domestic cables and Industrial underground cables.
Lighting and Fixtures	:	Energy Saving Lamps (LED, Fixtures) and luminaries.
Electrical Consumer Durables	:	Fans, Water Heaters, Coolers, and Domestic Appliances
Lloyd Consumer	:	Air Conditioner, Television, Refrigerator and Washing Machine
Others	:	Industrial motors, Pump, Water purifier, Solar, Personal Grooming

b) Identification of Segments:

The Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product / services and have been identified as per the quantitative criteria specified in the Ind AS.

c) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocable".

d) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "unallocable".

e) There is no transfer of products between operating segments.

f) There are no customers having revenue exceeding 10% of total revenues

g) No operating segments have been aggregated to form the above reportable operating segments.

Summary of Segmental Information

A Revenue from operations

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Segment Revenue (Sales and other operating revenue)		
Switchgears	1,460.88	1,339.38
Cables	3,180.17	2,994.19
Lighting and fixtures	1,084.60	1,014.27
Electrical consumer durables	2,376.99	2,005.42
Lloyd Consumer	1,688.75	1,590.27
Others	636.53	485.67
	10,427.92	**9,429.20**
Inter Segment Sale	**-**	**-**
Total segment revenue	**10,427.92**	**9,429.20**

Notes to Financial Statements

for the year ended March 31, 2021

B Results

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Segment results		
Switchgears	404.69	324.94
Cables	403.78	332.12
Lighting and fixtures	204.09	145.70
Electrical consumer durables	403.68	286.98
Lloyd Consumer	74.12	(40.12)
Others	30.98	(25.01)
Segment operating profit	**1,521.34**	**1,024.61**
Reconciliation of segment operating profit to operating profit		
Unallocated:		
Other unallocable expenses net off	204.94	215.14
Other unallocable income	(187.82)	(111.98)
Operating Profit	**1,504.22**	**921.45**
Finance Costs {refer note 29}	(72.64)	(19.72)
Profit before tax	**1,431.58**	**901.73**
Income tax expense {refer note 17}	(391.94)	(168.70)
Profit after tax	**1,039.64**	**733.03**

C Reconciliations to amounts reflected in the financial statements

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Segment Assets		
Switchgears	685.41	550.62
Cables	1,085.62	909.28
Lighting and fixtures	584.52	490.16
Electrical consumer durables	978.01	845.38
Lloyd Consumer	2,831.14	2,402.54
Others	259.74	202.99
Segment operating assets	**6,424.44**	**5,400.97**
Reconciliation of segment operating assets to total assets		
Cash and bank balance {refer note 11(C) and (D)}	1,624.74	1,106.92
Fixed deposits with financial institutions {refer note 11(A)}	306.30	-
Investment in Subsidiaries{refer note 5}	1.63	1.63
Other unallocable assets	463.11	538.34
Total assets	**8,820.22**	**7,047.86**
Segment Liabilities		
Switchgears	335.47	228.30
Cables	377.63	521.89
Lighting and fixtures	246.19	214.61
Electrical consumer durables	620.58	453.70
Lloyd Consumer	620.57	381.76
Others	122.50	101.85
Segment operating liabilities	**2,322.94**	**1,902.11**
Reconciliation of segment operating liabilities to total liabilities		
Borrowings {refer note 15(A) and 19(C)}	492.20	40.50
Lease Liabilities{refer note 15(B) and 19 (A)}	130.66	121.61
Deferred tax liability {refer note 17(d)}	339.11	286.52
Current tax liabilities (net){refer note 21}	74.26	-

Notes to Financial Statements

for the year ended March 31, 2021

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Other unallocable liabilities	296.60	392.31
Total liabilities	**3,655.77**	**2,743.05**
Other non-current assets		
Switchgears	5.42	8.94
Cables	2.46	3.48
Lighting and fixtures	0.01	0.06
Electrical consumer durables	3.63	4.56
Lloyd Consumer	5.73	1.12
Others	0.43	1.19
	17.68	**19.35**
Unallocable assets	36.94	31.32
	54.62	**50.67**

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Capital Expenditure		
Switchgears	25.89	52.30
Cables	26.98	104.72
Lighting and fixtures	1.94	3.14
Electrical consumer durables	35.92	135.92
Lloyd Consumer	91.03	32.09
Others	4.22	4.45
	185.98	**332.62**
Unallocable capital expenditure	24.98	38.68
	210.96	**371.30**
Depreciation and Amortization Expenses		
Switchgears	48.75	44.84
Cables	65.36	61.15
Lighting and fixtures	18.98	20.39
Electrical consumer durables	46.95	43.17
Lloyd Consumer	56.62	37.10
Others	12.20	11.26
	248.86	**217.91**
Non-cash expenses (net) other than depreciation		
Switchgears	0.55	4.47
Cables	(0.58)	7.27
Lighting and fixtures	24.15	2.86
Electrical consumer durables	1.17	2.28
Lloyd Consumer	0.39	8.55
Others	0.24	0.35
	25.92	**25.78**
Impairment allowance on other assets	1.10	0.03
	27.02	**25.81**

Note: Non cash expenses other than depreciation includes loss on disposal of property, plant and equipment, bad debts and Impairment allowance for trade receivables and other assets considered doubtful

Notes to Financial Statements

for the year ended March 31, 2021

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Segment Revenue by location of customers		
The following is the distribution of Company's revenue by geographical market, regardless of where the goods were produced.		
Revenue-Domestic Market	10,067.40	9,112.17
Revenue-Overseas Market	360.52	317.03
	10,427.92	**9,429.20**

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Geographical Segment assets		
Within India	8,744.87	6,966.54
Outside India	75.35	81.32
	8,820.22	**7,047.86**
Geographical Non-current assets		
Within India	3,427.19	3,473.64
Outside India	7.64	12.58
	3,434.83	**3,486.22**

Note: Non Current assets for this purpose excludes investment in subsidiaries, Contract assets, non current financial assets and non current tax assets

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Geographical Capital Expenditure		
Within India	210.95	371.30
Outside India	0.01	-
	210.96	**371.30**

Notes:

(i) Finance income and costs on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

(iii) Capital expenditure consists of additions of property, plant and equipment, Capital work in progress and intangible assets.

(iv) The Company has reviewed its reportable segments effective April 01, 2020. The product categories which are not strictly subscribing to a specific product segment has been carved out into a new product segment 'Others' consisting of Motor, Pump, Solar, Personal Grooming and Water Purifier businesses. The comparative figures for earlier periods have been accordingly reclassified.

6 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time), as disclosed below:-

(A) Names of related parties and description of relationship :

(i) Related party where control exists

	Subsidiary Companies	Relationship
1	Havells Holdings Limited	Wholly Owned Subsidiary (WOS)
2	Havells Guangzhou International Limited	Wholly Owned Subsidiary (WOS)
3	Havells Exim Limited	Closed and ceased to be subsidiary with effect from September 13, 2019

Notes to Financial Statements

for the year ended March 31, 2021

Step Down Subsidiary Companies

1	Havells International Limited	Closed and ceased to be subsidiary w.e.f July 22, 2019
2	Havells Sylvania Iluminacion (Chile) Ltda	Closed and ceased to be subsidiary w.e.f November 28, 2019

(ii) Joint Venture

Jiangsu Havells Sylvania Lighting Co. Limited	50% ownership interest held by Company.(Under Liquidation)

(B) Names of other related parties with whom transactions have taken place during the year :

(i) Enterprises in which directors are interested

QRG Enterprises Limited
QRG Foundation
Guptajee & Company
QRG Central Hospital and Research Centre Ltd (till 12th November,2020)
QRG Medicare limited
The Vivekananda Ashrama
Aartas Care Private Limited

(ii) Employee benefit trust for the benefited employees

Havells India Limited Employees Gratuity Trust

(iii) Key Management Personnel

Shri Anil Rai Gupta, Chairman and Managing Director
Shri Rajesh Kumar Gupta, Director (Finance) and Group CFO
Shri Ameet Kumar Gupta, Wholetime Director
Shri Siddhartha Pandit, Wholetime Director (appointed w.e.f May 29,2019)
Shri Sanjay Kumar Gupta, Company Secretary

(iv) Other Related Parties

(a) Non Executive Directors

Shri Vijay Kumar Chopra (retired w.e.f April 1, 2020)
Dr. Adarsh Kishore (retired w.e.f April 1, 2020)
Shri Surender Kumar Tuteja (retired w.e.f April 1,2020)
Smt. Pratima Ram
Shri Vellayan Subbiah (resigned on October 22, 2020)
Shri Puneet Bhatia
Shri T V Mohandas Pai
Shri Surjit Kumar Gupta
Shri Jalaj Ashwin Dani
Shri U K Sinha
Shri B P Rao (appointed w.e.f. May 12, 2020)
Shri S S Mundra (appointed w.e.f. May 12, 2020)
Shri Vivek Mehra (appointed w.e.f. May 12, 2020)
Smt Namrata Kaul (appointed w.e.f. January 20, 2021)
Shri Ashish Bharat Ram (appointed w.e.f. May 20, 2021)

(b) Others

Shri Rakesh Mehrotra
- Associate Director (appointed w.e.f Jun 01,2020)
- HKHR Ventures LLP (Partner)

Shri Yogesh Kumar Gupta
- Associate Director (appointed w.e.f Jun 01,2020)
- Eastern Distributors (Partner)
- Gupta Enterprise (Partner)
- YKG Enterprises (Partner)
- O.P. Gupta & Co.(Partner)
- OPG Travels (Partner)

Notes to Financial Statements

for the year ended March 31, 2021

(C) Transactions during the year

(i) Commission paid on purchase

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Subsidiaries / Step down Subsidiaries		
Havells Guangzhou International Ltd.	9.21	7.75
	9.21	**7.75**

(ii) Sale of products (refer note (c) below)

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Enterprises in which directors are interested		
QRG Central Hospital and Research Centre Ltd	-	0.01
Aartas Care Private Limited	0.02	
QRG Medicare limited	0.04	0.23
Other Related Parties		
OP Gupta and Company	1.78	-
	1.84	**0.24**

(iii) Sale Return of products (refer note (c) below)

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Enterprises in which directors are interested	0.14	-
QRG Medicare limited	**0.14**	**-**

(iv) Commission on sales (refer note (c) below)

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Enterprises in which directors are interested		
Guptajee and Company	11.84	13.12
Other Related Parties		
Eastern Distributors	12.70	-
Gupta Enterprise	1.51	-
YKG Enterprises	3.40	-
HKHR Ventures LLP	26.82	-
	56.27	**13.12**

Notes to Financial Statements

for the year ended March 31, 2021

(v) Rent / Usage Charges Paid

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Enterprises in which directors are interested		
QRG Enterprises Limited	21.41	22.83

(vi) Reimbursement of expenses paid

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Enterprises in which directors are interested		
QRG Medicare limited	0.01	-
Other Related Parties		
OPG Travels	0.17	-
	0.18	**-**

(vii) CSR Contribution

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Enterprises in which directors are interested		
QRG Foundation	2.23	2.67
The Vivekananda Ashrama	-	0.05
	2.23	**2.72**

(viii) Contribution to post employee benefit plan

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Havells India Limited Employees Gratuity Trust	**19.08**	**19.38**

(ix) Managerial remuneration

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Key Management Personnel		
Salaries, wages, bonus, commission and other benefits	47.45	34.47
Contribution towards PF, Family Pension and ESI	1.62	1.54
ESPP expense	2.86	7.40
Non-Executive Directors		
Director sitting fees	0.45	0.35
Commission	0.90	0.90
Remuneration to other Related Parties		
Salaries, wages, bonus, commission and other benefits	2.50	-
	55.78	**44.66**

Notes to Financial Statements

for the year ended March 31, 2021

(D) Balances at the year end

(i) Amount Payables

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Enterprises in which directors are interested		
Guptajee & Company	3.27	3.79
QRG Foundation	0.27	-
Aartas Care Private Limited	0.00	-
Other Related Parties		
Eastern Distributors	3.89	-
Gupta Enterprise	0.64	-
OP Gupta and Company	0.00	-
HKHR Ventures LLP	6.90	-
Subsidiaries / Step down Subsidiaries		
Havells Guangzhou International Ltd.	0.88	1.16
	15.85	**4.95**

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the Company as a whole, accordingly the amount pertaining to Key management personnel are not included above.

c) Transactions with related parties are reported gross of Goods and Service Tax.

7 Share based payments

The Company has in place following employee stock purchase plan approved by shareholders of the Company in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) regulators, 2014 :

(a) Havells Employee Long Term Incentive Plan 2014 : In accordance with this scheme, 110,949 (March 31, 2020 : 169,597) share options of ₹ 1 each were granted, out of which 109,259 (March 31, 2020: 169,195) share options of ₹ 1 each were vested and allotted on April 14,2020 (March 31, 2020 : May 28, 2019) to eligible employees at ₹ 467.35 (March 31, 2020: ₹ 733.90) per share as contributed by these employees. As per the scheme, 50% of the shares are under lock in period of 13 months and balance 50% for 2 years. Also as per the scheme, the Company is obliged to pay 50% of the contribution made by eligible employees as retention bonus over a period of two years in equal instalments. Accordingly, a sum of ₹ 2.88 crores (March 31, 2020 : ₹ 4.89 crores) has been recognised as employee stock purchase plan expense in note 28.

(b) Havells Employee Stock Purchase Plan 2015 : In accordance with this scheme, 90,000 (March 31, 2020: 150,000) share options of ₹ 1 each were granted, vested and allotted on April 14,2020 (March 31, 2020: May 28, 2019) at ₹ 467.35 (March 31, 2020: ₹ 733.90) per share to eligible employees as contributed by the Company. As per the scheme, 78% of the shares are under lock in period of 13 months and remaining 22% are under lock in period for 2 years. Accordingly, a sum of ₹ 4.21 crores (March 2020 : ₹ 11.01 crores) has been recognised as employee stock purchase plan expenses in note 28.

(c) Havells Employee Stock Purchase Plan 2016 : In accordance with the said scheme, 13,157 (March 31, 2020: 16,273) share options of ₹ 1 each were granted to eligible employees with graded vesting in three years starting from 2020. During the year, 10913 equity shares of ₹ 1 each (March 31, 2020 : 10729 equity shares) were allotted at ₹ 467.35 (March 31, 2020 : ₹ 733.90) per share on April 14,2020. Accordingly, a sum of ₹ 0.50 crores (March 31, 2020: 1.16 crores) has been recognised as employee stock purchase plan expense in note 28 and balance outstanding of ₹ 0.64 crores (March 31, 2020 : 0.64 crores) in note 14(B).

Notes to Financial Statements

for the year ended March 31, 2021

(i) Set out below is a summary of options granted and vested during the year under the plan

Summary of Stock Options	2020-21		2019-20	
	Number of Stock Options	Weighted average exercise price per share option	Number of Stock Options	Weighted average exercise price per share option
Options outstanding at the beginning of the year	11,030	-	11,150	-
Options granted during the year	214,106	467.35	335,870	733.90
Options vested and exercised during the year	210,172	467.35	329,924	733.90
Options lapsed during the year	1,690	467.35	6,066	733.90
Options outstanding at the end of the year	**13,274**	**-**	**11,030**	**-**

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2021 was ₹ 467.35 per share (March 31, 2020 : ₹ 733.90)

(ii) Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Particular	March 31, 2021		March 31, 2020	
Grant date	March 31, 2020	May 28, 2019	May 28, 2019	May 10, 2018
Expiry date	2021-22 and 2022-23	2021-22	2021-22	2020-21
Outstanding share options	8773	4501	9001	2029
Weighted average remaining contractual life of options outstanding at the end of the year	2 years	1 year	2 years	1 year

The fair value at grant date of options granted during the year ended March 31, 2021 was ₹ 458.69 per share (March 31, 2020 was ₹ 723.44 per share). The fair value at the grant date is determined using Black Scholes valuation model which takes into account the exercise price, the terms of the options, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk free interest rate for the term of the option.

(iii) The Model inputs for options granted:

Particular	March 31, 2021	March 31, 2021
Expected Price volatility of the company's share	29.55%	28.72%
Expected Dividend Yield	0.75%	0.72%
Share price at the grant date	₹ 467.35	₹ 733.90
Risk free interest rate	6.73%	6.73%

(iv) The expected price volatility is based on the historical volatility (based on remaining life of the options), adjusted for any expected change to future volatility due to publically available information.

(v) Expense arising from shared based payment transactions

(₹ in crores)

Particular	March 31, 2021	March 31, 2021
Havells Employees Long Term Incentive Plan 2014	2.88	4.89
Havells Employees Stock Purchase Plan 2015	4.21	11.01
Havells Employees Stock Purchase Plan 2016	0.50	1.16
Total expense recognised in the statement of profit and loss account as a part of employee benefit expense:	**7.59**	**17.06**

Notes to Financial Statements

for the year ended March 31, 2021

8 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.Details are as under:

Details of CSR Expenditure:

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to QRG Foundation	2.23	1.77
Contribution to Ashoka University	4.00	4.00
Contribution to BML	-	8.00
Others	4.24	6.55
Accrual towards unspent obligation in relation to		
Ongoing Project	12.00	-
Other than ongoing Project	-	-
Total	**22.47**	**20.32**
Less: Excess spent during the year to be carry forward to FY 2021-22	1.50	-
Amount recognised in Statement of Profit and Loss	**20.97**	**20.32**
Amount required to be spent as per section 135 of the Act	20.97	20.29
Amount approved by the Board to be spent during the year	**20.97**	**20.29**
Amount spent during the year on		
(i) Construction/ acquisition of assets	0.52	1.57
(ii) Contribution to Trust/Universities	4.00	14.72
(iii) On purpose other than above	5.95	4.03
Total Amount Spent	**10.47**	**20.32**
Amount yet to be spent	**12.00**	**-**
Total	**22.47**	**20.32**
Less: Excess spent during the year to be carry forward to FY 2021-22	1.50	
Total	**20.97**	**20.32**

Details of ongoing CSR projects under Section 135(6) of the Act

(₹ in crores)

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With the Company	In Separate CSR Unspent A/c		From Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent account
-	-	16.00	4.00	-	12.00	-

Details of CSR expenditure under Section 135(5) of the Act in respect of unspent amount other than ongoing projects

(₹ in crores)

Balance unspent as at April 01, 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2021
-	-	6.47	6.47	-

Notes to Financial Statements

for the year ended March 31, 2021

Details of excess CSR expenditure under Section 135(5) of the Ac

(₹ in crores)

Balance excess spent as at April 01, 2020	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2021
-	20.97	22.47	1.50

9 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in crores)

	Carrying Value		Fair Value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial instruments by category				
Financial assets valued at amortized cost				
Investments with financial institution	306.30	-	306.30	-
Cash and bank balances (Current)	1,624.74	1,106.92	1,624.74	1,106.92
Trade Receivables	563.63	248.88	563.63	248.88
Other Financial assets (Current)	45.99	29.44	45.99	29.44
Other Financial assets (Non-current)	19.94	21.37	19.94	21.37
	2,560.60	**1,406.61**	**2,560.60**	**1,406.61**
Financial Liabilities valued at amortized cost				
Trade Payables	1,596.78	1,414.07	1,596.78	1,414.07
Borrowings (non-current)	393.65	-	393.65	-
Lease Liability (current and non current)	130.66	121.61	130.66	121.61
Other financial liabilities (non-current)	1.31	1.13	1.31	1.13
Other financial liabilities (current)	668.98	531.30	668.98	531.30
	2,791.38	**2,068.11**	**2,791.38**	**2,068.11**

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the other financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1) The fair value of unquoted instruments, other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows (DCF model) using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

2) The fair values of the Company's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2021 was assessed to be insignificant.

3) Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

Notes to Financial Statements

for the year ended March 31, 2021

4) Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year.

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

a) Recognised and measured at Fair value

b) Measured at amortised cost and for which fair value is disclosed in financial statements

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2021

(₹ in crores)

	Carrying Value March 31, 2021	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other Financial assets (Non-current)	19.94	-	-	19.94
Other Financial assets (Current)	45.99	-	-	45.99
Liabilities carried at amortized cost for which fair value are disclosed				
Borrowings (non-current)	393.65	-	-	393.65
Lease Liability (current and non current)	130.66	-	-	130.66
Other financial liabilities (non-current)	1.31	-	-	1.31
Other financial liabilities (current)	668.98	-	-	668.98

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2020

(₹ in crores)

	Carrying Value March 31, 2020	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Assets carried at amortized cost for which fair value are disclosed				
Other Financial assets (non-current)	21.37	-	-	21.37
Other Financial assets (current)	29.44	-	-	29.44
Liabilities carried at amortized cost for which fair value are disclosed				
Lease Liability (current and non current)	121.61	-	-	121.61
Other financial liabilities (non-current)	1.13	-	-	1.13
Other financial liabilities (current)	531.30	-	-	531.30

Notes to Financial Statements

for the year ended March 31, 2021

10 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021 and March 31, 2020

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, AED, JPY, CNY and other currencies including KES, NPR, CHF, LKR, MWK, SLL and GBP exchange rates, with all other variables held constant. The impact on the Company profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

(₹ in crores)

Currency	Currency Symbol	March 31, 2021		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
United States Dollar	USD	$ (3.06)	(224.87)	(2.25)	2.25
EURO	EUR	€ (0.12)	(10.73)	(0.11)	0.11
Arab Emirates Dirham	AED	AED 0.02	0.38	0.00	(0.00)
Japanese Yen	JPY	JPY (0.41)	(0.27)	(0.00)	0.00
Chinese RMB\CNY	CNY	CNY (1.80)	(20.11)	(0.20)	0.20
Other currencies			(4.50)	(0.06)	(0.00)	0.00

Notes to Financial Statements

for the year ended March 31, 2021

(₹ in crores)

Currency	Currency Symbol	March 31, 2020		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
United States Dollar	USD	$ (1.31)	(99.10)	(0.99)	0.99
EURO	EUR	€ (0.17)	(14.51)	(0.15)	0.15
Arab Emirates Dirham	AED	AED 0.02	0.37	0.00	(0.00)
Japanese Yen	JPY	JPY (4.39)	(3.06)	(0.03)	0.03
Chinese RMB\CNY	CNY	CNY (5.28)	(55.85)	(0.56)	0.56
Other currencies		(0.40)	(0.11)	(0.00)	0.00

Notes:

Figures in bracket represents payables

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's borrowings outstanding as at March 31, 2021 and March 31, 2020 comprise of long term loans.

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

	March 31, 2021		March 31, 2020	
	Increase/ decrease in basis points	Impact on profit before tax and Equity	Increase/ decrease in basis points	Impact on profit before tax and Equity
Term Loan/External Commercial Borrowing	+0.50	(2.46)	+0.50	(0.20)
	-0.50	2.46	-0.50	0.20

(iii) Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and other electronic items and therefore require a continuous supply of copper and aluminium being the major input used in the manufacturing. To mitigate the risk of supply and price fluctuations, Domestic and overseas sources are bench-marked to Optimize the allocation of business share among various sources. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company mitigated the risk of price volatility by entering Long Term & Short term contracts for the Purchase of these commodities basis estimated annual requirements.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Notes to Financial Statements

for the year ended March 31, 2021

(i) Trade Receivables and Contract Assets

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Trade Receivable buyout facility without recourse, letters of credit and other forms of security.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Investment with financial institution	306.30	-
Cash and cash equivalents (Current)	326.57	242.09
Bank balances other than above (Current)	1,298.17	864.83
Others Non Current financial assets	19.94	21.37
Others Current financial assets	45.99	29.44
	1,996.97	**1,157.73**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	563.63	248.88
	563.63	**248.88**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of trade receivables has been considered from the date the invoice falls due

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables		
Neither past due nor impaired	421.44	84.99
0 to 180 days due past due date	95.75	141.36
More than 180 days past due date	46.44	22.53
Total Trade Receivables	**563.63**	**248.88**
The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-		
As at the beginning of year	44.87	26.64
Addition and utilization during the year	24.48	18.23
As at the end of year	**69.35**	**44.87**

Notes to Financial Statements

for the year ended March 31, 2021

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term loans, short term commercial papers and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in crores)

As at March 31, 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	98.55	393.65	-	**492.20**
Other non current financial liabilities	-	1.31	-	**1.31**
Trade payables	1,596.78	-	-	**1,596.78**
Lease Liability (undiscounted)	37.52	90.55	95.10	**223.17**
Other current financial liabilities	541.28	-	-	**541.28**

As at March 31, 2020	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	40.50	-	-	**40.50**
Other non current financial liabilities	-	1.13	-	**1.13**
Trade payables	1,414.07	-	-	**1,414.07**
Lease Liability (undiscounted)	42.07	99.68	4.63	**146.38**
Other current financial liabilities	458.93	-	-	**458.93**

11 Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020 except for budgeting for cash flow projections considering the impact of ongoing pandemic COVID - 19. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans and borrowings {refer note 15(A) and 19(C)}	492.20	40.50
Cash and cash equivalents {refer note 11(C)}	(326.57)	(242.09)
Net Debt	**165.63**	**(201.59)**
Equity / Net Worth	5,164.45	4,304.81
Total Capital	**5,164.45**	**4,304.81**
Capital and Net Debt	**5,330.08**	**4,103.22**
Gearing ratio (Net Debt/Capital and Net Debt)	**3.11%**	**(4.91%)**

Note: No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020

Notes to Financial Statements

for the year ended March 31, 2021

12 Earnings per share

a) Basic Earnings per share

(₹ in crores)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Numerator for earnings per share			
Profit after taxation	(₹ in crores)	1039.64	733.03
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year	(Numbers)	626,005,520	625,731,426
Earnings per share-Basic (one equity share of ₹ 1/- each)	₹	16.61	11.71

b) Diluted Earnings per share

(₹ in crores)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Numerator for earnings per share			
Profit after taxation	(₹ in crores)	1039.64	733.03
Denominator for earnings per share			
Weighted average number of equity shares for basic earning per share	(Numbers)	626,005,520	625,731,426
Effect of dilution			
Share options	(Numbers)	13,380	14,929
Weighted average number of equity shares outstanding during the year adjusted for the effect of dilution	(Numbers)	626,018,900	625,746,355
Earnings per share- Diluted (one equity share of ₹ 1/- each)	₹	16.61	11.71

13 Dividend Paid And Proposed

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Dividend declared and paid during the year:		
Final Dividend paid for the year ended March 31, 2020 of ₹ Nil per share of ₹ 1 (₹ 4.5 per share of ₹ 1 each for the year ended March 31,2019)	-	281.61
Dividend distribution tax on final dividend	-	57.89
Interim Dividend for the year ended March 31, 2021, ₹ 3 per share of ₹ 1 each (₹ 4 per share of ₹ 1 each for the year ended March 31, 2020)	187.80	250.32
Dividend distribution tax on interim dividend	-	51.45
	187.80	**641.27**
Proposed Dividends on equity shares:		
Final Dividend recommended by the board of directors for the year ended March 31, 2021 ₹ 3.5 per share of ₹ 1 each (March 31, 2020: ₹ Nil) subject to approval of shareholders in the ensuing annual general meeting.	219.10	-
Dividend distribution tax on above	-	-
	219.10	**-**

Note: Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as liability (Including Dividend Distribution Tax) as at reporting date.

Notes to Financial Statements

for the year ended March 31, 2021

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

Particulars of Investments made:

Sr. No	Name of the Investee	As at March 31, 2021		As at March 31, 2020	
		Investment made	Outstanding Balance	Investment made	Outstanding Balance
1	Havells Holdings Limited	-	1.18	-	1.18
2	Jiangsu Havells Sylvania Lighting Co. Limited {refer note no. 11(E)(b) and note 13}	-	17.27	-	18.85
3	Havells Guangzhou International Limited	-	0.45	-	0.45

15 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

16 Consequent to the disruption caused due to COVID-19, the Company has made an assessment as at March 31, 2021 of recoverability of the carrying values of its assets such as property, plant and equipment, intangible assets having indefinite useful life, goodwill, inventory, trade receivables, and other current assets giving due consideration to the internal and external factors. Further, on account of continued spread of COVID-19 disease in the country, the Company has made timely and requisite changes in business model which has resulted in consistent growth across the product segments during the year. The Company is continuously monitoring the situation arising on account of COVID-19 and will make appropriate action required, if any.

17 The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000/-.

18 Note No.1 to 33 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per Pankaj Chadha
Partner
Membership No. 091813

Date: May 20, 2021
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Associate Vice President- Finance

Independent Auditor's Report

To the Members of Havells India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Havells India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and on the other financial information of the subsidiary company, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2021, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of impairment of goodwill and intangible assets with indefinite useful life *(as described in note 4 of the consolidated financial statements)*	
As at March 31, 2021 the consolidated financial statements includes Goodwill of ₹ 310.47 crores and intangible assets of ₹ 1029.00 crores having indefinite useful life pertaining to acquisition of a business in earlier years.	Our audit procedures, among others included the followings: (a) We obtained an understanding of the process and tested the operating effectiveness of internal controls over the impairment assessment process and preparation of the cash flow forecast based on assumptions and inputs to the model used to estimate the future cash flows.

Key audit matters	How our audit addressed the key audit matter
Assessment of impairment of goodwill and intangible assets with indefinite useful life *(as described in note 4 of the consolidated financial statements)*	
In accordance with Indian Accounting Standards (Ind-AS) – 36 'Impairment of Assets', the management has allocated goodwill and intangible assets having indefinite life to the underlying cash generating unit (CGU) and tested these for annual impairment using a discounted cash flow model. The impairment test model used by management factors impact of COVID-19 and also includes sensitivity testing of key assumptions. The annual impairment of goodwill and intangible assets having indefinite useful life and impact of COVID-19 pandemic on such assessment is considered as significant accounting judgement and estimate and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and materiality of the balances to the consolidated financial statements as a whole.	(b) We assessed the Group's methodology applied in determining the CGU to which these assets are allocated. (c) We assessed the assumptions used in the cash flow forecasts including discount rates, expected growth rates and terminal growth rates. (d) We compared the cash flow forecasts used in impairment testing to approved budget and other relevant market and economic information, as well as testing the underlying calculations. (e) We discussed the potential changes in key assumptions as compared to previous year and impact of COVID-19 in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. (f) We obtained the management testing of impairment and report of management specialist on impairment assessment and discussed the assumptions and other factors used in the assessment. (g) We also engaged specialist to assess the assumptions and methodology used by the management to determine the recoverable amount and also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. (h) We tested the arithmetical accuracy of the models. (i) We evaluated the adequacy of disclosures in the consolidated financial statements related to management's assessment including impact of COVID-19 on the annual impairment tests and as required under Indian Accounting Standard (Ind-AS) -36 Impairment of Assets.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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.

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.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, 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.

  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.

  We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and

to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of one subsidiary company whose financial statements include total assets of ₹ 12.23 crores as at March 31, 2021, and total revenues of ₹ 37.94 crores total net profit of ₹ 4.77 crores, total comprehensive income of ₹ 5.06 crores and net cash inflows of ₹ 2.85 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary company and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary company, is based solely on the report of such other auditor.

The subsidiary company is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its respective country and which have been audited by other auditors under generally accepted auditing standards applicable in its respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary company, whose financial statements and other financial information reflect total assets of ₹ 22.31 as at March 31, 2021, and total revenues of ₹ Nil, total net (loss) of ₹ (0.10) crores, total comprehensive income of ₹ 0.04 crores and net cash outflows of ₹ 0.41 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to consolidated Ind AS financial statements of the Holding Company, refer to our separate Report in "Annexure 1" to this report. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 31 to the consolidated financial statements;

ii. The Group did not have any long term contracts including derivative contracts for which there are any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, during the year ended March 31, 2021. There is no Company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Pankaj Chadha
Partner
Membership Number: 091813
UDIN: 21091813AAAACM5964
Place of Signature: New Delhi
Date: May 20, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HAVELLS INDIA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Havells India Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Havells India Limited (hereinafter referred to as the "Holding Company"). There is no Company other than the Holding Company which is incorporated in India and hence reporting about adequacy and the operating effectiveness of the internal financial controls over financial reporting is not applicable for Company other than holding company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company are responsible for establishing and maintaining internal financial controls based on, "the internal financial control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Pankaj Chadha
Partner
Membership Number: 091813
UDIN: 21091813AAAACM5964
Place of Signature: New Delhi
Date: May 20, 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ in crores)

		Notes	As at March 31, 2021	As at March 31, 2020
ASSETS				
1	**Non-current assets**			
	Property, plant and equipment	3	1,860.83	1,899.59
	Capital work in progress	3	86.26	82.77
	Goodwill	4	310.47	310.47
	Other Intangible assets	4	1,119.13	1,139.51
	Intangible assets under development	4	3.65	3.36
	Contract assets	5	49.79	60.58
	Financial assets	6		
	(i) Trade receivables		3.32	7.96
	(ii) Other financial assets		20.17	21.37
	Other non-current assets	7	54.62	50.67
	Non-current tax asset (net)	8	23.56	16.53
	Total Non current assets		**3,531.80**	**3,592.81**
2	**Current assets**			
	Inventories	9	2,619.89	1,871.88
	Contract assets	5	20.11	20.01
	Financial assets	10		
	(i) Investments		306.30	-
	(ii) Trade receivables		563.73	241.66
	(iii) Cash and cash equivalents		354.62	267.70
	(iv) Bank balances other than (iii) above		1,298.17	864.83
	(v) Others financial assets		45.99	29.44
	Other current assets	11	111.07	165.32
	Total Current assets		**5,319.88**	**3,460.84**
	Assets classified as held for sale	12	0.58	19.80
			5,320.46	**3,480.64**
	Total assets		**8,852.26**	**7,073.45**
EQUITY AND LIABILITIES				
1	**Equity**			
	Equity share capital	13	62.60	62.58
	Other equity		5,113.70	4,248.98
	Total equity		**5,176.30**	**4,311.56**
2	**Liabilities**			
	Non-current liabilities			
	Contract liabilities	5	4.57	4.32
	Financial liabilities	14		
	(i) Borrowings		393.65	-
	(ii) Lease liabilities		101.51	89.74
	(iii) Other financial liabilities		1.31	1.13
	Provisions	15	58.43	35.57
	Deferred tax liabilities (Net)	16	339.11	286.52
	Other non-current liabilities	17	-	17.71
	Total Non current liabilities		**898.58**	**434.99**
	Current liabilities			
	Contract liabilities	5	9.54	15.74
	Financial liabilities	18		
	(i) Lease liabilities		29.15	31.87
	(ii) Trade Payables			
	a) Total outstanding dues of micro enterprises and small enterprises		188.78	106.28
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,408.36	1,307.54
	(iii) Other financial liabilities		687.36	549.83
	Provisions	19	257.55	210.01
	Current tax liabilities (net)	20	74.26	-
	Other current liabilities	21	122.38	105.63
	Total Current liabilities		**2,777.38**	**2,326.90**
	Total liabilities		**3,675.96**	**2,761.89**
	Total equity and liabilities		**8,852.26**	**7,073.45**
	Summary of significant accounting policies	2		
	Commitments and contingencies	31		
	Other notes on accounts	32		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per **Pankaj Chadha**
Partner
Membership No. 091813

Date: May 20, 2021
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Associate
Vice President- Finance

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in crores)

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
CONTINUING OPERATIONS				
I	**INCOME**			
	Revenue from operations	22	10,457.30	9,440.26
	Other income	23	187.36	113.41
	Total income		**10,644.66**	**9,553.67**
II	**EXPENSES**			
	Cost of raw materials and components consumed	24	5,381.95	4,379.64
	Purchase of traded goods	25	1,638.82	1,280.81
	Change in inventories of finished goods, traded goods and work in progress, etc.	26	(531.07)	172.74
	Employee benefits expense	27	890.63	906.71
	Finance costs	28	72.68	19.72
	Depreciation and amortisation expenses	29	248.91	217.97
	Other expenses	30	1,505.19	1,671.71
	Total expenses		**9,207.11**	**8,649.30**
III	**Profit before tax from continuing operations**		**1,437.55**	**904.37**
IV	**Income tax expenses**	16		
	Current tax		340.65	198.99
	Deferred tax (credit)/charge {refer note 16(e)}		52.59	(30.23)
	Total tax expense		**393.24**	**168.76**
V	**Profit for the year from continuing operations**		**1,044.31**	**735.61**
	Discontinued Operations			
	Profit / (loss) before tax from discontinued operations {refer note 32(2)}		-	(0.26)
	Tax expense on profit / (loss) from discontinued operations		-	-
VI	**Profit / (loss) for the year from discontinued operations net of tax**		**-**	**(0.26)**
VII	**Profit for the year**		**1,044.31**	**735.35**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss in subsequent periods			
	(i) Re-measurement gains/(losses) on defined benefit plans {refer note 32(5)}		(2.70)	(4.98)
	(ii) Income tax effect on above {refer note no 16(b)}		0.68	1.25
			(2.02)	**(3.73)**
	Items will be reclassified to profit or loss in subsequent periods			
	(i) Exchange difference on translation of financial statements of foreign operations		0.43	0.50
	(ii) Income tax effect on above		-	-
			0.43	**0.50**
	Other comprehensive income/(loss) for the year, net of tax		**(1.59)**	**(3.23)**
IX	**Total comprehensive income for the year, net of tax**		**1,042.72**	**732.12**
	Profit for the year attributable to			
	Equity holders of the parent company		1,044.31	735.35
	Non controlling interests		-	-
			1,044.31	**735.35**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in crores)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Other comprehensive income / (loss) for the year attributable to			
Equity holders of the parent company		(1.59)	(3.23)
Non controlling interests		-	-
		(1.59)	**(3.23)**
Total Comprehensive income for the year attributable to			
Equity holders of the parent company		1,042.72	732.12
Non controlling interests		-	-
		1,042.72	**732.12**
X Earnings per equity share (EPS) for continuing operations attributable to equity holders of the parent company {refer note no. 32(13)}			
(nominal value of share ₹ 1/-)			
Basic EPS (₹)		16.68	11.76
Diluted EPS (₹)		16.68	11.76
Earnings per equity share (EPS) for discontinued operations attributable to equity holders of the parent company {refer note no. 32(13)}			
(nominal value of share ₹ 1/-)			
Basic EPS (₹)		-	(0.00)
Diluted EPS (₹)		-	(0.00)
Earnings per equity share (EPS) for continuing and discontinued operations attributable to equity holders of the parent company {refer note no. 32(13)}			
(nominal value of share ₹ 1/-)		16.68	11.76
Basic EPS (₹)		16.68	11.76
Diluted EPS (₹)			
Summary of significant accounting policies	2		
Commitments and contingencies	31		
Other notes on accounts	32		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per **Pankaj Chadha**
Partner
Membership No. 091813

Date: May 20, 2021
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Associate
Vice President- Finance

Consolidated Statement of Changes In Equity

for the year ended March 31, 2021

A) Equity Share Capital

Particulars	Numbers	Amount (₹ in crores)
As at April 01, 2019	**625,472,910**	**62.55**
Add: Exercise of employee stock purchase plan - proceeds received	329,924	0.03
As at March 31, 2020	**625,802,834**	**62.58**
Add: Exercise of employee stock purchase plan - proceeds received	210,172	0.02
As at March 31, 2021	**626,013,006**	**62.60**

B) Other Equity

(₹ in crores)

Particulars	Attributable to equity shareholders of parent company						
	Reserves and surplus					Items of OCI	Total
	Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding account	Retained earnings	Foreign currency translation reserve	
As at April 01, 2019	**7.63**	**56.40**	**722.72**	**0.27**	**3,347.25**	**0.76**	**4,135.03**
Profit for the year	-	-	-	-	735.35	-	735.35
Other comprehensive income for the year							
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	(3.73)	-	(3.73)
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	-	0.50	0.50
Total Comprehensive income for the year							**732.12**
Transaction with owners in their capacity as owners:							
Final Dividend paid for the financial year ended March 31,2019	-	-	-	-	(281.61)	-	(281.61)
Dividend distribution tax on Final Dividend	-	-	-	-	(57.89)	-	(57.89)
Interim Dividend paid during the year	-	-	-	-	(250.32)	-	(250.32)
Dividend distribution tax on interim dividend	-	-	-	-	(51.45)	-	(51.45)
Employee stock option expense	-	-	-	0.37	-	-	0.37
Addition on equity shares issued under employee stock purchase plan	-	24.18	-		-	-	24.18
Transfer to statement of profit and loss account on account of liquidation of group companies	-	-	-	-	-	(1.45)	(1.45)
As at March 31, 2020	**7.63**	**80.58**	**722.72**	**0.64**	**3,437.60**	**(0.19)**	**4,248.98**
Profit for the year	-	-	-	-	1,044.31	-	1,044.31
Other comprehensive income for the year					-	-	-
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-	(2.02)	-	(2.02)
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	-	0.43	0.43

Consolidated Statement of Changes In Equity

for the year ended March 31, 2021

(₹ in crores)

Particulars	Attributable to equity shareholders of parent company						
	Reserves and surplus					Items of OCI	Total
	Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding account	Retained earnings	Foreign currency translation reserve	
Total Comprehensive income for the year							**1,042.72**
Transaction with owners in their capacity as owners:							
Interim Dividend paid during the year	-	-	-	-	(187.80)	-	(187.80)
Equity shares issued under employee stock purchase plan	-	9.80	-	0.01	-	-	9.81
Options lapsedduring the year	-	-	-	(0.01)	-	-	(0.01)
As at March 31, 2021	**7.63**	**90.38**	**722.72**	**0.64**	**4,292.09**	**0.24**	**5,113.70**

Summary of significant accounting policies	2
Commitments and contingencies	31
Other notes on accounts	32

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per **Pankaj Chadha**
Partner
Membership No. 091813

Date: May 20, 2021
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Associate
Vice President- Finance

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax from continued operations	1,437.55	904.37
	Profit before tax from discontinued operations	-	(0.26)
	Profit before tax for the year	**1,437.55**	**904.11**
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation expense	248.91	217.97
	Loss /(gain) on disposal of property, plant and equipment (net)	(40.39)	6.73
	Unrealized foreign exchange loss /(gain) (net)	1.30	(1.31)
	Exchange difference on translation of financial statements foreign operations	(0.43)	(0.50)
	Impairment allowance for trade receivables and other assets - credit impaired	24.48	18.23
	Impairment of investment in joint venture	1.10	-
	Bad debts written off	1.43	0.82
	Unwinding of discount on long term provisions	4.21	3.55
	Discounting of long term warranty provision	(6.24)	(4.21)
	Lease rent concession	(2.54)	-
	Interest income on bank deposits and investment	(99.46)	(69.58)
	Interest expenses	58.29	5.17
	Interest on lease liability	9.68	10.92
	Liabilities no longer required written back	(4.49)	(4.33)
	Employee stock option expense	-	0.37
	Operating Profit before working capital changes	**1,633.40**	**1,087.94**
	Movement in working capital		
	(Increase)/ Decrease in trade receivables and contract assets	(331.88)	156.58
	(Increase)/ Decrease in financial assets	2.82	(1.88)
	(Increase)/ Decrease in non-financial assets	32.46	(20.73)
	(Increase)/ Decrease in inventories	(748.01)	47.09
	Increase/ (Decrease) in trade payables	182.05	(148.76)
	Increase/ (Decrease) in financial liabilities	81.70	(45.71)
	Increase/ (Decrease) in non-financial liabilities and contract liabilities	10.80	(8.08)
	Increase/ (Decrease) in provisions	69.73	0.11
	Cash generated from in operations	**933.07**	**1,066.56**
	Income tax paid (net of refunds)	(272.74)	(239.85)
	Net Cash flow from Operating Activities (A)	**660.33**	**826.71**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and intangible assets	(249.89)	(360.93)
	Receipt of grant related to assets	30.90	-
	Proceeds from sale of property, plant and equipment	96.32	1.69
	Investment in fixed deposits with the bank and financial institution made during the year	(729.64)	(250.87)
	Interest on fixed deposit and investment received	89.46	62.46
	Net Cash flow used in Investing Activities (B)	**(762.85)**	**(547.65)**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from exercise of employee stock purchase plan - share capital	0.02	0.03
	Proceeds from exercise of employee stock purchase plan - security premium received	9.80	24.18
	Payment of principal portion of lease liabilities	(27.19)	(28.75)
	Payment of interest portion of lease liabilities	(9.68)	(10.92)
	Proceeds from issue of Commercial Paper {Refer 10(C)}	488.25	-
	Proceeds from short term borrowing {Refer 10(C)}	500.00	-
	Proceeds from long term borrowing	500.00	-
	Repayment of short term borrowing {Refer 10(C)}	(500.00)	-
	Repayment of long term borrowing	(49.50)	(54.00)

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Repayment of Commercial Paper {Refer 10(C)}	(488.25)	
Interest paid	(45.88)	(5.17)
Final Dividend paid to equity shareholders of the Parent Company (including Dividend Distribution Tax)	-	(339.50)
Interim Dividend paid to equity shareholders of the Parent Company (including Dividend Distribution Tax)	(187.80)	(301.77)
Net Cash flow from Financing Activities (C)	**189.77**	**(715.90)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**87.25**	**(436.84)**
Cash and cash equivalents at the beginning of the year	267.70	704.54
Net foreign exchange differences on cash and cash equivalents held in foreign currency	(0.33)	-
Cash and Cash Equivalents at the end of the year	**354.62**	**267.70**

Notes :

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".

2 Components of cash and cash equivalents :-

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Balances with banks:		
Current accounts	26.06	38.13
Cash credit accounts	32.09	54.10
Fixed deposits account with a original maturity of less than three months	296.37	175.35
Cash on hand	0.10	0.12
	354.62	**267.70**

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per **Pankaj Chadha**
Partner
Membership No. 091813

Date: May 20, 2021
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Associate
Vice President- Finance

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

1 CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Havells India Limited (""the Parent Company"") and its subsidiaries (collectively, ""the Group"") for the year ended March 31, 2021. Havells India Limited ('the Parent Company') is a public limited Group domiciled in India and incorporated on August 08, 1983 under the provisions of the Companies Act, 1956 having its registered office at 904, 9th Floor, Surya Kiran Building, K.G. Marg, Connaught Place, New Delhi-110001. The parent company is listed on BSE Limited and National Stock Exchange of India Limited.

The Group is consumer electrical/electronics and power distribution equipment manufacturer with products ranging from Industrial and Domestic Circuit Protection Switchgears, Cables, Motors, Pumps, Solar Products, Fans, Power Capacitors, LED Lamps and Luminaries for Domestic, Commercial and Industrial applications, Modular Switches, Water Heaters, Coolers and Domestic Appliances, Personal Grooming, Air Purifier, Water Purifier, Air conditioner, Television, Washing machine and Refrigerator covering the entire range of household, commercial and industrial electrical needs.

The Group's manufacturing facilities are located at Faridabad in Haryana, Alwar, Ghiloth and Neemrana in Rajasthan, Haridwar in Uttarakhand, Sahibabad in Uttar Pradesh and Baddi in Himachal Pradesh. The research and development facilities are located in Noida (Uttar Pradesh) and Bangalore.

The Group along with its subsidiaries and its joint venture has been collectively hereinafter referred to as "the Group". These consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 20, 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) consolidated financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

New and amended standards adopted by the Group

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116

The 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.

2.01 Basis of preparation of Consolidated Financial Statements

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These Consolidated financial statements are presented in INR and all values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

The financial statements have been prepared on a historical cost convention, except for the following assets and liabilities:

i) Certain financial assets and liabilities measured at fair value

ii) Assets held for sale-measured at fair value less cost to sell

iii) Defined benefit plans-plan assets measured at fair value

iv) Share based payments

2.02 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.03 Basis of Consolidation

The consolidated financial statements comprises the financial statement of the Havells India Limited ('the Parent company') and subsidiaries (collectively ""the Group) as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee

(ii) Rights arising from other contractual arrangements

(iii) The Group's voting rights and potential voting rights

(iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent company to enable the parent company to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transaction or event between the date of those financial statement and date of financial statement of parent company.

2.04 Consolidation Procedure :

(A) Subsidiaries:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary

(ii) Derecognises the carrying amount of any non-controlling interests

(iii) Derecognises the cumulative translation differences recorded in equity

(iv) Recognises the fair value of the consideration received

(v) Recognises the fair value of any investment retained

(vi) Recognises any surplus or deficit in profit or loss

(vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets or liabilities.

(B) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

If Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment less cost to sell is recognised in profit or loss.

The Group discontinue the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate and joint venture held for sale at the lower of its carrying amount and fair value less cost to sell.

(C) Business combination and goodwill

Business combinations other than those under common control transactions are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. In respect to the business combination for acquisition of subsidiary, the Group has opted to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated as mentioned hereinafter

(i) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 "Income Tax" and Ind AS 19 "Employee Benefits" respectively.

(ii) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

(iii) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date.

(iv) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 ""Non-current Assets Held for Sale"" and Discontinued Operations are measured in accordance with that standard.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(v) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

(D) Change in ownership interest

The Group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the Group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

2.05 Property, plant and equipment

Freehold Land is carried at historical cost. All other items of Property, Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The historical cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of item can be measured reliably.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on prorata basis on straight-line method using the useful lives of the assets estimated by management . The useful life is as follows:

Assets	Useful life (in Years)
Building	30 and 60
Plant and Equipments	15
Moulds and Dies	6
Furniture and Fixtures	10
Vehicles	8 and 10
R &D Equipment's	5 and 15
Office Equipment's	3 and 5
Mobile Phones	3
Electric Fans and Installations	3 and 10
Computers	3
Laptops	4

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

The useful lives have been determined based on technical assessment made by management. In respect of moulds and dies, mobile phones and laptops, useful lives are lower than those specified by schedule II to the Companies Act 2013 and are depreciated over the estimated useful lives of 6 years, 3 years and 4 years respectively, in order to reflect the actual usage of assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful lives are reviewed, and adjusted if appropriate.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their initial agreement period unless the entity expects to use the asset beyond the lease term.

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

2.06 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost of intangible assets acquired in business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The Group has separately acquired brand. The Group has assessed indefinite life for such brand considering the expected usage, expected investment on brand, business forecast and challenges to establish a premium electronic segment. These are carried at historical cost and tested for impairment annually.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life as under:

Assets	Useful life (in years)
Computer Software	6
R&D Software	6
Distributor/ Dealer Network	8
Non-Compete Fee	7
Brand and Trademarks	Indefinite

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sale the asset;

iv) How the asset will generate future economic benefits;

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

v) The availability of adequate resources to complete the development and to use or sale the asset; and

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life and is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.07 Impairment of non-financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired."

2.08 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 'Revenue from contracts with customers'.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) **Business Model Test :** The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and;

b) **Cash flow characteristics Test:** The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) **Business Model Test :** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

b) **Cash flow characteristics Test:** The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Embedded Derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets

In accordance with IND AS 109, the Group applies expected credit losses(ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of Ind AS 116-Leases

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

(a) **Financial assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

(b) **Loan commitments and financial guarantee contracts:** ECL is presented as a provision in the balance sheet, i.e. as a liability.

(c) **Debt instruments measured at FVTOCI:** For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the accumulated impairment amount.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

(i) Financial liabilities at fair value through profit or loss

(ii) Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. the Group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

Trade and other payables

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the term of contract with suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using effective interest rate method.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Reclassification of financial assets/ financial liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.09 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

(i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

(ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

(iii) Hedges of a net investment in a foreign operation.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.10 Inventories

(a) Basis of valuation

i) Inventories other than scrap materials are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost unless the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

ii) Inventory of scrap materials have been valued at net realizable value.

b) Method of Valuation

i) Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

iii) Cost of traded goods has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.11 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is considered highly probable. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell . Any expected loss is recognized immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

i) The appropriate level of management is committed to a plan to sell the asset

ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable)

iii) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

2.12 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income Tax expense for the year comprises of current tax and deferred tax.

a) Current Income Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity).Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognised in profit or loss.

2.13 Revenue from contract with customers

The Group manufactures/ trades and sells a range of consumer electrical and electronic products. Revenue from contracts with customers involving sale of these products is recognized at a point in time when control of the product has been transferred, and there are no unfulfilled obligation that could affect the customer's acceptance of the products which usually happen on delivery of goods. Delivery occurs when the products are shipped to specific location and control has been transferred to the customers. The Group also provides installation, annual maintenance and warranty services that are either sold separately or bundled together with the sale of goods. The Group recognizes these service revenue from sales of services over a period of time, because the customer simultaneously receives and consumes the benefits provided by the Group. The Group has objective evidence that all criterion for acceptance has been satisfied. A receivable is recognised when the control of the product is transferred as the consideration is unconditional and payment becomes due upon passage of time as per the terms of contract with customers.

(a) Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations.

The Group considers, whether there are other promises in the contract in which their are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group allocates a portion of the transaction price to different performance obligations bases on its relative standalone prices and also considers the following:-

(i) Variable consideration

The Group recognizes revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, reimbursement, investments etc. Revenue from contract with customer is presented after deducting cost of all these schemes.

(ii) Warranty obligations

The Group generally provides for warranties for general repair of defects. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), consistent with its current practice. However, in certain non-standard contracts in respect of sale of consumer durable goods, the Group provides extended warranties and such warranties are termed as service-type warranties and therefore, accounted for as separate performance obligations to which the Group allocates a portion of the transaction price. Revenue from service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

(iii) Significant Financing Components

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle. In respect of long term contracts, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance).

(b) Sale of service

The Group provides installation, annual maintenance and extended warranty services that are either sold separately or bundled together with the sale of goods. Contracts for bundled sales of equipment and installation services are comprised of two

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

performance obligations because the equipment and installation services are both sold on a stand-alone basis and are distinct within the context of contract. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services The Group recognizes revenue from sales of services over time, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from services related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

(c) Contract balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Group satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

2.14 Other Income

(a) Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

2.15 Others operating income

(a) Export benefit

Revenue from export benefits arising from Duty entitlement pass book (DEPB scheme), duty drawback scheme, merchandise export incentive scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

(b) Government Grants

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grant related to the non-monetary asset are recognised at nominal value and presented by deducting the same from carrying amount of related asset and the grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

2.16 Retirement and other employee benefits

i) Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(ii) Other long-term employee benefit obligations

a) Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is managed by Trust with its investments maintained with Bajaj Allianz Life Insurance Co. Ltd. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Group contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

b) Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

b) Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. the Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

c) Other employee benefits

The parent company (''Havells India Limited") provides long term incentive plan to employees via equity settled share based payments as enumerated below:

(i) Havells Employee Long Term Incentive Plan: The fair value of options granted under this option plan is recognised as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments when grant is made. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At end of the reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with corresponding adjustment to equity.

(ii) Havells Employee Stock Purchase Plan: These are in nature of employee benefit wherein employees (including senior executives) of the Group purchase shares of the Group at fair value on the grant cum allotment date and receives remuneration in the form of ex-gratia equivalent to predefined percentage of purchase price paid by designated employee subject to serving of relevant period of service after the grant cum allotment date. These are recognised at fair value of shares granted and allotted as employee benefit expense over the period of employee serving relevant period.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

2.17 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group's lease asset classes primarily comprise of lease for land and building. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. As practical expedient of Ind AS 116 "Leases", the Group has considered Covid-19-related rent concessions not to be lease modification, hence the income towards rent concession is recognised in "Other Income" in the statement of profit and loss account.

i) Right-of-use assets (ROU)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the building (i.e. 30 and 60 years)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

The Group classifies ROU assets as part of Property plant and equipment in Balance Sheet and lease liability in "Financial Liability".

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products/services. Further:

1 Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter - segment revenue.

2 Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

3 Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.

4 Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.

5 Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

6 Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

2.19 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.20 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

2.21 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

2.22 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's financial statements are presented in Indian rupee (INR) which is also the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(iii) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Group Companies

On consolidation, the results and financial position of foreign operations that have a functional currency different from the presentation currency (INR) are translated to the presentation currency (INR) in the following manner:

a) Assets and liabilities are translated at the rate of exchange prevailing at the reporting date

b) Their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions

c) All resulting exchange differences arising on translation of financial statement of foreign operations for consolidation are recognised in other comprehensive income.

d) On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

e) Any Goodwill arising on the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

f) Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

2.23 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty Provisions

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. the Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to seven years.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Provision for E-Waste

Provision for E-Waste management costs are recognized when the liability in respect of products sold to customer is established in accordance with E-waste Management Rules, 2016 as notified by Government of India. Initial recognition is based on liability computed based on Extended Producer Responsibility as promulgated in said Rules including cost to comply the said regulation and as reduced by expected realisation of collectable waste. The Group has assessed the liability to arise on year to year basis.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.24 Dividend Distributions

The Group recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.25 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted(unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.26 Business Combinations

(i) Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

(ii) Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interests method as enumerated below:

a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

c) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

d) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with corresponding balance appearing in the financial statements of the transferee or is adjusted against revenue reserve.

e) The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

f) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to revenue reserves.

2.27 Significant accounting judgements, estimates and assumptions

The preparation of these consolidated financial statements requires the management to make judgments, use estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Refer to Note 32(11) for information on potential future rental payments relating to periods following the

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

exercise date of extension and termination options that are not included in the lease term.

b) Revenue from contract with customers

The Group applied judgements that affect the determination of the amount and timing of revenue from contracts with customers, such as identifying performance obligations in a bundled sales transactions, wherein, the Group sell goods and maintenance/ warranty services separately or bundled together with sales of goods. In certain non-standard contracts, where the Group provides extended warranties in respect of sale of consumer durable goods, the Group allocates the portion of the transaction price to goods based on its relative consolidated prices. Also, certain contracts of sale includes volume rebates that give rise to variable consideration. In estimating the variable consideration the Group has used a combination of most likely amount method and expected value method. Further, as the case may be, in respect of long term contracts, the Group has used the incremental borrowing rate to the discount the consideration as this is the rate which commensurate with rate that would be reflected in separate financing arrangement between the Group and its customer.

c) Taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. (Refer Note 16)

d) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Future salary increases and pension increases are based on expected future inflation rates for India. Further details about the assumptions used, including a sensitivity analysis, are given in Note 32(5).

e) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

g) Impairment of Non-Financial assets

The Group assesses at each reporting date whether there is an indication that an asset including intangible assets having indefinite useful life and goodwill may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are estimated based on past rend and discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

h) Provision for warranty and e- waste

Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. In respect of e-waste, management calculates the obligation in accordance with E-Waste management Rules, 2016 and accounts/fulfil the obligation on its own account or on 3rd party service provider. It is adjusted to account for unusual factors related to the goods that were sold, such as defective inventory lying at the depots. The warranty/e-waste claims may not exactly match the historical warranty/e-waste percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. The assumptions are consistent with prior years. (Refer Note 19)

i) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 32(11)(b).

j) Property, Plant and Equipment and intangible assets

Property, Plant and Equipment represent significant portion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Group's assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology.

2.28 Standards issued but not effective

There are no standards that are issued but not yet effective on March 31, 2021.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

3 PROPERTY, PLANT AND EQUIPMENT

(₹ in crores)

Particulars	Freehold Land	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Moulds and Dies	Furniture and fixtures	Vehicles	R & D Equipment's	Office Equipment's	Electrical Installations	Right of use asset		Total	Capital Work in progress	Grand Total
												Leasehold Land	Leasehold Building			
Gross carrying amount (at cost)																
At April 1, 2019	**27.28**	**185.38**	**706.04**	**16.81**	**580.30**	**143.25**	**39.02**	**12.11**	**25.34**	**92.09**	**42.53**	**-**	**-**	**1,870.15**	**232.15**	**2,102.30**
Reclassified on account of adoption of Ind AS 116 "Leases" {refer note (ii)(c) below}	-	(185.38)	-	-	-	-	-	-	-	-	-	176.98	-	**(8.40)**	-	**(8.40)**
Transition impact on account of adoption of Ind AS 116 "Leases"	-	-	-	-	-	-	-	-	-	-	-	-	129.59	**129.59**	-	**129.59**
Additions	-	-	85.37	0.77	254.19	83.67	8.45	1.38	14.09	19.18	4.72	40.82	24.95	**537.59**	58.66	**596.25**
Disposals/adjustments	-	-	1.50	(4.20)	(0.73)	(0.31)	(0.39)	(0.67)	(0.10)	(2.40)	(1.02)	-	(1.36)	**(9.68)**	(208.04)	**(217.72)**
Transfers to assets classified as held for sale	-	-	(1.17)	-	(4.15)	(0.98)	(0.44)	-	(1.28)	(0.87)	(0.11)	-	-	**(9.00)**	-	**(9.00)**
At March 31, 2020	**27.28**	**-**	**791.74**	**13.38**	**829.61**	**225.63**	**46.64**	**12.82**	**38.05**	**108.00**	**46.12**	**217.80**	**153.18**	**2,510.25**	**82.77**	**2,593.02**
Additions	-	-	35.57	1.45	41.81	79.56	10.03	-	4.08	12.12	3.19	39.58	56.96	**284.35**	143.34	**427.69**
Recognition of grant related to assets {Refer note (vi) below}	-	-	(0.21)	-	(3.08)	(2.83)	(0.69)	-	-	(1.17)	(0.26)	(17.71)	-	**(25.95)**	-	**(25.95)**
Disposals/adjustments	-	-	(52.02)	(1.67)	(0.94)	(1.37)	(2.45)	(0.08)	-	(1.79)	(2.23)	(11.39)	(27.64)	**(101.58)**	(139.85)	**(241.43)**
Transfers to assets classified as held for sale	-	-	-	-	(8.21)	(5.54)	-	-	-	(0.19)	-	-	-	**(13.94)**	-	**(13.94)**
At March 31, 2021	**27.28**	**-**	**775.08**	**13.16**	**859.19**	**295.45**	**53.53**	**12.74**	**42.13**	**116.97**	**46.82**	**228.28**	**182.50**	**2,653.13**	**86.26**	**2,739.39**
Accumulated Depreciation																
At April 1, 2019	**-**	**8.40**	**100.19**	**4.92**	**181.93**	**61.72**	**12.25**	**5.60**	**6.20**	**41.95**	**13.33**	**-**	**-**	**436.49**	**-**	**436.49**
Reclassified on account of adoption of Ind AS 116 "Leases" {refer note (ii)(c) below}	**-**	(8.40)	-	-	-	-	-	-	-	-	-	-	-	**(8.40)**	-	**(8.40)**
Charge for the year	**-**	-	28.78	2.57	62.11	24.77	4.57	1.71	5.12	19.57	4.54	2.16	36.53	**192.43**	-	**192.43**
Disposals/adjustments	**-**	-	0.82	(1.52)	(0.52)	(0.14)	(0.28)	(0.60)	(0.08)	(2.03)	(0.24)	-	(0.38)	**(4.97)**	-	**(4.97)**
Transfers to assets classified as held for sale	**-**	-	(0.10)	-	(2.12)	(0.76)	(0.23)	-	(0.89)	(0.75)	(0.04)	-	-	**(4.89)**	-	**(4.89)**
At March 31, 2020	**-**	**-**	**129.69**	**5.97**	**241.40**	**85.59**	**16.31**	**6.71**	**10.35**	**58.74**	**17.59**	**2.16**	**36.15**	**610.66**	**-**	**610.66**
Charge for the year	-	-	30.44	1.73	76.82	39.92	5.12	1.41	6.17	20.97	5.29	2.44	32.48	**222.79**	-	**222.79**
Disposals/adjustments	-	-	(11.56)	(0.84)	(0.66)	(1.14)	(1.28)	(0.07)	-	(1.48)	(1.92)	(0.89)	(9.02)	**(28.86)**	-	**(28.86)**
Transfers to assets classified as held for sale	-	-	-	-	(7.63)	(4.52)	-	-	-	(0.14)	-	-	-	**(12.29)**	-	**(12.29)**
At March 31, 2021	**-**	**-**	**148.57**	**6.86**	**309.93**	**119.85**	**20.15**	**8.05**	**16.52**	**78.09**	**20.96**	**3.71**	**59.61**	**792.30**	**-**	**792.30**
Net carrying amount																
At March 31, 2020	**27.28**	**-**	**662.05**	**7.41**	**588.21**	**140.04**	**30.33**	**6.11**	**27.70**	**49.26**	**28.53**	**215.64**	**117.03**	**1,899.59**	**82.77**	**1,982.36**
At March 31, 2021	**27.28**	**-**	**626.51**	**6.30**	**549.26**	**175.60**	**33.38**	**4.69**	**25.61**	**38.88**	**25.86**	**224.57**	**122.89**	**1,860.83**	**86.26**	**1,947.09**

Notes:

(i) All property, plant and equipment (excluding "Right of Use" are held in name of the Group, except:
  (a) Building situated, at Sahibabad, net block amounting to ₹ 26.74 Crores constructed on the land taken on lease by the Group from its related party for which lease deed is yet to be registered with the appropriate authority.
  (b) Freehold land, located at Samaypur Badli, Delhi, net block amounting to ₹ 15.89 Crores (March 31, 2020: ₹ 15.89 Crores) and building constructed on such land, net block amounting to ₹ 1.05 Crores (March 31, 2020: ₹ 1.28 Crores) which is pending for registration with appropriate authority.

(ii) Right of Use asset includes:-
  (a) "Leasehold Land" represents land obtained on long term lease from various Government authorities.
  (b) Leasehold Building represents properties taken on lease for its offices and warehouses accounted for in accordance with principle of Ind AS 116 'Leases' . Refer Note 32(4)
  (c) During the previous year the net block of Leasehold land of ₹ 176.98 crores (Gross block - ₹ 185.28 crores and accumulated depreciation - ₹ 8.40 crores) was reclassified to "Right of Use" assets on account of adoption of Ind AS 116 "Leases".

(iii) Capital work in progress as at March 31, 2021 includes assets under construction at various plants including air conditioners, water heater, cable and wires and switch gears, etc. Adjustment in relation to capital work in progress relates to addition in property, plant and equipment made during the year.

(iv) Plant and machinery, generators, furniture and fixtures, electric fans and installations has been pledged/hypothecated as security by the Group {refer note 31(C)}.

(v) Disclosure of Contractual commitment for the acquisition of property plant and equipment has been provided in note 31(B).

(vi) During the current year, the Group has recognised the grants related to assets in accordance with IND AS 20 - "Government Grant" as reduction from carrying value of assets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

4 GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ in crores)

Particulars	Computer Software	R & D Software	Trademarks	Distributor/ Dealer Network	Non-compete Fee	Total Other Intangible Asset	Goodwill	Intangibles assets under development	Total Intangible Asset
Gross carrying amount (at cost)									
At April 1, 2019	**45.26**	**7.27**	**1,029.00**	**82.40**	**58.50**	**1,222.43**	**310.47**	**0.51**	**1,533.41**
Additions	3.88	1.31	-	-	-	**5.19**	-	3.30	**8.49**
Disposals/adjustments	(0.05)	-	-	-	-	**(0.05)**	-	(0.45)	**(0.50)**
At March 31, 2020	**49.09**	**8.58**	**1,029.00**	**82.40**	**58.50**	**1,227.57**	**310.47**	**3.36**	**1,541.40**
Additions	4.83	1.08	-	-	-	**5.91**	-	1.28	**7.19**
Recognition of grant related to assets {Refer note 3 (vi)}	(0.17)	-	-	-	-	**(0.17)**	-	-	**(0.17)**
Disposals/adjustments	(0.03)	-	-	-	-	**(0.03)**	-	(0.99)	**(1.02)**
At March 31, 2021	**53.72**	**9.66**	**1,029.00**	**82.40**	**58.50**	**1,233.28**	**310.47**	**3.65**	**1,547.40**
Amortization									
At April 1, 2019	**23.99**	**3.12**	**-**	**19.60**	**15.86**	**62.57**	**-**	**-**	**62.57**
Charge for the year	5.71	1.17	-	10.30	8.36	**25.54**	-	-	**25.54**
Disposals/adjustments	(0.05)	-	-	-	-	**(0.05)**	-	-	**(0.05)**
At March 31, 2020	**29.65**	**4.29**	**-**	**29.90**	**24.22**	**88.06**	**-**	**-**	**88.06**
Charge for the year	6.19	1.27	-	10.30	8.36	**26.12**	-	-	**26.12**
Disposals/adjustments	(0.03)	-	-	-	-	**(0.03)**	-	-	**(0.03)**
At March 31, 2021	**35.81**	**5.56**	**-**	**40.20**	**32.58**	**114.15**	**-**	**-**	**114.15**
Net carrying amount									
At March 31, 2020	**19.44**	**4.29**	**1,029.00**	**52.50**	**34.28**	**1,139.51**	**310.47**	**3.36**	**1,453.34**
At March 31, 2021	**17.91**	**4.10**	**1,029.00**	**42.20**	**25.92**	**1,119.13**	**310.47**	**3.65**	**1,433.25**

Notes: -

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill of ₹ 310.47 crores and Trademarks of ₹ 1,029.00 crores acquired on acquisition of Lloyd business having indefinite useful lives as assessed by the management have been allocated to a separate single cash generating unit (CGU) i.e. LLOYD consumer which is also an operating and reportable segment, for impairment testing. The Group has performed an annual impairment test to ascertain the recoverable amount of CGU. The recoverable amount is determined based on value in use calculation. These calculations uses management assumptions and pre tax cash flow projections based on financed budgets approved by management generally covering over a period of 5 years. Cash flow projection beyond 5 years time period are extrapolated using the estimated growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. Further the management have factored the impact of COVID-19 on the cash flow projections used in assessment of recoverable amount of CGU . Therefore, Trademark is carried at cost without amortisation but instead of impairment. Management has determined following assumptions for impairment testing of CGU as stated below:-

Assumption	March 31, 2021	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax(discount rate)	13.50%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	5.00%	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The calculations performed indicate that there is no impairment of CGU of the Group. Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of CGU. Based on this analysis, management believes that change in any of above assumption would not cause any material possible change in carrying value of unit's CGU over and above its recoverable amount.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

5 CONTRACT BALANCES

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(A)	**Trade Receivables {refer note (a) below and note 10(B)}**	567.05	249.62
		567.05	**249.62**
(B)	**Contract Assets (Unsecured, considered good) {refer note (b)}**	69.90	80.59
		69.90	**80.59**
	Non-current portion	49.79	60.58
	Current portion	20.11	20.01
(C)	**Contract liability {refer note (c) and note 22(v) }**	14.11	20.06
		14.11	**20.06**
	Non-current portion	4.57	4.32
	Current portion	9.54	15.74

Notes:

(a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.

(b) During the earlier years, the Group had entered in to an agreement with customer wherein the Group had identified multiple performance obligations in contract as per Ind AS 115 "Revenue from contract with customers". The Group's right to receive consideration is conditional upon satisfaction of all performance obligations. Accordingly, the Group has recognised contract asset in respect of performance obligation satisfied during the year. Contract assets are in the nature of unbilled receivables, which arises when Group satisfies a performance obligation but does not have an unconditional rights to consideration. Contract assets have decreased in the current year on account of change in the time frame for a" right to consideration" become unconditional.

(c) The Group has entered into the agreements with customers for sales of goods and services. The Group has identified these performance obligations and recognised the same as contract liabilities in respect of contracts, where the Group has obligation to deliver the goods and perform specified services to a customer for which the Group has received consideration. There has been no significant change in the contract liabilities.

6 NON-CURRENT FINANCIAL ASSETS

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(A)	**Trade receivables (valued at amortised cost)**		
	Unsecured {refer note 10(B)}		
	Trade receivables from contract with customers - considered good	3.32	7.96
		3.32	**7.96**
(B)	**Other financial assets (valued at amortised cost)**		
	Unsecured, considered good		
	Earnest money and Security Deposits	20.17	21.37
		20.17	**21.37**

7 OTHER NON-CURRENT ASSETS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Capital advances	14.81	10.16
Others		
Prepaid expenses	6.17	5.84
Deposits with Statutory and Government authorities	33.64	34.67
	54.62	**50.67**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

8 NON-CURRENT TAX ASSET (NET)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Income tax assets (net of provision for income tax)	23.56	16.53
	23.56	**16.53**

9 INVENTORIES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw materials and components	635.71	427.67
Work-in-progress	167.53	100.52
Finished goods	1,211.73	836.99
Traded goods	542.66	459.30
Stores and spares	25.40	21.02
Loose Tools	0.86	2.02
Packing materials	21.09	15.41
Scrap materials	14.91	8.95
	2,619.89	**1,871.88**

Notes:

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
(a)	The above includes goods in transit as under:		
	Raw Materials	110.61	81.64
	Finished goods	136.37	44.86
	Traded goods	44.04	63.62
(b)	The stock of scrap materials have been taken at net realisable value.		
(c)	Inventories are hypothecated with the bankers against working capital limits. {Refer note 31(C)}		
(d)	During the year ₹ Nil (March 31, 2020 : ₹ 16.69 Crores) was recognised as an expense for inventories carried at the net realisable value.		

10 CURRENT FINANCIAL ASSETS

(A) Current Investment (valued at amortised cost)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Deposits account with financial institution with original maturity of more than three months but less than twelve months {refer note (a)}	154.77	-
Deposits account with financial institution with original maturity of more than twelve months {refer note (a)}	151.53	-
	306.30	**-**

Notes:

(a) The deposits maintained by the Group with financial institution comprise of the time deposits and are made of varying periods between one day to twelve months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(B) Trade Receivables (valued at amortised cost)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Trade receivables from contract with customers - considered good	567.05	249.62
Trade receivables from contract with customers - credit impaired	69.35	44.87
Trade receivables (gross)	**636.40**	**294.49**
Less : Impairment allowance for trade receivables	69.35	44.87
Trade receivables (net)	**567.05**	**249.62**
Current portion	563.73	241.66
Non-current portion	3.32	7.96

Notes:

(a) Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

(b) Neither trade nor other receivables are due from directors or other officers of the Group either severally or jointly with any other person, Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(c) The Group has availed Receivable Buyout facility from banks against which a sum of ₹ 167.99 crores (March 31, 2020: ₹ 404.31 crores) has been utilised as on the date of Balance Sheet. The Group has assigned all its rights and privileges to the bank and there is no recourse on the Group. Accordingly the amount of utilization has been reduced from trade receivables.

(d) The Group has arranged channel finance facility for its customers from banks against which a sum of ₹ 681.35 crores (March 31, 2020: ₹ 605.99 crores) has been utilised as on the date of Balance Sheet and correspondingly, the trade receivables stand reduced by the said amount as there is no recourse on the Group.

(C) Cash and Cash Equivalents

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
Current accounts	26.06	38.13
Cash credit accounts	32.09	54.10
Deposits with a original maturity of less than three months {refer note (b)}	296.37	175.35
Cash on hand	0.10	0.12
(C)	**354.62**	**267.70**

Notes:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(b) Short-term deposits are made of varying periods between one date to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates.

(c) Changes in liabilities arising from financing activities:

	Long Term Borrowing		Short Term Borrowing		Lease Liability	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening balance	40.50	94.50	-	-	121.61	-
Transition impact on account of adoption of Ind AS 116 {refer Note 32(4)}	-	-	-	-	-	126.80
Addition on account of new leases during the year {refer Note 32(4)}	-	-	-	-	56.84	24.95

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

	Long Term Borrowing		Short Term Borrowing		Lease Liability	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Deletion on account of termination of leases during the year {refer Note 32(4)}	-	-	-	-	(18.06)	(1.39)
Lease Rent Concession	-	-	-	-	(2.54)	-
Cash Inflow from Borrowings	500.00		500.00			
Cash inflow from issue of commercial paper {refer note (a)} below	-	-	488.25	-	-	-
Cash outflows	(49.50)	(54.00)	(988.25)	-	(27.19)	(28.75)
Interest expense	25.04	5.17	22.04	-	9.68	10.92
Interest paid	(23.84)	(5.17)	(22.04)	-	(9.68)	(10.92)
Closing balance	**492.20**	**40.50**	**-**	**-**	**130.66**	**121.61**
Non-current Borrowing {refer note 14 (A)}	393.65	-	-	-	-	-
Non-current lease liability {refer note 14 (B)}	-	-	-	-	101.51	89.74
Current maturity of long term borrowing {refer note 18(C}	98.55	40.50	-	-	-	-
Current maturity of long term lease liability {refer note 18 (A)}	-	-	-	-	29.15	31.87

Notes:

(a) During the year the Group has issued unsecured Commercial Paper (CP) worth ₹ 500 crores at the issue price of ₹ 488.25 crores having maturity date of March 26,2021 . These have been fully repaid on due date including interest thereon.

(b) During the year, the Group has availed short term loan of ₹ 200 crores from HSBC Bank Ltd for general business purpose for a period of 90 days and the same was rolled over for further 90 days .The same has been repaid including interest thereon

(c) During the year, the Group has availed unsecured working capital loan of ₹ 300 crores from DBS bank which was repayable on demand and the Group has repaid fully during the year including interest thereon.

(d) For term loan (refer note 14(A))

(D) Other Bank Balances

(₹ in crores)

	As at March 31, 2021	**As at March 31, 2020**
Deposits account with original maturity of more than three months but less than twelve months {refer note (a)}	384.62	625.58
Deposits account with original maturity of more than twelve months {refer note (b)}	910.68	235.62
Unpaid dividend account {refer note (c)}	2.87	3.63
(D)	**1,298.17**	**864.83**
(C+D)	**1,652.79**	**1,132.53**

Notes:

(a) The deposits maintained by the Group with banks comprise of the time deposits, which may be withdrawn by the Group at any point of time without prior notice and are made of varying periods between one day to twelve months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

(b) Fixed deposit with original maturity of more than twelve months but remaining maturity of less than twelve months have been disclosed under other bank balances.

(c) The Group can utilise the balance towards settlement of unclaimed dividend.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(E) Other Financial Assets (valued at amortised cost)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Earnest money and security deposits	3.91	4.53
Retention money	1.67	1.67
Contractual claims and other receivables	23.14	23.24
Consideration Receivable	17.27	-
	45.99	**29.44**

Notes:

(a) Contractual claims and other receivables includes claims in accordance with contract with vendors.

(b) Consideration receivable includes the amount receivable upon liquidation of joint venture namely "Jiangsu Havells Sylvania Lighting Co. Limited" as per terms agreed with joint venture partner.

11 OTHER CURRENT ASSETS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advances other than capital advances		
Advances for materials and services	17.47	21.44
Others		
Prepaid expenses	24.11	9.49
Duty free licenses in hand	0.19	1.85
Insurance claim receivable	-	0.74
Government grant receivable	23.02	71.18
Balance with Statutory/ Government authorities	46.28	60.62
	111.07	**165.32**

Movement of Government grant receivable

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Opening balance	71.18	41.87
Accrual of Grant related to income (credited to statement of profit and loss account) (refer note 22)	9.87	33.16
Accrual of Grant related to assets	8.41	22.49
Grant related to asset realised	(30.90)	-
Grant related to income realised	(35.54)	(26.34)
Closing Balance	**23.02**	**71.18**

Note: Government grant receivable includes export incentives, Budgetary support for refund of Goods and Service Tax and investment subsidy.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

12 ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment		
Assets retired from active use {refer note (a) below}	0.58	0.95
Investment in joint venture		
Jiangsu Havells Sylvania Lighting Co., Limited {refer note (b) below}	-	18.85
(50% contribution in paid in capital)		
	0.58	**19.80**

Notes:

(a) The Group classified certain items of Property Plant and Equipment retired from active use and investment in joint venture under liquidation and are held for sale recognised and measured in accordance with Ind-AS 105 "Non Current Assets Held For Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. The Group expects to complete the sale by September 2020 (previous year :-September 2019) by selling it in the open market.

(b) In the earlier year, the holding company and its joint venture partner in respect of their joint venture namely "Jiangsu Havells Sylvania Lighting Co. Limited", have applied for liquidation and formed a liquidation committee. Accordingly, the investment in joint venture was classified as asset held for sale, recognised and measured in accordance with Ind-AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. During the current year, final consideration amounting to USD 2.35 million has been agreed between the co-venturers, accordingly the same has been classified to other financial assets {refer note 10(E)(b)}

13 EQUITY

(A) Share Capital

a) Authorized Share Capital

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
1,032,000,000 equity shares of ₹1/- each (March 31,2020: 1,032,000,000 equity shares of ₹1/- each)	103.20	103.20
5,50,000 preference shares of ₹ 10/- each (March 31,2020: 5,50,000 preference shares of ₹ 10/- each)	0.55	0.55
	103.75	**103.75**

b) Issued, subscribed and fully paid-up

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
626,013,006 equity shares of ₹1/- each (March 31, 2020: 625,802,834 equity shares of ₹1/- each)	**62.60**	**62.58**

c) Reconciliation of the shares outstanding at the beginning and at the end of the period/ year

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ in crores	No. of shares	₹ in crores
At the beginning of the year	625,802,834	62.58	625,472,910	62.55
Add: Exercise of Employee stock purchase plan - proceeds received	210,172	0.02	329,924	0.03
	626,013,006	**62.60**	**625,802,834**	**62.58**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

d) Terms/rights attached to equity shares

The Group has only one class of issued share capital i.e. equity shares having a par value of ₹1/- per share (March 31,2020 : ₹1/- per share). Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Details of shareholders holding more than 5% shares in the Group is set out below (representing legal and beneficial ownership):

Name of shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Shri Anil Rai Gupta as Managing Trustee of ARG Family Trust	77,425,200	12.37	77,425,200	12.37
Shri Surjit Kumar Gupta as Trustee of SKG Family Trust	36,432,180	5.82	36,432,180	5.82
QRG Enterprises Limited	189,858,880	30.33	189,858,880	30.34
QRG Investments and Holdings Limited	68,741,660	10.98	68,741,660	10.98
Nalanda India Equity Fund Limited	33,044,930	5.28	33,044,930	5.28

f) Shares reserved for issue under Employee stock purchase plan

Information relating to Employee stock purchase plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period are set out in note 32(8) .

(B) Other Equity

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Capital reserve	7.63	7.63
Securities premium	90.38	80.58
Share option outstanding account	0.64	0.64
General reserve	722.72	722.72
Retained Earnings	4,292.09	3,437.60
Foreign currency translation reserve	0.24	(0.19)
Total other equity	**5,113.70**	**4,248.98**
a) Capital reserve	**7.63**	**7.63**
b) Securities premium account		
Opening balance	80.58	56.40
Add: Exercise of Employee stock purchase plan - proceeds received	9.80	24.18
Closing balance	**90.38**	**80.58**
c) Stock options outstanding account		
Opening balance	0.64	0.27
Add : Employee stock option expense	0.01	0.37
Less: Deletions during the year	(0.01)	-
Closing balance	**0.64**	**0.64**
d) General Reserve	**722.72**	**722.72**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
e) Retained Earnings		
Opening balance	3,437.60	3347.25
Net profit for the year	1,044.31	735.35
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	(2.02)	(3.73)
Dividends		
Final Dividend ₹ Nil per share for 2019-20, (₹ 4.5 per share for FY 2018-19)	-	(281.61)
Dividend distribution tax on final dividend	-	(57.89)
Interim Dividend of Re 3 per share for FY 2020-21 (₹ 4 per share for FY 2019-20)	(187.80)	(250.32)
Dividend distribution tax on interim dividend	-	(51.45)
Closing balance	**4,292.09**	**3,437.60**
f) Currency translation reserves		
Opening balance	(0.19)	0.76
Exchange difference on translation of financial statements of foreign operations	0.43	0.50
Transfer to statement of profit and loss account on account of liquidation of group companies	-	(1.45)
Closing balance	**0.24**	**(0.19)**

(C) Nature and Purpose of Reserves

(a) Capital reserve

During amalgamation/ merger approved by honourable court, the excess of net assets taken over the consideration paid, if any, is treated as capital reserve. This capital reserve has arisen as a result of scheme of amalgamation in the past periods.

(b) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(c) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations adjusted by utilisation of reserve in accordance with scheme of Amalgamation in earlier years. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Group for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(d) Stock options outstanding account

The share option outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock purchase plan.

(e) Foreign currency translation reserve

Exchange differences arising on translation of financial statements foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to statement of profit and loss when net investment is disposed off / liquidated or classified as held for sale.

(f) Retained earnings

Retained Earnings are profits that the Group has earned till date less transfer to General Reserve, dividend or other distribution or transaction with shareholders.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

14 NON CURRENT FINANCIAL LIABILITIES

(A) Borrowings (valued at amortised cost)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Term loans from banks (secured)		
Term loans {refer note (a) to (d) below}	492.20	40.50
	492.20	**40.50**
Non-current portion	393.65	-
Current maturity of long term borrowing {refer note 18(C)}	98.55	40.50

Notes:

(a) The Group has availed a secured loan of ₹ 108 Crores against sanctioned amount of ₹ 300 crores from CITI bank N.A. during financial year 2017-18.The current outstanding and sanctioned amount against the loan is ₹ Nil (March 31,2020; ₹ 40.50 Crores). The loan was obtained for the purpose of reimbursement of prior capital expenditure incurred by the Group during 12 months previous to sanction date. The loan was having 15 months moratorium period and repayable in 8 quarterly instalments thereafter. This loan was secured by way of first exclusive charge by way of a hypothecation over the Group's all movable fixed assets both present and future situated at SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India. The Group has complied with all covenants throughout the reporting period. The said loan has been repaid on due date during the year including interest thereon.

(b) The Group has availed secured loan of ₹ 250 crores (March 31,2020: ₹ Nil) against the sanctioned term loan amount of ₹ 250 crores (March 31,2020:₹ Nil) from CITI Bank N.A. The current outstanding amount against the loan is ₹ 250 Crores (March 31,2020: ₹ Nil). The loan was obtained for the purpose of fresh capital expenditure and reimbursement of prior capital expenditure incurred by the Group during the previous year .The term loan is repayable in 16 equated quarterly instalments commencing from 15th month from first drawdown. This term loan is secured by way of first exclusive charge by way of a hypothecation over the Group's all movable fixed assets both present and future situated at (i) SP 181 to 189 and 191 (A), Industrial Area, Phase II, Neemrana, Alwar, Rajasthan, India (ii) Unit-1 Village Dharampur, Sai Road, Baddi, Dist. Solan, Himachal Pradesh, (iii) Unit-II Village Gulerwala, Dist. Solan, Baddi, Himachal Pradesh, (iv) Unit-I, Sector -10, Plot No 2A, BHEL Complex, Haridwar and (v) Unit-II, Plot No 2A and 2D/1 Sector-10, Sidcul Industrial Area, Haridwar, Uttarakhand.

(c) The Group has availed secured loan of ₹ 250 Crores (March 31,2020 : ₹ Nil) against the sanctioned amount of ₹ 350 crores (March 31,2020: ₹ Nil) from HDFC Bank Limited. The current outstanding amount against the loan is ₹ 241 Crores (March 31,2020: ₹ Nil).The loan was obtained for the purpose of fresh capital expenditure and reimbursement of prior capital expenditure incurred by the Group during 12 months of first drawdown. The term loan is repayable in 16 quarterly instalments over the period of 5 years as per terms of agreement .This loan is secured by way of first exclusive charge by way of a hypothecation over the Group's all movable fixed assets, plant and machinery and all movable properties both present and future situated at (i) A-461/462,SP-215 and 204 & 204A, Matsya Industrial Area, Alwar, Rajasthan and (ii) SP-1-133, General Zone, RIICO Industrial Area, Ghiloth.

(d) The Group has satisfied all debt covenants prescribed in terms of term loan agreements

(B) Lease Liabilities

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Lease Liability {refer note 32(4)}	101.51	89.74
	101.51	**89.74**

(C) Other Financial Liabilities (valued at amortised cost)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Employee stock purchase plan compensation payable	0.58	1.13
Long Term Employee Retention scheme	0.73	-
	1.31	**1.13**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

15 NON-CURRENT PROVISIONS

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Product warranties and E-waste {refer note 19(a)}	58.43	35.57
	58.43	**35.57**

16 INCOME TAXES

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

(a) Income tax expense in the statement of profit and loss comprises :

Continuing Operation

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Current income tax charge	348.03	198.99
Adjustments in respect of current income tax of previous year	(7.38)	-
Total current income tax	**340.65**	**198.99**
Deferred Tax charge / (credit)		
Relating to origination and reversal of temporary differences (refer note (d)	52.59	(30.23)
Income tax expense reported in the statement of profit or loss	**393.24**	**168.76**

(b) Other Comprehensive Income

Current income tax related to items recognised in Other comprehensive income during the year:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Current income tax on re-measurement loss on defined benefit plans	0.68	1.25
Income tax related to items recognised in Other comprehensive income during the year	**0.68**	**1.25**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Accounting Profit before tax from continuing operations	1,437.55	904.37
Accounting Profit before tax from discontinued operations	-	(0.26)
Accounting profit before tax	**1,437.55**	**904.11**
Applicable tax rate	25.168%	25.168%
Computed Tax Expense	**361.80**	**227.55**
Impact of adoption of new tax regime under section 115BAA on deferred tax liability including reversal of MAT credit entitlement	-	(72.35)
Expense not allowed for tax purpose	8.68	14.19
Additional allowances for tax	(0.25)	(0.63)
Impact of amendment in income tax law pursuant to Finance Act, 2021 on deferred tax liability {refer note (ii)}	32.96	-
Utilisation of previously unrecognised tax losses	(9.95)	-
Income tax charged to Statement of Profit and Loss at effective rate of 27.35% (March 31, 2020: 18.66%) (refer note (v) below)	**393.24**	**168.76**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(d) Deferred tax liabilities comprises :

(₹ in crores)

	Balance Sheet		Statement of profit and loss	
	As at March 31, 2021	As at March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Accelerated Depreciation for Tax purposes	368.63	315.47	53.16	(55.23)
Right of Use as per Ind AS 116	30.93	29.45	1.48	29.45
Lease liability as per Ind AS 116	(32.88)	(30.61)	(2.27)	(30.61)
Expenses allowable on payment basis	(11.65)	(17.58)	5.93	1.26
Allowance for doubtful debts	(17.45)	(11.29)	(6.16)	(2.37)
Unabsorbed Depreciation and carried forwarded tax losses	-	-	-	4.82
Other Items giving rise to temporary differences	1.53	1.08	0.45	(0.13)
	339.11	**286.52**	**52.59**	**(52.81)**
MAT credit entitlement	-	-	-	22.58
Deferred tax liabilities (net)	**339.11**	**286.52**	**52.59**	**(30.23)**

(e) Deferred tax liabilities (net)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Opening balance as per last balance sheet	286.52	316.75
Deferred tax charged/(credited) to profit and loss account during the year	52.59	(30.23)
Closing balance	**339.11**	**286.52**

Notes:

(i) The Group has unabsorbed capital loss of ₹ 342.05 crores as on March 31, 2021 (previous year 368.55 crores) out of which capital loss of ₹ 219.75 crores will expire in financial year 2023-24 and capital loss of ₹ 122.30 crores will expire in financial year 2025-26, on which no deferred tax asset has been created by the management due to lack of probability of future capital gain against which such deferred tax assets can be realised. If the Group were able to recognise all unrecognised deferred tax assets, the profit after tax would have increased by ₹ 78.26 crores (Previous year ₹ 85.86 Crore).

(ii) The union budget presented on February 1, 2021 which got enacted on March 28, 2021, made an important change by disallowing depreciation on goodwill for tax deduction retrospectively from April 01, 2020. Accordingly, the tax base of goodwill as on April 01, 2020 has become Nil. As a result of above amendment, there is difference between book base and tax base of goodwill resulting in recognition of deferred tax liability by ₹ 32.96 crores with consequential impact on deferred tax expense.

(iii) During the previous year, the holding company had opted for reduced tax rate as per section 115BAA of the Income Tax Act, 1961 (introduced by the Taxation Laws (Amendment) Ordinance, 2019). Accordingly, the holding company had recognised Provision for Income Tax for that year and re-measured its Deferred tax liability basis the rate prescribed in the said section and unutilised MAT credit entitlement was written off.

(iv) During the previous year, the holding company had paid Final dividend to its shareholders for the year ended March 31, 2019 and Interim Dividend for the year ended March 31,2020. This had resulted in payment of dividend distribution tax (DDT) amounting to ₹ 109.34 crores to the taxation authorities. The holding company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence, DDT paid is charged to equity in the previous year.

(v) Effective tax rate has been calculated on profit before tax.

17 OTHER NON-CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Deferred capital goods credit {refer note 31(E)}	-	17.71
	-	**17.71**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

18 CURRENT FINANCIAL LIABILITIES

(A) Lease Liabilities

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Current maturities of Lease liability {refer note 32 (4)}	29.15	31.87
	29.15	**31.87**

(B) Trade Payables

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	188.78	106.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,408.36	1,307.54
	1,597.14	**1,413.82**

Notes:

(i) Trade Payables include due to related parties ₹ 14.97 crores (March 31, 2020 : ₹ 3.79 crores){refer note 32(7)(D)}

(ii) The amounts are unsecured and non interest-bearing and are usually on varying trade terms

(iii) For terms and conditions with related parties. {refer to note 32(7)}

(iv) Trade payables includes acceptances of ₹ 64.11 Crores (March 31, 2020: ₹ 389.71 crores)

a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006 as at the end of each accounting year:		
	Principal	188.78	106.28
	Interest	-	-
ii)	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are ₹ Nil (March 31, 2020 : ₹ Nil)

(C) Other Financial Liabilities (valued at amortised cost)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Unpaid dividend {refer point (a)}	2.87	3.63
Other payables		
Current Maturity of long term loan {refer note 14(A) }	98.55	40.50
Employee stock purchase plan compensation payable	3.18	3.78
Creditors for capital goods	31.25	39.41

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Retention money	50.96	46.74
Other liabilities		
Payable for services	152.76	111.69
Payable to banks against receivable buyout facilities {refer note (b) below}	28.03	155.28
Sales incentives payable	293.05	113.29
Claims Payable {refer note (c) below}	18.38	18.53
Others {refer note (d) below}	8.33	16.98
	687.36	**549.83**

Notes:

a) Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. The Group has transferred ₹ 0.14 crores (March 31,2020: ₹ 0.11 crore) out of unclaimed dividend to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 of the Companies Act,2013.

b) Monies collected on behalf of banks and remitted after the balance sheet date.

c) Claims payable includes an amount of ₹ 18.38 crores (March 31, 2020 : ₹ 18.53 crores) payable by Group under its Global Sylvania business closure process.

d) Other includes amount against E-waste liability {refer note 19(a)(ii)} and amount refundable to customers.

19 CURRENT PROVISIONS

i) Provision for employee benefits

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Gratuity {refer note no. 32(5)}	18.25	19.08
(A)	**18.25**	**19.08**

ii) Other provisions

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Product warranties and E-waste	226.37	176.94
Litigations	12.93	13.99
(B)	**239.30**	**190.93**
(A) + (B)	**257.55**	**210.01**

a) Provision for warranties and E-waste

(i) Warranties

A provision is recognized for expected warranty claims and after sales services on products sold during the last one to seven years, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within seven years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current sales levels and current information available about defective returns based on one to seven years warranty period for all products sold and are consistent with those in the prior years. The assumptions made in relation to the current year are consistent with those in the prior year.

(ii) E-waste

A provision is recognised for probable e-waste liability based on "Extended Producer Responsibility" as furnished by the Group to Central Pollution Control Board in accordance with E-Waste Management Rules, 2016 notified by Government

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

of India during the year. A provision for the expected costs of management of historical waste is recognised when the costs can be reliably measured. These costs are recognised as 'Other expenses' in the statement of profit and loss. As a part of acquisition of Lloyd business in earlier year, the seller Group had agreed to ensure compliance with " extended producer responsibility" (EPR) in accordance with E- waste management rules, 2016 in respect of sales made by the seller Group in respect of Lloyd consumer durable business prior to date of business acquisition i.e. May 08, 2017 .Further management has assessed liability under E-Waste management rules on year to year basis and same has been accounted for accordingly. Towards this, the seller Group has paid an amount of ₹ 8.09 crore (March 31,2020: ₹ 9.46 crore).

(iii) The table below gives information about movement in Warranty and E-waste provisions:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	212.51	208.74
Addition during the year (refer note 30)	243.37	192.61
Utilized during the year	(175.29)	(192.39)
Unwinding of discount {refer note no. 28}	4.21	3.55
At the end of the year	**284.80**	**212.51**
Current portion	226.37	176.94
Non-current portion	58.43	35.57

b) Provision for litigations

Provision for litigation amounting to ₹ 12.93 Crores (March 31, 2020: ₹ 13.99 Crores) is created against demands raised in various ongoing litigations in ordinary course of business. Based on the facts of the case and legal precedents, the management believes there would be a probable outflow of resources and accordingly, has created a provision in books of account.

The table below gives information about movement in litigation provisions:

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	13.99	7.60
Addition during the year	-	6.39
Utilized during the year	(1.06)	-
At the end of the year	**12.93**	**13.99**
Current portion	12.93	13.99
Non-current portion	-	-

20 CURRENT TAX LIABILITIES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Current tax liabilities (net of advance tax and tax deducted at source)	74.26	-
	74.26	**-**

21 OTHER CURRENT LIABILITIES

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Advances from customers	26.18	38.90
Others		
Goods and Service Tax Payable	40.07	29.79
Other statutory dues payable	56.13	36.94
	122.38	**105.63**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

22 REVENUE FROM OPERATIONS

(₹ in crores)

		Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contract with customers:			
Sale of products		10,329.57	9,320.89
Sale of Services		53.16	40.69
Scrap sales		64.70	45.52
	(A)	**10,447.43**	**9,407.10**
Other operating revenues			
Export Incentive		9.87	7.95
Government assistance for refund of Goods and Service Tax {refer note (a) below}		-	25.21
	(B)	**9.87**	**33.16**
Total revenue from operations	**(A) + (B)**	**10,457.30**	**9,440.26**

Notes:

(a) Government assistance for refund of Goods and Service Tax represents benefits provided by the Government to the Group in respect of its manufacturing units in the state of Assam, Himachal Pradesh and Uttarakhand in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 05, 2017 which were earlier eligible for excise duty exemption. The exemption in respect of its manufacturing unit at Himachal Pradesh and Uttarakhand has expired on December 11, 2019 and January 17, 2020 respectively while manufacturing facility situated at Assam has been closed during the current year.

(i) Timing of revenue recognition

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Goods transferred at a point in time	10,389.96	9,362.48
Goods transferred over the time	4.31	3.93
Services transferred over the time	53.16	40.69
Total revenue from contract with customers	**10,447.43**	**9,407.10**

(ii) Disaggregation of revenue based on product or service

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Switchgears	1,454.51	1,321.92
Cables	3,178.88	2,993.30
Lighting and fixtures	1,113.67	1,025.00
Electrical consumer durables	2,375.28	1,990.97
Lloyd Consumer*	1,688.61	1,590.27
Others	636.48	485.64
Total revenue from contract with customers	**10,447.43**	**9,407.10**

* Includes revenue from procurement services and service-type warranties.

(iii) Revenue by location of customers

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
India	10,057.53	9,079.01
Outside India	389.90	328.09
Total revenue from contract with customers	**10,447.43**	**9,407.10**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(iv) Reconciliation of revenue recognised in statement of profit and loss with contracted price

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contracted price	10,522.51	9,473.77
Less: Cash discount	(75.08)	(66.67)
Total revenue from contract with customers	**10,447.43**	**9,407.10**

(v) Performance obligation

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of maintenance period based on time elapsed and acceptance of the customer. In certain non-standard contracts, where the Group provides warranties in service of consumer durable goods, the same is accounted for as a separate performance obligation and a portion of the transaction price is allocated based on its relative standalone prices. The performance obligation for the warranty service is satisfied over a period of time based on time elapsed.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of services as at March 31, 2021 and expected time to recognise the same as revenue is as follows:-

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Within one year	9.54	15.74
More than one year	4.57	4.32
	14.11	**20.06**

Note: The remaining performance obligation expected to be recognised in more than one year relates to amounts received from customer against which performance obligation is to be satisfied over the period of one to seven years. All other remaining performance obligation are expected to be recognised within one year. During the year ended March 31, 2021, revenue recognised from amount included in contract liability at the beginning of year is ₹ 15.22 crores (March 31, 2020: ₹ 1.32 crores). Revenue recognised from performance obligation satisfied in the previous period is ₹ Nil (March 31, 2020: ₹ Nil)

23 OTHER INCOME

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest received on financial assets carried at amortised cost :		
Deposits with banks	83.93	69.58
Investment	15.53	-
Others	8.10	7.02
Other non-operating income		
Exchange fluctuations (net)	23.53	20.94
Liabilities no longer required written back	4.49	4.33
Gain on disposal of property, plant and equipment (net)	40.39	-
Lease rent concession {refer note 32(4)}	2.54	-
Miscellaneous income	8.85	11.54
	187.36	**113.41**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Copper	1,830.22	1,370.66
Aluminium	514.16	532.21
General plastic & Engineering Plastic	238.98	220.45
Paints and chemicals	311.46	292.04
Steel	166.56	162.24
Packing materials	231.51	193.64
Other material	2,089.06	1,608.40
	5,381.95	**4,379.64**

25 PURCHASE OF TRADED GOODS

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Switchgears	87.82	63.15
Lighting and fixtures	275.73	173.23
Electrical consumer durables	357.97	353.64
Lloyd Consumer	695.03	528.72
Cables	0.73	0.55
Others	221.54	161.52
	1,638.82	**1,280.81**

26 CHANGE IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS ETC.

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020	(Increase)/ Decrease
Inventories at the end of the year			
Finished goods	1,211.73	836.99	(374.74)
Traded goods	542.66	459.30	(83.36)
Work in progress	167.53	100.52	(67.01)
Scrap materials	14.91	8.95	(5.96)
	1,936.83	**1,405.76**	**(531.07)**

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020	(Increase)/ Decrease
Inventories at the beginning of the year			
Finished goods	836.99	623.31	(213.68)
Traded goods	459.30	851.66	392.36
Work in progress	100.52	98.77	(1.75)
Scrap materials	8.95	4.76	(4.19)
	1,405.76	**1,578.50**	**172.74**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

27 EMPLOYEE BENEFITS EXPENSES

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages, bonus, commission and other benefits	824.98	826.02
Contribution towards PF, Family Pension and ESI	36.17	37.06
Employee stock purchase plan expense {refer note no. 32(8)}	7.59	17.06
Gratuity expense {refer note no. 32(5)}	15.55	14.11
Staff welfare expenses	6.34	12.46
	890.63	**906.71**

28 FINANCE COSTS

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	47.08	5.17
Interest on Income tax	11.21	-
Interest on lease liability {refer note no. 32(4)}	9.68	10.92
Miscellaneous financial expenses	0.50	0.08
Total interest expense	**68.47**	**16.17**
Unwinding of discount on long term provisions {refer note no. 19(a)(iii)}	4.21	3.55
Total Finance cost	**72.68**	**19.72**

29 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment {refer note 3}	187.87	153.74
Amortization of intangible assets {refer note 4}	26.12	25.54
Depreciation of Right of use assets {refer note 3}	34.92	38.69
	248.91	**217.97**

30 OTHER EXPENSES

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	48.74	45.21
Power and fuel	84.32	92.44
Job work and service charges	246.91	203.09
Rent	31.73	38.00
Repairs and maintenance:		
Plant and machinery	9.55	10.18
Buildings	2.85	2.31
Others	45.38	50.84
Rates and taxes	5.03	2.42
Insurance	20.86	17.66
Trade mark fee and royalty	0.21	0.15
Travelling and conveyance	41.41	84.69

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Communication expenses	6.87	10.35
Legal and professional charges	21.12	20.53
Payment to Auditors		
As Auditors:		
Audit fee	1.35	1.35
Tax audit fee	0.05	0.05
Certification fee	0.04	0.05
Reimbursement of expenses	0.01	0.09
Contribution towards Corporate Social Responsibility (CSR) {refer note no. 32(9)}	20.97	20.32
Directors sitting fees	0.45	0.35
Selling and distribution expense	361.70	343.04
Advertisement and sales promotion	132.55	320.94
Secondary sales promotion expense	33.88	48.56
Commission on sales	73.99	73.22
Product warranties and after sales services (net of reversals)	243.37	192.61
Bank Charges	17.41	31.64
Loss on sale/ discard of Property, plant and equipment (net)	-	6.73
Bad debts written off	1.43	0.82
Impairment allowance for trade receivables - credit impaired	24.48	18.23
Impairment of investment in joint venture	1.10	-
Miscellaneous expenses	27.43	35.84
	1,505.19	**1,671.71**

31 COMMITMENTS AND CONTINGENCIES

A Contingent liabilities (to the extent not provided for)

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
a	Claims / Suits filed against the Group not acknowledged as debts {Refer point (i)}	6.86	6.47
b	Disputed tax liabilities in respect of pending litigations before appellate authorities {Amount deposited under protest ₹ 31.86 crores (March 31, 2020: ₹ 30.96 crores, included in "deposit with statutory and government authorities" in note no. 7) [refer point (ii)]}	64.16	78.13

Notes:

i) Claims / suits filed against the Group not acknowledged as debts which represents various legal cases filed against the Group. The Group has disclaimed the liability and defending the action. The Group has been advised by its legal counsel that its position is likely to be upheld in the litigation process and accordingly no provision for any liability has been made in the financial statement.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

ii) The various disputed tax litigations are as under :

(₹ in crores)

Sl.	Description {refer note below }	Period to which relates	Disputed Amount As at March 31, 2021	Period to which relates	Disputed Amount As at March 31, 2020
a)	**Excise / Customs / Service Tax**				
	Demands raised by Excise and Custom department.	2007-08 to 2009-10, 2015-16 and 2019-20	0.40	2007-08 to 2009-10 and 2019-20	0.39
b)	**Income Tax**				
	Disallowances / additions made by the income tax department.	2005-06, 2009-10 to 2013-14	42.21	2003-04, 2005-06 to 2013-14	56.21
c)	**Goods and Service Tax**				
	Demands raised by GST Department	2017-18 and 2019-20	1.26	2017-18 and 2019-20	1.26
d)	**Sales Tax / VAT**				
	Demands raised by Sales tax / VAT department .	2005-06 to 2016-17	20.14	2005-06 to 2015-16	20.12
e)	**Others**				
	Demand of local area development tax by the concerned authorities.	2001-02	0.12	2001-02	0.12
	Demand of octroi along with penalty in the state of Maharashtra by the concerned authorities.	2010-11	0.03	2010-11	0.03
			64.16		**78.13**

Note:

The Group is contesting these demands and the management, believe that its position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements for these tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations. Based on favourable decisions in similar cases, the Group does not expect any liability against these matters in accordance with principles of Ind AS -12 'Income taxes' read with Ind AS -37 'Provisions, Contingent Liabilities and Contingent Assets' and hence no provision has been considered in the books of accounts except for provision created in respect of few years {refer note 19(ii)}. Besides the above, show cause notices from various departments received by the Group have not been treated as contingent liabilities, since the Group has adequately represented to the concerned departments and does not expect any liability on this account.

B Commitments

(₹ in crores)

		As at March 31, 2021	As at March 31, 2020
a	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	112.04	103.16
b	Corporate Social Responsibility commitment	-	28.16
		112.04	**131.32**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

C Undrawn committed borrowing facility

(a) The Group has availed fund based and non fund based working capital limits amounting to ₹ 235.00 crores (March 31, 2020 : ₹ 235.00 crores) from banks under consortium of Canara Bank, IDBI Bank Limited, Standard Chartered Bank, Axis Bank, ICICI Bank Limited, Yes Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited. An amount of ₹ 217.12 crores remain undrawn as at March 31, 2021 (March 31, 2020 : ₹ 212.28 crores). Further The limit availed is secured by way of:

i) Pari-passu first charge with consortium banks by way of hypothecation on entire paid stocks consisting of raw material, work in progress, finished goods kept at Group's godown, factories and book debts along with receivables of the Group, both present and future.

ii) Pari-passu first charge with consortium banks by way of equitable mortgage of land and building at 14/3, Mathura Road, Faridabad.

iii) Pari-passu second charge with consortium banks by way of hypothecation of plant and machinery, generators, furniture and fixtures, electric fans and installations on which 1st charge is held with term lenders.

(b) The Group has availed a secured loan of ₹ 108 Crores against sanctioned amount of ₹ 300 crores from CITI bank N.A. during financial year 2017-18.The current outstanding and sanctioned amount against the loan is ₹ Nil (March 31,2020; ₹ 40.50 Crores). The said loan has been repaid on due date during the year including interest thereon. The loan is closed during the year and an amount of ₹ Nil is undrawn as at March 31,2021 (March 31,2020: ₹ 192 crores). (refer note 14(A) (a))

(c) The Group has availed secured loan of ₹ 250 Crores (March 31,2020 : ₹ Nil) against the sanctioned amount of ₹ 350 crores (March 31,2020: ₹ Nil) from HDFC Bank Limited. The current outstanding amount against the loan is ₹ 241 Crores (March 31,2020: ₹ Nil). An amount of ₹ 100 crores is undrawn as at March 31, 2021. (refer note 14(A) (c))

D Other Litigations

The Group has some sales tax and other tax related litigation of ₹ 12.93 crores (March 31, 2020: ₹ 13.99 crores) against which liability has been assessed as probable and adequate provisions have been made with respect to the same.

E Land situated at Ghiloth District, General Zone Industrial Area RIICO in the state of Rajasthan was allotted to the Group for a consideration of ₹ 71.21 crores which was to be adjusted by rebate of ₹ 17.71 crores subject of fulfilment of certain condition attached to grant. As at March 31, 2021, the Group is reasonably certain that it will fulfil the condition attached to the grant, accordingly grant related to assets has been recognised by the Group by deducting the same from carrying amount of related asset as per Ind AS 20 - "Government Grant"

F The Group has outstanding obligation amounting to ₹ 0.80 crores (March 31, 2020: ₹ 1.65 crores) in respect of bonds given to central tax department against import of goods at concessional rate of basic custom duty .The Group expects to fulfil the obligation in due course of time.

G The Group has export obligation of ₹ 10.18 crores on account of import duty exemption of ₹ 0.50 crores (March 31, 2020: Nil) on capital goods under the Export Promotion Capital Goods (EPCG) scheme laid down by the Government of India. The Group expects to fulfil the obligation in due course of time.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

32 OTHER NOTES ON ACCOUNTS

1 Group information

(i) The Consolidated financial statement of the Group includes subsidiaries and joint venture are mentioned below :-

Sr. No	Name of the entity	Country of incorporation	Nature	Ownership interest held by the group	Year Ended	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive income	
						As % of consolidated Net Assets	Amount (₹ In crores)	As % of consolidated profit or loss	Amount (₹ In crores)	As % of consolidated other comprehensive Income	Amount (₹ In crores)	As % of consolidated comprehensive Income	Amount (₹ In crores)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
(I)	**Parent**												
	Havells India Limited	India	Parent Company		Mar 31, 2021	99.77%	5,164.45	99.55%	1,039.64	127.04%	(2.02)	99.51%	1,037.62
					Mar 31, 2020	99.84%	4,304.81	99.68%	733.03	115.48%	(3.73)	99.61%	729.30
(II)	**Foreign Subsidiaries having no non-controlling interest**												
	1 Havells Holdings Limited	Isle of Man	Wholly Owned Subsidiary	100.00%	Mar 31, 2021	0.07%	3.85	(0.01%)	(0.10)	(8.81%)	0.14	0.00%	0.04
				100.00%	Mar 31, 2020	0.09%	3.81	(0.12%)	(0.90)	(8.98%)	0.29	(0.08%)	(0.61)
	2 Havells Guangzhou International Limited	China	Wholly Owned Subsidiary	100.00%	Mar 31, 2021	0.19%	9.63	0.46%	4.77	(18.24%)	0.29	0.49%	5.06
				100.00%	Mar 31, 2020	0.11%	4.54	0.24%	1.78	(6.50%)	0.21	0.27%	1.99
	3 Havells International Limited (Ceased to be subsidiary w.e.f July 22, 2019)	Malta	Wholly Owned Subsidiary	NA	Mar 31, 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
				100.00%	Mar 31, 2020	0.00%	-	(0.03%)	(0.22)	0.00%	-	(0.03%)	(0.22)
	4 Havells Exim Limited (Dissolved with effect from September 13, 2019)	Hong Kong	Wholly Owned Subsidiary	NA	Mar 31, 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
				100.00%	Mar 31, 2020	0.00%	-	(0.01%)	(0.04)	0.00%	-	(0.01%)	(0.04)
	Consolidation adjustment				Mar 31, 2021	(0.03%)	(1.63)	0.00%	-	0.00%	-	0.00%	-
	Consolidation adjustment				Mar 31, 2020	(0.04%)	(1.60)	0.23%	1.70	0.00%	-	0.23%	1.70
	Total - March 31, 2021					100.00%	5,176.30	100.00%	1,044.31	100.00%	(1.59)	100.00%	1,042.72
	Total - March 31, 2020					100.00%	4,311.56	100.00%	735.35	100.00%	(3.23)	100.00%	732.12

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

2 Discontinued operations

a. During the previous year, subsidiaries of Group namely "Havells Exim Limited", "Havells International Limited" and "Havells Sylvania Iluminacion (Chile) Ltda" have been liquidated w.e.f. September 13, 2019, July 22, 2019 and November 28, 2019 respectively,

b. The financial performance and cash flow information for Disposal Group related to previous year is given as below:-

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	-	-
Expenses	-	(0.26)
Profit/ (loss) before tax from discontinued operations	**-**	**(0.26)**
Tax expense on profit/(loss) from discontinued operations	-	-
Profit/ (loss) for the year from discontinued operations	**-**	**(0.26)**
Re-measurement (gains)/ losses on defined benefit plans	-	-
Exchange difference on translation of financial statement of foreign operations	-	-
Other comprehensive income from discontinued operation	**-**	**-**
Total comprehensive income from discontinued operation	**-**	**(0.26)**
Cash flows from discontinued operations		
Net Cash inflow / (outflow) from Operating activities	-	(0.26)
Net Cash inflow / (outflow) from Investing activities	-	-
Net Cash inflow / (outflow) from Financing activities	-	-
Net Cash used in discontinued operations	**-**	**(0.26)**
Earnings per equity share (EPS) for discontinued operations attributable to equity holders of the parent company {refer note no. 32(13)}		
(nominal value of share ₹1/-)		
Basic EPS (₹)	-	(0.00)
Diluted EPS (₹)	-	(0.00)

3 During the year, the Group has capitalised the following pre-operative expenses directly relatable to the cost of property, plant and equipment, being expenses related to projects and development of Dies and Fixtures. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cost of material consumed	9.48	8.48
Employee benefits expense	2.27	5.12
Other expenses	0.74	2.42
	12.49	**16.02**

4 Leases

(i) The Group's lease asset primarily consist of leases for land and buildings for branch offices and warehouses having the various lease terms. The Group also has certain leases of with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

(ii) Following is carrying value of right of use assets and the movements thereof :

(₹ in crores)

Particulars	Right of Use Asset		Total
	Leasehold Land	Leasehold Building	
Balance as at April 01, 2019 (Restated)	**176.98**	**129.59**	**306.57**
Additions during the year	40.82	24.95	65.77
Deletion during the year	-	(0.98)	(0.98)
Depreciation on Right of use assets (refer note 29)	(2.16)	(36.53)	(38.69)

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in crores)

Particulars	Right of Use Asset		Total
	Leasehold Land	Leasehold Building	
Balance as at March 31, 2020	**215.64**	**117.03**	**332.67**
Additions during the year	39.58	56.96	96.54
Recognition of grant related to assets	(17.71)	-	(17.71)
Deletion during the year	(10.50)	(18.62)	(29.12)
Depreciation on Right of use assets (refer note 29)	(2.44)	(32.48)	(34.92)
Balance as at March 31, 2021	**224.57**	**122.89**	**347.46**

(iii) The following is the carrying value of lease liability and movement thereof :

(₹ in crores)

Particulars	Amount
Balance as at April 1, 2019 (Restated)	126.80
Additions during the year	24.95
Finance cost accrued during the year	10.92
Deletion during the year	(1.39)
Payment of lease liabilities including interest	(39.67)
Balance as at March 31, 2020	**121.61**
Additions during the year	56.84
Finance cost accrued during the year	9.68
Deletion during the year	(18.06)
Lease Rent Concession	(2.54)
Payment of lease liabilities including interest	(36.87)
Balance as at March 31, 2021	**130.66**

Current maturities of Lease liability {refer note 18 (A)}	29.15
Non-Current Lease Liability {refer note 14 (B)}	101.51
	130.66

(iv) The maturity analysis of lease liabilities are disclosed in Note 32(11).

(v) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 8.5%

(vi) Amounts recognised in the statement of profit and loss during the year

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation charge of right-of-use assets - leasehold building	32.48	36.53
Depreciation charge of right-of-use assets - leasehold land	2.44	2.16
Finance cost accrued during the year (included in finance cost) (refer note 28)	9.68	10.92
Expense related to short term leases (included in other expense) (refer note 30)	31.73	38.00

(vii) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(viii) During the current year, the Group has received the Covid-19-related rent concessions for lessees amounting to ₹ 2.54 crores and on the basis of practical expedient as per Ind AS 116 "Leases, the same is not considered to be lease modification, hence the income towards rent concession is recognised in "Other Income" in the statement of profit and loss account.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(ix) The Group has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

(x) Non-cash investing activities during the year:

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Acquisition of right of use assets	56.96	24.95
Recognition of grant related to assets	(17.71)	-
Disposals of right of use assets	(18.62)	(0.98)

5 Gratuity and other post-employment benefit plans

Disclosures pursuant to Ind AS - 19 "Employee Benefits" (notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below :

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

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employer's Contribution towards Provident Fund (PF) and NPS	35.80	36.55
Employer's Contribution towards Employee State Insurance (ESI)	0.37	0.51
	36.17	**37.06**

Defined Benefit Plan

The employees' Gratuity Fund Scheme, which is a defined benefit plan, is managed by the trust which maintains its investments with Bajaj Allianz Life Insurance Co.Ltd . The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn basic salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

a) Reconciliation of opening and closing balances of Defined Benefit obligation

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Present value of Defined Benefit obligation at the beginning of the year	108.26	91.09
Opening obligation transferred to group companies	-	(0.08)
Interest expense	7.15	6.65
Current service cost	14.90	13.36
Benefit paid	(4.75)	(8.03)
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	4.04	4.66
Actuarial changes arising from changes in experience adjustments	(0.38)	0.61
Present value of Defined Benefit obligation at year end	**129.22**	**108.26**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

b) Reconciliation of opening and closing balances of fair value of plan assets

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Fair value of plan assets at beginning of the year	89.18	71.63
Expected return on plan assets	6.50	5.91
Employer contribution	19.08	19.38
Remeasurement of (Gain)/loss in other comprehensive income		
Return on plan assets excluding interest income	0.96	0.29
Benefits paid	(4.75)	(8.03)
Fair value of plan assets at year end	**110.97**	**89.18**

c) Net defined benefit asset/ (liability) recognised in the balance sheet

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Fair value of plan assets	110.97	89.18
Present value of defined benefit obligation	(129.22)	(108.26)
Amount recognised in Balance Sheet- Asset / (Liability)	**(18.25)**	**(19.08)**
Current portion {refer note 19(i)}	(18.25)	(19.08)
Non-current portion	-	-

d) Net defined benefit expense (recognised in the Statement of profit and loss for the year)

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Current Service Cost	14.90	13.36
Interest cost (net)	0.65	0.75
Net defined benefit expense debited to statement of profit and loss	**15.55**	**14.11**

e) Remeasurement (gain)/ loss recognised in other comprehensive income

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial changes arising from changes in financial assumptions	4.04	4.66
Actuarial changes arising from changes in experience adjustments	(0.38)	0.61
Return on Plan assets excluding amounts included in net interest expense	(0.96)	(0.29)
Recognised in other comprehensive income	**2.70**	**4.98**

f) Broad categories of plan assets as a percentage of total assets

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Insurer managed funds	100%	100%

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

g) Principal assumptions used in determining defined benefit obligation

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Mortality Table (LIC)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate (per annum)	6.76%	6.75%
Salary Escalation	9.00%	8.50%
Attrition Rate	7.00%	7.00%

h) Quantitative sensitivity analysis for significant assumptions is as below:

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
Discount Rate		
Increase by 0.50%	(4.37)	(3.71)
Decrease by 0.50%	5.03	4.25
Salary Increase		
Increase by 0.50%	4.90	4.17
Decrease by 0.50%	(4.36)	(3.72)
Attrition Rate		
Increase by 0.50%	(0.70)	(0.49)
Decrease by 0.50%	0.80	0.55

i) Maturity profile of defined benefit obligation

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Within the next 12 months (next annual reporting period)	8.73	7.42
Between 2 and 5 years	57.65	50.45
More than 5 years	173.52	143.27
Total expected payments	**239.90**	**201.14**

j) The average duration of the defined benefit plan obligation at the end of the reporting period is 21.98 years (March 31, 2020: 22.77 years)

k) The plan assets are maintained with Bajaj Allianz Life Insurance Co.Ltd .

l) The Group expects to contribute ₹ 18.25 crores (March 31,2020 : ₹ 19.08 crores) to the plan during the next financial year.

m) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

n) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

o) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in an assumptions occurring at the end of the reporting period while holding all other assumption constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

p) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

6 Segment Reporting

The segment reporting of the Group has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act). For management purposes, the Group is organized into business units based on its products and services and has six reportable segments as follows:

a) Operating Segments

Switchgears	: Domestic and Industrial switchgears, electrical wiring accessories and capacitors.
Cables	: Domestic cables and Industrial underground cables.
Lighting and Fixtures	: Energy Saving Lamps (LED, Fixtures) and luminaries.
Electrical Consumer Durables	: Fans, Water Heaters, Coolers, and Domestic Appliances
Lloyd Consumer	: Air Conditioner, Television, Refrigerator and Washing Machine
Others	: Industrial motors, Pump, Water purifier, Solar, Personal Grooming

b) Identification of Segments:

The Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product / services and have been identified as per the quantitative criteria specified in the Ind AS.

c) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocable".

d) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "unallocable".

e) There is no transfer of products between operating segments.

f) There are no customers having revenue exceeding 10% of total revenues

g) No operating segments have been aggregated to form the above reportable operating segments.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Summary of Segmental Information

A Revenue

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Segment Revenue (Sales and other operating revenue)		
Switchgears	1,460.88	1,339.38
Cables	3,180.17	2,994.19
Lighting and fixtures	1,113.98	1,025.33
Electrical consumer durables	2,376.99	2,005.42
Lloyd Consumer	1,688.75	1,590.27
Others	636.53	485.67
	10,457.30	**9,440.26**
Inter Segment Sale	**-**	**-**
Total segment revenue	**10,457.30**	**9,440.26**

B Results

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Segment Results		
Switchgears	404.69	324.94
Cables	403.78	332.12
Lighting and fixtures	210.16	147.54
Electrical consumer durables	403.68	286.98
Lloyd Consumer	74.12	(40.12)
Others	30.98	(25.01)
Segment operating profit	**1,527.41**	**1,026.45**
Reconciliation of segment operating profit to operating profit		
Unallocated:		
Other unallocable expenses net off	204.54	215.77
Other unallocable Income	(187.36)	(113.41)
Operating Profit	**1,510.23**	**924.09**
Finance costs {refer note 28}	(72.68)	(19.72)
Profit before tax	**1,437.55**	**904.37**
Income tax expense {refer note 16}	(393.24)	(168.76)
Profit for the year from continuing operations	**1,044.31**	**735.61**
Profit/ (loss) for the year from discontinued operations	**-**	**(0.26)**
Profit after tax	**1,044.31**	**735.35**

C Reconciliations to amounts reflected in the financial statements

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Segment Assets		
Switchgears	685.41	550.62
Cables	1,085.62	909.28
Lighting and fixtures	590.14	491.74

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Electrical consumer durables	978.01	845.38
Lloyd Consumer	2,831.14	2,402.54
Others	259.74	202.99
Segment operating assets	**6,430.06**	**5,402.55**
Reconciliation of segment operating assets to total assets		
Cash and bank balance {refer note 10(C) and (D)}	1,652.79	1,132.53
Fixed deposits with financial institutions {refer note 10(A)}	306.30	-
Other unallocable assets	463.11	538.37
Total assets	**8,852.26**	**7,073.45**
Segment Liabilities		
Switchgears	335.47	228.30
Cables	377.63	521.89
Lighting and fixtures	247.92	214.54
Electrical consumer durables	620.58	453.70
Lloyd Consumer	620.57	381.76
Others	122.50	101.85
Segment operating liabilities	**2,324.67**	**1,902.04**
Reconciliation of segment operating liabilities to total liabilities		
Borrowings {refer note 14(A) and 18(C)}	492.20	40.50
Lease Liabilities {refer note 14(B) and 18(A)}	130.66	121.61
Deferred tax liability {refer note 16(d)}	339.11	286.52
Current tax liabilities (net) {refer note 20}	74.26	-
Other unallocable liabilities	315.06	411.22
Total liabilities	**3,675.96**	**2,761.89**
Other non-current assets		
Switchgears	5.42	8.94
Cables	2.46	3.48
Lighting and fixtures	0.01	0.06
Electrical consumer durables	3.63	4.56
Lloyd Consumer	5.73	1.12
Others	0.43	1.19
	17.68	**19.35**
Unallocable assets	36.94	31.32
	54.62	**50.67**

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Capital Expenditure		
Switchgears	25.89	52.30
Cables	26.98	104.72
Lighting and fixtures	1.94	3.14
Electrical consumer durables	35.92	135.92
Lloyd Consumer	91.03	32.09
Others	4.22	4.45
	185.98	**332.62**
Unallocable capital expenditure	24.98	38.68
	210.96	**371.30**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation and Amortisation Expenses		
Switchgears	48.75	44.84
Cables	65.36	61.15
Lighting and fixtures	19.03	20.44
Electrical consumer durables	46.95	43.17
Lloyd Consumer	56.62	37.10
Others	12.20	11.27
	248.91	**217.97**
Non-cash expenses (net) other than depreciation		
Switchgears	0.55	4.47
Cables	(0.58)	7.27
Lighting and fixtures	24.15	2.86
Electrical consumer durables	1.17	2.28
Lloyd Consumer	0.39	8.55
Others	0.24	0.35
	25.92	**25.78**
Impairment allowance on other assets	1.10	0.03
	27.02	**25.81**

Note: Non cash expenses other than depreciation includes loss on disposal of property, plant and equipment, bad debts and impairment allowance for trade receivables and other assets considered doubtful.

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Segment Revenue by location of customers		
The following is the distribution of Group's revenue by geographical market, regardless of where the goods were produced.		
Revenue-Domestic Market	10,067.40	9,112.17
Revenue-Overseas Market	389.90	328.09
	10,457.30	**9,440.26**

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Geographical Segment assets		
Within India	8,744.87	6,966.54
Outside India	107.39	106.91
	8,852.26	**7,073.45**
Geographical Non-current assets		
Within India	3,427.32	3,473.79
Outside India	7.64	12.58
	3,434.96	**3,486.37**

Note: Non Current assets for this purpose excludes Contract assets, Non-current financial assets & Non-current tax assets.

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Geographical Capital Expenditure		
Within India	210.95	371.30
Outside India	0.01	-
	210.96	**371.30**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Notes:

(i) Finance income and costs on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

(iii) Capital expenditure consists of additions of property, plant and equipment, Capital work in progress and intangible assets.

(iv) The Group has reviewed its reportable segments effective April 01, 2020. The product categories which are not strictly subscribing to a specific product segment has been carved out into a new product segment 'Others' consisting of Motor, Pump, Solar, Personal Grooming and Water Purifier businesses. The comparative figures for earlier periods have been accordingly reclassified.

7 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time), as disclosed below:-

(A) Names of related parties and description of relationship:

(i) Joint Venture

Jiangsu Havells Sylvania Lighting Co. Ltd.	50% ownership interest held by the Group (Under Liquidation)

(B) Names of other related parties with whom transactions have taken place during the year :

(i) Enterprises in which directors are interested

QRG Enterprises Limited
QRG Foundation
Guptajee & Company
QRG Central Hospital and Research Centre Ltd (till 12th November,2020)
QRG Medicare limited
The Vivekananda Ashrama
Aartas Care Private Limited

(ii) Post employee benefit plan for the benefited employees

Havells India Limited Employees Gratuity Trust

(iii) Key Management Personnel

Shri Anil Rai Gupta, Chairman and Managing Director
Shri Rajesh Kumar Gupta, Director (Finance) and Group CFO
Shri Ameet Kumar Gupta, Wholetime Director
Shri Siddhartha Pandit, Wholetime Director (appointed w.e.f May 29,2019)
Shri Sanjay Kumar Gupta, Company Secretary

(iv) Other Related Parties

(a) Non Executive Directors

Shri Vijay Kumar Chopra (retired w.e.f April 1, 2020)
Dr. Adarsh Kishore (retired w.e.f April 1,2020)
Shri Surender Kumar Tuteja (retired w.e.f April 1,2020)
Smt. Pratima Ram
Shri Vellayan Subbiah (resigned on October 22, 2020)
Shri Puneet Bhatia
Shri T V Mohandas Pai
Shri Surjit Kumar Gupta
Shri Jalaj Ashwin Dani
Shri U K Sinha
Shri B P Rao (appointed w.e.f. May 12, 2020)
Shri S S Mundra (appointed w.e.f. May 12, 2020)

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Shri Vivek Mehra (appointed w.e.f. May 12, 2020)
Smt. Namrata Kaul (appointed w.e.f. January 20, 2021)
Shri Ashish Bharat Ram (appointed w.e.f. May 20, 2021)

(b) Others

Shri Rakesh Mehrotra
- Associate Director (appointed w.e.f Jun 01,2020)
- HKHR Ventures LLP (Partner)

Shri Yogesh Kumar Gupta
- Associate Director (appointed w.e.f Jun 01,2020)
- Eastern Distributors (Partner)
- Gupta Enterprise (Partner)
- YKG Enterprises (Partner)
- O.P. Gupta & Company (Partner)
- OPG Travels (Partner)

(C) Transactions during the year

(i) Sale of products (refer note (c) below)

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Enterprises in which directors are interested		
QRG Central Hospital and Research Centre Ltd	-	0.01
QRG Medicare limited	0.04	0.23
Aartas Care Private Limited	0.02	-
Other Related Parties		
O.P. Gupta & Company	1.78	-
	1.84	**0.24**

(ii) Sale Return of products (refer note (c) below)

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Enterprises in which directors are interested		
QRG Medicare limited	0.14	-
	0.14	**-**

(iii) Commission on sales (refer note (c) below)

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Enterprises in which directors are interested		
Guptajee & Company	11.84	13.12
Other Related Parties		

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Eastern Distributors	12.70	-
Gupta Enterprise	1.51	-
YKG Enterprises	3.40	-
HKHR Ventures LLP	26.82	-
	56.27	**13.12**

(iv) Rent / Usage Charges Paid

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Enterprises in which directors are interested		
QRG Enterprises Limited	**21.41**	**22.83**

(v) Reimbursement of expenses paid

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Enterprises in which directors are interested		
QRG Medicare limited	0.01	-
Other Related Parties		
OPG Travels	0.17	-
	0.18	**-**

(vi) CSR Contribution

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Enterprises in which directors are interested		
QRG Foundation	2.23	2.67
The Vivekananda Ashrama	-	0.05
	2.23	**2.72**

(vii) Contribution to post employee benefit plan

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Havells India Limited Employees Gratuity Trust	**19.08**	**19.38**

(viii) Managerial remuneration

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Key Management Personnel		
Salaries, wages, bonus, commission and other benefits	47.45	34.47
Contribution towards PF, Family Pension and ESI	1.62	1.54
ESPP expense	2.86	7.40

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Non Executive Directors		
Director sitting fees	0.45	0.35
Commission	0.90	0.90
Remuneration to other related parties		
Salaries, wages, bonus, commission and other benefits	2.50	-
	55.78	**44.66**

(D) Balances at the year end

(i) Amount Payables

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Enterprises in which directors are interested		
Guptajee & Company	3.27	3.79
QRG Foundation	0.27	-
Aartas Care Private Limited	0.00	-
Other Related Parties		
Eastern Distributors	3.89	-
Gupta Enterprise	0.64	-
O.P. Gupta & Company	0.00	-
HKHR Ventures LLP	6.90	-
	14.97	**3.79**

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020: ₹ Nil) .This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) All the liabilities for post retirement benefits being 'Gratuity' are provided on actuarial basis for the Group as a whole, accordingly the amount pertaining to Key management personnel are not included above.

c) Transactions with related parties are reported gross of Goods and Service Tax.

8 Share based payments

The Group has in place following employee stock purchase plan approved by shareholders of the Group in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) regulators, 2014 :

(a) Havells Employee Long Term Incentive Plan 2014 : In accordance with this scheme, 110,949 (March 31, 2020 : 169,597) share options of ₹ 1 each were granted, out of which 109,259 (March 31, 2020: 169,195) share options of ₹ 1 each were vested and allotted on April 14,2020 (March 31, 2020 : May 28, 2019) to eligible employees at ₹ 467.35 (March 31, 2020: ₹ 733.90) per share as contributed by these employees . As per the scheme, 50% of the shares are under lock in period of 13 months and balance 50% for 2 years. Also as per the scheme, the Group is obliged to pay 50% of the contribution made by eligible employees as retention bonus over a period of two years in equal instalments. Accordingly, a sum of ₹ 2.88 crores (March 31, 2020 : ₹ 4.89 crores) has been recognised as employee stock purchase plan expense in note 27.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(b) Havells Employee Stock Purchase Plan 2015 : In accordance with this scheme, 90,000 (March 31, 2020: 150,000) share options of ₹ 1 each were granted, vested and allotted on April 14,2020 (March 31, 2020: May 28, 2019) at ₹ 467.35 (March 31, 2020: ₹ 733.90) per share to eligible employees as contributed by the Group. As per the scheme, 78% of the shares are under lock in period of 13 months and remaining 22% are under lock in period for 2 years. Accordingly, a sum of ₹ 4.21 crores (March 2020 :₹ 11.01 crores) has been recognised as employee stock purchase plan expenses in note 27.

(c) Havells Employee Stock Purchase Plan 2016 : In accordance with the said scheme, 13,157 (March 31, 2020: 16,273) share options of ₹ 1 each were granted to eligible employees with graded vesting in three years starting from 2020. During the year, 10913 equity shares of ₹ 1 each (March 31, 2020 : 10729 equity shares) were allotted at ₹ 467.35 (March 31, 2020 : ₹ 733.90) per share on April 14,2020. Accordingly, a sum of ₹ 0.50 crores (March 31,2020: 1.16 crores) has been recognised as employee stock purchase plan expense in note 27 and balance outstanding of ₹ 0.64 crores (March 31,2020 : 0.64 crores) in note 13(B).

(i) Set out below is a summary of options granted and vested during the year under the plan

Summary of Stock Options	2020-21		2019-20	
	Number of Stock Options	Weighted average exercise price per share option	Number of Stock Options	Weighted average exercise price per share option
Options outstanding at the beginning of the year	11,030	-	11,150	-
Options granted during the year	214,106	467.35	335,870	733.90
Options vested and exercised during the year	210,172	467.35	329,924	733.90
Options lapsed during the year	1,690	467.35	6,066	733.90
Options outstanding at the end of the year	**13,274**	**-**	**11,030**	**-**

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2021 was ₹ 467.35 per share (March 31, 2020 : ₹ 733.90)

(ii) Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Particulars	March 31, 2021		March 31, 2020	
Grant date	March 31, 2020	May 28, 2019	May 28, 2019	May 10, 2018
Expiry date	2021-22 and 2022-2023	2021-22	2021-22	2020-21
Outstanding share options	8773	4501	9001	2029
Weighted average remaining contractual life of options outstanding at the end of the year	2 years	1 year	2 years	1 year

The fair value at grant date of options granted during the year ended March 31, 2021 was ₹ 458.69 per share (March 31, 2020 was ₹ 723.44 per share). The fair value at the grant date is determined using Black Scholes valuation model which takes into account the exercise price, the terms of the options, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk free interest rate for the term of the option.

(iii) The Model inputs for options granted:

Particulars	March 31, 2021	March 31, 2020
Expected Price volatility of the Group's share	29.55%	28.72%
Expected Dividend Yield	0.75%	0.72%
Share price at the grant date	₹ 467.35	₹ 733.90
Risk free interest rate	6.73%	6.73%

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(iv) The expected price volatility is based on the historical volatility (based on remaining life of the options), adjusted for any expected change to future volatility due to publically available information.

(v) Expense arising from shared based payment transactions

Particulars	March 31, 2021	March 31, 2020
Havells Employees Long Term Incentive Plan 2014	2.88	4.89
Havells Employees Stock Purchase Plan 2015	4.21	11.01
Havells Employees Stock Purchase Plan 2016	0.50	1.16
Total expense recognised in the statement of profit and loss account as a part of employee benefit expense	**7.59**	**17.06**

9 Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Group has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Details are as under:

Details of CSR Expenditure:

(₹ in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to QRG Foundation	2.23	1.77
Contribution to Ashoka University	4.00	4.00
Contribution to BML	-	8.00
Others	4.24	6.55
Accrual towards unspent obligation in relation to		
Ongoing Project	12.00	-
Other than ongoing Project	-	-
Total	**22.47**	**20.32**
Less: Excess spent during the year to be carry forward to FY 2021-22	1.50	-
Amount recognised in Statement of Profit and Loss	**20.97**	**20.32**
Amount required to be spent as per section 135 of the Act	**20.97**	**20.29**
Amount approved by the Board to be spent during the year	**20.97**	**20.29**
Amount spent during the year on		
(i) Construction/ acquisition of assets	0.52	1.57
(ii) Contribution to Trust/Universities	4.00	14.72
(iii) On purpose other than above	5.95	4.03
Total Amount Spent	10.47	20.32
Amount yet to be spent	12.00	**-**
Total	22.47	20.32
Less: Excess spent during the year to be carry forward to FY 2021-22	1.50	-
Total	**20.97**	**20.32**

Details of ongoing CSR projects under Section 135(6) of the Act

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With the Group	In Separate CSR Unspent A/c		From Group's bank account	From Separate CSR Unspent account	With the Group	In Separate CSR Unspent account
-	-	16.00	4.00	-	12.00	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

Details of CSR expenditure under Section 135(5) of the Act in respect of unspent amount other than ongoing projects

Balance unspent as at April 01, 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2021
-	-	6.47	6.47	-

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 01, 2020	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2021
-	20.97	22.47	1.50

10 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

	Carrying Value		Fair Value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial instruments by category				
Financial assets valued at amortised cost				
Investment with financial institutions	306.30	-	306.30	-
Cash and bank balances (current)	1,652.79	1,132.53	1,652.79	1,132.53
Trade receivables	567.05	249.62	567.05	249.62
Other financial assets (current)	45.99	29.44	45.99	29.44
Other financial assets (non-current)	20.17	21.37	20.17	21.37
	2,592.30	**1,432.96**	**2,592.30**	**1,432.96**
Financial Liabilities valued at amortised cost				
Trade payables	1,597.14	1,413.82	1,597.14	1,413.82
Borrowings (non-current)	393.65	-	393.65	-
Lease liability (current & non-current)	130.66	121.61	130.66	121.61
Other financial liabilities (non-current)	1.31	1.13	1.31	1.13
Other financial liabilities (current)	687.36	549.83	687.36	549.83
	2,810.12	**2,086.39**	**2,810.12**	**2,086.39**

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the other financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1) The fair value of unquoted instruments, other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows (DCF model) using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

2) The fair values of the Group's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period . The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

3) Long-term receivables/payables are evaluated by the Group based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

4) Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year.

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

a) Recognised and measured at Fair value

b) Measured at amortised cost and for which fair value is disclosed in financial statements

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2021

	Carrying Value	Fair Value		
	As at March 31, 2021	Level 1	Level 2	Level 3
Assets carried at amortised cost for which fair values are disclosed				
Other financial assets(current)	45.99	-	-	45.99
Other financial assets (non-current)	20.17	-	-	20.17
Liabilities carried at amortised cost for which fair values are disclosed				
Borrowings (non-current)	393.65	-	-	393.65
Lease liability (current & non-current)	130.66	-	-	130.66
Other financial liabilities (non-current)	1.31	-	-	1.31
Other financial liabilities (current)	687.36	-	-	687.36

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2020

	Carrying Value	Fair Value		
	As at March 31, 2020	Level 1	Level 2	Level 3
Assets carried at amortised cost for which fair values are disclosed				
Other financial assets(current)	29.44	-	-	29.44
Other financial assets (non-current)	21.37	-	-	21.37
Liabilities carried at amortised cost for which fair values are disclosed				
Lease liability (current & non-current)	121.61	-	-	121.61
Other financial liabilities (non-current)	1.13	-	-	1.13
Other financial liabilities (current)	549.83	-	-	549.83

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

11 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021 and March 31, 2020.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Group basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, AED, JPY, CNY and other currencies including KES, NPR, CHF, LKR, MWK, SLL and GBP exchange rates, with all other variables held constant. The impact on the Group profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Group that have not been hedged by a derivative instrument or otherwise are as under:

(₹ in crores)

Currency	Currency Symbol	March 31, 2021		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
United States Dollar	USD	$ (3.01)	(221.07)	(2.21)	2.21
EURO	EUR	€ (0.12)	(10.73)	(0.11)	0.11
Arab Emirates Dirham	AED	AED 0.02	0.38	0.00	(0.00)
Japanese Yen	JPY	JPY (0.41)	(0.27)	(0.00)	0.00
Chinese RMB\CNY	CNY	CNY (1.80)	(20.11)	(0.20)	0.20
Other currencies		(4.50)	(0.13)	(0.00)	0.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in crores)

Currency	Currency Symbol	March 31, 2020		Gain/ (loss) Impact on profit before tax and equity	
		Foreign Currency	Indian Rupees	1% increase	1% decrease
United States Dollar	USD	$ (1.57)	(117.99)	(1.18)	1.18
EURO	EUR	€ (0.17)	(14.51)	(0.15)	0.15
Arab Emirates Dirham	AED	AED 0.02	0.37	0.00	(0.00)
Japanese Yen	JPY	JPY (4.39)	(3.06)	(0.03)	0.03
Chinese RMB\CNY	CNY	CNY (5.28)	(55.85)	(0.56)	0.56
Other currencies		(0.40)	(0.33)	(0.00)	0.00

Note:
Figures in bracket represents payables

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates. The Group's borrowings outstanding as at March 31, 2021 and March 31,2020 comprise of long term loans .

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

	March 31, 2021		March 31, 2020	
	Increase/decrease in basis points	Impact on profit before tax and equity	Increase/decrease in basis points	Impact on profit before tax and equity
Term Loan/External Commercial Borrowing	+0.50	(2.46)	+0.50	(0.20)
	-0.50	2.46	-0.50	0.20

(iii) Commodity Price Risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic cable and other electronic items and therefore require a continuous supply of copper and aluminium being the major input used in the manufacturing. To mitigate the risk of supply and price fluctuations, Domestic and overseas sources are bench-marked to Optimize the allocation of business share among various sources. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group mitigated the risk of price volatility by entering Long Term & Short term contracts for the Purchase of these commodities basis estimated annual requirements.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables and Contract Assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Trade Receivable buyout facility without recourse, letters of credit and other forms of security.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 is the carrying amounts . The Group's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Investment with financial institutions	306.30	-
Cash and cash equivalents (current)	354.62	267.70
Bank balances other than above (current)	1,298.17	864.83
Others Non-Current financial assets	20.17	21.37
Others Current Financial assets	45.99	29.44
	2,025.25	**1,183.34**

Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
Trade receivables	567.05	249.62
	567.05	**249.62**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

The ageing analysis of trade receivables has been considered from the date the invoice falls due

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables		
Neither past due nor impaired	424.86	85.73
0 to 180 days due past due date	95.75	141.36
More than 180 days past due date	46.44	22.53
Total Trade Receivables	**567.05**	**249.62**

The following table summarises the change in loss allowance measured using the life time expected credit loss model:

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in crores)

	As at March 31, 2021	As at March 31, 2020
As at the beginning of year	44.87	26.64
Addition and utilization during the year	24.48	18.23
As at the end of year	**69.35**	**44.87**

(c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term loans, short term commercial papers and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	98.55	393.65	-	**492.20**
Other non-current financial liabilities	-	1.31	-	**1.31**
Trade payables	1,597.14	-	-	**1,597.14**
Lease Liability (undiscounted)	37.52	90.55	95.10	**223.17**
Other current financial liabilities	559.66	-	-	**559.66**

As at March 31, 2020	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	40.50	-	-	**40.50**
Other non-current financial liabilities	-	1.13	-	**1.13**
Trade payables	1,413.82	-	-	**1,413.82**
Lease Liability (undiscounted)	42.07	99.68	4.63	**146.38**
Other current financial liabilities	477.46	-	-	**477.46**

12 Capital Management

For the purposes of Group's capital management, Capital includes equity attributable to the equity holders of the Group and all other equity reserves. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020 except for budgeting for cash flow projections considering the impact of ongoing pandemic COVID - 19. The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

(₹ in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans and borrowings {refer note 14(A) and 18(C)}	492.20	40.50
Cash and cash equivalents {refer note 10(C)}	(354.62)	(267.70)
Net Debt	**137.58**	**(227.20)**
Equity / Net Worth	5,176.30	4,311.56
Total Capital	**5,176.30**	**4,311.56**
Total Capital and Net Debt	**5,313.88**	**4,084.36**
Gearing ratio (Net Debt/ Capital and Net Debt)	**2.59%**	**(5.56%)**

Note: No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

13 Earnings per share

(a) Basic Earnings per share

		Year ended March 31, 2021	Year ended March 31, 2020
Numerator for earnings per share			
Profit attributable to equity holders of the parent company:			
Continuing operations	(₹ in crores)	1044.31	735.61
Discontinued operations	(₹ in crores)	-	(0.26)
		1044.31	**735.35**
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year	(Numbers)	626,005,520	625,731,426

(b) Diluted Earnings per share

		Year ended March 31, 2021	Year ended March 31, 2020
Numerator for earnings per share			
Profit attributable to equity holders of the parent company:			
Continuing operations	(₹ in crores)	1044.31	735.61
Discontinued operations	(₹ in crores)	-	(0.26)
		1044.31	**735.35**
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year for basic earning per share	(Numbers)	626,005,520	625,731,426
Effect of dilution			
Share options	(Numbers)	13,380	14,929
Weighted average number of equity shares outstanding during the year adjusted for the effect of dilution	(Numbers)	**626,018,900**	**625,746,355**
Earnings per equity share(EPS) from continuing operations			
(one equity share of ₹ 1/- each)			
Basic EPS (₹)	₹	16.68	11.76
Diluted (EPS) (₹)	₹	16.68	11.76
Earnings per equity share(EPS) from discontinued operations			
(one equity share of ₹ 1/- each)			
Basic EPS (₹)	₹	-	(0.00)
Diluted (EPS) (₹)	₹	-	(0.00)
Earnings per equity share (EPS) from continuing and discontinued operations			
(one equity share of ₹ 1/- each)			
Basic EPS (₹)	₹	16.68	11.76
Diluted (EPS) (₹)	₹	16.68	11.76

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

14 Dividend Paid and Proposed

	Year ended March 31, 2021	Year ended March 31, 2020
Dividend declared and paid during the year:		
Final Dividend paid for the year ended March 31,2020 of ₹ Nil per share of ₹ 1 each (₹ 4.5 per share of ₹ 1 each for the year ended March 31,2019)	-	281.61
Dividend distribution tax on final dividend	-	57.89
Interim Dividend for the year ended March 31, 2021, ₹ 3 per share of ₹ 1 each (₹ 4 per share of ₹ 1 each for the year ended March 31,2020)	187.80	250.32
Dividend distribution tax on interim dividend	-	51.45
	187.80	**641.27**
Proposed Dividends on equity shares:	-	(0.26)
Final Dividend recommended by the board of directors for the year ended March 31, 2021 ₹ 3.50 per share of ₹1 each (March 31,2020: ₹ Nil) subject to approval of shareholders in the ensuing annual general meeting.	219.10	-
Dividend distribution tax on above	-	-
	219.10	-

Note: Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as liability (Including Dividend Distribution Tax) as at reporting date.

15 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The group will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

16 Consequent to the disruption caused due to COVID-19, the Group has made an assessment as at March 31, 2021 of recoverability of the carrying values of its assets such as property, plant and equipment, intangible assets having indefinite useful life, goodwill, inventory, trade receivables, and other current assets giving due consideration to the internal and external factors. Further, on account of continued spread of COVID-19 disease in the country, the Group has made timely and requisite changes in business model which has resulted in consistent growth across the product segments during the year. The Group is continuously monitoring the situation arising on account of COVID-19 and will make appropriate action required, if any.

17 The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000/-.

18 Note No.1 to 32 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Registration No. 301003E/E300005

Per **Pankaj Chadha**
Partner
Membership No. 091813

Date: May 20, 2021
Place: Delhi

For and on behalf of Board of Directors

Anil Rai Gupta
Chairman and
Managing Director
DIN: 00011892

Rajesh Kumar Gupta
Director (Finance)
and Group CFO
DIN: 00002842

Ameet Kumar Gupta
Director
DIN: 00002838

Sanjay Kumar Gupta
Company Secretary
FCS No.: F 3348

Pankaj Jain
Associate
Vice President- Finance

Form AOC -1

Salient features of Financial Statements of Subsidiaries / Joint Ventures pusuant section 129 (3) read with Rule 5 of companies (Accounts) Rules, 2014

Part "A" : Subsidiaries

Sl No.	Name of Subsidiary Company	Country	Reporting period for the subsidiary concerned	Reporting Currency and Exchange rate as on last date of financial year in case of foreign subsidiaries		Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Assets-Liabilities	Investment other than Subsidiaries	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	OCI	Total OCI	Proposed Dividend	% of Shareholding
				Currency	Exchange Rate														
1.	Havells Holdings Limited	Isle of Man	31/03/2021	EURO	86.10	13.65	(9.80)	22.31	18.46	3.85	-	-	(0.10)	-	(0.10)	0.14	0.04	-	100%
2.	Havells Guanzhou International Limited	China	31/03/2021	CNY	11.17	0.45	9.18	12.23	2.60	9.63	-	37.94	6.07	1.30	4.77	0.29	5.06	-	100%

Note:-

1. Names of subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated or sold during the year: None

Introduction 01-13
Integrated Report 14-44
Statutory Reports 45-141
Financial Statements 142-309

Part "B" : Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures

1	**Name of Joint Ventures**	Jiangsu Havells Sylvania Lighting Co. Ltd.
2	**Latest audited Balance Sheet Date**	December 31, 2020
3	**Shares of Joint Ventures held by the company on the year end**	50% in paid in capital
	Amount of Investment in Joint Venture	₹ 30.87 crores (Fair Value of ₹ 17.27 crores) (Refer note no. 33(1)(c) of standalone financial statement)
	Extend of Holding %	50%
4	**Description of how there is significant influence**	Havells India Ltd. holds 50% of total capital contribution in Jiangsu Havells Sylvania Lighting Co., Ltd.
5	**Reason why the associate/joint venture is not consolidated**	The Joint venture is under liquidation as per terms agreed with joint venture partner. (Refer note no. 11(E)(b) of standalone financial statement)
6	**Net worth attributable to shareholding as per latest audited Balance Sheet**	₹ 17.14 crores
7	**Profit / (Loss) for the year**	
	i. Considered in Consolidation	0
	ii. Not Considered in Consolidation	₹ 1.47 crores

For and on behalf of Board of Directors

Anil Rai Gupta	**Ameet Kumar Gupta**	**Rajesh Kumar Gupta**	**Sanjay Kumar Gupta**	**Pankaj Jain**
Chairman and	Director	Director (Finance)	Company Secretary	Associate Vice President- Finance
Managing Director	DIN: 00002838	and Group CFO	FCS No.: F 3348	
DIN: 00011892		DIN: 00002842		

Date: May 20, 2021
Place: Delhi

Progress at a Glance of Last 10 Years- Havells India Limited (Standalone)

(₹ in crores)

Performance for the Year	2012	2013	2014	2015	2016	2017	2018	2019**	2020	2021
Turnover (Gross)*	3,830.56	4,506.37	5,031.11	5,557.79	5,775.42	6,585.96	8,260.27	10,067.71	9,429.20	10,427.92
Less: Excise Duty	214.95	281.38	311.42	319.10	397.10	450.70	121.70	-	-	-
Turnover (Net)	3,615.61	4,224.99	4,719.69	5,238.69	5,378.32	6,135.26	8,138.57	10,067.71	9,429.20	10,427.92
Profitability										
Earnings Before Interest, Depreciation, Amortisation and Taxes	459.07	534.86	641.60	699.10	754.93	824.14	1,049.29	1,183.83	1,027.38	1,565.26
Profit Before Tax	373.81	457.18	595.10	646.25	909.03	768.83	1,014.70	1,146.10	901.73	1,431.58
Profit After Tax	305.43	371.39	478.69	464.94	712.03	539.04	712.52	787.34	733.03	1,039.64
Financial Position										
Share Capital	62.39	62.39	62.39	62.44	62.46	62.49	62.51	62.55	62.58	62.60
Other Equity	1,545.93	1,807.83	2,067.46	2,313.35	2,891.21	3,211.09	3,676.64	4,129.65	4,242.23	5,101.85
Loan funds	128.58	108.78	195.52	83.46	44.40	198.05	108.00	94.50	40.50	492.20
Other Liabilities	854.44	817.38	1,020.99	1,146.23	1,004.65	1,374.60	2,487.31	2,468.27	2,267.56	2,658.64
Gross Block	975.32	1,108.91	1,188.23	1,349.03	1,328.52	1,452.27	3,111.48	3,635.37	4,142.81	4,286.37
Net Block	833.95	913.54	934.06	1,007.32	1,208.56	1,221.74	2,755.42	3,136.49	3,435.55	3,380.21
Total Investments	775.07	791.92	882.52	1,011.76	309.61	227.41	41.70	1.66	1.63	1.63
Cash, Bank Balances and Current Investments	136.21	246.54	626.16	522.34	1,365.21	1,937.53	1,526.17	1,287.71	1,106.92	1,931.04
Other Assets	901.72	906.28	955.36	1,107.43	1,205.60	1,573.31	2,218.12	2,699.80	2,503.76	3,507.34
Earning per share										
EPS-as reported	24.48	29.76	38.36	7.45	11.40	8.63	11.40	12.59	11.71	16.61
EPS-adjusted for bonus issue/split	4.90	5.95	7.67	7.45	11.40	8.63	11.40	12.59	11.71	16.61

Note: The financial results summary for financial years 2015-16 and onwards are prepared in accordance with Ind-AS and financial results for other financial years are prepared as per the prevailing GAAP.

*Turnover gross is after deducting turnover discount , incentive and rebates.

** The Company has received approval from the NCLT on January 31, 2020 in respect of a Scheme of Amalgamation, among the Company and its wholly owned subsidiaries namely; Promptec Renewable Energy Solutions Private Limited, Havells Global Limited, Standard Electrical Limited, LLOYD Consumer Private Limited. Appointed date as per scheme is April 01, 2018 and accordingly the figures for FY 2018-19 have been restated.

NOTES

NOTES

NOTES



HAVELLS

HAVELLS INDIA LIMITED

Regd. Office: 904, 9th Floor, Surya Kiran Building, K.G. Marg,
Connaught Place, New Delhi - 110 001 (India)

Corp. Office: QRG Towers, 2D, Sector 126, Expressway, Noida - 201 304 (U.P.)

Ph.: +91-120-3331000 | Fax: +91-120-3332000 | Email: marketing@havells.com

www.havells.com

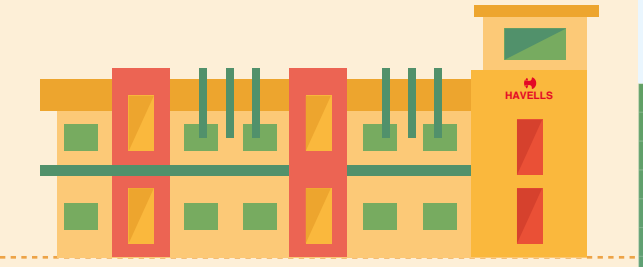
Investors Email: investors@havells.com
Consumer Care No.: 08045771313 (Havells), 08045775666 (Lloyd), 971177 3333 (WhatsApp)

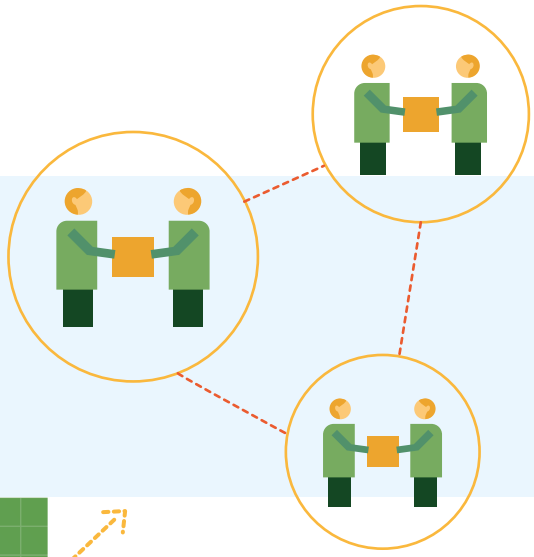
Join us on Facebook at www.facebook.com/havells
and share your ways to save the planet!

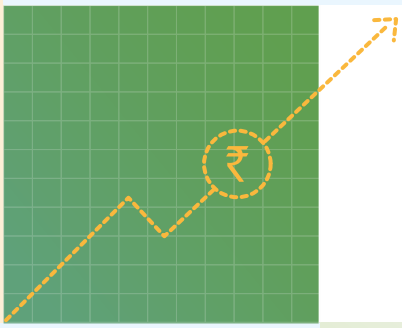
CIN: L31900DL1983PLC016304

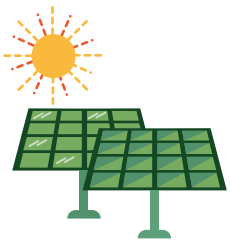
Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)

HAVELLS



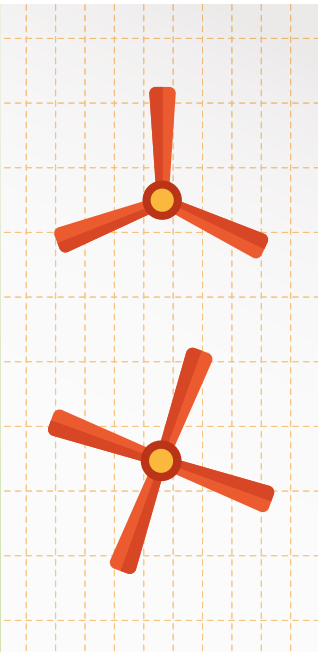












CONSISTENT PERFORMANCE SUSTAINABLE PROGRESS





9th Sustainability Report 2020-21





We are Havells

Havells India Limited (Havells) is one of India's largest FMEG* and consumer durable companies. Our offerings include cables, switches and switchgear, small domestic appliances, fans, water purifiers, water heaters, personal grooming products, LED lighting products for consumer and professional needs, and white goods such as air conditioners, refrigerators, washing machines and LED televisions.

*Fast-Moving Electrical Goods

Vision

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

Mission

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

Values

Customer Delight

A commitment to surpass our customer expectations

Integrity & Transparency

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

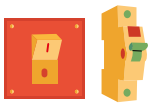
Leadership by Example

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

Pursuit of Excellence

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

Product portfolio



Switchgears



Cables



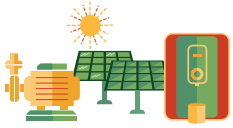
Lighting & Fixtures



Electrical Consumer Durables



Lloyd Consumer



Others

Read more on 6-7

Sustainability highlights

Growing business, despite headwinds

INR 10,428 Crores

Revenue

(11% rise over FY 2019-20)

New products launched

- Crabtree smart sockets
- Refrigerators with Bactshield technology
- Dishwashers
- 8-step smart fan regulator
- Antibacterial switches
- Intelli-Logic ACs

Congenial work culture

India Top 50 – Best Companies to Work For 2020

Recognition by Great Place to Work

50%

Reduction in lost time injury frequency rate (LTIFR)

(from FY 2019-20)

32,000+

Hours of training imparted for skill development, health and safety, etc.

Contribution towards community development

INR 21 Crores

CSR Spend

60,000+

Beneficiaries of CSR-Sanitary pads distribution initiative

Focused strategies drive environmental care

INR 2 Crores

Environmental expenditures

22%

Decrease in freshwater consumption since FY 2019-20

5%

Decrease in greenhouse gas (GHG) emissions from FY 2015-16

5.60 MW

Solar power generation capacity as of march 2021

94%

Recycled water consumed

<5%

Waste going to landfill

5 Lakhs

Tree saplings planted

Celebration of sustainability achievements

Gold-rated green building award

(for Alwar Wire Plant and Ghiloth AC Manufacturing Plant)

For Green Factory Building Rating System by Indian Green Building Council

Transparent disclosures lead to global and domestic industry recognitions

69

DJSI* score

(industry average is 41)

*Dow Jones Sustainability Indices (DJSI)

Economic and governance | Social | Environment

Note: All numbers showcased as highlights/call outs in this report are rounded off to maintain design aesthetics.

What's inside

01-25
Who we are

01 Consistent performance Sustainable progress
02 Approach to reporting
04 Delivering excellence across the world
06 Making innovative and smart products
08 Expanding presence across markets
10 Message from the Chairman and Managing Director
14 Responding to a global crisis with agility
16 Shaping a better future for everyone
18 Sustainability model
20 Strengthening bonds with stakeholders
22 Prioritising what matters most

26-33
How we balance ethics, risks and values at work

26 Upholding the highest governance standards
28 Ensuring accountability at all levels
30 Proactive response to challenges
32 Zero tolerance to non-compliance

34-49
How we generate sustainable value

34 Growing responsibly with innovation
36 Sustaining profitable growth amid headwinds
38 Smart, safe and sustainable products
42 Intelligent solutions simplify life
46 Enhancing efficiency, optimising costs

50-61
How we care for the environment

50 Improving our performance on environmental factors
52 Minimising environmental footprint
54 Contributing to climate change mitigation
56 Energy efficiency at every step
58 Making every drop count
60 Optimising resource use, reducing waste

62-75
How we manage our relationships

62 Building enduring bonds
64 Aligned to customer needs and aspirations
66 Promoting a culture of collaboration
70 Optimising the value chain
72 Driving inclusive development agenda

76-86
Annexures

76 GRI mapping
84 Assurance statement







CONSISTENT PERFORMANCE SUSTAINABLE PROGRESS



At Havells, our sustainability agenda is driven by the triple bottom line, i.e., economic, social and environmental. As a leader in the fast-moving electrical goods (FMEG) sector, we are setting benchmarks with path-breaking innovation while creating a wide and vibrant ecosystem that has no parallels in the industry.

We define our strategic objectives to deliver sustained value for our stakeholders while delivering meaningful progress for the society at large. Our focus on energy and resource efficiency, as well as product quality and safety reduces our environmental footprint and enables our customers to meet their sustainability goals.

Our sustainability efforts are not limited within the organisation but spans the entire value chain – promoting optimal use of resources. Today, we are a 'water positive company' and are aiming to be 'wood and paper neutral' in the near future.

In a year of unprecedented challenges, we managed to deliver a resilient performance, which testifies to the sustainability of our ecosystem. Together, with our stakeholders, we stood in solidarity with the nation and the world to continue on the path of sustainable progress, with renewed confidence and reinforced commitment.

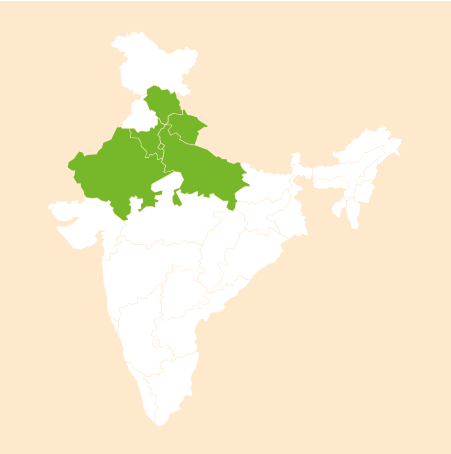


Approach to reporting

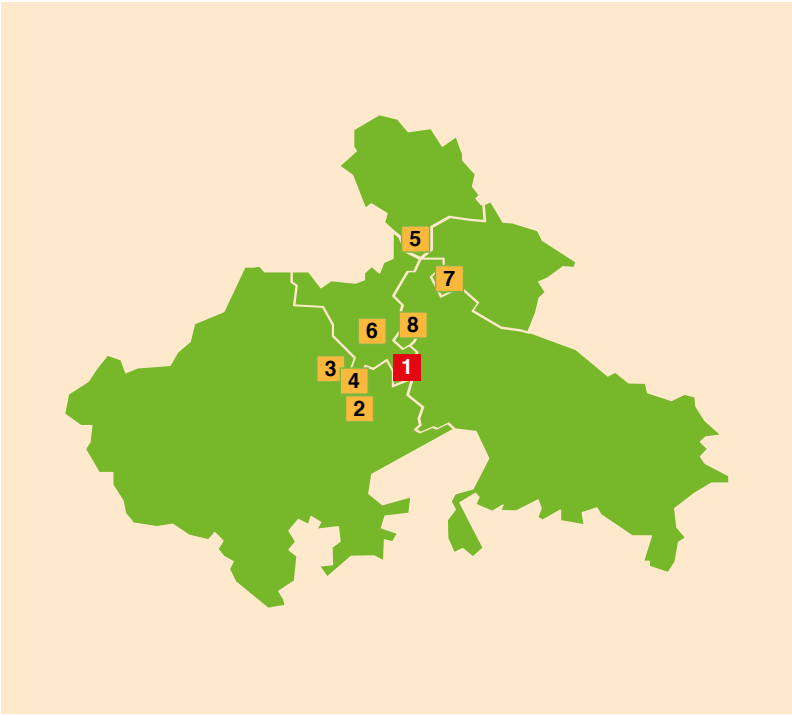
This sustainability report is prepared in accordance with the GRI Standards Comprehensive option. It presents our material issues and how we are contributing towards achieving those and aligning them with the United Nations Sustainable Development Goals (UN SDGs). We are a signatory to the United Nation Global Compact (UNGC). This sustainability report titled **'Consistent performance Sustainable progress'**, communicates our sustainability commitment, initiatives and performance on different environmental, social and governance aspects during FY 2020-21.

Reporting scope and boundary

Our 9th sustainability report provides information for the period between 1st April 2020 to 31st March 2021 (FY 2020-21). The last sustainability report was released for FY 2019-20. The reporting boundary for our disclosures, unless otherwise stated, covers all operations of Havells India Limited, its seven manufacturing locations and one corporate office.



Performance indicators are provided based on the following units in India:



Corporate office

1. Noida (Uttar Pradesh)

Production facilities

2. Alwar (Rajasthan)
3. Neemrana (Rajasthan)
4. Ghiloth (Rajasthan)
5. Baddi (Himachal Pradesh)
6. Faridabad (Haryana)
7. Haridwar (Uttarakhand)
8. Sahibabad (Uttar Pradesh)

External assurance

This sustainability report is externally assured by M/s. KPMG India. The information on Business Performance is derived from our audited financial statements for FY 2020-21. The assurance is in accordance with the 'limited assurance' criteria of the International Standards on Assurance Engagements ISAE 3000 (Revised). Details of the assurance approach, methodology, and observations are presented in the assurance letter.

84-86

Data integrity

We collected and analysed relevant data to support our disclosures for this sustainability report. We exercised strict internal controls to collect and analyse the relevant data that we share here to support our disclosures captured through our integrated data management system. Our aim is to provide information that is accurate and reliable, and at the same time unbiased, comparable, and comprehensible. Wherever applicable, we have taken care to cite any significant limitations in the information.

Materiality

We conduct a thorough materiality assessment every three years, with the last one held in 2018. As part of the materiality process, we engage with both internal and external stakeholders to ascertain their expectations and aspirations and how these factors impact our business. The identification of material topics helps us frame our strategies and guide us towards making the relevant disclosures.

Precautionary approach

We follow a precautionary approach towards minimising our business risks and the impact of our business operations on the environment. We have implemented environment, health and safety (EHS) management systems in our plants to address issues related to these subjects. We get our EHS management system audited on a regular basis by independent auditors.

Feedback

Any queries on this report or about the sustainability agenda of the Company may please be sent by email to: **sustainability@havells.com**

Key icons used in this report

Economic and governance

Social

Environment

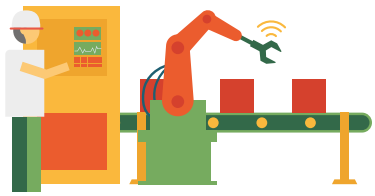
Read more on



Delivering excellence across the world

Havells manufactures and supplies an expansive product range for consumers across India and 60+ countries worldwide. Synonymous with excellence and precision, our products enjoy market dominance and are a preferred choice for diverse individual and industrial consumers.

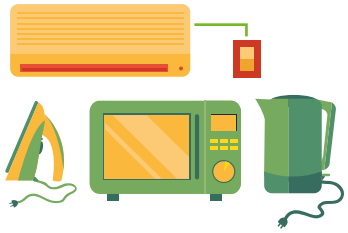
Key facts



14

Manufacturing units

2



21

Product verticals

6-7

HAVELLS Crabtree LLOYD STANDARD REO

5

Brands

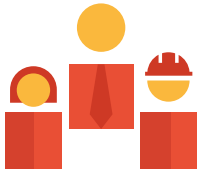
7



2

Major research centres

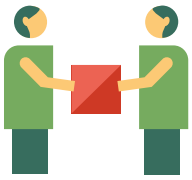
43



5,700+

Permanent employee strength

66-69



15,500+

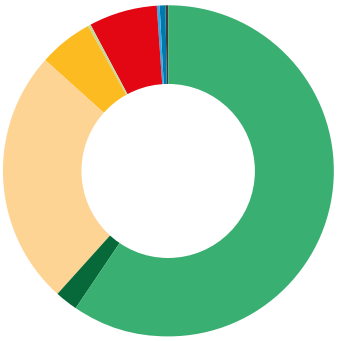
Direct dealer/partners

70-71

Did you know?

- We are rated as one of the top-most brands for miniature circuit breaker (MCBs) in India
- We are among the lowest-cost MCB manufacturers
- Our Sahibabad plant has India's first automated magnetic contactor assembly line
- Our Alwar plant, which is completing its 25 years, is India's largest integrated cable manufacturing plant

Shareholding pattern (%)
(as on 31st March 2021)



Indian Promoters	59.50
Mutual Fund and Alternative Investment Funds	2.39
Foreign Portfolio Investors	24.91
Bank, Financial Institutions and Insurance Companies	5.50
Central Government/ State Government(s)	0.19
Indian Public	6.53
Non-Resident Indians	0.42
Corporate Bodies	0.55
Employee Benefit Trust	0.01

Trade body associations

- Indian Electrical and Electronics Manufacturers Association (IEEMA)
- Electric Lamp and Component Manufacturers Association of India (ELCOMA)
- Consumer Electronics and Appliances Manufacture Association (CEAMA)
- Indian Fan Manufacturers Association (IFMA)
- Water Quality Association
- Confederation of Indian Industries (CII)
- PHD Chamber of Commerce and Industry
- National Safety Council

Credit ratings

Long-term Bank facilities (CC and TL): **CARE AAA**

Short-term Bank facilities: **CARE A1+**

Ranked among the top 10 in DJSI rating

We have been consistently ranked among the top 10 companies in the industry in Dow Jones Sustainability Index's (DJSI) ESG assessment, since participating three years back. During the year, we ranked globally 7th in the DJSI index for our sector. For FY 2020-21, we also improved our overall ESG score and debuted in the S&P Global's Yearbook.

7th

Global DJSI rank for FY 2020-21 in our sector

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

SAM
Now a Part of S&P Global

UNGC association

We are also signatory to the ten principles of United Nations Global Compact (UNGC) pertaining to human rights, labour, environment and anti-corruption. This affiliation influences our policies, strategies and decisions.

UNITED NATIONS GLOBAL COMPACT

Making innovative and smart products

We deliver next-generation products and services, with latest technologies to delight our consumers.

Product range



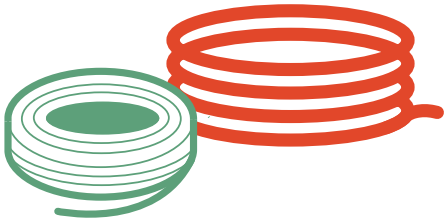
Switchgears

- Switches
- Domestic switchgears
- Industrial switchgears
- Capacitors
- Automation and control



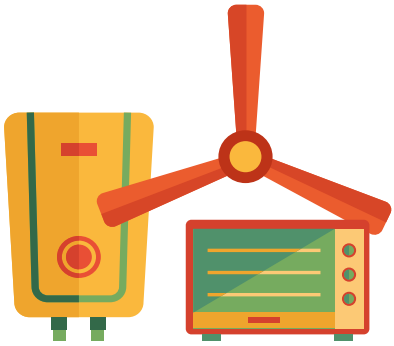
Lighting & Fixtures

- Professional luminaires
- Consumer luminaires



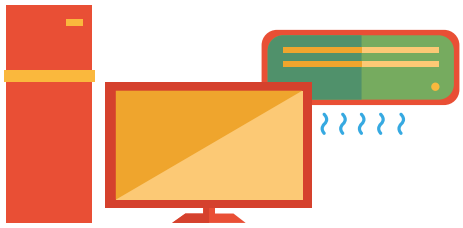
Cables

- Power cables
- Flexible cables



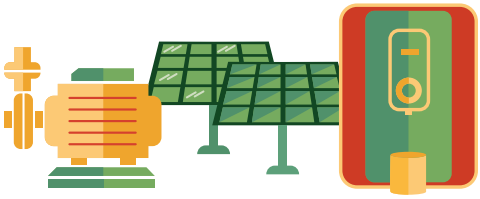
Electrical Consumer Durables

- Fans
- Small domestic appliances
- Water heaters



Lloyd Consumer

- Air conditioners
- Refrigerators
- Washing machines
- Televisions
- Other small domestic appliances



Others

- Motors
- Solar
- Pump
- Water purifiers
- Personal grooming products

Exciting and innovative offerings

At Havells, we are building one of the most exciting and innovative product lines. With our steady investments in research and development, emphasis on exploring new product opportunities and focus on delivering best-in-class products, we are building a comprehensive and complementary product portfolio. During 2020, we continued to launch new-age products such as 'Carnesia-I' fans that auto adjust fan speed based on room temperature and humidity, antibacterial switches, refrigerators with Bactshield technology, alkaline water purifier, Intelli-Logic ACs, smart sockets that allow mobile or voice commands on ordinary devices and others.

38-39

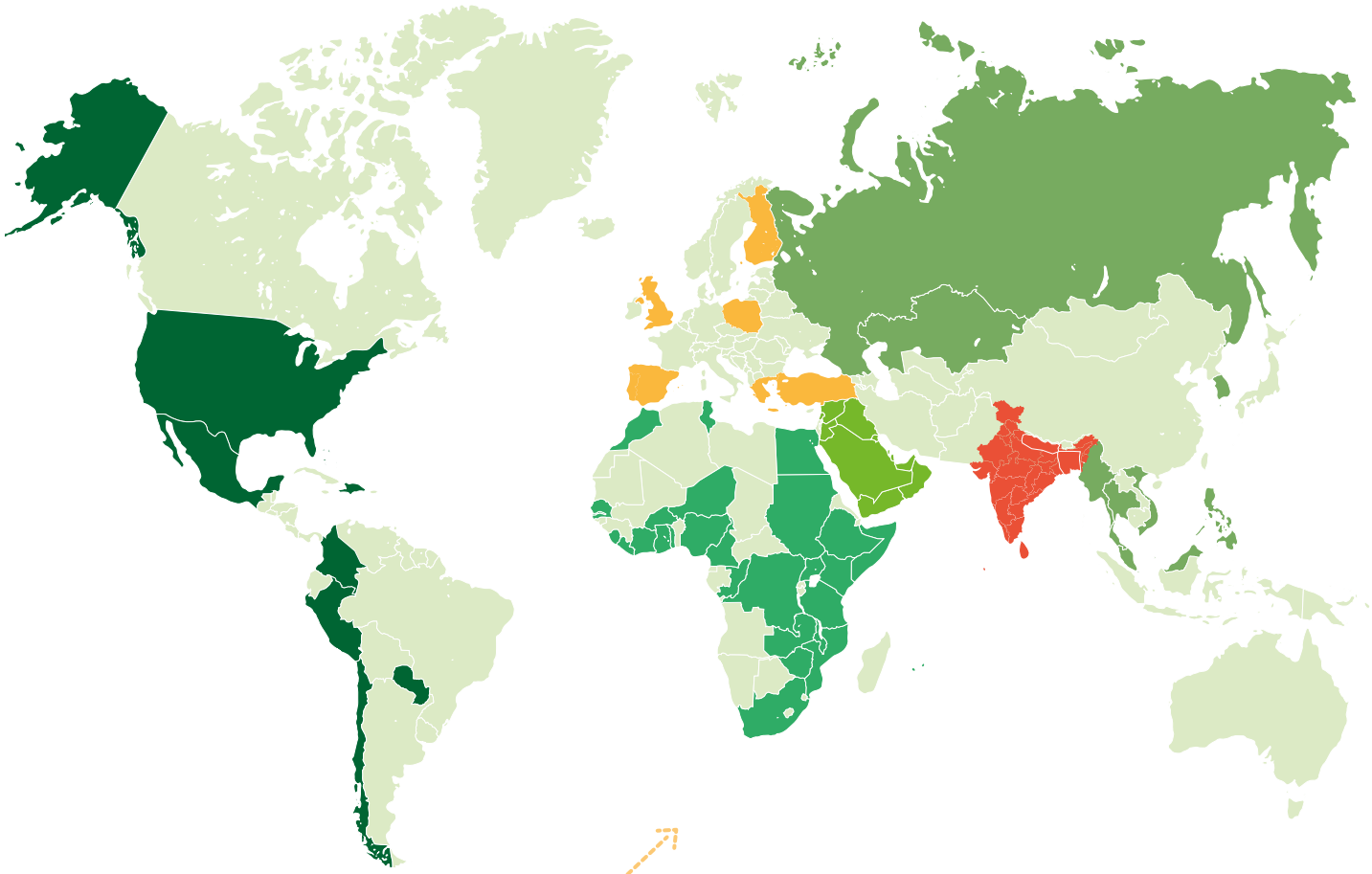
Brands that find resonance across markets

The Havells brand ranking rank on the Brand Finance Brandirectory index improved from four places to 80th spot in 2020. Our other brands (Crabtree, Standard, REO and Lloyd) also enjoy high recall and loyalty in several domestic and international markets. Brands from the house of Havells echo across markets due to our best-in-class product quality and customer services.

Expanding presence across markets

During the year, we penetrated further across markets, offering our customers high-quality, world-class products and services.

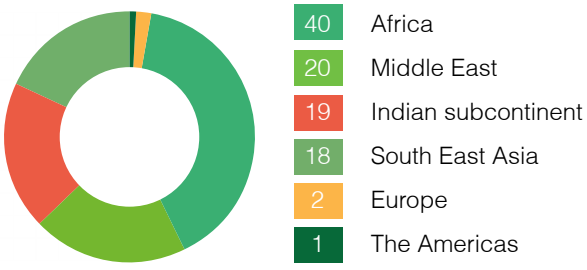
In line with our overall commitment of 'making in India and taking it to the world', we increased our sales presence from around 40 countries in the previous year to over 60 nations across Asia, Africa and Europe, foraying into the Americas during FY 2020-21.



60+

International markets reached during FY 2020-21

Market-wise revenue mix (%)



Map not to scale, only for illustration purpose.

Our international presence

Africa & Oceania

Burkina Faso
Cameroon
Côte d'Ivoire
Democratic Republic of the Congo
Egypt
Ethiopia
Fiji
Gambia
Ghana
Kenya
Liberia
Malawi
Mauritius
Morocco
Mozambique
Niger
Nigeria
People's Republic of the Congo
Senegal
Sierra Leone
Somalia
South Africa
Sudan
South Sudan
Tanzania
Togo
Tunisia
Uganda
Zambia
Zimbabwe

South Asian Association for Regional Cooperation (SAARC) countries

Bangladesh
India
Maldives
Nepal
Sri Lanka

Association of Southeast Asian Nations (ASEAN) countries

Kazakhstan
Malaysia
Myanmar
Phillippines
Russia
South Korea
Thailand
Vietnam

Middle East

Bahrain
Iraq
Jordan
Kuwait
Lebanon
Oman
Qatar
Saudi Arabia
Syria
UAE
Yemen

Europe (OEM)

Finland
Greece
Poland
Portugal
Spain
Turkey
United Kingdom

The Americas

Columbia
Chile
Dominican Republic
Mexico
Paraguay
Peru
United States of America

Message from the Chairman and Managing Director



Dear Valued Stakeholders,

I am delighted to present the 9th edition of your Company's Annual Sustainability Report for FY 2020-21. The report is a testimony to our continuous efforts towards embracing and implementing a balanced approach towards economic, environmental and social impact in our day-to-day business operations.

A challenging year

The year was indeed a unique one as the COVID-19 contagion ravaged socio-economic developments globally. As we live through these unprecedented times, for once it felt like the worst is over but unfortunately the second wave of COVID has gripped the country with even more ferocity. During this protracted pandemic, I wish that all in the Havells family and every Indian stay safe and follow COVID safety protocols.

Besides, sustainability is not confined to environment, social and governance at Havells. It is in each aspect of the organisation whether it is quality of the product or efficient utilisation of resources in the manufacturing process. For instance, we help customers build sustainable homes by creating long-lasting, high-quality switchgear and wires, which are lifeline of electric distribution systems in buildings.

Anil Rai Gupta
Chairman and Managing Director

Our response

At Havells, we relied on agile, nimble and pragmatic approach to the unprecedented and unforeseen pandemic. In the initial period, we focused on safety of our employees, dealers and other stakeholders through effective and constant communication. We held online townhalls with our workforce, dealers and vendors to assuage their anxieties and assuring our support in such difficult times. We invoked the spirit of togetherness, hope and humanity to be helpful to each other.

I would like to express my sincere gratitude to the entire team for their exemplary contribution and efforts. I would single out our factory staff, the frontline staff, supervisors and supply chain team for their inexhaustible energy to keep going and deliver against all odds. They are Havells' COVID WARRIORS and I would thank them on behalf of yourselves.

Resilience tested

The core of our sustainable business performance focuses on generating enduring value for our stakeholders, whilst being conscious of our environment, safety of our employees, business partners and customers, system and operational excellence and contributing to community welfare. As a sustainable business house, I am happy to report that continuing our status, FY 2020-21 saw another year of 'zero occupational fatality' at Havells.

As business gradually gained traction post the lockdown, we were able to fulfil consumer demands through our vast distribution network supported by continuity in product supply through in-house production. We provided digital solutions to our trade partners and consumers who were able to access our service team through multiple mediums and were provided solutions through audio and video assistance.

3,00,000+

Meals distributed through local government's food initiative for the underprivileged groups of the society

Delivering responsibly

We believe that climate change is an alarming situation for the entire world with concerns such as: increase in average global temperature, erratic weather and rainfall patterns, forest fires, heatwaves, depleting water bodies and others. We strive to include environmental sensibilities into our products, factories and buildings. Our products are increasingly oriented towards well-being like low-noise mixer grinder, low water discharge in water purifiers, air-conditioners and fans with air purifiers. Similarly, our factory buildings deploy materials which are eco-sensitive and consume less energy. Havells' Wire Plant, Alwar and Air-Conditioner Plant, Ghiloth (both in Rajasthan) have been recognised and certified as Gold-rated Green Building by Indian Green Building Council (IGBC) for implementing the best green building design and development features.

Besides, sustainability is not confined to environment, social and governance at Havells. It is in each aspect of the organisation whether it is quality of the product or efficient utilisation of resources in the manufacturing process. For instance, we help customers build sustainable homes by creating long-lasting, high-quality switchgear and wires, which are lifeline of electric distribution systems in buildings.

Working steadily towards conservations and management of water resources, we have been a water positive organisation since FY 2015-16. We are constantly focused on enhancing water recharging capacity through rainwater harvesting coupled with conserving water consumption at each manufacturing plant. During the year, we curtailed our water use by ~36% compared to FY 2017-18.

Augmenting our renewable energy consumption, we are installing an additional 1.95 MW roof-top solar plant at our Alwar unit. It would increase our solar power generation capacity to 7.55 MW, thereby enhancing on our efforts to reduce our carbon emissions. It is expected to be commissioned during FY 2021-22.

We direct less than 5% of our wastes to landfills. This is accomplished by following the principles of 5Rs – reduce, reuse, recycle, recover and residual management. At present, ~94% of our hazardous waste undergoes recycling.

It is through these continuous efforts that we have consistently maintained our listing on S&P Global Dow Jones Sustainability Index, successfully making it to S&P Global Year Book in 2021.

Delivering our responsibility to society, we team up with our community members to help strengthen our corporate citizenship initiatives. Our activities focus on delivering quality education, infrastructure, nutrition and hygienic sanitary conditions for government schools. We administer one of the largest corporate mid-day meal programmes across India and focus on environmental and cultural preservation initiatives. During the pandemic, under our flagship programme, Mid-day Meal Distribution, we distributed over 3 Lakhs meals throught the local government's initiative of food distribution to the unserved people. Also, through our intervention on Sanitation and Hygiene, we distributed 60,000+ reusable sanitary pads to girls across the country. Working on our efforts to underline environmental sustainability and grow as a wood and paper neutral company, we planted more than 5 Lakhs tree saplings during the year at Bhopal, Madhya Pradesh and Neemrana, Rajasthan. With our responsible efforts we have been able to align our ESG activities to the UN-Sustainable Development Goals for a better future.

Way forward

We believe what's good for society is good for the business. Growth with sensitivity, transparency and integrity would remain leitmotif of Havells' business aspirations. We will deploy technology, including big data, robotics and artificial intelligence to stay ahead to the competitive and efficiency curve.

'PHYGITAL' is a new reality where physical (offline channels) co-exist with the digital (online) channels. The alternate channels (Online, Modern Food Retail, Canteen and others) are expected to gain relevance over the years. Havells has nurtured strong relationship with these channels which would reflect in additive growth in the medium term.

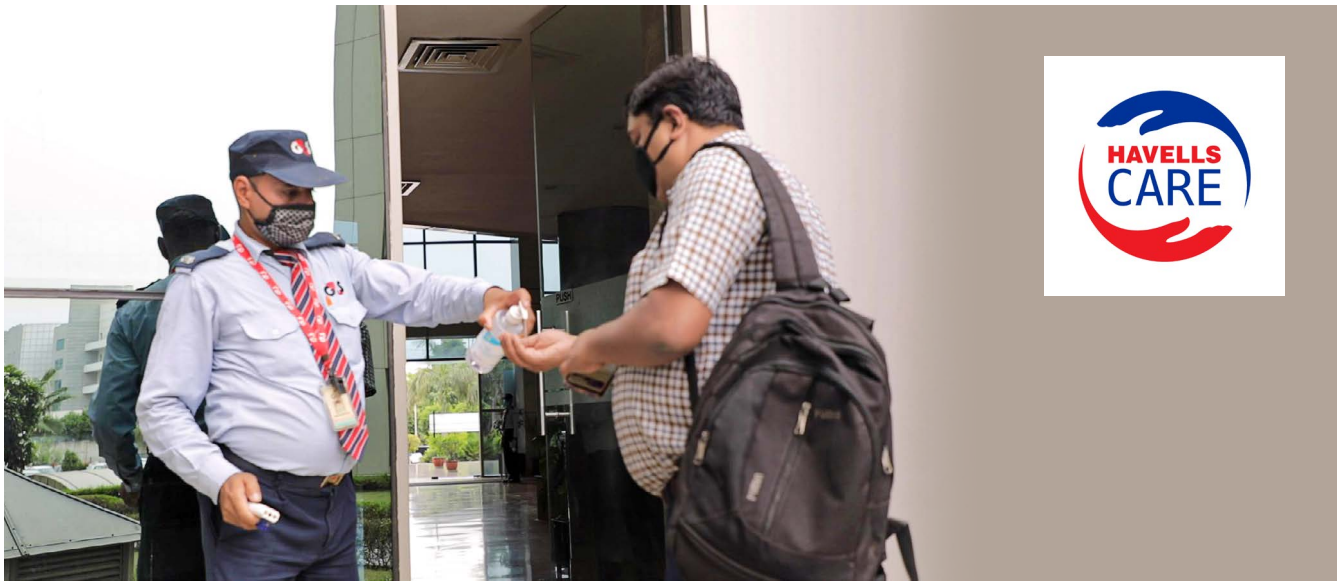
In these challenging times of COVID second wave, we dedicate ourselves to the safety and welfare of each stakeholder and the society. I urge you to follow COVID-appropriate behavior. I wish you a healthy and sustainable future.

Regards,

Anil Rai Gupta
Chairman and Managing Director

Responding to a global crisis with agility

COVID impacted every aspect of human life. At Havells, we consider it our duty to serve humanity throughout this phase. During the year, we undertook several measures to help and safeguard our different stakeholder groups, including:



Employees

- Began work from home for our corporate team colleagues
- Resumed operations and focused on the safety of our manufacturing team with constant emphasis on hygiene and sanitisation at the workplace according to government directives
- Engaged with our people constantly to assuage their fears and build deeper connect
- Encouraged our people to follow all social distancing and hygiene norms, especially when dealing with their families and friends
- Initiated Samvaad with the help of a health and wellness professional, for bringing different perspectives of life for our people and their families
- Started Havells Music Studio, Lockdown Engagement Video and other such light-hearted activities to promote increased engagement level of employees

66-69

COVID vaccine for Team Havells

During the year, we also launched an initiative to inspire our people to get vaccinated for COVID-19. Under this programme, Havells will reimburse every employee, who gets vaccinated, whether permanent or contractual.

Channel partners

- Extended full support to vendor and dealers during the pandemic
- Engaged regularly through the virtual platforms to understand and cater to their expectations
- Deepened engagement and coordination with the channel partners with respect to specific initiatives

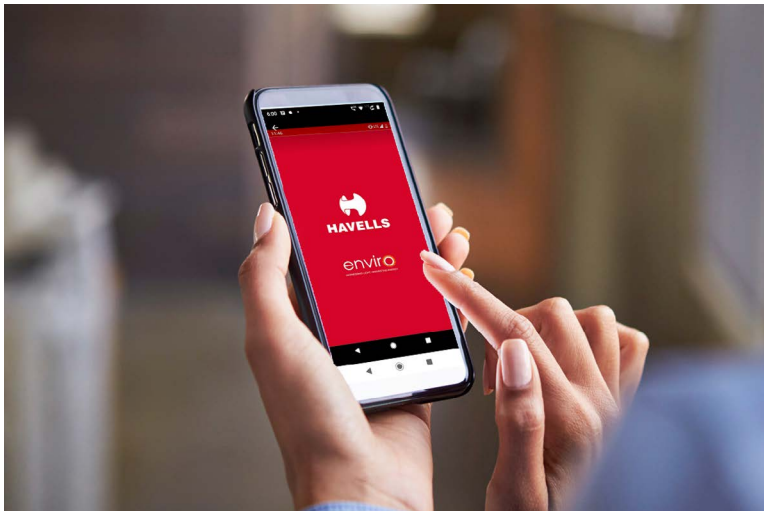
70-71



Customers

- Increased the warranty period of our products
- Utilised Whatsapp calls and videos to help customers register their issues
- Introduced Do it Yourself (DIY) maintenance videos to help customers care for their products
- Organised online grooming classes by celebrity stylists

64-65



Communities

- Distributed 3,00,000+ meals in Alwar, Rajasthan prepared in our state-of-the-art centralised kitchen hygienically
- Donated ceiling fans to COVID Care centres
- Distributed 60,000+ reusable sanitary pads to girls across the country

72-75



Shaping a better future for everyone

Sustainability has always played a significant role in steering Havells' business decision-making. We remain dedicated to holistic growth, with a focus on the triple bottom line. We are using technology and innovation to reduce our impact on the environment, strengthen partnerships, enhance social responsibilities and improve people practices.

Sustainability focus areas

Value creation

- Lean balance sheet
- Net cash positive
- Cost rationalisation



Community development

- Increase in CSR beneficiaries
- Expand green cover
- Increase the number of bio-toilets



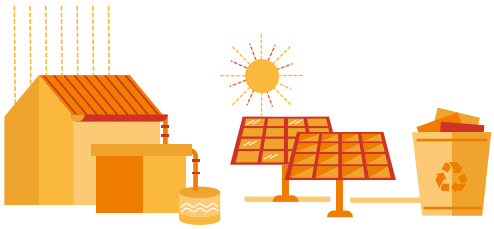
Governance

- Risk management framework
- Compliance
- Conducting supplier assessment for critical suppliers



Environmental care

- Multi-fold water positivity
- Reduce specific energy consumption
- Decrease in waste to landfill

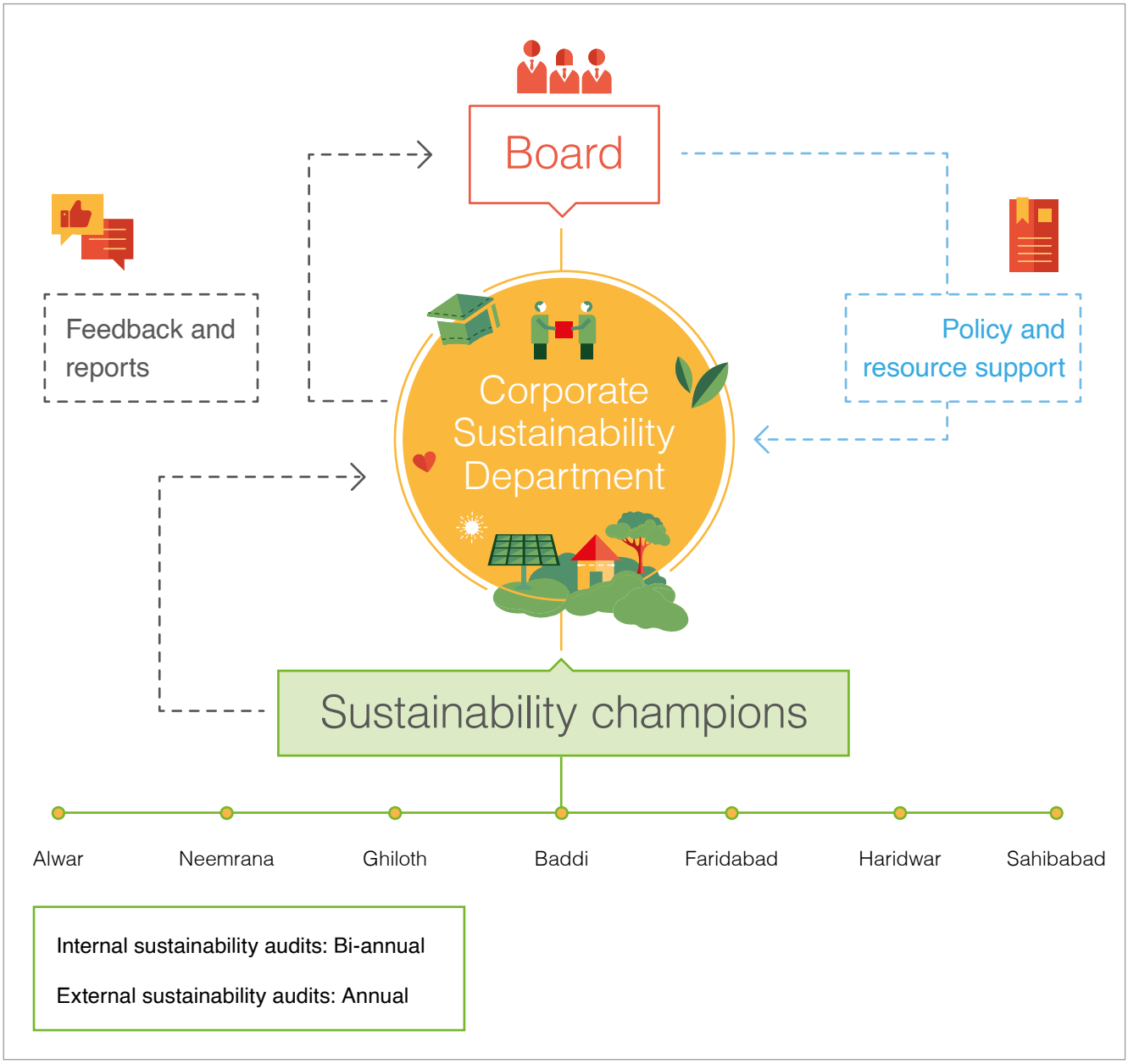


Sustainability governance

Sustainability at Havells is steered from the Boardroom. Our policies are directed towards developing business strategies that influence our sustainability. At Havells, our value creation and sustainability agenda is driven by our top management that provides overall policy and design interventions based on inputs from all levels of the organisation.

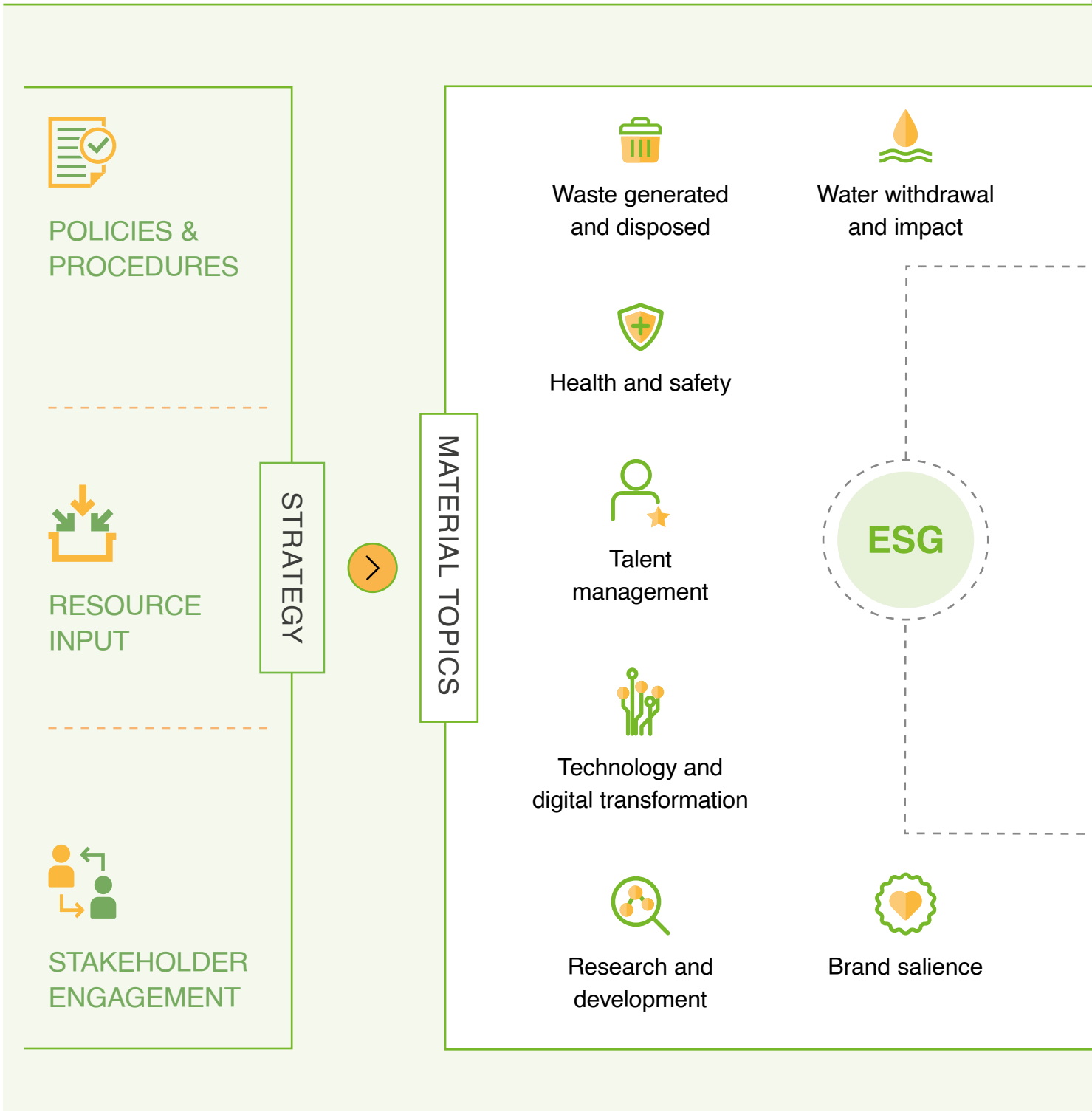
Although, we believe every employee is a crucial part for our organisational sustainability framework, a dedicated department of corporate sustainability is supported by designated sustainability champions at our various locations. The entire team works together to collect, monitor, analyse and improve different non-financial performance parameters such as reducing water and energy consumption, waste management and others.

Sustainability governance model

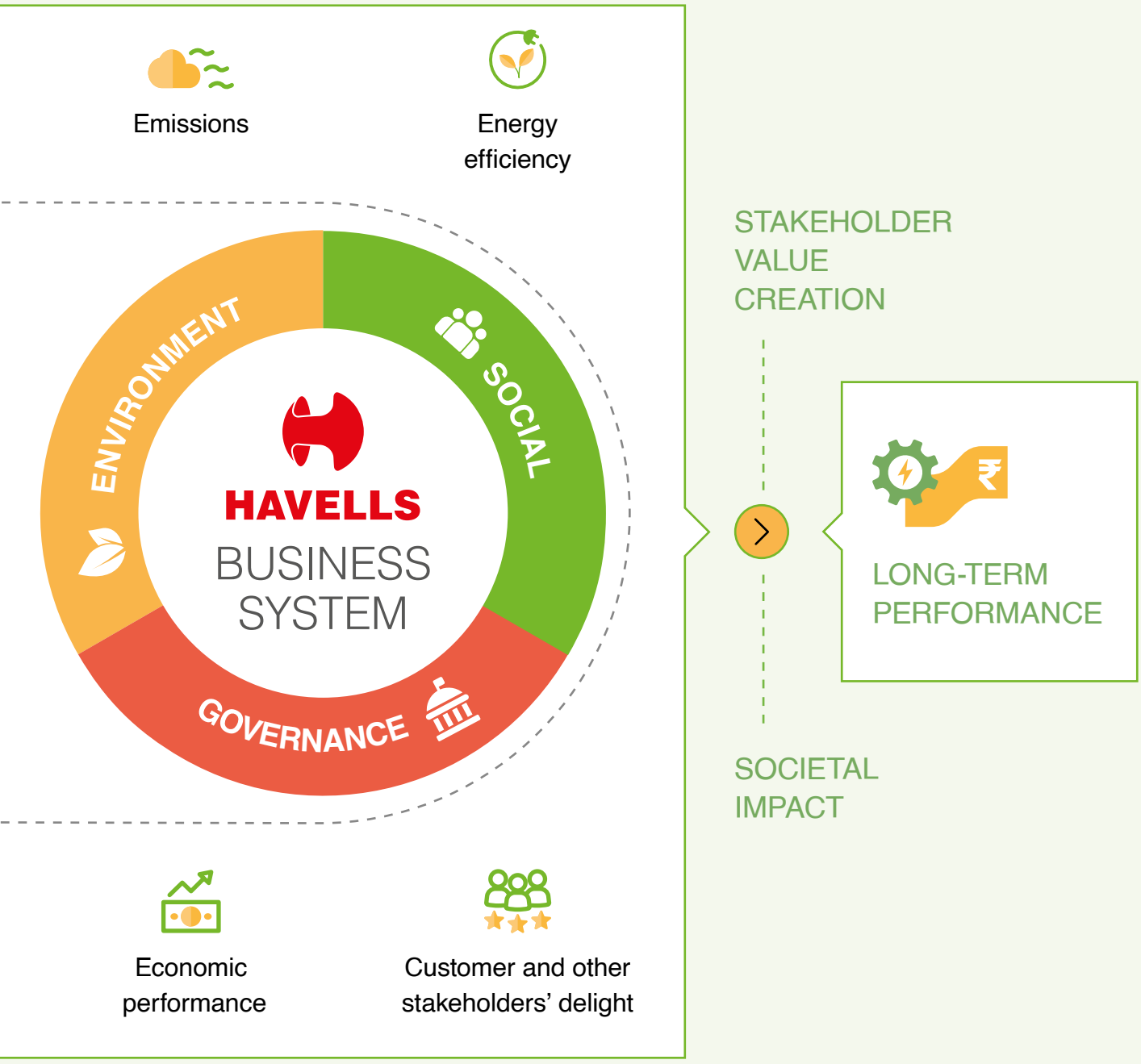


Sustainability model

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



SUSTAINABILITY



Strengthening bonds with stakeholders

We are building enduring relationships with our internal and external stakeholders and connecting with them regularly to understand their perspective. Our stakeholder identification and prioritisation process is based on the tenets of inclusivity, materiality and responsiveness.

We continuously engage with our stakeholders through surveys, conferences, face-to-face meetings, email/telephonic communications and others. Simultaneously, we ensure that their suggestions and comments are addressed. During the year, we primarily used online/virtual platforms to connect with them.

Stakeholder group	Relevance to Havells	Engagement topics	Communication channels	Activities during FY 2020-21
Shareholders/ investors 	■ Provide financial capital for the business and can influence business decisions with focus on ESG and sustainable finance	■ Credit rating ■ Sustainable business model ■ Transparency ■ Governance ■ Earnings per share ■ Exponential growth ■ Cost rationalisation ■ Complaints and grievances	■ Financial results declaration (quarterly) ■ Annual General Shareholders Meetings ■ Disclosure tools, including Annual Reports, Sustainability Reports, website and others	■ Routine disclosures as per statutory requirements
Employees 	■ Core of operations, business innovation and design, and productivity depend on their collective knowledge and experience	■ Scope of learning and growth ■ Remuneration and benefits ■ Equal opportunities ■ Promotion of occupational health and safety	■ Intranet/emails, etc. ■ In-house newsletters ■ Training programme ■ Employee surveys ■ Rewards recognitions	■ Regular online sessions to motivate people ■ Online learning and development programmes ■ Samvaad and Havells Music Studio
Customers 	■ Their purchase decisions impacts business, making it imperative to constantly engage with them to understand their requirements and aspirations	■ Create better products and services ■ Respond to complaints and grievances ■ Meet quality requirements ■ Provide information on technical and pricing queries on time	■ Customer servicing and feedback collation ■ Marketing activities ■ Online engagement through the website and social media	■ Online engagement through social media platforms

Stakeholder group	Relevance to Havells	Engagement topics	Communication channels	Activities during FY 2020-21
Dealers 	▪ Partners in progress and provide direct market feedback on various aspects of a product	▪ Building long-term business relations ▪ Effective information dissemination ▪ Technical knowledge exchange and other collaborations ▪ Contract terms and conditions	▪ Dealer meets ▪ Dealer surveys ▪ Welfare schemes ▪ Training and education ▪ Dealer feedbacks	▪ Frequent virtual meets with the dealers ▪ Ensured timely and safe supply of products
Vendors 	▪ On-time delivery of quality raw materials depend on them	▪ Building long-term business relations ▪ Effective information dissemination ▪ Technical knowledge exchange and other collaborations ▪ Contract terms and conditions	▪ Contract negotiations ▪ Supplier Code of Conduct policies and standards ▪ Supplier meetings ▪ Sustainability assessment ▪ Vendor due diligence ▪ Pre-qualification engagement	▪ Samanvay – virtual vendor meet with 60+ vendors
Communities 	▪ Social licence to operate	▪ Help in enhancing standard of living with better education and health, hygiene and sanitation facilities ▪ Improved opportunities to gain employable skills and scope for income generation	▪ Social contribution/ CSR activities ▪ Public hearings ▪ Community impact assessment surveys ▪ Complaints and grievance mechanisms	▪ Delivered 3,00,000+ meals in the communities we serve during the lockdown ▪ Continue to supply dry rations to mid-day meal beneficiaries
Bankers and other financial institutions 	▪ Offer credit and are influenced by government policies on industry segments	▪ Credit rating ▪ Sustainable business model ▪ Governance	▪ Credit rating ▪ Quarterly reports and updates ▪ Compliance visits and audits ▪ Analyst meets	▪ Periodic sessions and engagement in relation to credit ratings, quarterly disclosures and others
Regulators and statutory bodies 	▪ Rules and regulations set by them are to be followed	▪ Compliance ▪ Disclosures on aspects defined by the government	▪ Regular compliance report ▪ Statutory and internal audit	▪ Compliance refresh of Acts and Rules by third party
Media 	▪ Provides regular, credible progress information to stakeholders	▪ Important announcements meant for mass stakeholders	▪ Media meets ▪ Press conferences ▪ Press releases ▪ Management interviews	▪ Conducted various online media campaigns, especially on social media platforms like Facebook, Instagram and others

Prioritising what matters most

Our material topics identification process, a comprehensive stakeholder engagement procedure was conducted in 2018, helped us identify our material topics and understand our obligations towards our stakeholders.

Five-step assessment methodology



Identify

- Used surveys, meetings and other interactions with our stakeholder groups to recognise potentially relevant issues
- 21 potentially relevant issues identified

Strategise

- Incorporate these factors on the broader business strategy
- Communicate the new strategy to all relevant stakeholders

Rank

- Issues were ranked according to importance based on management and employee surveys
- 189 responses received from employees
- 9 responses from management

Score

- Fresh ranking of issues based on the weighted average score achieved by each issue
- Separate score assigned to each material issue based on the response

Manage

- Recognise significant environmental, social and governance risks and opportunities for Havells
- Determine areas for target setting to improve business and sustainability performance

After this exercise was completed, we developed a comprehensive roadmap to manage our material topics. The roadmap is being effectively tracked and monitored to ensure enhanced sustainable performance.

Materiality matrix



Economic and governance Social Environment

Critical material topics and SDGs mapped

Economic and governance

Economic performance

We focus on profitable growth, reducing manufacturing costs, improving margins, etc.



Brand salience

We maintain brand promise of safety, quality and world-class products.



Technology and digital transformation

Technology and digital infusion has been a major focus area for us to build an organisation that is future ready and meets the intrinsic needs of our consumers for Internet of Things (IoT) devices.



Research and development

Improvements in the existing product line and innovation of new devices to herald next-generation offerings and features is a continuous critical phase in our product development process.



Social

Customer and other stakeholders' delight

Customer delight is central to our value creation. Our business reach, product portfolio and strong service network are nurturing a growing customer base that is creating shared value for all our stakeholders. We continuously strive to exceed customer expectations as customers are our biggest advocates to generate revenue.



Health and safety

Safety is a priority at Havells. We ensure a safe and secure workplace for our employees. We are dedicated and vigilant in maintaining a zero occupational fatality workplace at all our units. We observe a zero-tolerance policy in terms of not following health and safety norms at the workplace. We are an equal opportunity employer and our employees display a strong sense of loyalty.



Talent management

Our talent management policies and programmes strive to balance employee aspirations with organisational aspirations to build long-lasting, mutually rewarding relationship with them. We aim to provide a work environment where our people are encouraged to contribute their best and are suitably recognised.



Environment

Emissions



We are conscious of our responsibility towards the environment. Accordingly, we have integrated environmental considerations into all phases of our value chain to minimise the environmental impact of our products and operations. We have undertaken numerous initiatives to mitigate and offset our emissions.

Waste generated and disposed



Across all our processes, we try to increase the share of recycled and alternative materials as inputs in our production process, reduce and reuse waste and improve the material management process for greater resource efficiency. We are dedicated to reducing dependency on virgin materials and are also working towards phasing out hazardous materials.

Water withdrawal and impact



Since inception, we have been committed to judicious use of water in our day-to-day operations. Being the first fast-moving electrical goods 'water positive' company in India is a testimony of our commitment. We have undertaken several initiatives that have helped us in minimising water withdrawal and discharge impacts.

Energy efficiency

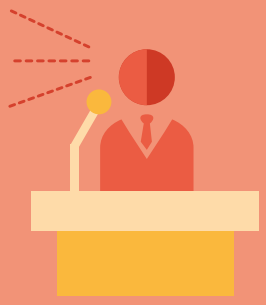


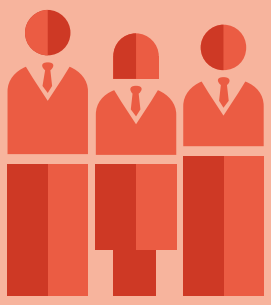
We are conscious of environmental protection and encourage development of products which have low energy footprint for entire lifecycle (manufacturing to end-of-life use). All our manufacturing units adhere to energy-efficient practices. We always aim to do more and better with less, by reducing resource use and pollution, along the entire product life cycle.

UPHOLDING THE HIGHEST GOVERNANCE STANDARDS



AT HAVELLS, OUR STRONG GOVERNANCE ALLOWS US TO RUN A TIGHT SHIP. OVER THE YEARS, THIS APPROACH HAS ENABLED US TO CREATE A RESILIENT ORGANISATION.





Key corporate governance indicators

50%
Independent Directors

~10 YEARS
Average tenure of the Board

5
Committees headed by Independent Directors

Material issues addressed in this segment

Economic and governance

- Brand salience
- Technology and digital transformation

Social

- Customer & other stakeholders' delight
- Health and safety
- Talent management

Environment

- Emissions
- Energy efficiency

SDGs served



Ensuring accountability at all levels

Havells incorporates the highest levels of transparency, accountability, controls and efficiency through a robust corporate governance system.

Board of Directors

Non-Independent Directors



Anil Rai Gupta
Chairman and Managing Director



Surjit Kumar Gupta
Non-Executive
Non-Independent Director



Ameet Kumar Gupta
Whole-Time Director



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



Siddhartha Pandit
Whole-time Director



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



Puneet Bhatia
Non-Executive
Non-Independent Director

Independent Directors



Pratima Ram
Independent Director



Jalaj Ashwin Dani
Independent Director



Upendra Kumar Sinha
Independent Director



Subhash S Mundra
Independent Director



B Prasada Rao
Independent Director



Vivek Mehra
Independent Director



Namrata Kaul
Independent Director (Additional)



Ashish Bharat Ram
Independent Director (Additional)

- Corporate Social Responsibility Committee
- Enterprise Risk Management Committee
- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship/ Grievance Redressal Committee
- C Chairman

Notes:
1. With effect from 20th January, 2021, Smt. Namrata Kaul was appointed as an Additional Director (Independent) subject to approval of the shareholders at the ensuing AGM of the Company on 30th June, 2021
2. With effect from 20th May, 2021, Shri Ashish Bharat Ram was appointed as an Additional Director (Independent) subject to approval of the shareholders at the ensuing AGM of the Company on 30th June, 2021



Best CEO award for consumer durables sector for 2020.

During FY 2020-21, there were five (5) Board meetings, all of which were conducted virtually. The time gap between any two Board meetings did not exceed 120 days. We received four (4) shareholder grievances, which were resolved within the year. The average tenure of the Board for the year ended 31st March 2021 was 9.71 years.

Composition of the Board



Mandate of the Board

Our Board and its Committees supervise our business with the objective of enhancing shareholder value, periodically overseeing review of all compliance reports, which may relate to, though are not limited to energy efficiency, health and safety incidents, significant labour concerns and proposed solutions.

Board committees and their functions

Audit Committee
Reviews our reporting process and disclosures; recommends the appointment, remuneration and terms of appointment of auditors; scrutinises inter-corporate loans and performs other such functions

Nomination and Remuneration Committee
Determines our policy governing remuneration to the Managing Director, Whole-Time Directors and the nomination and appointment of Directors

Stakeholder Relationship/Grievance Redressal Committee
Scrutinises the status of shareholder correspondences, queries, grievances and other such matters

Enterprise Risk Management Committee
Identifies the risks impacting the business and formulates and administers policies strategies aimed at minimising and mitigating risks

Corporate Social Responsibility Committee
Develops the Corporate Social Responsibility Policy indicating the activities to be undertaken by Havells and recommends the expenditure to be incurred on such activities; also monitors the policy from time to time

Proactive response to challenges

Our structured risk management approach regularly monitors and evaluates potential risks to devise ways of mitigating them. We have a strong control system that plays a significant role in strengthening our financial, environmental, social and governance (ESG) risk management framework. We ensure to keep our stakeholder interests in mind while formulating our policies for mitigating risks.

Enterprise Risk Management (ERM)

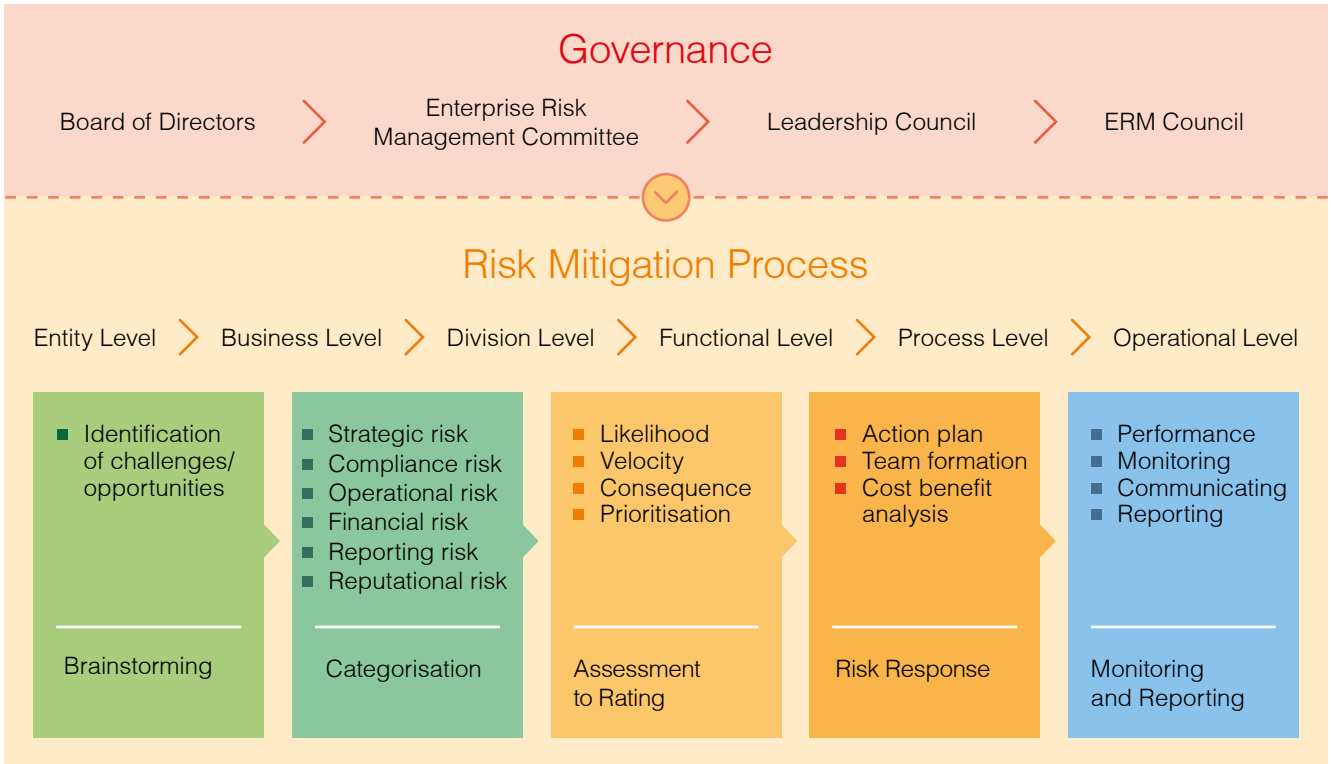
We use ERM as a strategic tool to strengthen our organisational risk supervision and simultaneously minimise challenges and capitalise on opportunities efficiently. At Havells, our ERM architecture is inspired by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Framework.

ERM policy

Our ERM policy is holistically strategised and serves as the base for our risk management system. We remain committed to global benchmarks in good corporate governance. This focus enables us to promote long- and short-term interests of all stakeholders, strengthen the Board, create self-accountability and help build trust in the organisation.

Our ERM policy covers our ERM framework, risk categorisation and assessment, risk prioritisation and analysis, risk governance structure, assessment matrix and mitigation strategy, etc.

Risk management architecture



Key risk categories, risks and rating

Risk category	Risk	Likelihood (A)	Impact (B)	Velocity (C)	Overall rating (AxB)+C
Strategic	Business disruptions due to black swan events (N)	Less likely	High	Rapid	High
	Geographical and channel concentration	Less likely	Medium	Slow	Medium
	Inability to timely leverage technology to meet customer expectations and technical obsolescence	Likely	Medium	Slow	Medium
	Third-party dependence for critical technology (N)	Likely	Medium	Slow	Medium
	Cyber threats and dangers to information security	Likely	High	Rapid	High
Reputational	Brand positioning	Likely	High	Slow	High
	Digitalisation and social media	Likely	High	Rapid	High
Financial	Supply disruption and inventory obsolescence	Less likely	Medium	Rapid	Medium
	Relating to commodity prices and currency fluctuations	Likely	High	Rapid	High
Operational	Brand reputation due to unsatisfactory customer services	Likely	Medium	Slow	Medium
	Related to quality assurance	Likely	Medium	Slow	Medium
	Import dependency (N)	Likely	High	Rapid	High
	Employee attrition	Likely	Medium	Slow	Medium
	Related to environment, social and governance	Less likely	High	Rapid	High
Compliance	Intellectual property infringement and counterfeit products	Likely	High	Rapid	High
	Non-compliance risk statutory and other provisions	Less likely	High	Rapid	High

Likely Less likely Rapid Slow High Medium (N) New risk added during FY 2020-21

Zero tolerance to non-compliance

We have built internal control systems that commensurates with our scale and stature. These systems ensure strict compliance with applicable laws and regulations while safeguarding our assets, preventing and detecting frauds and errors, maintaining accurate and complete accounting records and preparing reliable financial information on schedule.

We have well-defined Standard Operating Procedures (SOPs), Financial & Operation Delegation of Authority (DOA) and organisational structure for business functions ensuring smooth operations. We also have a consequence management grid and committee in place, where based on the severity of the issues, specific actions are undertaken to ensure the issues are not repeated and closed on a timely basis.

In addition, occupational health and safety is a key priority for us; our manufacturing units are OHSAS 18001/ISO 45001 certified.





Robust compliance monitoring mechanism

For the reporting year, we observed no confirmed cases of non-compliance regarding environmental laws/ regulations or voluntary codes concerning health and safety impacts of our products and services, products-related communication and product information disclosure, labelling and marketing communications (advertising, promotion and sponsorship).



Respecting human rights

We recognise human rights practices followed globally such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the International Labour Organisation (ILO) Core Conventions on Labour Standards and are building our organisational culture based on them. We follow our Group directive on human rights diligently. These policies are specified in our Code of Conduct and Business Ethics as well. Besides, all our production units are assessed for human rights and our employee induction programme also touches upon our code of conduct, general rules and guidelines, especially human rights policies at Havells. All our sites were assessed for human rights aspects using a standard checklist in the year under review. We also provide human rights trainings to our employees and security guards, and aspects of human rights are part of our induction training. During the year, we trained ~90 security personnel on human rights. Our human rights policy is available on our corporate website.

We further ensure to prohibit any undesirable practice at Havells. Moreover, we make sure that no business transaction takes place with any individual/organisation that violates the fundamentals of human rights.

During the year, we recorded zero incidents of discrimination and did not receive any complaints pertaining to child labour, forced labour and involuntary labour.

Code of Conduct

We conduct our business according to the applicable laws, rules and regulations and with the highest standards of business ethics. Our Code of Conduct (CoC) allows us to recognise and deal with ethical issues, provides mechanism to report unethical conduct and helps nurture a culture of honesty and accountability. The CoC is applicable for all Directors, Senior Management and other employees of Havells India Limited, as well as the employees of the entire Havells Group. It is available on the organisational website at havells.com and on our intranet portal.

Whistle-blower policy: Satark

Through Satark, anyone associated with Havells can report any observed unethical behaviour directly to the management, without fear or bias. The policy is applicable for actual or suspected fraud, violation of our CoC or ethics policy.

Apart from Satark, our employee and vendor code of conduct also have reporting mechanisms for unethical practices, including fraud and corruption.

At Havells, we ensure to make the relevant stakeholders aware of these policies with the right communication across the right forum. During the financial year, no incidents of corruption were reported.

The Satark policy is available on our website.

Policy for encouraging an innovation culture: Idea

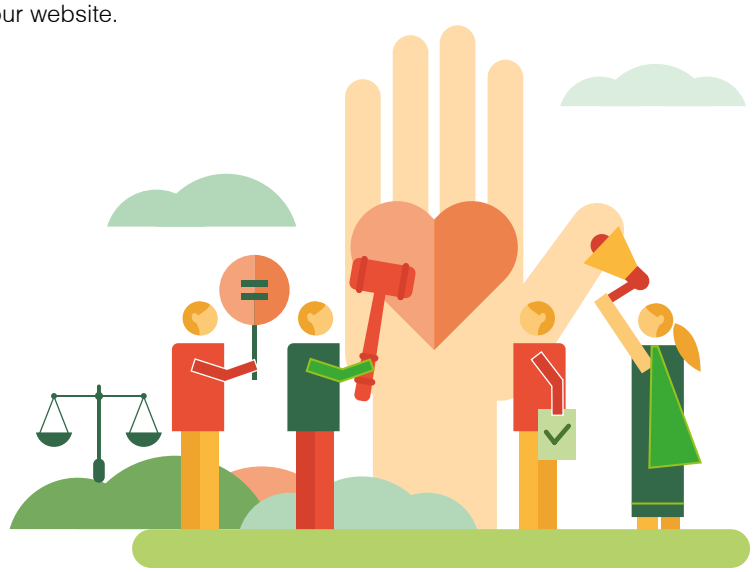
With Idea, we inspire an organisation-wide culture of innovative thinking and creativity across all business functions. It suitably encourages our colleagues to be more innovative with rewards and recognitions, wherein we treat the innovation as a news item and it is put on our intranet portal or newsletter to share the best practices. Details of the policy are available on our website.

Policy on Prevention of Sexual Harassment: Nirbhaya

Nirbhaya works towards eliminating sexual harassment of women at the workplace. It has a structured approach of dealing with such cases. During the year, we accounted no such cases. The policy is available on our website.

Policy against insider trading

Our prevention of insider trading policy is designed to restrict our employees from any security-related malpractices. It regulates and reports trading by designated persons. The policy is available on our website.

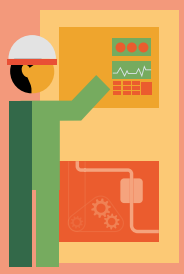


GROWING RESPONSIBLY WITH INNOVATION



TECHNOLOGY AND INNOVATION ARE EMPOWERING US TO CHANGE THE CONTOURS OF THE FMEG INDUSTRY, SERVING AS CATALYSTS FOR VALUE CREATION AT HAVELLS AS THEY ENCOMPASS EVERY ASPECT OF THE ORGANISATION. IN FACT, OUR PRO-INNOVATION CULTURE ALLOWS US TO STRENGTHEN OUR COMPETITIVE EDGE, DELIVERING SUSTAINABLE VALUE.





Business performance for FY 2020-21

INR 10,428 CRORES
Revenue

INR 1,565 CRORES
EBITDA

INR 188 CRORES
Dividend

INR 219 CRORES
Net capital expenditure

Material issues addressed in this segment

Economic and governance

Economic performance

Research and development

SDGs served



Sustaining profitable growth amid headwinds

At Havells, profitability is key to sustainability, which stems from our ability to deploy financial resources prudently to fund growth and generate value for our shareholders. In a year like no other, we focused on staying nimble, to navigate through the enormous challenges during the first few months and then went full throttle in the latter half to capitalise on emerging opportunities following all necessary guidelines provided by the government and authorities during the pandemic.

Managing liquidity, improving efficiency, meeting all financial obligations

Created cash buffers through bank borrowings and an organisation-wide austerity drive with a sharp focus on reducing non-essential expenditures

Formed various cross functional teams (CFTs) with specific objectives such as efficiency improvement across the organisation; CFTs ensured wider cross-functional participation, quicker decision-making and newer ways of working, resulting in cost efficiency

Implemented the Robotic Process Automation (RPA) software for performing repeat functions such as Finance and Accounts to reduce cycle time and drive further efficiencies

Ensured on-time payments to all dependent stakeholders such as employees and vendors, alongside assistance with need-based credit for distributors and retailers

Strengthened digitalisation resulted in significant productivity benefits such as reduced cost on travel and administrative expenditure through interesting concepts such as ‘E-travel’, digital launches and online channel meets

Truncated all non-critical capital expenditure budgeted for the year to preserve liquidity; however, all essential and critical expansion were fully supported

Key financial performance indicators

Revenue



11% 14%

EBITDA



52% 16%

EBITDA margin



PAT



42% 8%

PAT margin



↗ y-o-y growth ↗ 5-year CAGR

Smart, safe and sustainable products

Product responsibility entails manufacturing high-quality products which have minimal impact on the environment. We drive sustainability through our innovative products ensuring maximum safety standards and resource efficiency. At Havells, product responsibility begins at the conception and design stage and continues throughout the product's lifecycle.

Our sustainable products



Water heaters with intelligent heating



IoT-integrated home appliances



Heat Pump Water Heater



Refrigerator with Bactshield technology



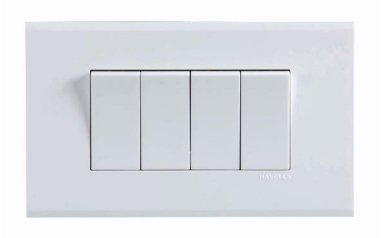
App-based smart home LED lighting system

App-based smart home lighting (Glamax RGB/ Tunable)



Energy-efficient products

Smart lighting products, fan such as Carnesia-I, stealth Puro Air with 50% energy saving



Anti-bacterial switches for healthy homes



Smart Sense technology-based ceiling fan



Underlining market presence with next-gen offerings

With the use of latest technologies, we are creating more personalised experiences and products. Research and innovation at Havells enables us to consistently introduce new products in the market.

Anti-bacterial switches for healthy homes

Crabtree, our premium brand, celebrated its 100 years legacy by introducing a new feature, with anti-bacterial properties, among its Athena, Signia and Verona switch ranges. Equipped with anti-bacterial and anti-fungal built-in polymer technology (using metal compounds), they impede the growth and spread of harmful microbes through human touch with 99.99% efficiency. These switches enable healthier living and are likely to play a crucial role in controlling the spread of diarrhoea, food poisoning, pneumonia, conjunctivitis, and others. Moreover, they offer lasting use with good weatherability ensuring non-discoloration under high humidity and temperature. The product base material is approved by international agencies like United States Food and Drug Administration (FDA), European Union's European Chemicals Agency (ECHA), and United States Environmental Protection Agency (EPA) and has been tested by the third-party laboratories using Japanese Industrial Standards (JIS) and International Organization for Standardization (ISO).





Revolutionising refrigeration in tropical weather

Lloyd launched its refrigerator range equipped with class-leading features during FY 2020-21. The new range uses Bactshield technology that eliminates bacteria from the refrigerator, providing long-lasting freshness to the perishable items stored – a much-needed feature in India's tropical climate.

The refrigerators also have the Decacool technology, ensuring cooling in every corner and use a flexi-max design, catering the underlying need for more and flexible storage. These energy-efficient refrigerators are rated as per the 2020 energy rating norms accentuating the advantages of the Inverter technology, dual safety compressor with over-load protector (OLP) and over-heat relay (OHR) that enhances compressor life. Lloyd refrigerators are also environment friendly with a zero ozone depletion potential (zero ODP) presence, thereby reducing their carbon footprint.

India's first residential AC with automatic humidity control

We launched Intelli-Logic Air Conditioners with automatic humidity control through real-time humidity sensing. These ACs are equipped with nano silver coated fins that impede growth of bacteria thus eliminating bad odour while plasma protective shield is capable of effectively reducing the proliferation of bacteria and viruses.

The product is voice and wifi enabled and can be operated through an app and voice commands (Alexa and Google Assistant). This is a heavy-duty machine that performs efficiently even when the outside temperature is 52^0 Celsius.



Incorporating new-age technologies for better metrics

We inaugurated a new line for water heater manufacturing. The new facility is at par with international manufacturing units and can incorporate Industry 4.0 technologies. Besides, it will save 80% manpower and reduce the space requirement by 50%. It is fully compatible to Artificial Intelligence and is among the most-modern water heaters manufacturing units in India.

Helping improve the quality of life

We aim to enhance lifestyles by incorporating latest technologies like Artificial Intelligence (AI), Internet of Things (IoT), real-time data sharing, data analytics and other cyber-physical tools into our smart products. We are continuously working to add exciting and technologically winsome items to our product basket, which cater to the constantly changing consumer taste. We employ a strong research and development team to develop these new-age products and services.



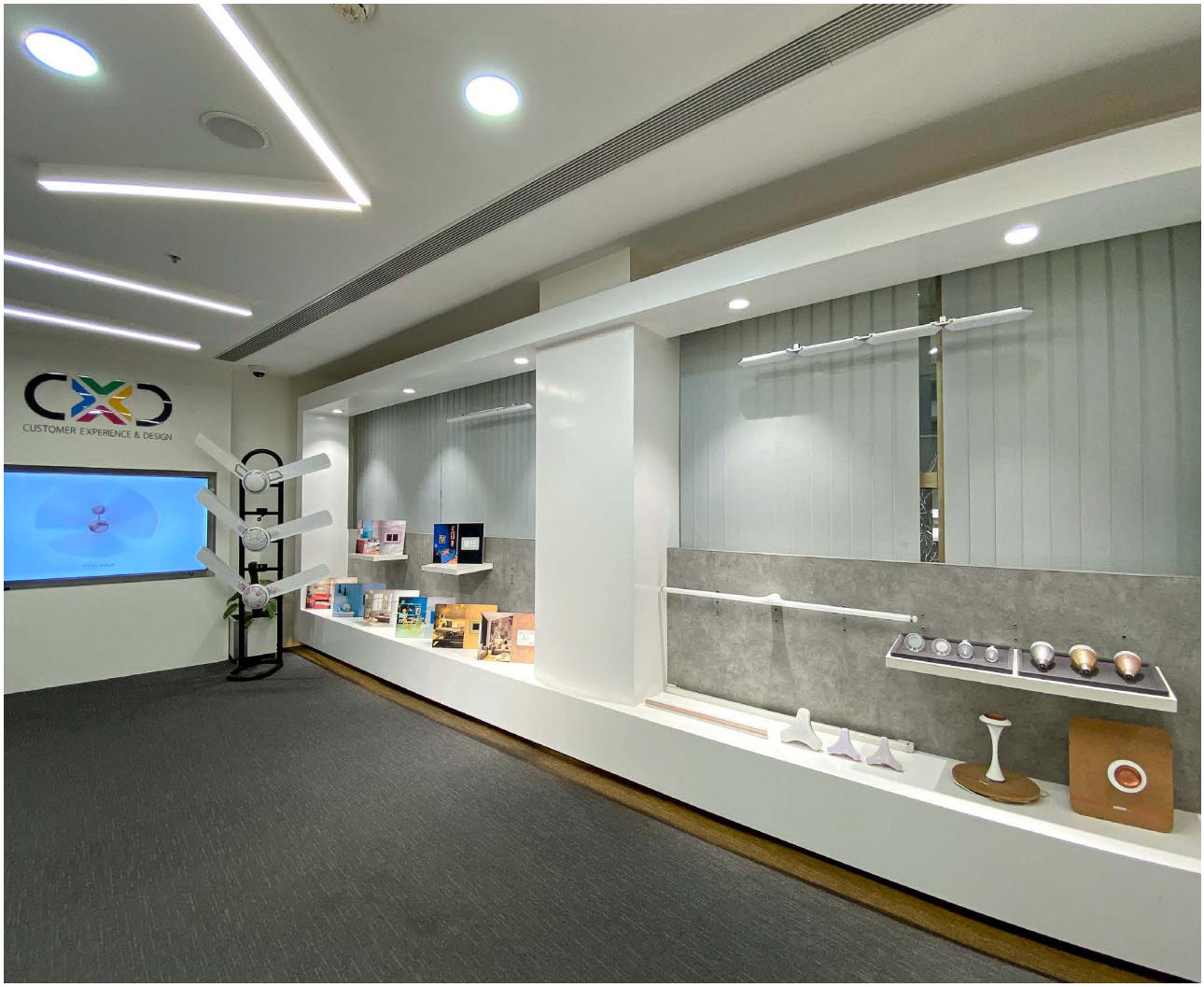
Havells Smart Energy Management Solution

Our Smart Energy Management Solution is a cloud-based prepaid dual energy metering and management system with current limiter for dual supply (Electricity Board and Diesel Genset). Havells uses latest technology and smart building concept of integration to harvest energy and provide a complete solution for cost-effective energy management system and cloud-based automation design and integration.

Intelligent solutions simplify life

Innovation influences every aspect of our business, including how we address the evolving market landscape, develop new products and services, and deliver customer delight. We promote a pro-innovation culture that encourages our people to find unique ways to solve day-to-day challenges.

We are transitioning from a product-focused to a solution-based strategy that concentrates on 'intelligent hardware, embedded software' philosophy. This change will enable us to offer comprehensive solutions to all electronic and electrical needs of customers, allowing us to widen our portfolio engagement with them, besides providing opportunities to cross-sell.

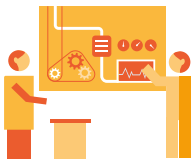


Customer Experience & Design Centre (CXD)

Our design and consumer experience studio, CXD plays a vital role in developing our products and delivers category-leading, innovative design solutions. It uses feedback from select customers to further customise our products.

Recognitions for our unique design

- Won 10th CII Design Excellence Awards 2020 for Crabtree SmartH Automation Range
- Bagged India Design Mark award for Edgelit – No dark edges Batten
- Received India Design Mark for Nu Bulb+



380+

Research and development team size



686

Patents and designs filed up till 31st March 2021



133

Patents and designs filed during FY 2020-21

Research and innovation: the foci of our growth

We continuously invest in strengthening our research and innovation (R&I) capabilities. Our focus on strengthening research centres, alongside world-class test laboratories and production infrastructure is helping us introduce first-in-the-market features and products in our product suite.

At Havells, R&I initiatives enable the creation of eco-friendly and energy-efficient solutions for all electronic requirements of modern life. We continue to focus on sustainable product innovations across the product lifecycle (design, development, manufacturability and use phases) and delivering future-ready products with two major dedicated research and innovation centres – Centre for Research and Innovation (CRI), Noida and Innovation Hub, Bangaluru.

Over the years, we have garnered copyrights, patents and trademarks in India and beyond its borders.



Note: Pre-pandemic image



8-step fan regulator

This is a new, first-in-the-market product and offers uniform speed regulation for all fan models available in the market with 360° rotation, soft operations and hum-free running. These can be retrofitted in any normal or high-speed fan, without any structural or electrical changes.

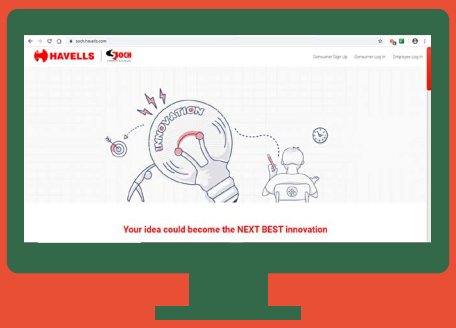
Smart sockets for touchless switching

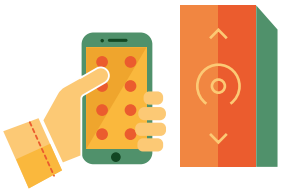
During FY 2020-21, we launched the wifi controlled smart sockets for enabling mobile or voice commands on ordinary devices. Compatible with appliances such as ACs, water heaters, water pumps and others, its installation is easy and requires no change in structural or electrical changes. It can be retrofitted into any device. Easy to use through DigiTap Mobile App, it provides multiple control options, including touch, app, remote and Alexa voice control.



Soch

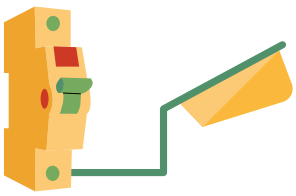
We encourage the spirit of innovation among our stakeholders, primarily customers and vendors, by inviting their suggestions on our digital platform, Soch.





Smart H: India's first full-modular Home Automation

Smart H offers modular home automation range with relays, dimmer remote and sensors. It can be retrofitted and provides enhanced automation experience with wide range of accessories and multiple control options, including touch, app, remote and Alexa voice control.



Technology to enable remote switching

During the year, we launched the Auto Recloser for MCB/RCCB*/RCBO^. Auto Recloser helps users to remotely control circuit breakers. It is ideal for use in a wide range of loads, including street lighting, interior remote lighting and plenty more.

*Residual Current Circuit Breaker
^Residual Current Breaker with Over-Current

Enhancing efficiency, optimising costs

We undertook a cost optimisation drive during FY 2020-21, which focused primarily on improving plant productivity and efficiency, sourcing, and incorporating value engineering in products and processes.

Each plant nominated team members to work on these aspects. The teams came up with various ideas on improving localisation, thereby reducing dependency on import sources. The facilities also revalidated operating efficiency and spare capacity to review our make or buy options. We worked on overall equipment effectiveness (OEE) drive and manpower efficiency which enhanced our operations.

INR ~2 CRORES

Cost savings during FY 2020-21 as a result of using energy saving projects

Ways of Working (WoW)

Under WoW, we identified a task force of senior executives from various functions. They were given a clear timeline to demonstrate results. With a target-oriented approach, priority for FY 2020-21 was set on four key pillars:

- OEE drive (for improving plant and machinery equipment efficiency through)
- Maynard operation sequence technique (MOST) (for improving manpower efficiency of operators)
- Driving cross-facility inspiration (learning from each other in developing best practices across plants)
- Digitalisation

Overall equipment effectiveness (OEE) drive

To strengthen this programme, we made a sub task force in each plant and trained the teams. With a structured approach, we achieved standardisation across the plants, besides measuring the current efficiencies and losses in our facilities. Teams worked extensively to eliminate these losses and make the operations more effective. By December 2020, most of the plants reached ~70% OEE level. Going forward, we will continue to enhance our efficiency in the utilisation of machines and equipment, improving production and productivity levels.

~70%

OEE level across all plants



Maynard operation sequence technique (MOST)

We began measuring the productivity of Team Havells at our manufacturing units through MOST, which evaluated manpower productivity, utilisation of manpower and line balancing. Before we undertook this programme, our plants functioned at 45-50% of measure of performance (MOP) level, which improved to 70% across all the eight locations. In the upcoming financial year, we are looking forward to implementing the same in other functions as well.

Driving cross-facility inspirations

Each Havells plant is unique and has a specialised style of working and process. We started a knowledge-sharing programme across our facilities to adopt the best practices on energy savings, special processes and others. During the year, we also started working on horizontal deployment of identified learnings.



Digitalisation

We leverage digital technologies and data analytics to transform how we work and engage with our stakeholders, especially our customers, and create new revenue streams. Over the years, we have adopted the latest technologies to address identified topics. During FY 2020-21, we took digitalisation deeper to address the needs of our channel partners by automating various time-consuming and manual processes and systems.

We undertook the following initiatives during the year:

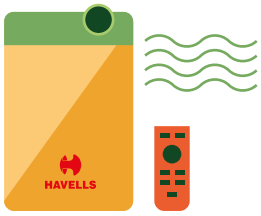
- Deployed AI Chatbot to facilitate intelligent dialogue between Havells and channel partners, service partners and end consumers
- Created several digital services platforms to support process automation, increase business agility and emphasise process improvement and standardisation including digitalisation of the cable division and international business, a cloud-IT backbone and infrastructure to support and transition legacy IT systems to cloud-native platforms

These initiatives led to:

- Recorded faster registration of new channel partners, reducing the time taken from 15 days to only 15 minutes.
- Increased digital registration of the new channel partners (~90% during FY 2020-21)
- Introduced WhatsApp Business API empowering communication with customers, facilitating touchpoints and transactions in a simple, secure and reliable way
- Transitioned seamlessly to a remote work environment during the nationwide lockdown

Ensuring product quality with state-of-the-art manufacturing and testing footprint

Havells' quality ecosystem is built around the culture of 'customer centricity'. Our products meet stringent requirements for global standards. We achieve this through process automation, robust IT integrated systems, capable supplier value-chain and a highly engaged workforce. Our modern plants at various locations are a testimony to this. For us, quality is the key differentiator.



Ensuring the quality of our air purifiers

Our air quality monitoring laboratory has been established to monitor the efficacy of our air purifiers. The air quality lab is well equipped with instruments such as volatile organic compounds (VOC) sampler, inorganic gaseous pollutants detector/sampler, microbiological air sampler and equipment to monitor all the parameters (particulate matter 10 and 2.5, nitrogen dioxide, ozone, carbon monoxide, sulphur dioxide, ammonia, formaldehyde, total volatile organic compounds and carbon dioxide) mentioned in the guidelines. The laboratory is also equipped with air sealed ($3m^3$) stainless steel test chamber for testing and validation of air purifiers.





Note: Pre-pandemic image

Building quality culture at shop floor

We introduced Quality Circle in FY 2018-19 to engage and develop problem-solving skills of our front-line operators and production shop supervisors. Under this programme, we actively engaged front-line operators and production shop supervisors, resulting in savings of INR 13 Crores for the year.

Currently, over 1,000 shop floor operators directly engage in Quality Circle programmes to enhance their skills. We also conduct inter-plant competitions every six months, where top teams participate to win recognitions. These competitions serve as the platform for inter-plant cooperation and sharing of best practices, while promoting healthy competition. One of our teams 'Prawal' has been qualified for National CII Quality Circle competition.

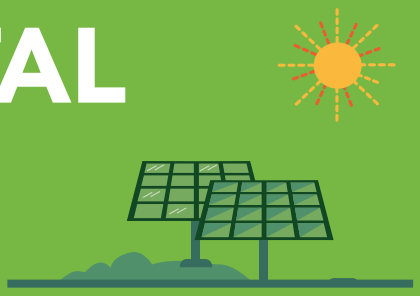
CII award for Quality Circle Competition

Our Baddi Plant bagged a runner up Quality Circle Competition award for FY 2020-21 by Confederation of Indian Industry (CII).

INR 13 CRORES

Savings through Quality Circle during FY 2020-21

IMPROVING OUR PERFORMANCE ON ENVIRONMENTAL FACTORS



WE ARE STRATEGICALLY MOVING TOWARDS REDUCING OUR RESOURCE FOOTPRINT, WITH A FOCUS ON MAXIMISING OUR ENERGY AND MATERIAL EFFICIENCY, WHILE SIMULTANEOUSLY, MINIMISING OUR EMISSIONS, WASTES, AND WATER UTILISATION TO LEAVE BEHIND A BETTER PLANET FOR THE FUTURE.





Tracking our environmental efforts

47%
Reduction in GHG emissions intensity
54-55

56%
Of consumed water is recycled
58-59

12,319 MT
Total waste recycled
60-61

6,578 MWH
Renewable energy used
56-57

Material issues addressed in this segment

Environment

- Emissions
- Water withdrawal and impact
- Waste generated and disposed
- Energy efficiency

SDGs served

Note: All MT and mt units signify metric tonnes and appear different to please design aestehtics.

Minimising environmental footprint

With the objective of reducing the environmental impact of our operations, we are working towards decreasing our energy consumption, increasing the use of renewable and clean energy, reducing emissions, lowering fresh water intake and limiting waste generation and waste that goes to landfill.

We have implemented Quality, Energy, Environmental, Occupational Health and Safety (QEEHS) policy, of which our environmental (ISO 14001) and energy (ISO 50001) management systems are integral parts.

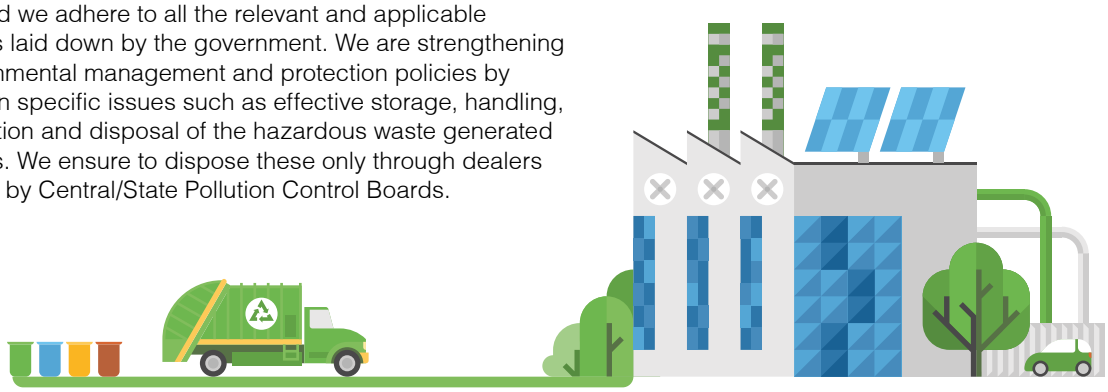
100%

Havells' production sites are ISO 14001 and ISO 50001 certified



Environmental compliance

Compliance to environmental laws is non-negotiable at Havells and we adhere to all the relevant and applicable regulations laid down by the government. We are strengthening our environmental management and protection policies by focusing on specific issues such as effective storage, handling, transportation and disposal of the hazardous waste generated at our units. We ensure to dispose these only through dealers authorised by Central/State Pollution Control Boards.



Our report showcases the following KPIs for measuring our sustainable progress:

INR 2 CRORES
Environmental expenditure

28,878 GJ
Renewable energy used

1,20,502 MT
Raw materials used

40 GJ/CRORES
Energy intensity (excluding purchased electricity)

7 $MTCO_2EQV$/CRORES
GHG emission intensity

67 GJ/CRORES
Total energy intensity

1 $MTCO_2EQV$/CRORE
GHG emission intensity (Scope-1)

164 MEGA LITRES
Total water consumption

6 $MTCO_2EQV$/CRORE
GHG emission intensity (Scope-2)

59 MEGA LITRES
Water recycled

Note: $mtCO_2eqv$ is metric tonnes of carbon dioxide equivalents

Contributing to climate change mitigation

Climate change is one of the most pressing global challenges of the 21st century. As a responsible organisation with global market footprint, we have a crucial role to play in its worldwide mitigation efforts. Although we are not in a fossil-fuel-intensive industry, we consciously focus on minimising our GHG emissions.



Green buildings for a sustainable world

Our integrated AC manufacturing facility at Ghiloth, Rajasthan and the new wire manufacturing site at our Alwar site in Rajasthan were rated as Gold Certified Green Buildings by the Indian Green Building Council (IGBC).

Both units were developed according to Green Building criteria under IGBC guidelines and norms. The Ghiloth facility is among the most-advanced AC manufacturing units globally and uses IoT-enabled machines and processes that ensure efficient resource utilisation and minimises waste generation. The Alwar plant is also designed on the principles of sustainable architecture and design approach to reduce environmental impacts through green concepts and techniques.

These sustainable buildings are constructed with environment-friendly construction materials, have ample natural day light, proper ventilation systems for optimised use of air conditioners, rainwater harvesting systems and solar power generation facility, among others.

GHG emissions

Direct (Scope 1) GHG emissions

Over the years, we have been working persistently towards lowering our carbon footprint through various initiatives, decreasing our specific Scope 1 emissions, which forms a small part of our total emissions.

Some of our initiatives include procurement and use of battery-operated forklifts at our Ghiloth plant, instead of conventional diesel-based forklifts, use of natural gas-based furnaces, etc.

Total direct GHG emissions - Scope 1 ($mtCO_2eqv$)



Energy indirect (Scope 2) GHG emissions

During the year, we implemented ISO 50001 energy management system and initiated 37 projects under the same, saving 2,297.70 MWh energy, which is equal to 1,884.20 tonnes of CO_2 equivalent.

Some of the initiatives we undertook to reduce our Scope 2 GHG emissions include the following:

- Optimised pumps and motors for efficient power consumption
- Used synchronisation of chiller
- Prevented ideal running of lights and equipment through process optimisation
- Installed all-in-one energy-efficient air dryer
- Replaced conventional ceiling fans with energy-efficient ceiling fans
- Saved electricity and fuel consumption by reducing cycle time of varnish oven

Total indirect GHG emissions - Scope 2
($mtCO_2eqv$)



Other indirect (Scope 3) GHG emissions

Under Scope 3 emissions, we only considered employee commuting for the reporting period. During this reporting year, we undertook detailed accounting of Scope 3 emissions, including all our manufacturing units. Our total Scope 3 emission were 5,182 $mtCO_2$ equivalents.

GHG emissions intensity

Scope 1 ($mtCO_2eqv/Crores$)



Scope 2 ($mtCO_2eqv/Crores$)

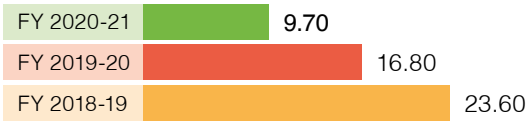


Other emissions

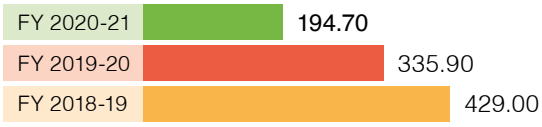
Ozone-depleting substances (ODS)

ODS has a serious impact on the environment, including human health and agricultural productivity, making it a key hindrance to sustainability. At Havells, we are consciously moving away from the use of ODS in our refrigerants for air conditioners and refrigerators, thereby strategically moving towards R134a refrigerant with no ozone-depleting properties. In fact, during the year, we launched environment-friendly Lloyd refrigerators with zero ODS. Conscious of emissions from air conditioning at our office buildings, we have reduced our consumption of ozone-depleting R-22 refrigerant by 50% in the last several years.

Chlorofluorocarbons (CFCs)
(Kg CFC eqv)



R-22 consumption



NOx and SOx emissions

While nitrogen oxides (NOx) often act as indirect GHGs damaging the environment, sulphur oxides (SOx) frequently prove detrimental to life on earth, making these two groups of emissions highly dangerous. At Havells, our operations release miniscule amounts of SOx and NOx and we have in place state-of-the-art air pollution control equipment to control these.

SOx (mt)



NOx (mt)



Next steps

We are continuously working towards reducing our environmental impact with focused initiatives towards decreasing our emissions. Going forward, we are aiming to build an organisation that is wood and paper neutral and convert our facilities into green buildings.

Energy efficiency at every step

As an FMEG company, developing energy-efficient processes and products remains at the core of our business. Over the years, we have increased the share of renewable energy and clean energy such as natural gas in our fuel mix.

Technology adoption enables energy efficiency

Our Alwar plant is the largest integrated cable and wire manufacturing plant in India. Recently, we developed a new site for wire production at the factory. Designed on sustainability principles, the site reduces our environmental impact through new-age technologies. The plant has 4th generation energy-efficient Maillefer Extruder with proven European technology, which guarantees excellent centricity and high-stability product with homogeneity at high speed of 1,200 m/min.

Renewable energy

Renewable energy infrastructure at Havells helps us to reduce carbon footprint and lower our electricity cost per unit. We have an overall solar power generation capacity of 5.6 MW. Also, we have installed 1.95 MW of additional rooftop solar capacity, which will be commissioned in FY 2021-22.

6,66,341 GJ

Total energy consumption within Havells from non-renewable sources

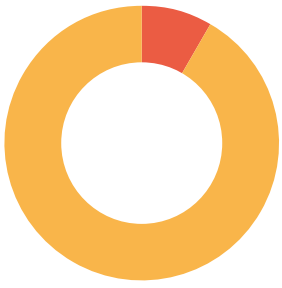
28,878 GJ

Total energy consumption within Havells from renewable sources

74,575 GJ

Total energy consumption outside Havells

Energy mix (%)



8.55
Energy from renewable sources

91.45
Energy from non-renewable sources

Renewable power generation capacity (MW)



Increasing renewable energy generation and use

We are adding 1.95 MW rooftop solar power generation capacity in our Alwar wire plant, which will take our solar power generation capacity to 7.55 MW upon commissioning in FY 2021-22



Reducing energy intensity

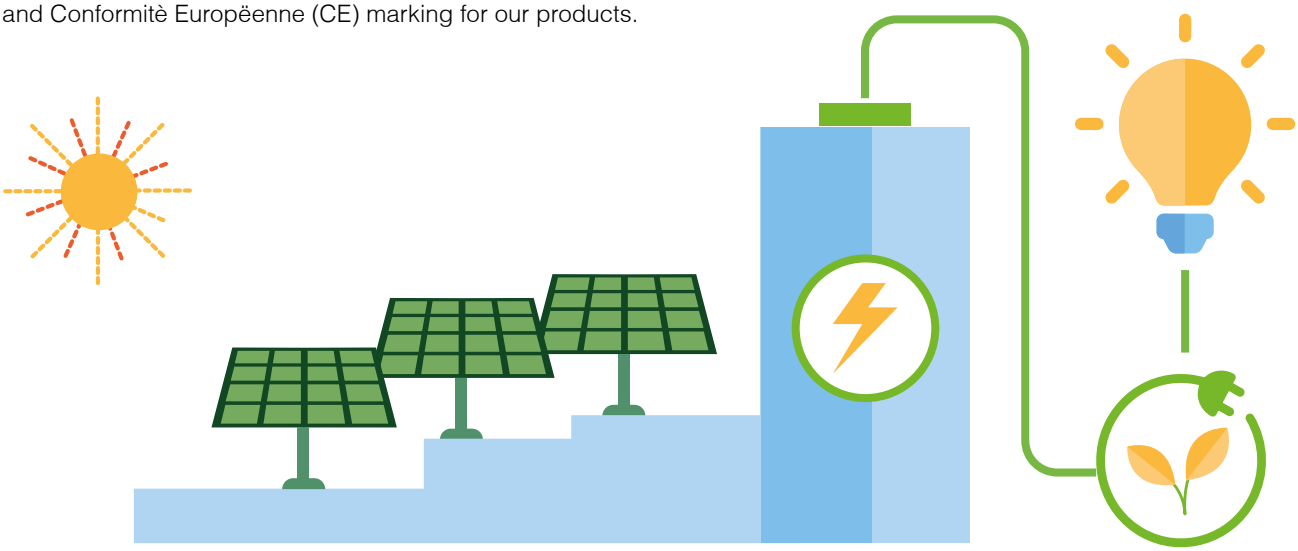
With a focus on lowering our energy consumption and costs, we are progressing towards a low-emission technology, with a focus on clean energy, thereby decreasing our energy intensity. Total energy intensity is 66.66 GJ/ Crores.

Energy intensity ratio (GJ/Crores)
(excluding purchased electricity)



Enabling customers to become energy efficient

At Havells, we ensure to develop energy-efficient products that help our customers to live with a sustainability focus. We pursue Bureau of Energy Efficiency (BEE) star rating and Conformitè Europëenne (CE) marking for our products.





Next steps

We are working towards energy efficiency across Havells by incorporating better equipment and processes. We are also increasing the share of renewable energy resources (solar power) in our activities. Going forward, we intend to develop rooftop solar power generation systems across all our facilities. Moreover, we ensure to add energy-efficient products to enhance energy efficiency at our customers' end as well.

Making every drop count

According to UN reports, over 40% of the world population will face acute water shortages by 2050. At Havells, we are conscious of this fact and recognise that water is a shared resource and every individual, including corporates must ensure that every drop of water is accounted for.

Responsible water consumption is a priority at Havells. We focus on gaining water efficiency. We became a water-positive company during FY 2015-16 with the index improving 1.6 times in FY 2018-19, as assured by an independent third party.

106

MEGA LITRES

Freshwater consumption during FY 2020-21

Managing water

Water management for us is based on the concept of giving back to nature more than we extract. We have clearly identified our units in water-deficit regions and work double hard to diminish our water consumption in these units. We use different methods such as harvesting rainwater and recharging the ground aquifers to realise this aim.

As an FMEG, our manufacturing processes are not water intensive, but some units like water-based paint shops use water extensively. We ensure these procedures are managed efficiently and are incorporating new technologies to reduce water consumption. As a result, we adopted dry-powder-based paint shops and air-based screw compressors that do not utilise water like the conventional technologies in use, thereby reducing our intake of this precious natural resource. We have also installed digital water meters and updated our water balance diagram to enhance our water management systems and processes.

Water consumption sources*

	(%)	(mega litres)
Groundwater	65	68
Third-party water tanker	12	24
Municipal water	23	13

*Figures rounded off

Water consumption

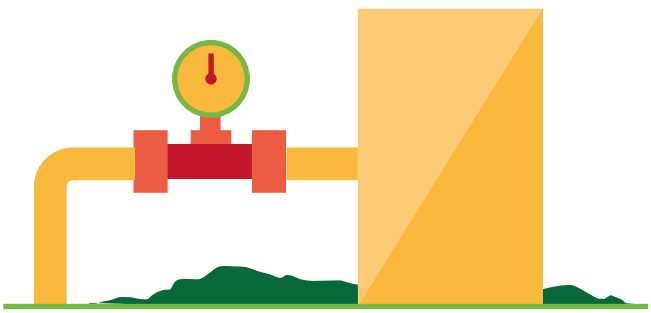
With a disciplined day-to-day usage, our water management strategy concentrates on every aspect of its consumption – from intake to discharge.

We reduced our freshwater water consumption with targeted conservation measures and our regular efforts. In fact, in FY 2020-21, we managed to bring it down significantly. Also, the pandemic lockdown has contributed to the reduction impact.

Decreasing water consumption (mega litres)



We introduced flow-optimised and sensor-based taps and urinals at our premises, checked water leakages and closed unnecessary water distribution points to reduce water wastage. We also installed water meters for better control and monitoring of water usage at Havells.





Recycling water

We treat and recycle wastewater generated from our operations, toilet and canteen facilities. We have equipped all our units with sewage treatment plants (STPs) and effluents treatment plants (ETPs) as required. We use recycled water for developing greenbelt and plantation. There is no impact on any water body or related habitats due to our strong wastewater management systems. Only our Faridabad plant released treated water (after maintaining the minimum discharge standards) into municipal sewage line with necessary approvals from the concerned authorities during FY 2020-21. At Havells, we maintain the required standards of STP and ETP according to the applicable guidelines and directions of Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs).

46

MEGA LITRES

Total recycled water from STP

13

MEGA LITRES

Total recycled water from ETP

Harvesting rainwater

All our manufacturing plants are equipped with rainwater harvesting systems that collect water from rooftops and paved surfaces and channel it through dedicated rainwater drains into scientifically designed artificial groundwater recharging structures. Last year, we added three new rainwater harvesting and groundwater recharge pits with capacity of 75 kilo litres each at our Neemrana facility. These new structures receive runoff rainwater from the recently erected storage shed.



Next steps

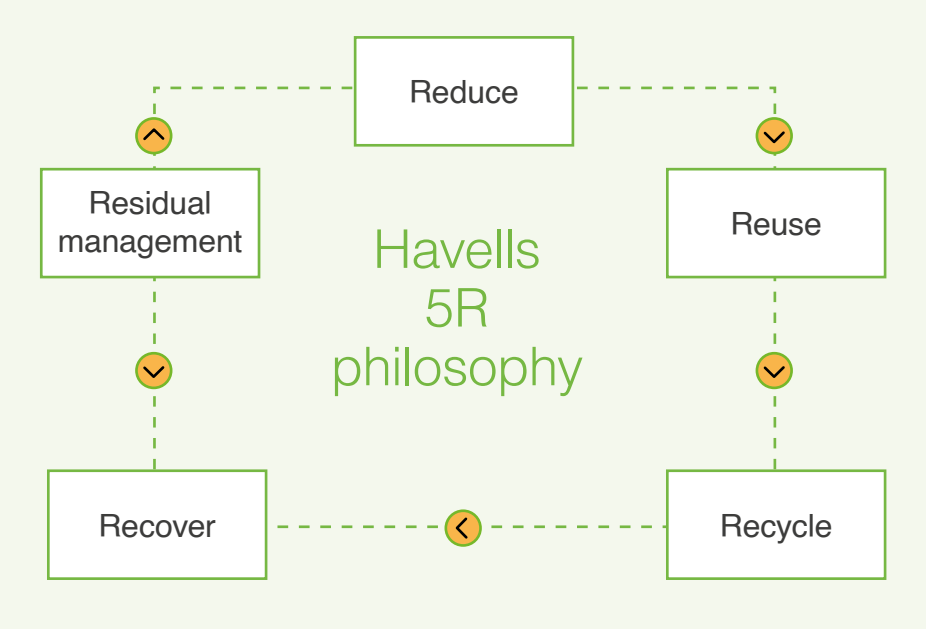
At Havells, we will further work towards reducing our water consumption and increasing our water reclamation efforts. Going forward, we will incorporate more rainwater harvesting projects across our units and communities.

Optimising resource use, reducing waste

We are continuously focusing on improving material efficiency, environment-friendly packaging and waste recycling, among others. Material efficiency at Havells contributes to reduced industrial waste volumes, lower consumption of virgin raw materials, increased waste segregation, decreased energy demand and reduced carbon emissions.

5Rs approach at Havells

At Havells, the 5Rs philosophy involves reduce, reuse, recycle, recover and residual management. With this technique in place, we recycle ~95% of our non-hazardous waste. We reuse waste wood from cable drums to build school furniture as part of our social responsibility activities and ensure to never use paper cup or plastic water bottles, paving the way for a circular economy to flourish.



Efficiently using raw materials

We believe in judicious use of resources and try to minimise our consumption. We use a variety of raw materials, including different metals, plastics, resins, PVC and others.

Virgin raw materials used in FY 2020-21

Raw materials	Associated process material (grease, lubricants, paints, solvents, inks)	Semi-manufactured goods or parts	Packaging material
1,20,502 mt	33,478 mt 9,30,761 Litres	1,05,80,664 number	10,04,439 FT3 54,59,64,519 number 3,339 mt 2,29,60,265 Metres

Waste management system

We have a stringent waste management system for hazardous and non-hazardous waste generated at Havells. During the year, we recycled 12,907.60 MT of non-hazardous waste and reused 478.87 MT, including metal, rubber and plastic scrap.

All hazardous waste generated at Havells is disposed according to regulatory specifications provided by SPCB/CPCB and Ministry of Environment Forest and Climate Change (MOEFCC). During the year, there were no significant spills to be reported and total hazardous waste disposed were 196.55 MT through authorised vendors.

12,319 MT

Waste recycled

<5%

Total waste to landfill

Plastic Waste Management (PWM)

We take responsibility of disposing plastic wastes associated with our product packaging. In order to fulfil our extended producer responsibility (EPR) we are collecting plastic low-density polyethylene (LDPE) bags and thermocol.

Decreased plastic use in packaging

Removed metallised Polyethylene Terephthalate film from our packaging	Used pulp-moulded trays for our water heater packaging to replace thermocol
Reduced lightweight expanded polystyrene (EPS) from our packaging (especially in the professional lighting segment) and replace with corrugated or honeycomb fillers	Incorporated paper-based tapes to replace biaxial oriented polypropylene (BOPP) tapes in lighter weight packaging
Introduced bio-degradable plastic bags for our packaging	Used recycling bins instead of plastic packaging to move some of our raw materials to be used in production

Environment-friendly packaging

At Havells, our objective is to maximise the use of recycled materials for packaging. We partner with various research institutes and NGOs to develop new-age packaging materials.

Our packaging development management system (PDMS) helps us minimise packaging materials by developing the product packaging parallel to its design. This allows us to prepare the product prototype, alongside its packaging, optimising the need for packaging materials. Moreover, vendors involved in packaging are better prepared to handle it, thereby increasing material efficiency and reducing waste. The use of PDMS allows us to capture inputs from various departments like Marketing, Sales, Marcom and others to incorporate them into packaging development.

We are also working towards introducing recycled materials in product design to diminish the use of virgin materials and modernising our processes to handle recyclable materials.

E-waste management

We undertake e-waste management service under the guidelines of E-Waste (Management) Rules, 2016, issued by the Ministry of Environment and Forest, Government of India.

Under this initiative, we have partnered with government-authorised recyclers. We collect electronic products at the end of their lifecycle at our e-waste drop-off centres and ensure environmentally safe management of these electronics and/or defective spare parts. For safe disposal of their e-waste, customers can schedule doorstep pickup by calling our toll-free number 1800-1020-666. We are urging our channel partners and customers to take up this challenge of helping us collect e-waste and defective spare parts.

All the necessary and legal authorisations required for the processing facilities have been undertaken and approved by concerned governmental agencies.

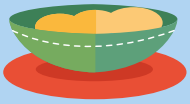
Next steps

We are working towards reducing our use of virgin materials and adopting the circular economy philosophy to further strengthen our 5R philosophy while diminishing wastes in our production and packaging.

BUILDING ENDURING BONDS



WE HAVE EARNED THE CONFIDENCE OF OUR STAKEHOLDERS (CUSTOMERS, PEOPLE, VENDOR PARTNERS AND COMMUNITIES) WITH CONTINUED EFFORTS TO UNDERSTAND THEIR ASPIRATIONS AND MEET THEIR EXPECTATIONS.







Social and relationship sustainability facts

9

Large virtual dealer meets

70-71

90+ MILLION

Customer engagement via social media*

64-65

*Views, likes, comments and shares of our postings on Facebook, Instagram, Twitter

386

Virtual training sessions for Team Havells during FY 2020-21

66-69

Material issues addressed in this segment

Economic and governance

- Brand salience
- Technology and digital transformation

Social

- Customer & other stakeholders' delight
- Health and safety
- Talent management

Environment

- Emissions
- Energy efficiency

SDGs served



Aligned to customer needs and aspirations

We are a customer-centric organisation, focused on providing a positive customer experience across their journey with us. Our products offer customer delight with convenience, sustainable value, energy efficiency and enhanced experience for them.

Delighting customers digitally

During FY 2020-21, we connected with our customers digitally through various online platforms to understand their needs and meet their requirements. While this included increasing our presence significantly on e-commerce sites and focusing on online-to-offline business strategy, we also made sure to support our customers beyond sales.

~96%

Of our orders are made through dealer portal

Online-to-offline model

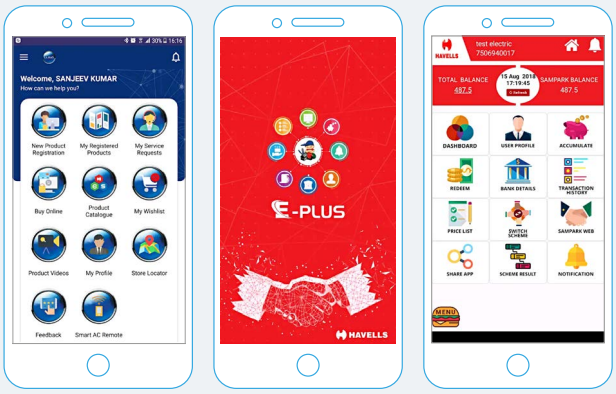
During FY 2020-21, we started the Online-to-Offline (O2O) model to function as an online marketplace for our existing channel partners (dealers, distributers and retailers). Under this model, the channel partners list our products (that they sell) on our e-store. Once the customer makes a purchase on the online platform, they ensure delivery like any other online shopping destination.

Online support services

We also delivered support services through digital means, conducted various interactive programmes that enabled their 'new normal' lifestyle and most importantly, increased product guarantees wherever possible.

Support services using digital means

We continued to address and resolve customer concerns during the lockdown by providing seamless basic trouble-shooting services.
As our field service engineers (FSEs) were unable to reach complaint locations, we empowered them to leverage digital communication techniques such as WhatsApp chats and video calls to solve standard service requests. Our customers can use dedicated mobile apps (Havells Consumer Connect and My Lloyd), WhatsApp Chat or send text messages for the same. We encouraged customers to take up Do It Yourself (DIY) maintenance drill for specific products like air conditioners, washing machines, air coolers and water purifiers that need regular servicing. For the purpose, we created DIY tutorial videos and step-by-step illustrations.





Deepening our customer bonds in 'the new normal'

We partnered with four celebrity stylists (Jawed Habib, Ambika Pillai, Sanky Evrus and Pompy Hans) who shared their perspective on styling at home, work from home styling, tips and tricks for monsoon styling and myths around styling tools.

These stylists conducted sessions on our social media platforms, which received stupendous traction. The brand campaign, #schoolofgrooming, helped us cater to the evolving tastes of our target customers and helped them stay ahead with the latest grooming trends.

~3 MILLION

Reached through this programme

~2 MILLION

Views on Facebook and Instagram

Cushioning customers with increased product guarantee

We extended warranty period for all our consumer products, ensuring that warranties/service contracts ending between 22nd March 2020 and 31st May 2020 lasted till 30th June 2020. The expansion of the warranty/contract period ensured that our customers had one less thing to worry about! It further underlined our customer-centric approach, delighting customers.

Customer safety is a key priority

In today's connected world of IoT-enabled electrical products, safety concerns have come to include data and privacy as well. At Havells, we ensure our products offer complete electrical and data safety and ensure to maintain privacy of our customers. We follow all relevant national and international standards for product safety such as Bureau of Indian Standards (BIS), Japanese Industrial Standards (JIS) and others wherever applicable. During the year we have not received any complaints/incidents concerning breach of customer privacy and loss of customer data.

Data safety and privacy

At Havells, we use Artificial Intelligence/Machine Language (AI/ML) based security solutions to protect our business and our customers' data stored with us from cyber threats. Further, we have a dedicated IT Security and SOC Team to ensure operating effectiveness of our cyber security architecture. This is followed by employee awareness and training programmes conducted regularly on data security and privacy, cyber threats (phishing/spoofing etc.), including tools like data encryption, access control and multi-factor authentication (MFA) are implemented.

Customer education

For us, educating customers on safety of electric products is among our moral responsibilities. With this mindset in place, we have always kept our customers updated on various safety focus areas for our offerings. During the year, we designed an exciting campaign roping in veteran actor Vijay Raaz in the role of an electrician.

Driving customer awareness with campaigns in vernacular languages

We designed a digital campaign that spread awareness about the importance of installing residual current circuit breaker (RCCB) to safeguard from shock due to current leakage. The campaign is an extension of Havells' long-standing thought leadership and commitment to electrical safety. The digital film visually emphasises the risks of an electric shock in the absence of an RCCB – a very simple yet vital device, which should be a part of every home. The campaign was launched in the several local languages such as Bengali, Malayalam, Telugu, Tamil and Kannada, apart from Hindi.

Next steps

We will continue to deliver best-in-class products and services to our customers. Going forward, we will focus on increasing our engagement with our customers by educating them on our offerings and safe usage.

Promoting a culture of collaboration

We understand that how our employees perceive Havells reflects our success in engaging with them. We constantly connect with them, encouraging them to grow with us. We are a Great Place to Work certified organisation. During the year, our mantra for human resource function, 'motivate and collaborate' helped our leadership team to continue to interact with them regularly, inspiring them to stay focused.

People strength

17,886
Team size

5,727
Permanent employees

12,159
Contractual employees

Finding the right cultural fit

At Havells, we continuously strive to align employee aspirations with organisational values and ambitions, translating individual performance into holistic organisational accomplishment.

Our rigorous, multi-layered hiring process is designed to onboard talent who are culturally fit for our organisation and are committed to grow with us. This is re-affirmed by the fact that more than 35% of our employees have been with us for over five years.

Our hiring policy (within India) concentrates on preferred local recruiting. During the year, we started using digital platforms for induction wherein we emphasised providing our recruits information on organisational structure, core values and others.

911
New employees recruited in FY 2020-21

The Buddy Program

We initiated the Buddy Program for easier cultural integration of our recruits, wherein they are assigned a Buddy during the initial 30 days of their journey with us. The Buddy could be from the same or any other department and acts as a go-to-person for any query, information or support needed, sharing the organisation's formal/informal practices and ways of working. During the year, the programme was made available to 115 employees in Sales and 94 employees in CRI. Going forward, we will expand it to include all recruits at Havells.



Learning and development

At Havells, we invest significantly in training and re-skilling programmes for our people that improve their competencies and skillsets. During the year, as our teams worked from home, they had access to the latest technological tools that ensured continued interactions between the management and the team. We used this phase to encourage upskilling and learning across the organisation. Over 300 sessions on MS teams were conducted, including training on functional/behavioural and technical topics. These programmes were facilitated by our in-house experts from various departments.



Note: Pre-pandemic image

Trainings for permanent employees during FY 2020-21

786
Total training sessions

2,682
Total people trained

25,703
Total person-hours of trainings

During the year, we conducted the training programmes on automation and IoT, consultative selling skills, application-oriented products, personal effectiveness, SFA application, Sampark and E-Plus, sampling plan, negotiation skills, electronics best practices, financial trainings like COPA, Vistex and service-related trainings. These initiatives were conducted online.

Our online trainings were extended to our trade partners, customers, specifiers, retailers/dealers and ISPs.

9,000
Trade partners across India were participated in an online training session by Mr. Anil Rai Gupta (CMD)

Trainings on cyber security

We conducted Havells Security Training to create awareness and training among our people about cyber threats such as phishing, ransomware, credential compromise, account takeover attacks and others. The training was delivered through videos, wherein after watching them participants answered questions to test retention of the information.

Learning on-the-go

Saksham is our on-the-go learning portal that enhances the knowledge of our sales team on the entire Havells product suite. A compulsory programme, Saksham is accessible through smartphones and computers. Team members complete the allotted modules by an assigned date and are then tested on their retention. They are allowed to revise any number of times before attempting the test.

Virtual training on new products

Training on new products is one of the most critical areas of customer service. During the year, we quickly adopted technology and shifted the entire training programme to the online platform through tools like Microsoft Teams, Zoom and our own Saksham App.

Nurturing future leaders to enable smooth transition

We are strengthening succession planning across all levels of Havells. We identify high performers by exposing them to a variety of opportunities and experiences and enabling their growth. In the last few years, we have enabled job rotation and cross-functional movement at Havells to allow our colleagues to undertake larger roles through Internal Job Postings (IJPs). During the year, we encouraged horizontal and vertical movements through IJPs. This also helped us reduce our attrition rate by around two-thirds during the year under review.

11%

Employee attrition rate during FY 2020-21

A performance-driven work atmosphere

We promote meritocracy at Havells and have a strong performance management system (PMS) in place that rewards and recognises talent based on their achievements. The PMS engages with our colleagues through a bi-annual dialogue that allows our teams to engage in constructive feedbacks to assess performance.

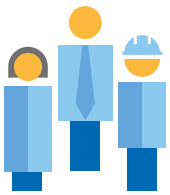
Performance management at Havells aims at building a high-performance culture and fair work environment for both individuals and teams, to enable a collaborative approach towards improving business processes on a continuous basis. Today, over 95% employees are assessed based on defined KRAs.



Recognition for our people practices

We bagged the 'Great Place To Work' certification second year in a row and are among India's Top 50 – Best Companies to Work For 2020. Our scores this year have even surpassed some of the benchmarks set by the Great Place To Work institution.

Our Alwar facility, completing 25 years is the country's largest integrated cable manufacturing plant. It awarded the Best Employer by Employers' Association of Rajasthan for its excellent business practices and people empowerment.



Diversity and inclusion

We are an equal opportunities employer and focus on increasing diversity at the workplace. With two female Directors in our Board, we are gradually increasing diversity at the apex decision-making level.

Currently, ~4.32% our team members are female. However, we are working steadily to increase this number.

Also, we have two specially-abled people as part of our team. During the year, 16 people from our team availed maternity leave and of them 13 have already resumed work with us.

Safety is our collective responsibility

Occupational health and safety is non-negotiable for us and everyone at Havells is responsible for it. As a responsible employer, we have set up world-class safety systems across the organisation. We are an ISO 45001/OHSAS 18001 certified company and have organisation-wide Integrated Management System (IMS), Quality, Environment, Energy and Health and Safety (QEEHS) policy. During the year, we celebrated zero fatalities.

Zero occupational fatalities

During FY 2020-21

Key elements of safety management systems

Safety governance structure

All our manufacturing units have a safety committee that encourages our colleagues to be more attuned towards safe practices. The committees have equal representation from our permanent as well as contractual teammates.

Safety practices and trainings

We conduct regular safety trainings through classroom educations, fire-fighting demonstrations, daily toolbox talk and others. Additionally, we organise specific work-related health and safety trainings for our colleagues who work at high occupational-disease-prone areas. We also conduct various safety programmes and drills, where we focus on instilling good practices like identifying probable hazards and risks, reporting near miss and others. We also provide our people with proper personal protective equipment where needed.

During the year, we conducted 1,348 health and safety training programmes for our people. Also, special emphasis was given on creating awareness and educating the staff both through online and offline modes, on the rules and guidelines to be followed in the wake of COVID.

1,348

Health and safety training programmes

Inculcating safe practices

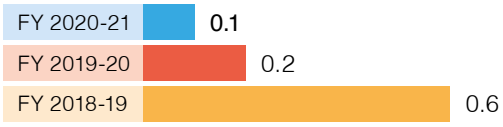
We create safety awareness at our plants by observing special days and occasions such as National Safety Day, Road Safety Week and others.

Ensuring safety at workplace with social distancing

Post the lockdown, we restarted our manufacturing units with airtight social distancing measures. We integrated an AI-based technology product, Trust AI, that uses artificial intelligence and computer vision powered video analytics to monitor our shopfloors and offices, issuing an alert when the desired distance between colleagues is not maintained. The cost-effective technology uses the already installed IP* and CCTV^ cameras combined with computer vision and also detects when people are not wearing masks, helmets or safety gear. The alert is sent through email or text messages to the factory administrator. The application has a number of AI algorithms to ensure effective alerts and monitoring. This AI- and IoT-based solution delivers insights that help in our digital transformation and ensures business continuity.

*Internet Protocol (IP)
^Closed-Circuit Television Camera (CCTV)

Improving lost time injury frequency rate (LTIFR)



Zero occupational illness frequency rate (OIFR)

During FY 2020-21

Next steps

As our people are our most important asset, we work continuously to ensure their good health and safety. We are building a congenial work environment to provide safer and healthier work atmosphere.

Optimising the value chain

FY 2020-21 witnessed an unprecedented time of supply disruptions, uncertainty in material availability, unpredictable lead time and high price volatility. This phase also offered ample growth opportunities with pent-up demand. Our robust local supplier base responded to this challenge by ensuring that our entire supply chain remained flexible and agile to fulfil demand. During the year, we facilitated our micro, small and medium enterprise (MSME) suppliers with easy financing that helped us leverage sourcing of raw materials on time.

In the spirit of bolstering 'Make in India, and, Vocal for Local' initiatives of the government, suppliers were engaged in localisation drive to reduce dependency on imported parts and products. Post COVID lockdown, we established new norms for supplier assessment and covered 130+ new suppliers virtually.

Upstream supply chain

We whole-heartedly support the Government of India initiative Atmanirbhar Bharat that focuses on local manufacturing, local markets and local supply chain. Accordingly, ~76% of our total requirement is sourced from local and small vendors. We further support these suppliers with skill enhancement and process improvement initiaitves. Continuous engagements are practiced through vendor commitment meeting, vendor audit, management reviews and suggestions system to improve business relationship.

~76%

Of total raw materials expenditure was made locally (in India)

Robust vendor base

We have strengthened our supplier base through continuous improvement in the areas of process improvement, skill enhancement and technology upgradation. These parameters are further incorporated in assessment and selection of new suppliers while onboarding them. Continuous engagement with suppliers is ensured through supplier meets, business reviews, multiple training sessions and a two-way interactive online global vendor portal (GVP), ensuring end-to-end procure-to-pay (P2P) through digital transactions. Performing suppliers are recognised and rewarded by enhanced business share and new business opportunities. During lockdown, we conducted various virtual sessions on vendor capability enhancement that involved ~200 suppliers.

~80%

Of our suppliers have a rejection rate of only 100 ppm

Monitoring supplier performance

As a corporate policy, Havells ensures fair and transparent business allocation to performing suppliers. We have an automated vendor rating system to categorise suppliers into various grades based on performance parameters such as quality, cost, delivery and service. Monthly performance rating is shared with suppliers through GVP. In order to meet future business needs, we tightened the supplier performance criteria for continuous upgradation. We ensure flawless quality by identifying critical parts and critical suppliers and supporting them at the development stage through Production Part Approval Process and Quality Risk Assessment activities.

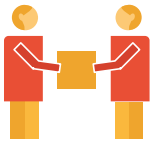
Sustainability management programme

We have been working to enhance our sourcing practices, through process of risk analysis and risk control. This includes securing our supply chain on various risks such as single source parts, import dependency and sustainability risks such as financial, statutory and regulatory, energy, environment, fire and safety, social aspects like child labour, working conditions and others. Our sustainability roadmap focuses on these areas and ensures that our sourcing methods are sustainable. According to our sustainability agenda, ~250 suppliers covering 80% of the spend are identified in sustainability initiative and assessed. As a corporate philosophy, Havells believes in conducting ethical, legal, safe, fair and environmentally responsible business practices. We follow a zero tolerance approach towards non-compliance to Product Sourcing Agreement and our CoC, which are mandatory before onboarding suppliers and reviewed periodically.

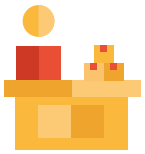
Distribution channels

Our record performance during the year can be directly attributable to our distributors, dealers and retailers who have worked in tandem with us to ensure the last-mile delivery of our products.

Robust distribution network



14,200+
Dealers



~1.8+ LAKHS
Retailers



650+
Brand showrooms

Deeper penetration with fortified distribution network

We connect with local electricians and groom them as our brand ambassadors. These influencers then educate customers on the benefits of RCCB, MCB and other safety devices that ensure customer safety.

~1.5 LAKHS
Electrician influencers

Largest brand shop channel in the industry

We launched the Havells Galaxy stores to create a unique platform that allows our customers/potential users to experience our products. The flagship stores showcase all our products, even if they aren't sold in that particular region. Designed for the modern consumer, they serve as the one-stop shop for delivering end-to-end solutions for customers' electrical goods requirements. Similarly, we have also launched exclusive brand showrooms for Lloyd across the country, which host all products under the brand.

As on 31st March 2021, we enjoy the largest brand shop channel in the industry with 566 Havells Galaxy stores and 94 Lloyd brand shops.

Dealer care

Our dealer network is tempered with our strong bonds forged for years on the fire of mutual trust and enablement. We have developed various dealer-centric programmes that provide health insurance and channel financing, among others.

Some initiatives that helped us earn their loyalties are as follows:

- **Channel Financing** offers Havells' guarantee to banks on behalf of our dealers. This ensures our dealers buy more stocks and reduces our debtor turnover ratio. Initiated in 2007, Channel Financing offers discount to dealers, decreasing their net interest payable as well
- **Griha Lakshmi** scheme started in 2014. It recognises and empowers the wives of our channel partners for their contribution in the growth of their husbands' businesses, and thereby Havells. In this scheme, we directly remit the incentive amount to the lady's bank account
- Under the **QRG Growth Fund**, we manage some funds on behalf of our channel partners. We use an independent asset management service to invest a portion of our channel partners' income on their behalf. Channel partners can retrieve the amount whenever needed

Next steps

We are strengthening our bonds with our channel partners with focused initiatives that enable them to grow alongside us. Going forward, we will continue to do so.

Driving inclusive development agenda

At Havells, we believe in inclusive growth and sustainable development. We identify focused intervention areas and create a participatory model for transformation. Our social programmes focus on holistic development of school children and infrastructure of educational institutions, aiding in green development and conserving the nation's heritage.

Holistic development of school-going children

Children are the future of India and we focus on providing them holistic opportunities of growth with programmes such as mid-day meals (for nutrition), hygienic sanitation facilities (for healthy living), school furniture and building infrastructure at government schools (for education).

Mid-day meals

Our mid-day meal programme provides nutritious meals according to government-approved diet chart for 693 government schools across Alwar district, Rajasthan. We prepare the meals in our modern kitchen (spread over 4 acres) and ensure on-schedule delivery using our fleet of ~30 vans and an in-house app. We manage the entire operation, from procurement to delivery, every day. Since inception (in 2005), we have served over 90 million meals to students.

During the year, this service was suspended due to the pandemic, although we continued to provide dry rations to our beneficiaries and served meals to those severely impacted by pandemic.

Going forward, we intend to serve 90,000 mid-day meals. The groundwork for the mission has been laid, with applications filed with district authorities. Currently, we are awaiting approval.

~90 MILLION

Mid-day meals served since inception





Note: Pre-pandemic image



Note: Pre-pandemic image



Hygienic sanitation

We aim to provide school-going children a hygienic learning ambience and initiated Water, Health and Sanitation (WaSH) in 2013 to promote healthy habits among them. WaSH is aligned to the Swachh Bharat Mission and reaches 500 schools in Alwar district, Rajasthan.

With a 360-degree view on sanitation, over the years we have set up 4,096 eco-friendly bio-toilets in the government schools of Alwar and conducted sensitisation workshops. We also ensure to maintain the infrastructure in these schools throughout the year.

4,000+
Bio-toilets constructed

Project Baala

Through Project Baala, we create awareness about menstruation among adolescent girls in rural India. As part of the project, we distributed re-usable sanitary napkins to over 1,46,000 girls studying in government schools of Alwar district, Rajasthan and Haridwar district, Uttarakhand till date. During the year, we distributed 66,740 kits in collaboration with Agha Khan, Project Mumbai, Akshay Patra and others. Going forward, we look to distribute many more sanitary kits to women and girls from marginalised socio-economic families.

1,46,000+
Beneficiaries of Project Baala till date



Note: Pre-pandemic image

Educational infrastructure

We have been donating funds to educational institutions for developing infrastructure and providing scholarships to meritorious students to promote and support education. We have been continuously supporting Ashoka University with such funds over the years. Also, in FY 2019-20, we supported students from economically weaker backgrounds by providing assistance to BML Munjal Foundation.

Till date, we have donated ~2,500 bench and table sets, benefiting at least 5,000 students in Alwar and Haridwar. During the year, we donated ~200 benches and table sets.

Aiming towards skill development

In collaboration with Electronics Sector Skill Council of India (ESSCI), we will develop micro entrepreneurship ecosystem by establishing Centres of Excellence (CoEs). These CoEs will help develop industry-ready electrical/ appliance labs and provide trainings for installation, service and maintenance of domestic and industrial electrical appliances, solar and renewable energy and air conditioning systems. Moreover, these institutes will connect distribution channels for last-mile sales/service points and provide handholding to micro entrepreneurs to launch their own business, besides continuing to provide mentoring support. The trainees will receive Havells' brand certificates.

These CoEs will increase our rural outreach, improving business, upskill existing electricians/ technicians on our products, provide trained technicians for our distribution channels and upcoming brand stores.



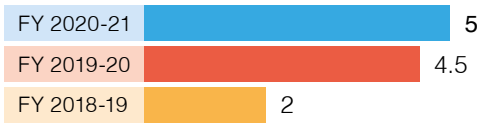


Green development

At Havells, we do not wish to create economic value at the expense of the environment. Therefore, it is precisely why we focus on rejuvenating our natural ecosystems and biodiversity by planting trees in and around the nearby areas of our manufacturing facilities.

We are also working towards growing into a wood and paper neutral organisation in the long run. During FY 2020-21, we planted over 5 Lakhs trees, of which 4 Lakhs were planted in Bhopal, Madhya Pradesh and 1 Lakh in Neemrana, Rajasthan. Since FY 2017-18, we have planted overall more than 11 Lakhs tree saplings.

Number of trees planted (in Lakhs)



Most of our operations are in the industrial areas/zones. None of our operational sites owned, leased and managed are in or adjacent to protected areas and/or areas of high biodiversity value outside protected areas. Also, there is no International Union for Conservation of Nature (IUCN) Red List species and national conservation list species with habitats in areas affected by operations. Hence, there is no impact in relation to concerning biodiversity aspects.

Conserving India's heritage

In association with the Aga Khan Foundation India (AKFI), we are contributing towards the development of Humayun's Tomb Interpretation Centre. The centre is spread over 10,000 sqm and would be the first-of-its-kind facility planned at any of Delhi's World Heritage Sites. It will also serve as a cultural public facility. Alongside, this we will also conserve 'Sabz Burj', a nationally important monument in New Delhi.

Kanya Upwan

In association with the Alwar district administration in Rajasthan, we are developing 1.86 hectare of land near Kati Ghati (Alwar) as Kanya Upvan for the next five years. The initiative began in FY 2017-18 and the administrative authorities have been planting a sapling on the birth of a girl child in the district. We are landscaping the area to turn it into a local attraction.



Next steps

Our community care programmes focus on the entire lifecycle of a child born, from education with mid-day meals and school infrastructure to hygienic living by providing proper sanitary conditions through bio-toilets and Project Baala, skill development for livelihood, recreation options such as Kanya Upawan and conserving heritage sites. Going forward, we will focus more on these programmes.

GRI Content Index

GRI Standard	Disclosure	Page number
GRI 102: General Disclosures 2016	**Organisational Profile**	
	102-1 Name of the organization	Cover, Inside front cover
	102-2 Activities, brands, products, and services	Inside cover, 4, 6, 7
	102-3 Location of headquarters	2, back cover
	102-4 Location of operations	2
	102-5 Ownership and legal form	5
	102-6 Markets served	8 and 9
	102-7 Scale of the organization	14, 20, 66, 67, 68, 69
	102-8 Information on employees and other workers	14, 20, 66, 67, 68, 69
	102-9 Supply chain	70
	102-10 Significant changes to the organization and its supply chain	None
	102-11 Precautionary Principle or approach	3
	102-12 External initiatives	3, 5, 32
	102-13 Membership of associations	5
	Strategy	
	102-14 Statement from senior decision-maker	10, 11, 12, 13
	102-15 Key impacts, risks, and opportunities	22, 30, 31
	Ethics and Integrity	Inside front cover
	102-16 Values, principles, standards, and norms of behavior	27, 28, 29
	102-17 Mechanisms for advice and concerns about ethics	33
	Governance	
	102-18 Governance structure	27, 28, 29
	102-19 Delegating authority	27, 28, 29
	102-20 Executive-level responsibility for economic, environmental, and social topics	18, 22, 30, 58, 64
	102-21 Consulting stakeholders on economic, environmental, and social topics	18, 22
	102-22 Composition of the highest governance body and its committees	27, 28, 29
	102-23 Chair of the highest governance body	27, 28, 29
	102-24 Nominating and selecting the highest governance body	Read in Annual Report 2020-21
	102-25 Conflicts of interest	Read in Annual Report 2020-21
	102-26 Role of highest governance body in setting purpose, values, and strategy	27, 28, 29
	102-27 Collective knowledge of highest governance body	27, 28, 29
	102-28 Evaluating the highest governance body's performance	27, 28, 29
	102-29 Identifying and managing economic, environmental, and social impacts	16-21
	102-30 Effectiveness of risk management processes	22, 30, 31
	102-31 Review of economic, environmental, and social topics	17

GRI Standard	Disclosure	Page number
	102-32 Highest governance body's role in sustainability reporting	18, 22, 30, 58, 64
	102-33 Communicating critical concerns	3, 20, 23
	102-34 Nature and total number of critical concerns	3, 20, 23
	102-35 Remuneration policies	Read in Annual Report 2020-21
	102-36 Process for determining remuneration	Read in Annual Report 2020-21
	102-37 Stakeholders' involvement in remuneration	Read in Annual Report 2020-21
	102-38 Annual total compensation ratio	Read in Annual Report 2020-21
	102-39 Percentage increase in annual total compensation ratio	Read in Annual Report 2020-21
	Stakeholder engagement	
	102-40 List of stakeholder groups	18, 22
	102-41 Collective bargaining agreements	Read in Annual Report 2020-21
	102-42 Identifying and selecting stakeholders	18, 22
	102-43 Approach to stakeholder engagement	18, 22
	102-44 Key topics and concerns raised	18, 22
	Reporting practice	
	102-45 Entities included in the consolidated financial statements	Read in Annual Report 2020-21
	102-46 Defining report content and topic Boundaries	Inside front cover
	102-47 List of material topics	3, 20, 23
	102-48 Restatements of information	Inside front cover
	102-49 Changes in reporting	None
	102-50 Reporting period	Inside front cover
	102-51 Date of most recent report	Inside front cover
	102-52 Reporting cycle	Inside front cover
	102-53 Contact point for questions regarding the report	3
	102-54 Claims of reporting in accordance with the GRI Standards	Inside front cover
	102-55 GRI content index	76, 77, 78, 79
	102-56 External assurance	76, 77, 78, 79
ECONOMIC STANDARDS		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	34-39
	GRI 103-2: The management approach and its components	34-39
	GRI 103-3: Evaluation of the management approach	34-39
GRI 201: Economic Performance 2016	Disclosure 201-1 Direct economic value generated and distributed	35, 36, 37
	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	52-55
	Disclosure 201-3 Defined benefit plan obligations and other retirement plans	Read in Annual Report 2020-21
	Disclosure 201-4 Financial assistance received from government	Read in Annual Report 2020-21

GRI Standard	Disclosure	Page number
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	38-41
	GRI 103-2: The management approach and its components	38-41
	GRI 103-3: Evaluation of the management approach	38-41
GRI 203: Indirect Economic Impacts 2016	Disclosure 203-1 Infrastructure investments and services supported	70-75
	Disclosure 203-2 Significant indirect economic impacts	70-75
Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	70
	GRI 103-2: The management approach and its components	70
	GRI 103-3: Evaluation of the management approach	70
GRI 204: Procurement Practices 2016	Disclosure 204-1 Proportion of spending on local suppliers	70
Anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	32-33
	GRI 103-2: The management approach and its components	32-33
	GRI 103-3: Evaluation of the management approach	32-33
GRI 205: Anti-corruption 2016	Disclosure 205-1 Operations assessed for risks related to corruption	32-33
	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	32-33
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	32-33
ENVIRONMENTAL STANDARDS		
Materials		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	60
	GRI 103-2: The management approach and its components	60
	GRI 103-3: Evaluation of the management approach	60
GRI 301: Materials 2016	Disclosure 301-1 Materials used by weight or volume	60
	Disclosure 301-2 Recycled input materials used	60
	Disclosure 301-3 Reclaimed products and their packaging materials	60
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	56
	GRI 103-2: The management approach and its components	56
	GRI 103-3: Evaluation of the management approach	56
GRI 302: Energy 2016	Disclosure 302-1 Energy consumption within the organization	56
	Disclosure 302-2 Energy consumption outside of the organization	60
	Disclosure 302-3 Energy intensity	57
	Disclosure 302-4 Reduction of energy Consumption	57
	Disclosure 302-5 Reductions in energy requirements of products and services	38-45

GRI Standard	Disclosure	Page number
Water and Effluents		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	58, 59
	GRI 103-2: The management approach and its components	58, 59
	GRI 103-3: Evaluation of the management approach	58, 59
GRI 303: Water and Effluents 2018	Disclosure 303-1 Interactions with water as a shared resource (MA)	58-59
	Disclosure 303-2 Management of water discharge-related impacts (MA)	58-59
	Disclosure 303-3 Water withdrawal	58-59
	Disclosure 303-4 Water discharge	58-59
	Disclosure 303-5 Water consumption	58-59
Biodiversity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	75
	GRI 103-2: The management approach and its components	75
	GRI 103-3: Evaluation of the management approach	75
GRI 304: Biodiversity 2016	Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	75
	Disclosure 304-2 Significant impacts of activities, products, and services on biodiversity	75
	Disclosure 304-3 Habitats protected or restored	75
	Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	75
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	54-55
	GRI 103-2: The management approach and its components	54-55
	GRI 103-3: Evaluation of the management approach	54-55
GRI 305: Emissions 2016	Disclosure 305-1 Direct (Scope 1) GHG emissions	54-55
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	54-55
	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	54-55
	Disclosure 305-4 GHG emissions intensity	54-55
	Disclosure 305-5 Reduction of GHG emissions	54-55
	Disclosure 305-6 Emissions of ozone-depleting substances (ODS)	55
	Disclosure 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	55

GRI Standard	Disclosure	Page number
Effluents and Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	60-61
	GRI 103-2: The management approach and its components	60-61
	GRI 103-3: Evaluation of the management approach	60-61
GRI 306: Effluents and Waste 2016	Disclosure 306-1 Water discharge by quality and destination	61
	Disclosure 306-2 Waste by type and disposal method	61
	Disclosure 306-3 Significant spills	61
	Disclosure 306-4 Transport of hazardous waste	60-61
	Disclosure 306-5 Water bodies affected by water discharges and/ or runoff	60-61
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	32
	GRI 103-2: The management approach and its components	32
	GRI 103-3: Evaluation of the management approach	32
GRI 307: Environmental Compliance 2016	Disclosure 307-1 Non-compliance with environmental laws and regulations	32
Supplier Environmental Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	70
	GRI 103-2: The management approach and its components	70
	GRI 103-3: Evaluation of the management approach	70
GRI 308: Supplier Environmental Assessment 2016	Disclosure 308-1 New suppliers that were screened using environmental criteria	70
	Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken	70
SOCIAL STANDARDS		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	66
	GRI 103-2: The management approach and its components	66
	GRI 103-3: Evaluation of the management approach	66
GRI 401: Employment 2016	Disclosure 401-1 New employee hires and employee turnover	66
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	66-69
	Disclosure 401-3 Parental leave	66

GRI Standard	Disclosure	Page number
Occupational Health & Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	69
	GRI 103-2: The management approach and its components	69
	GRI 103-3: Evaluation of the management approach	69
GRI 403: Occupational Health and Safety 2018	Disclosure 403-1 Occupational health and safety management system (MA)	69
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation (MA)	69
	Disclosure 403-3 Occupational health services (MA)	69
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety (MA)	69
	Disclosure 403-5 Worker training on occupational health and safety (MA)	69
	Disclosure 403-6 Promotion of worker health (MA)	69
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships (MA)	69
	Disclosure 403-8 Workers covered by an occupational health and safety management system	69
	Disclosure 403-9 Work-related injuries	69
	Disclosure 403-10 Work-related ill health	69
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	66-67
	GRI 103-2: The management approach and its components	66-67
	GRI 103-3: Evaluation of the management approach	66-67
GRI 404: Training and Education 2016	Disclosure 404-1 Average hours of training per year per employee	67
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	66-67
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	66-67
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	68-69
	GRI 103-2: The management approach and its components	68-69
	GRI 103-3: Evaluation of the management approach	68-69
GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees	68-69
	Disclosure 405-2 Ratio of basic salary and remuneration of women to men	68-69

GRI Standard	Disclosure	Page number
Non-Discrimination		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	32
	GRI 103-2: The management approach and its components	32
	GRI 103-3: Evaluation of the management approach	32
GRI 406: Non-discrimination 2016	Disclosure 406-1 Incidents of discrimination and corrective actions taken	32
Child Labor		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	32
	GRI 103-2: The management approach and its components	32
	GRI 103-3: Evaluation of the management approach	32
GRI 408: Child Labor 2016	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	32
Forced or Compulsory Labor		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	32
	GRI 103-2: The management approach and its components	32
	GRI 103-3: Evaluation of the management approach	32
GRI 409: Forced or Compulsory Labor 2016	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	32
Human Rights Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	32
	GRI 103-2: The management approach and its components	32
	GRI 103-3: Evaluation of the management approach	32
GRI 412: Human Rights Assessment 2016	Disclosure 412-1 Operations that have been subject to human rights reviews or impact assessments	32
	Disclosure 412-2 Employee training on human rights policies or procedures	32
	Disclosure 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	32
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	72-75
	GRI 103-2: The management approach and its components	72-75
	GRI 103-3: Evaluation of the management approach	72-75
GRI 413: Local Communities 2016	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	72-75
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	72-75

GRI Standard	Disclosure	Page number
Supplier Social Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	70
	GRI 103-2: The management approach and its components	70
	GRI 103-3: Evaluation of the management approach	70
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	70
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	70
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	65
	GRI 103-2: The management approach and its components	65
	GRI 103-3: Evaluation of the management approach	65
GRI 416: Customer Health and Safety 2016	Disclosure 416-1 Assessment of the health and safety impacts of product and service categories	65
	Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	65
Marketing and Labeling		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	32
	GRI 103-2: The management approach and its components	32
	GRI 103-3: Evaluation of the management approach	32
GRI 417: Marketing and Labeling 2016	Disclosure 417-1 Requirements for product and service information and labeling	32
	Disclosure 417-2 Incidents of non-compliance concerning product and service information and labeling	32
	"Disclosure 417-3 Incidents of non-compliance concerning marketing communications"	32
Customer Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	65
	GRI 103-2: The management approach and its components	65
	GRI 103-3: Evaluation of the management approach	65
GRI 418: Customer Privacy 2016	Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	65
Socioeconomic Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	32
	GRI 103-2: The management approach and its components	32
	GRI 103-3: Evaluation of the management approach	32
GRI 419: Socioeconomic Compliance 2016	Disclosure 419-1 Non-compliance with laws and regulations in the social and economic area	32

Assurance Statement

KPMG Assurance and Consulting Services LLP
Building No. 10, 4th Floor, Tower-C
DLF Cyber City, Phase - II
Gurugram - 122 002 (India)

Telephone: +91 124 336 9000
Fax: +91 124 336 9001
Internet: www.kpmg.com/in

Independent Limited Assurance Statement to Havells India Limited on their Sustainability Report for Financial Year 2020-21

To the Management of Havells India Limited,

QRG Towers, 2D,

Sector 126, Noida- Greater Noida Expressway Noida,

Uttar Pradesh- 201304.

Introduction

Havells India Limited ('the Company' or 'HIL') has requested KPMG Assurance and consulting Services LLP ('KPMG', or We) to provide an independent assurance on its Sustainability Report 2020-21 ('the Report').

The Company's management is responsible for identifying its material topics, engaging with its stakeholders and developing the content of the Report.

KPMG's responsibility is to provide limited assurance on the Report content as described in the scope of assurance.

Reporting Criteria

HIL applies its sustainability performance reporting criteria, derived from the 'In-accordance Comprehensive' option as per Sustainability Reporting Standards of GRI as detailed in the 'Report scope and boundary'.

Assurance standards used

We conducted the assurance in accordance with

- Limited Assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagement [(ISAE) 3000, (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information]. Under this standard, we have reviewed the selected information presented in the Report against the principles of relevance, completeness, reliability, neutrality and understandability.

Boundary Scope, and Limitations

The following is covered under the scope and boundary of the assurance engagement:

- The scope of assurance covers the sustainability performance of HIL's sustainability performance disclosures for the period of 01 April 2020 to 31 March 2021, as per the table below.
- The boundary of the report includes the data and information from HIL sites as mentioned in the Sustainability Report section – Reporting Boundary:
    - Haridwar (Uttarakhand)
    - Neemrana (Rajasthan)
    - Alwar (Rajasthan)
    - Baddi (Himachal Pradesh)
    - Faridabad (Haryana)
    - Ghiloth, (Rajasthan)
    - Sahibabad (Uttar Pradesh)
    - Corporate Office, Noida (Uttar Pradesh)

- The assurance scope excludes:
    - Aspects of the report other than those mentioned in the table below;
    - The Company's financial performance;
    - Data and information outside the defined reporting period;
    - The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.

The disclosures subject to assurance as per GRI Standards were as follows:

Standard Disclosures	Topic-Specific Standard Disclosures
• Organizational Profile: GRI 102-8 and GRI 102-13 • Strategy and Analysis: GRI 102-14 • Ethics and Integrity: GRI 102-16 • Governance: GRI 102-18 • Stakeholder Engagement: GRI 102-40 to GRI 102-44 • Reporting Practice: GRI 102-45 to GRI 102-56 • Management Approach: 103-1 to 103-3	• Environment: Energy (GRI 302-1 to 302-5), Water and Effluents (GRI 303-1 to GRI 303-5), Emissions (GRI 305-1 to 305-7), Effluents and waste (GRI 306-1 to 306-5), Compliance (GRI 307-1) • Labour Practices and Decent Work: Employment (GRI 401-1 to GRI 401-3), Occupational Health and Safety (GRI 403-1 to 403-10), Training and Education (GRI 404-1 to GRI 404-3), Diversity (GRI 405-1 to GRI 405-2), Non-Discrimination (GRI 406-1), Child Labor (GRI 408-1), Forced or Compulsory Labor (GRI 409-1), Security Practices (GRI 410-1), Human Rights Assessment (GRI 412-1 to GRI 412-3), Local Communities (GRI 413-1 to GRI 413-2) • Supply Chain: Supplier Social Assessment (GRI 414-1 to GRI 414-2), Supplier Environmental Assessment (GRI 308-1) • Public Policy (GRI 415-1) • Product Responsibility: Customer Privacy (GRI 418-1), Marketing and Labelling (GRI 417-1 to GRI 417-3)

Assurance procedures

We have obtained sample evidence, information and explanations that were considered necessary in relation to the assurance scope and have arrived at conclusions mentioned below. Our work included a range of evidence-gathering procedures including:

- Assessing that the report is prepared in accordance with the GRI Standards: Comprehensive option.
- Understanding the appropriateness of various assumptions used for estimation of data by HIL.
- Verifying systems and procedures used for quantification, collation and analysis of sustainability performance indicators included in the Report.
- Assessing the systems used for data collection and reporting of the Universal Standard Disclosures and Topic-Specific Standard Disclosures of material aspects as listed in the assurance scope above.
- Reviewing the Report to ensure that there is no misrepresentation of disclosures as per scope of assurance and our findings.
- Reviewing the materiality and stakeholder engagement framework deployed at HIL.
- Testing on a sample basis, the evidence supporting the data and information.
- Holding discussion with senior executives at the plant locations and at the corporate office to understand the risks and opportunities from a sustainability perspective including the strategy that HIL has adopted to address the same.
- Assessing data reliability and accuracy.
- Verifying select key performance data through site visits to operational locations and corporate office for:
    - Testing reliability and accuracy of data on a sample basis.
    - Assessing stakeholder engagement process through interactions with relevant internal stakeholders and review of related documentation.
    - Limited review of the materiality assessment process.
    - Reviewing the processes deployed for collection, compilation and reporting of sustainability performance indicators at corporate and plant level.

Appropriate documentary evidence was obtained to support our conclusions on the information and data verified. Where such documentary evidence could not be collected on account of confidential information our team verified the same at HIL's premises.

Conclusions

We have reviewed the Sustainability Report of HIL. Based on our review and procedures performed as described above, nothing has come to our attention that causes us not to believe that the sustainability data and information presented in the Report is appropriately stated, in material aspects, and in accordance with GRI Standards.

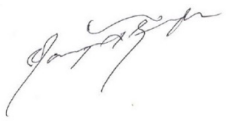
We have provided our observation to the company in a separate management letter. These, do not, however, affect our conclusions regarding the Report.

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of the ISAE 3000 (revised) standard. Our work was performed in conformance to the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies International Standard on Quality Control (ISQC) 1 and the practitioner complies with the applicable independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA) code

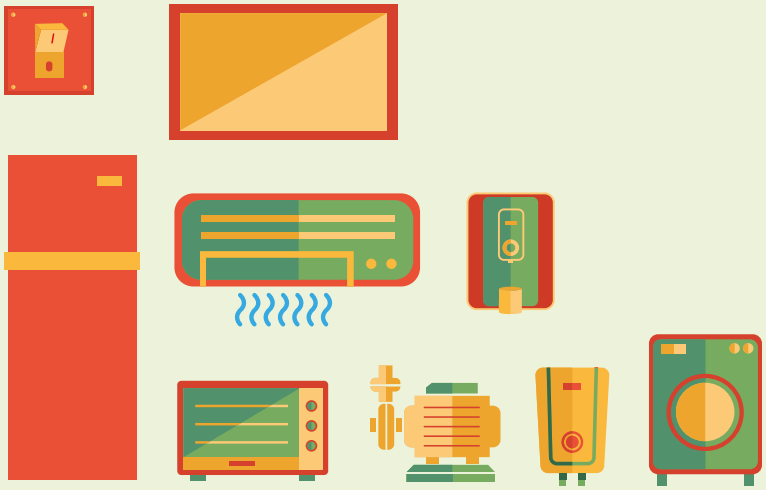
Responsibilities

HIL is responsible for developing the Report contents. HIL is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of HIL in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to HIL those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than HIL for our work, for this Report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.



Manpreet Singh
Partner
KPMG Assurance and Consulting Services LLP
Dated: 11 May 2021

Notes



/concept, content and design at **AICL** (hello@aicl.in)

HAVELLS

Havells India Limited

Regd. Office: 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110 001
Corp. Office: QRG Towers, 2D, Sector 126, Expressway, Noida – 201 304, Uttar Pradesh, India
Ph.: +91-120-3331000, **Fax:** +91-120-3332000
Email: marketing@havells.com
www.havells.com
Consumer Care No.: 1800 11 0303, 1800 103 1313 (All Connections), 011- 41660303 (Landline)
Join us on Facebook at www.facebook.com/havells and share your ways to save the planet!
CIN: L31900DL1983PLC016304