July 12, 2025

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	The Manager, Listing Department, National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra-East, Mumbai- 400 051
Scrip Code: 532953	Symbol: VGUARD

Dear Sir/Madam,

Sub: Intimation of Annual Report for Financial Year 2024-25 and Notice of 29th Annual General Meeting

This is with reference to our letter dated May 14, 2025, wherein the Company had informed that the 29th Annual General Meeting ("AGM") of the Company is scheduled to be held on Thursday, August 7, 2025 at 11:00 a.m. (IST) through video conference or other audio-visual means, in compliance with relevant circulars issued by the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI"), from time to time.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the Notice convening the 29th AGM and the Annual Report of the Company for the Financial Year 2024-25.

In accordance with the relevant circulars issued by MCA and SEBI, the Notice of the AGM and the Annual Report of the Company for the Financial Year 2024-25 is being sent through electronic mode to all those members of the Company whose email addresses are registered with the Company and/or Depository Participant(s) and physical intimations to those members whose email address is not registered with the Company or Depository Participant or Registrar & Share Transfer Agents of the Company. The Notice of the AGM along with Annual Report will also be available on the Company's website at https://www.vguard.in/investor-relations and on website of Central Depository Services (India) Limited at www.evotingindia.com.

We request you to kindly take the above information on record and treat this as compliance with relevant applicable laws.

Thanking You,

Yours Sincerely,

For V-Guard Industries Limited

VIKAS KUMAR TAK
Digitally signed by VIKAS KUMAR TAK
Date: 2025.07.12 16:13:55 +05'30'

V-GUARD INDUSTRIES LTD. ★ DOOR NO. 42/962, VENNALA HIGH SCHOOL ROAD ★ VENNALA KOCHI-682028

Vikas Kumar Tak
Company Secretary & Compliance Officer
Membership No. FCS 6618

Encl: As above

V-GUARD INDUSTRIES LTD.
Regd. Office: 42/962,
Vennala High School Road,
Vennala, Kochi – 682 028.
CIN: L31200KL1996PLC010010

P +91 484 300 5000, 200 5000
E mail@vguard.in
W www.vguard.in

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of V-Guard Industries Limited ("the Company") will be held on Thursday, August 7, 2025, at 11:00 a.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following businesses;

Ordinary Business

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2025 and the Reports of Statutory Auditors and the Board of Directors thereon.

2. To declare dividend of ₹ 1.50/- per equity share for the Financial Year 2024-25.

3. To appoint a Director in place of Mr. Ramachandran V (DIN: 06576300), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

4. **To ratify the remuneration payable to Cost Auditors of the Company for the Financial Year ending on March 31, 2026**

   To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT**, pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof, for the time being in force), the remuneration payable to M/s. BBS & Associates, Cost Accountants, Kochi (Firm Registration No. 00273), who were re-appointed by the Board of Directors on the recommendation of Audit Committee, as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending on March 31, 2026, amounting to ₹ 4,00,000/- (Rupees Four Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred by them in connection with the aforesaid audit, be and is hereby approved and ratified;

   RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient and desirable for the purpose of giving effect to this resolution and for the matters concerned or incidental thereto."

5. **To approve the appointment of Secretarial Auditors of the Company**

   To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT**, pursuant to the provisions of Sections 204 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Dedhia Shah & Partners LLP, Company Secretaries (Unique Code Number: L2025MH019000) be and are hereby appointed as the Secretarial Auditors of the Company for a term of 5 (Five) consecutive years w.e.f. April 1, 2025, from Financial Year 2025-26 to Financial Year 2029-30;

   RESOLVED FURTHER THAT, M/s. Dedhia Shah & Partners LLP, Company Secretaries be and are hereby appointed on such remuneration as set out in the explanatory statement and the Board of Directors of the Company be and is hereby authorized to increase the remuneration of the Secretarial Auditors for the subsequent financial years and settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient and desirable for the purpose of giving effect to this resolution and for the matters concerned or incidental thereto."

6. **To re-appoint Mr. Mithun K Chittilappilly (DIN: 00027610) as Managing Director of the Company for a period of five years**

   To consider and if thought fit, to pass, the following resolution as a Special Resolution:

   "**RESOLVED THAT**, pursuant to the provisions of Sections 149, 152, 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 [the Act] and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 [the Listing Regulations], (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof for the time being in force) and subject to such approvals, permissions and sanctions as may be necessary, and pursuant to approval and recommendation of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors in their respective meetings held in May 2025, the consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Mithun K Chittilappily (DIN: 00027610) as the Managing Director of the Company, liable to retire by rotation, for a period of 5 (Five) years, with effect from April 01, 2026, to March 31, 2031 on a monthly remuneration and such other allowances, perquisites, benefits, amenities as agreed and contained in the agreement to be entered into with him in this regard and as set out in the explanatory statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions/or re-appointment and/or remuneration and/or agreement, or any amendments thereto as mutually agreed to between the Board and Mr. Mithun K Chittilappily but within the overall managerial remuneration limits as approved by the Shareholders from time to time and subject to such other approvals of applicable authority(ies), if any, under the applicable law to such re-appointment / alteration(s) / variation(s) / amendment(s);

RESOLVED FURTHER THAT, notwithstanding anything contained herein above, where in any Financial Year, during the tenure of the Mr. Mithun K Chittilappily, Managing Director, the Company has no profits or its profits are inadequate, the Company may, subject to receipt of requisite approvals, if any, pay to the Managing Director, the remuneration and perquisites as stated in explanatory statement, as the minimum remuneration by way of salary, perquisites, other allowances and benefits and that the perquisites pertaining to contribution to provident fund and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II, Section III and Section IV of Part II of Schedule V to the Act, or any statutory act(s), rules, regulation(s), notification(s), modification(s), enactment(s) thereof;

RESOLVED FURTHER THAT, the Board of the Company be and is hereby authorised to take such steps as may be necessary for obtaining necessary approvals, if any, and to settle all matters arising out of and incidental thereto and to do all such act(s), deed(s), matter(s) and thing(s) as may be considered necessary, proper, expedient and desirable for the purpose of giving effect to this resolution and the matters concerned or incidental thereto."

7. To re-appoint Mr. George Muthoot Jacob (DIN: 00018955) as Independent Director of the Company for second term of five years

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"**RESOLVED THAT**, pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof for the time being in force], (SEBI Listing Regulation), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. George Muthoot Jacob (DIN: 00018955), who holds office as an Independent Director upto October 4, 2025 and is eligible for re-appointment and meets the criteria of Independence, as provided in Section 149(6) of the Companies Act, 2013 and the rules thereunder and Regulation 16 (1) (b) of SEBI Listing Regulations and has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Members under section 160 of the Companies Act, 2013 proposing the candidature of Mr. George Muthoot Jacob for the office of a Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, for a second and final term of 5 (Five) consecutive years with effect from October 5, 2025 to October 4, 2030 on such terms and conditions as set out in Explanatory Statement annexed to the notice;

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to take such steps as may be necessary for obtaining necessary approvals, if any, and to settle all matters arising out of and incidental thereto and to do all such act(s), deed(s), matter(s) and thing(s) as may be considered necessary, proper, expedient and desirable for the purpose of giving effect to this resolution and the matters concerned or incidental thereto."

By Order of the Board
For **V-Guard Industries Ltd.**

Sd/-
Vikas Kumar Tak
Company Secretary & Compliance Officer
(Membership No.: F 6618)

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

Date: May 14, 2025

Notes:

1. In accordance with the provisions of the Companies Act, 2013 ("the Act"), read with the Rules made thereunder and General Circular No. 09/2024 dated September 19, 2024 issued by Ministry of Corporate Affairs ("MCA"), Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by SEBI and other Circulars issued by the Ministry of Corporate Affairs ("MCA") and SEBI, with respect to holding the Annual General Meeting ("AGM") through video conference/other audio visual means ("VC/OAVM"), from time to time ("the Circulars"), the 29th AGM of the Company will be held through VC/OAVM and hence, the facility for appointment of proxy by the members is not available for this AGM and the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. The venue of the meeting shall be deemed to be the Registered Office of the Company, situated at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028. Pursuant to the above circulars, Annual Report for the Financial Year 2024-25 and Notice of the 29th AGM are sent only through electronic mode to all the Members of the Company. Physical copy of Annual Report and Notice calling 29th AGM will be sent to those shareholders who have requested for the same. Pursuant to SEBI Listing Regulations, a letter providing the web-link, including the exact path where complete details of the Annual Report are available, will be sent at the registered address to those shareholders whose email id is not registered.

2. For convenience of the members and proper conduct of AGM, members can login and join at least 20 minutes before the time scheduled for the AGM and the meeting link shall be kept open throughout the proceedings of the AGM. 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.

3. 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.

4. The Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) in respect of the Special Businesses, specified in item nos. 4 to 7 of the accompanying Notice is annexed hereto.

5. Brief resume of the Directors proposed to be re-appointed at this AGM, nature of their expertise in specific functional areas, names of companies in which they hold directorship and membership / chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standard-2 (SS-2) on General Meetings, are provided in **Annexure 1**.

6. Corporate Members are required to send by e-mail to scrutinizer at mds@mdsassociates.in, a certified true copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting.

7. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility for voting through remote e-voting as well as e-voting during the AGM in respect of all the businesses to be transacted at the AGM and has engaged Central Depository Services (India) Limited (CDSL) to provide e-voting facility and for participation in the AGM through VC / OAVM facility.

8. Electronic copy of the Annual Report for Financial Year 2024-25 and Notice of AGM are uploaded at 'Investor Relations' section on the Company's website www.vguard.in and is being sent to all the Members whose email IDs are registered with the Company/Depository Participants(s)/RTA for communication purposes and also on the website of BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. Further, Notice of AGM is available on the website of CDSL, the agency engaged for providing e-voting facility, i.e. www.evotingindia.com.

9. All documents referred to in the accompanying Notice and the Statement setting out material facts can be obtained for inspection by writing to the Company at its email ID investors@vguard.in till the date of AGM.

10. The annual accounts of the subsidiary companies are made available on the website of the Company at https://www.vguard.in/investor-relations/subsidiaries.

11. The Register of members and e-Transfer Books will remain closed from Friday, August 1, 2025 to Thursday, August 7, 2025 (both days inclusive), for determining the names of members eligible for dividend on Equity Shares, if declared at the AGM.

12. The dividend, as recommended by the Board, if approved at the AGM, will be paid on or before September 5, 2025 to those members or their mandates whose names appear on the record of Depositories [National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)] (for shares held in Demat form) or Register of Members (for shares held in physical form) on July 31, 2025.

13. Members holding shares in physical form are requested to promptly notify in writing their bank account details/ any change therein or change in their address, nomination, e-mail address, mobile number, etc. in Form ISR-1 and other forms pursuant to SEBI Master circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 read with subsequent circulars issued in this regard along with requisite documents as mandated by SEBI, to RTA. These details will be updated provided other relevant KYC details are registered for the folio. Members holding shares in electronic form are requested to notify the change in above particulars directly to their DP.

14. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021 (subsequently amended by Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 and SEBI/HO/MIRSD/PoD-1/P/CIR/2023/181 dated November 17, 2023) has mandated that with effect from April 1, 2024, dividend to security holders shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

    Further, relevant FAQs published by SEBI on its website can be viewed at the following link: https://www.sebi.gov.in/sebi_data/faqfiles/sep-2024/1727418250017.pdf

15. As per SEBI Circulars issued from time to time, in case of any grievances, the Shareholders are advised to first approach the Company or its RTA. If the response is not received/not satisfactory, Shareholders can raise a complaint on SCORES/with Stock Exchanges.

    After exhausting all the above available options for resolution of the grievance, if the Shareholder is still not satisfied with the outcome, they can initiate dispute resolution through the ODR Portal at https://smartodr.in/login.

16. The requisite Registers, as required under the Act, are available for inspection by the members. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to the Secretarial Department at investors@vguard.in.

    Pursuant to the requirement of the Income Tax Act, 1961, the Company will be required to withhold taxes (TDS/WHT) at the prescribed rates on the dividend paid to its shareholders. The rates of TDS/ WHT would depend upon the category and residential status of the shareholder as briefed hereunder:

A. Tax on Dividend to Resident Shareholders

I. Tax on dividend amount to Resident Individual Shareholders

a) Tax shall not be deducted on payment of dividend to Resident Individual Shareholder, if the total amount of dividend payable during the Financial Year does not exceed ₹ 10,000/-

b) Tax to be deducted on payment of dividend to Resident Individual Shareholder, if the total amount of dividend payable during the Financial Year exceeds ₹ 10,000/-:

Category of Shareholder	Applicable tax rate	Documents required to be submitted
Resident individual shareholders with PAN	10%	PAN to be updated with Depository Participant / RTA.
Resident individual shareholders without PAN / invalid PAN / inoperative PAN (PAN not linked with Aadhar)	20%	NA

c) Resident Individual Shareholders, desires to avail exemption from deduction of tax on payment of dividend exceeding ₹ 10,000/- during the Financial Year:

Category of Shareholder	Applicable tax rate	Documents required to be submitted
Resident Individual shareholders with PAN	Nil	Copy of PAN card Declaration in Form 15G (for individuals with no tax liability on total income). Declaration in Form 15H (for individuals above the age of 60 years with no tax liability on total income).

II. Tax on dividend amount to Resident Non-Individual Shareholders

Tax on dividend payable during the Financial Year to Resident Non-Individual Shareholders shall be deducted either @ 10% or at applicable rates. They can avail exemption from TDS by submission of following documents:

Category of Shareholder	Applicable tax rate	Documents required to be submitted
Mutual Fund specified under Section 10(23D) of the Income Tax Act, 1961 (the Act)	Nil	Copy of self attested PAN Declaration under section 10(23D) of the Act.
An Insurance Company exempted under Section 194 of the Act	Nil	Copy of self attested PAN Declaration qualifying as Insurer as per section 2(7A) of the Insurance Act, 1938.
Alternate Investment Fund (AIF established in India)	Nil	Copy of self attested PAN Declaration under section 10(23FBA) of the Act for exemption and registration certificates for either Category I or Category II AIF as per SEBI Regulations.
Other Non-Individual shareholders	Nil	Copy of self attested PAN Declaration along with self-attested copy of documentary evidence supporting the exemption.
Shareholders who have submitted order u/s 197 of the Act	As per order	Copy of self attested PAN Lower withholding tax certificate for the Financial Year 2025-26 obtained from tax authority to be submitted to claim the lower tax rates.

B. Tax on Dividend to Non-Resident Shareholders

Tax deductible at source / withholding tax on payment of dividend during the Financial Year to Non-Resident Shareholders shall as follows:

Non-resident shareholders shall be taxed @ 20% plus applicable surcharge and cess on the dividend payable during the Financial Year. They can avail beneficial rates under tax treaty between India and their country of residence, subject to submission of necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F filed electronically through Income Tax portal, any other document which may be required to avail the tax treaty benefits.

Format for submission of various declarations mentioned above are made available at 'Investor Relations' section on the website of the Company and the shareholders are requested to upload the duly filled in declarations to the link, https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html on or before July 31, 2025.

17. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the Unclaimed Dividend for the years prior to Financial Year 2017-18 has already been transferred by the Company to the Investor Education and Protection Funds (IEPF) established by the Central Government. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has uploaded the details of the unpaid and unclaimed dividend amounts lying with the Company at 'Investor Relations' section on the website of the Company (www.vguard.in), and on the website of the Ministry of Corporate Affairs (www.iepf.gov.in). Members who have not yet encashed the dividend warrant(s)/ claimed the Final Dividend for the Financial Year 2017–18, are requested to make their claim to the Secretarial Department of the Company, at the Registered Office or the office of the RTA on or before September 05, 2025, failing which the unpaid/ unclaimed Final Dividend amount for the Financial Year 2017-18 shall be transferred to IEPF as per the relevant provisions. Unpaid Dividend details are provided in Corporate Governance Report forming part of Annual Report for Financial Year 2024-25.

18. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to Investor

Education and Protection Fund Authority (IEPFA) as per relevant provisions. The Company will individually intimate the Shareholders whose shares are eligible to be transferred to IEPFA about the particulars of the equity shares due for transfer. These details are also available on the Company's website https://www.vguard.in/investor-relations/shareholder-information-new. As per the relevant provisions, the Company will also simultaneously publish a public notice in the leading newspaper in English and Malayalam having wide circulation informing the concerned that the name of those shareholders and their folio number or DP ID – Client ID are made available on the Company's website. No claim shall lie against the Company in respect of these equity shares post their transfer to IEPFA. Upon transfer, the Shareholders will be able to claim these equity shares only from the IEPFA by making an online application, the details of which are available at www.iepf.gov.in and on the website of the Company at www.vguard.in. All correspondence should be addressed to the RTA of the Company viz., MUFG Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028, Tel: 0422 2314792 email ID: coimbatore@in.mpms.mufg.com.

19. The cut-off date for the purpose of determining the members eligible for participation in remote e-voting (e-voting from a place other than venue of the AGM) and voting at the AGM is July 31, 2025. Please note that 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 during the Meeting. If members opt for remote e-voting, then they should not vote at the Meeting. However, once an e-vote on a resolution is cast by a member, such member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting can attend the Meeting and participate in the Meeting but shall not be entitled to cast their vote again.

20. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.

21. The Board vide its Resolution passed on May 14, 2025, has appointed M/s. MDS & Associates LLP, Company Secretaries, Coimbatore, as the scrutinizer to scrutinize both the remote e-voting as well as e-voting during the AGM in a fair and transparent manner.

22. Any person, who acquires shares of the Company and becomes member of the Company after sending of the Notice and holding shares as on the cut-off date i.e. July 31, 2025, may generate the login ID and password as provided in instructions on e-voting mentioned below.

    A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again. At the end of remote e-voting period, the facility shall forthwith be blocked.

23. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the RTA /the Company.

24. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) is not processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

25. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The details of remote e-voting as given below:

Start Date of Remote e-voting	Monday, August 4, 2025 at 9.00 A.M.
End Date of Remote e-voting	Wednesday, August 6, 2025 at 5.00 P.M.
Cut-off Date	Thursday, July 31, 2025

The remote e-voting module shall be disabled by CDSL for voting after end date of remote e-voting. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 31, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 31, 2025.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing remote e-voting facility to its shareholders.

Instructions of e-voting are hereunder:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & Myeasi New (token) Tab. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & Myeasi New (token) Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from e-Voting link available on 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 able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	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 company name or e-Voting service provider name and you will be re-directed to e-Voting service provider 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

Type of shareholders	Login Method
	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 company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on **company name or e-Voting service provider name** and you will be re-directed to **e-Voting service provider website** 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) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful 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 company name or e-Voting service provider name and you will be redirected to e-Voting service provider website 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. CDSL and NSDL

Login type	Helpdesk details
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 toll free no. 1800 21 09911
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: 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(iv) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form**.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(v) After entering these details appropriately, click on "SUBMIT" tab.

(vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vii) For shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.

(viii) Click on the EVSN of V-Guard Industries Ltd.

(ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address mds@mdsassociates.in, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM / EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

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

4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. 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.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request on or before July 31, 2025 mentioning their name, demat account number/folio number, email id, mobile number at investors@vguard.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries before 5 p.m. on July 31, 2025, mentioning their name, demat account number/folio number, email id, mobile number at investors@vguard.in.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM/ EGM 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 available during the EGM/AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

STATEMENT SETTING OUT MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (THE ACT), SECRETARIAL STANDARD-2 ON GENERAL MEETINGS AND REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (THE LISTING REGULATIONS).

Item No. 4

To ratify the remuneration payable to Cost Auditors of the Company for the Financial Year ending on March 31, 2026

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended, the Company is required to get its cost records audited by a Cost Accountant in Practice.

Accordingly, the Board on the recommendation of the Audit Committee, re-appointed M/s. BBS & Associates, Cost Accountants, Kochi, (Firm Registration No. 00273), as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending on March 31, 2026. The Board is of the opinion that their familiarity with the Company's operations ensures continuity and consistency in the audit process, leading to efficient and high-quality audits.

The Board also approved cost audit fee of ₹ 4,00,000/- (Rupees Four Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses, if any, at actuals, incurred in connection with the Audit payable to the Cost Auditors subject to approval and ratification by the Shareholders in the General Meeting.

The overall remuneration proposed to be paid to the Cost Auditors for the Financial Year ending March 31, 2026 is commensurate to the scope of the audit to be carried out by the Cost Auditors.

BBS & Associates, Cost Accountants, have confirmed that they hold a valid certificate of practice under Section 6(1) of the Cost and Works Accountants Act, 1959 and are not disqualified under the provisions of the Act. BBS & Associates is a firm of Practicing Cost Accountants registered and holding a valid certificate of practice with the Institute of Cost Accountants of India. They offer services in the domain of Cost and Management Accounting and other consultancy. The partners of the firm are professionals with varied experience across broad spectrum of industries.

As per provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof, for the time being in force), the remuneration payable to the Cost Auditors is required to be ratified by the Shareholders of the Company.

Accordingly, consent of the Shareholders is sought for passing an Ordinary Resolution as set out at item no. 4 of the accompanying Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2025-26.

None of the Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution as set out at Item No. 4 of the accompanying Notice.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 4 of this Notice for approval by the Shareholders of the Company.

Item No. 5

To approve the appointment of Secretarial Auditors of the Company

As per the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A of Listing Regulations, 2015, amended, the Company is required to annex with its Board's report, a secretarial audit report, given by a company secretary in practice. Further, as per Regulation 24A of SEBI Listing Regulations, the Company is required to obtain approval of the shareholders for the appointment of Secretarial Auditors to conduct the audit for a term of 5 (Five) consecutive years. Accordingly, upon recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on May 14, 2025, have recommended the appointment of M/s. Dedhia Shah & Partners LLP, Company Secretaries (Unique Code Number: L2025MH019000) as the Secretarial Auditors of the Company to conduct Secretarial Audit of the Company for the approval of shareholders. The Audit Committee and the Board of Directors of the Company have taken into consideration various details including the credentials of the partners of the firm and eligibility criteria prescribed under the Act. M/s. Dedhia Shah & Partners LLP, Company Secretaries (Unique Code Number: L2025MH019000) have confirmed their eligibility for the said appointment. If appointed, M/s. Dedhia Shah & Partners LLP, Company Secretaries will hold office for a period of 5 (Five) consecutive years from Financial Year 2025-26 to Financial Year 2029-30 w.e.f. April 1, 2025.

M/s. Dedhia Shah & Partners LLP, Company Secretaries have confirmed that they are eligible to conduct the Secretarial Audit of the Company and that they hold a valid peer review certificate issued by The Institute of Company Secretaries of India and they have not incurred any disqualifications under the Act or as specified by the Securities and Exchange Board of India.

M/s. Dedhia Shah & Partners LLP, Company Secretaries is an ICSI peer reviewed firm backed by a versatile dynamic professional team which has specialization in Legal, Secretarial, and SEBI compliance. Each partner of M/s. Dedhia Shah & Partners LLP, Company Secretaries, have experience and expertise of more than 16 years. They have varied experience and expertise in corporate, secretarial, regulatory, compliance services, legal & regulatory services relating to various Corporate Laws and SEBI Laws and stock exchange related matters.

The proposed fee to be paid to M/s. Dedhia Shah & Partners LLP, Company Secretaries, for the said audit would be ₹ 4,40,000/- (Rupees Four Lakh and Forty Thousand only), plus applicable taxes and reimbursement of out-of-pocket expenses for the Financial Year 2025-26. Besides the audit services, the Company would also obtain certifications from the Secretarial Auditors under various statutory regulations and certifications required by Company, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the Audit Committee.

It is proposed to authorise the Board of Directors, to finalise the fees, expenses & other terms, and to approve incremental fee from time to time during their tenure. The overall remuneration proposed to be paid to the Secretarial Auditors for the Financial Year ending March 31, 2026 is commensurate to the scope of the audit to be carried out by the Auditors.

Accordingly, consent of the Shareholders is sought for passing an Ordinary Resolution as set out at item no. 5 of the accompanying Notice for appointment of the Secretarial Auditors of the Company.

None of the Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution as set out at Item No. 5 of the accompanying Notice.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 5 of this Notice for approval by the Shareholders of the Company.

Item No. 6

To re-appoint Mr. Mithun K Chittilappilly (DIN: 00027610) as Managing Director of the Company for a period of five years

The Shareholders at the Annual General Meeting held on August 5, 2021 had approved the re-appointment of Mr. Mithun K Chittilappilly (DIN: 00027610) as Managing Director of the Company for a period of 5 (Five) years commencing from April 1, 2021 to March 31, 2026 and payment of remuneration thereof. Accordingly, it is proposed to re-appoint Mr. Mithun K Chittilappilly (DIN: 00027610) as Managing Director of the Company for a period of 5 (Five) years commencing from April 1, 2026 to March 31, 2031 and approving the payment of remuneration to him for the said period.

Mr. Mithun K Chittilappilly is the Managing Director of V-Guard Industries Ltd (V-Guard), India's leading consumer electrical and electronics major since April 2012. He is a graduate in Commerce and MBA (Finance & Marketing) from University of Melbourne, Australia. Before joining V-Guard, he worked for S B Billimoria & Co (now part of the Deloitte Group) and Hewlett Packard at their Global e-Business Centre. He joined V-Guard in April 2003 and was appointed as Executive Director in May 2006.

Under his guidance, V-Guard evolved into a renowned consumer brand with market-leading products in select segments. He played a pivotal role in the company securing listing on the stock exchanges in the year 2008 and continues to drive its performance with innovation at the core. He drove the market expansion beyond South India and consistently increased the footprint to other parts of the country, thereby driving a pan-India presence. He was also instrumental in expanding the product portfolio with forays into the kitchen appliances, modular switches, switchgear, solar inverter, air coolers and so forth. Under his leadership the Company's revenue & market capitalization of the Company has increased multifold. Due to his continued focus on Corporate Governance, the Company is maintaining high ethical and moral standards across functions. He also undertook digital transformation of the Company to enhance compliance standards and to make it future ready, which not only helped the Company in business transformation but also to be legally complied with various laws and statutes. He has been instrumental in various strategic initiatives in the Company and lead the organisation to the next level by implementing various transformational activities in the functional areas of Finance, Supply Chain Management, Sales & Marketing and Customer Services to support and augment V-Guard's ambitious growth plan.

He has been instrumental in unveiling a new brand identity of the Company. He championed brand enhancement through new brand identity, increase in customer awareness and focus of marketing and promotion initiatives. He has taken an active role in increasing the manufacturing footprint of the Company in various product categories and geographies and in the year 2021, V-Guard Consumer Products Limited was incorporated as wholly-owned subsidiary of the Company with the aim of increasing and strengthening the in-house manufacturing. As a result, the total contribution from in-house manufacturing increased from ~40% in Financial Year 2011-12 to more than 60% in Financial Year 2024-25.

Under his leadership the Company has taken various strategic projects for in-organic growth of the Company which includes acquisition of Guts Electro-Mech Limited, Sunflame Enterprises Private Limited and merger of Simon Electric Private Limited with the Company which will help Company in consolidation of categories, manufacturing capabilities and markets in long run.

The remuneration payable to Managing Director was benchmarked based on industrial standards. Considering the fact that he is the only Promoter Director on the Board of the Company, the Nomination and Remuneration Committee, Audit Committee and the Board of Directors, subject to the approval of shareholders, in their meeting held in May 2025 accorded approval for re-appointment of Mr. Mithun K Chittilappilly, for a period of five years, liable to retire by rotation and at terms and conditions and remuneration as follows:

A. Basic Salary:

₹ 36,60,000/- per month with a power to the Board or any Committee thereof to give an annual increase up to 20% of the last drawn salary and to alter or modify other terms and conditions of re-appointment including the salary payable subject to the limit specified herein above.

B. Commission:

Not exceeding 1.50% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

C. Perquisites and allowances:

Perquisites and allowances shall be allowed in addition to salary and commission, and they shall be restricted to the following:-

(1) Housing:

The Company shall provide rent free furnished residential accommodation, with free gas, electricity and water as per Company's policy. In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance up to a limit of 10% of his monthly salary and reimbursement of expenses incurred towards gas, electricity, water and salary of two servants. The Company will also provide annual furnishing allowance not exceeding one month's salary.

(2) Medical Allowance:

Medical Allowance for self and family subject to a ceiling of one month's salary in a year.

(3) Leave Travel Concession:

For self and family, once in a year incurred in accordance with the rules of the Company.

(4) Club Fees:

Reimbursement of annual fees payable to two clubs and the fee payable shall not include admission and life membership fee.

(5) Personal Accident Insurance:

Premium payable per annum shall not exceed 5% of annual salary.

(6) Gratuity:

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(7) Encashment of Leave:

Leave and leave encashment as per rules of the Company.

(8) Contribution to Provident Fund:

Contribution to provident fund, superannuation fund or annuity fund as per the rules of the Company.

(9) The Company shall provide a car for office use with driver which shall be considered as perquisite as per Income Tax Act, 1961 and rules made thereunder;

(10) The Company shall provide a mobile phone for official use. Personal long distance calls made by the Director shall be billed by the Company and same be considered as perquisite;

(11) Medical & Life Insurance as per the rules of the Company;

Where in any Financial Year, during the tenure of the Mr. Mithun K Chittilappilly, Managing Director, the Company has no profits or its profits are inadequate, the Company may, subject to receipt of requisite approvals, if any, pay to the Managing Director, the remuneration and perquisites as stated above, as the minimum remuneration by way of salary, perquisites, other allowances and benefits and that the perquisites pertaining to contribution to provident fund and leave encashment.

The consent to act as Managing Director and other necessary declarations under the Companies Act, 2013 have been received from Mr. Mithun K Chittilappilly. The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the candidature of Mr. Mithun K Chittilappilly as Director, to be re-appointed under the provisions of Section 196 of the Companies Act, 2013.

Mr. Mithun K Chittilappilly is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and rules made thereunder. Further, he is not debarred from holding of office by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Reserve Bank of India (RBI) or any such regulatory authority.

As on the date of this notice, Mr. Mithun K Chittilappilly holds 8,63,89,878 equity shares in the Company. Mr. Mithun K Chittilappilly is not related to any of the Directors of the Company.

Detailed resume of Mr. Mithun K Chittilappilly, along with disclosures required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard – 2 on General Meeting issued by the Institute of Company Secretaries of India, is given in the Annexure accompanying this Notice.

Pursuant to Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors seek the approval of the Members for re-appointment of Mr. Mithun K Chittilappilly, as Managing Director by way of passing a Special Resolution.

All the documents referred to at Item No. 6 of the Notice and the Explanatory Statement shall be available for inspection through electronic mode from the date of circulation of this Notice up to the date of the AGM, by sending request to the Company Secretary at investors@vguard.in. The same will be replied by the Company suitably.

The copy of the agreement setting out the terms and conditions of re-appointment and remuneration of Mr. Mithun K Chittilappilly can be obtained for inspection by writing to the Company at the email ID investors@vguard.in till the date of the AGM.

Other than Mr. Mithun K Chittilappilly and his relatives, none of the other Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise, in the resolution as set out in Item No. 6 of the Notice.

The Board recommends the resolutions set forth at Item No. 6 of this Notice for approval of the members by way of a Special Resolution.

Item No. 7

To re-appoint Mr. George Muthoot Jacob (DIN: 00018955) as Independent Director of the Company for second term of five years

Pursuant to the provisions of Sections 149, 152, and Schedule IV of the Companies Act, 2013 ('the Act') read with Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations'), the shareholders of the Company had accorded their approval for the appointment of Mr. George Muthoot Jacob (DIN: 00018955) as an Independent Director of the Company for a period of five consecutive years with effect from October 5, 2020 to October 4, 2025. The first term of appointment of Mr. George Muthoot Jacob (DIN: 00018955) as an Independent Director will conclude on October 4, 2025.

In accordance with the provisions of Section 149 of the Act, an Independent Director may hold office for two terms, up to five consecutive years each. The Nomination and Remuneration Committee in its meeting held on May 13, 2025, recommended the proposal of re-appointment of Mr. George Muthoot Jacob (DIN: 00018955) as an Independent Director of the Company for a second and final term of 5 (Five) consecutive years from October 5, 2025 to October 4, 2030.

The Board of Directors of the Company at their meeting held on May 14, 2025, after considering the evaluation as per provisions of the Act or any other relevant provisions and recommendations of the Nomination and Remuneration Committee ('NRC'); and his skills, competency, experience and significant contributions made by him during the Board and Committee meetings, have approved the re-appointment of Mr. George Muthoot Jacob (DIN: 00018955) as an Independent Director of the Company for the second and final term of five consecutive years with effect from October 5, 2025 to October 4, 2030, not liable to retire by rotation, subject to the approval of the shareholders by way of a Special Resolution. The Board confirmed that Mr. George Muthoot Jacob (DIN: 00018955) continues to fulfill the skills and capabilities required for the role of an Independent Director.

The necessary eligibility certificates and declarations including consent for re-appointment as an Independent Director of the Company, declaration confirming that he meets the criteria of independence as prescribed under Section 149 of the Act and the Listing Regulations, etc. were received from Mr. George Muthoot Jacob (DIN: 00018955).

In terms of Regulation 25(8) of the SEBI Listing Regulations, Mr. George Muthoot Jacob (DIN: 00018955) has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

Mr. George Muthoot Jacob is a management graduate from Cass Business School (London). He also holds LLM in International Economic law from University of Warwick, Coventry, United Kingdom. He is on the Board of various companies in the Muthoot Group and has expertise in the areas of General Management, Legal, Finance, Marketing, Risk Management etc. He has also recipient of Next Generation Entrepreneur of the year award in 2024 from TiE Kerala.

The Company has received a Notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. George Muthoot Jacob (DIN: 00018955) for the office of a Director of the Company. The Company has also received declaration from Mr. George Muthoot Jacob, confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and rules made thereunder. Further, he is not debarred from holding of office by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Reserve Bank of India (RBI) or any such regulatory authority.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors, Mr. George Muthoot Jacob meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and under SEBI Listing Regulations and he is independent of the management and possesses appropriate skills, experience and knowledge. Mr. George Muthoot Jacob, being an Independent Director, is eligible to be paid commission and sitting fee.

Mr. George Muthoot Jacob (DIN: 00018955) does not hold any Equity Shares in the Company as on date of the Notice.

Copy of draft letter of re-appointment of Mr. George Muthoot Jacob (DIN: 00018955) setting out the terms and conditions of appointment are available electronically for inspection by the Members during the e-AGM and is also uploaded on the website of the company at https://www.vguard.in/uploads/downloads/Drat-LOA-website.pdf.

This statement may also be regarded as an appropriate disclosure under the SEBI Listing Regulations.

A detailed resume of Mr. George Muthoot Jacob is accompanying this Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

In line with the aforesaid provisions of the Act and varied experience of Mr. George Muthoot Jacob, the Board recommends the Special Resolution set out at Item No. 7 of the Notice for the approval by the members.

Other than Mr. George Muthoot Jacob and his relatives, none of the Directors and Key Managerial Personnel of the Company including their respective relatives are concerned or interested, financially or otherwise, in the resolution set out in Item No. 7 of the Notice.

By Order of the Board
For **V-Guard Industries Ltd.**

Sd/-
Vikas Kumar Tak
Company Secretary & Compliance Officer
(Membership No.: F 6618)

Place: Kochi
Date: May 14, 2025

Annexure I

DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard-2 on General Meetings]

Name	Mr. Ramachandran V	Mr. Mithun K Chittilappilly	Mr. George Muthoot Jacob
Date of Birth & Age	27.10.1963 61 years	02.09.1980 44 Years	16.08.1983 41 Years
DIN & Nationality	06576300 Indian	00027610 Indian	00018955 Indian
Date of first appointment to the Board	01.06.2013	01.04.2003	05.10.2020
Qualification	Bachelor of Science & Master in Management Studies (Marketing)	Graduate in Commerce & MBA (Finance & Marketing)	B.A. LLB (Hons.), LLM and Masters in Management
Experience in specific functional areas	A leading management professional with more than 3 decades of cross functional experience across blue chip companies like HUL and LG Electronics, has been appointed as a whole-time Director of the Company since June 2013. He is engaged in building and enhancing business competitiveness and capabilities required to secure future market position by putting together a strategic framework for the organization. In addition to leading the execution of the corporate strategic initiatives and developing new growth platforms, he is engaged in developing long-term business plans with supporting infrastructure development roadmap.	He is on the Board of the Company for more than two decades and has headed various strategic initiatives and lead the organisation to the next level by implementing various transformational activities in the functional areas of Supply Chain Management, Sales & Marketing and Customer Services. He has been instrumental in Company going digital and unveiling a new brand identity. He has taken an active role in increasing the manufacturing footprint of the Company in various product categories. He played a pivotal role in the company securing listing on the stock exchanges in the year 2008 and continues to drive its performance with innovation at the core. He drove the market expansion beyond South India and consistently increased the footprint to other parts of the country, thereby driving a pan-India presence. Detailed profile of Mr. Mithun K Chittilappilly is provided in explanatory statement forming part of the Notice of AGM.	Mr. George holds a Masters degree in Law from the University of Warwick, UK and has completed Masters in Management from CASS Business School, London. He is on the Board of various companies of Muthoot Group. He has expertise in the areas of Strategic initiatives, General Management, Marketing, Legal, Finance, Risk Management etc. He has also recipient of Next Generation Entrepreneur of the year award in 2024 from TiE Kerala.
Relationship with any Director(s) or Manager or Key Managerial Personnel of the Company	Not related to any Director or Key Managerial Personnel of the Company	Not related to any Director or Key Managerial Personnel of the Company	Not related to any Director or Key Managerial Personnel of the Company

Directorship held in other Companies	(1) V-Guard Consumer Products Ltd. (2) Guts Electro-Mech Ltd. (3) Sunflame Enterprises Pvt. Ltd. (4) V-Guard Foundation	(1) V-Guard Consumer Products Ltd. (2) Sunflame Enterprises Pvt. Ltd. (3) V-Guard Foundation	1) Sunflame Enterprises Pvt. Ltd. 2) Muthoot Finance Ltd. 3) Belstar Microfinance Ltd. 4) Muthoot Money Ltd. 5) Muthoot Securities Ltd. 6) Emgee Muthoot Nidhi Ltd. 7) Venus Diagnostics Ltd. 8) Muthoot Aurum Pvt. Ltd. 9) Vatul Plantations Pvt. Ltd. 10) Halaval Rubber & Plantations Pvt. Ltd. 11) Kasal Rubber & Plantations Pvt. Ltd. 12) Xandari Hospitality Services Pvt. Ltd. 13) Green Guardians' Organic Farms and Exports Pvt. Ltd. 14) MMG Credit Marketing Services Pvt. Ltd. 15) Muthoot Broadcasting Pvt. Ltd. 16) Udeli Rubber and Plantations Pvt. Ltd. 17) Geobros Properties and Realtors Pvt. Ltd. 18) Emsyne Technologies Pvt. Ltd.
Memberships in the Committees of Board of other Companies	Member of CSR Committee of Sunflame Enterprises Pvt. Ltd.	Nil	1) Member of CSR Committee of Sunflame Enterprises Pvt. Ltd. 2) Member of Stakeholders Relationship Committee of Muthoot Finance Ltd. 3) Member of Nomination and Remuneration Committee Belstar Microfinance Ltd.
Membership and Chairmanship in the Committees of the Board of the Company	Member of Risk & ESG Committee of V-Guard Industries Limited	Member of Audit Committee, Stakeholders Relationship Committee, CSR Committee and Risk & ESG Committee of V-Guard Industries Limited	Member of Audit Committee, Stakeholders Relationship Committee, CSR Committee and Risk & ESG Committee of V-Guard Industries Limited
No. of shares held in the Company including shareholder as a beneficial owner	24,79,248 Equity Shares as on March 31, 2025 26,47,248 Equity Shares as on May 14, 2025 (Date of Notice)	8,63,89,878 Equity Shares as on March 31, 2025 8,63,89,878 Equity Shares as on May 14, 2025 (Date of Notice)	Nil Equity Shares as on March 31, 2025 Nil Equity Shares as on May 14, 2025 (Date of Notice)
Number of meetings of the Board attended during the Financial Year 2024-25	5 out of 5 for Financial Year 2024-2025	5 out of 5 for Financial Year 2024-2025	4 out of 5 for Financial Year 2024-2025

Terms and conditions of appointment/ re-appointment along with details of remuneration sought to be paid	He is seeking re-appointment under the provisions of Section 152 of the Companies Act, 2013. The remuneration is as approved by shareholders in 28th Annual General Meeting held on August 1, 2024.	Re-appointment as Managing Director designated for a period of five years effective from April 1, 2026 to March 31, 2031, liable to retire by rotation as per Section 152 of the Act. Remuneration details are provided in explanatory statement of the Notice of 29th AGM.	Re-appointment as Independent Director for second term of five consecutive years commencing from October 5, 2025 to October 4, 2030, not liable to retire by rotation. Mr. George Muthoot Jacob, being an Independent Director, is eligible to be paid commission and sitting fee.
Details of last drawn remuneration	Remuneration paid to Mr. Ramachandran V during the Financial Year 2024-25 is ₹ 3317.48 Lakhs. The remuneration includes ₹ 2913.42 lakhs as perquisite value of options exercised by Mr. Ramachandran V.	Remuneration paid to Mr. Mithun K Chittilappilly during the Financial Year 2024-25 is ₹ 947.13 Lakhs.	Sitting fee paid to Mr. George Muthoot Jacob during the Financial Year 2024-25 is ₹ 11.75 Lakhs.
Resignations from listed entity in last three years	Nil	Nil	Nil

By Order of the Board
For **V-Guard Industries Ltd.**

Sd/-
Vikas Kumar Tak
Company Secretary & Compliance Officer
(Membership No.: F 6618)

Place: Kochi
Date: May 14, 2025

V-GUARD

DRIVEN BY THE FUTURE.
DEFINED BY MILESTONES.

ANNUAL REPORT 2024 - 25

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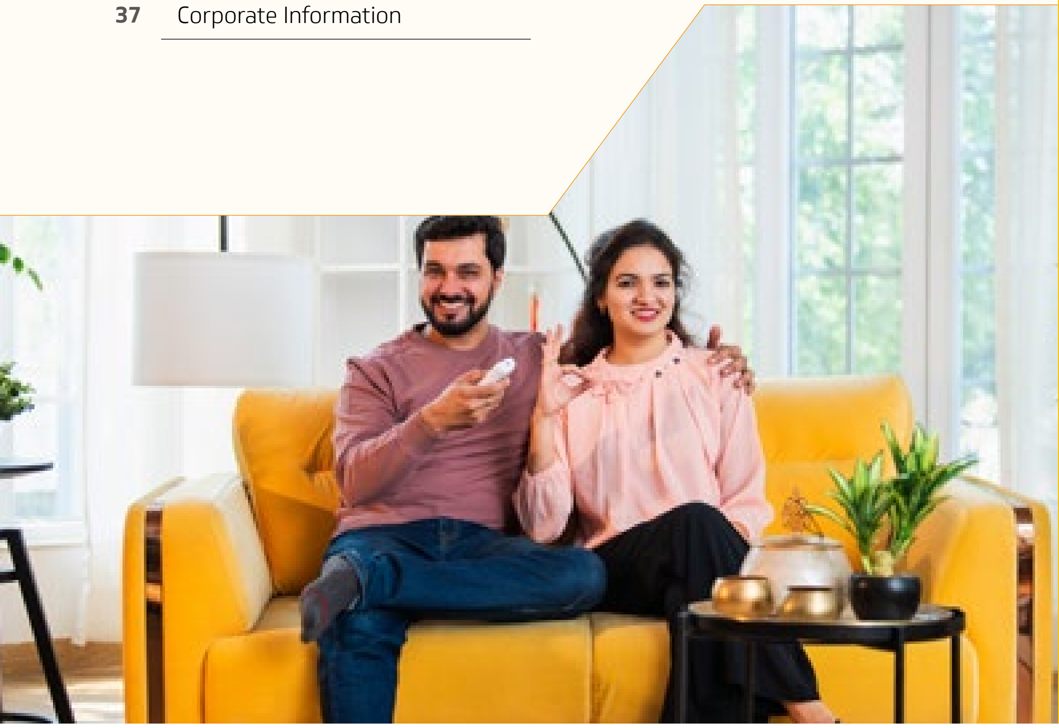


Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Scan Above QR code to read the full report

To know more about the company, log on to www.vguard.in

DRIVEN BY THE FUTURE. DEFINED BY MILESTONES

At V-Guard, we believe the vision we hold for the future shapes the actions we take today. For us, the future is not just a destination it is a continuous opportunity to grow, to lead, and to create meaningful impact. From the very beginning in 1977, it was this forward-looking conviction that sparked our journey into a trusted name in India's consumer goods industry, now proudly surpassing ₹5,000 Crore in revenue.

Every chapter of our growth has been driven by a purposeful vision and marked by defining milestones. From diversifying into wiring cables and water heaters in 1996, to our listing on the BSE and NSE in 2008, and crossing the ₹1,000 Crore mark in 2012, each milestone has not only celebrated our progress but has propelled us into new realms of capability and relevance. Our renewed brand identity in 2018 and the launch of smart pumps in 2021 further underscore our commitment to innovation, agility, and customer-centricity.

At V-Guard, milestones are not endpoints- they are strategic inflection points that reaffirm our purpose and prepare us for the road ahead. Each one captures a moment of progress, and together, they chart a trajectory of leadership, agility, and innovation.

As we look ahead, we remain steadfast in our commitment to align with the changing needs of our customers and the dynamic demands of the industry. With investments in advanced technologies, deepened focus on R&D and unwavering dedication to quality, we are laying the foundation for the next phase of our growth.

Because at V-Guard, we are not merely responding to the future, we are shaping it. Our journey is and always will be, **driven by the future and defined by milestones.**

ABOUT V-GUARD

V-Guard's journey began with a Stabilizer and a belief: that quality, reliability and relevance could power not just homes but progress. Over the years, we have evolved with a changing India, staying in step with consumer expectations while expanding into new categories, platforms and technologies.

From voltage management to smart living, our story is one of staying ahead of the curve consistently adapting to what tomorrow demands, without losing sight of where we began.

A trusted name across Indian households, V-Guard has built a diversified presence in the electronics, electrical and consumer durables segments. Our strength lies in blending engineering precision with practical design delivering products that solve real needs across everyday moments.

The Journey So Far

Over the decades, we have kept pace with the changing rhythm of the country expanding our reach, diversifying our product base and embedding innovation into everything we do. Today, our offerings go beyond protection and comfort - they are part of how people power their everyday lives.

With deep roots in engineering excellence, a retail presence spanning 1,00,000+ outlets and a growing connection with digital-first consumers, V-Guard continues to deliver purposeful technology and practical design shaped by insight, and built to last.

Every phase of our growth reflects more than a business milestone - it marks a renewed understanding of our consumers and the environments they live in. As we move ahead, that understanding will continue to guide our choices and define what we build next.

Pan-India
Presence

36
Branches

1,00,000+
Retail outlets

Segment Spotlight

Electronics

Stabilizers

Inverters and batteries

Solar power systems

Electricals

Housing wiring cables

Switchgears

Modular switches

Pumps

Consumer durables

Solar and electric water heaters

Fans

Air coolers

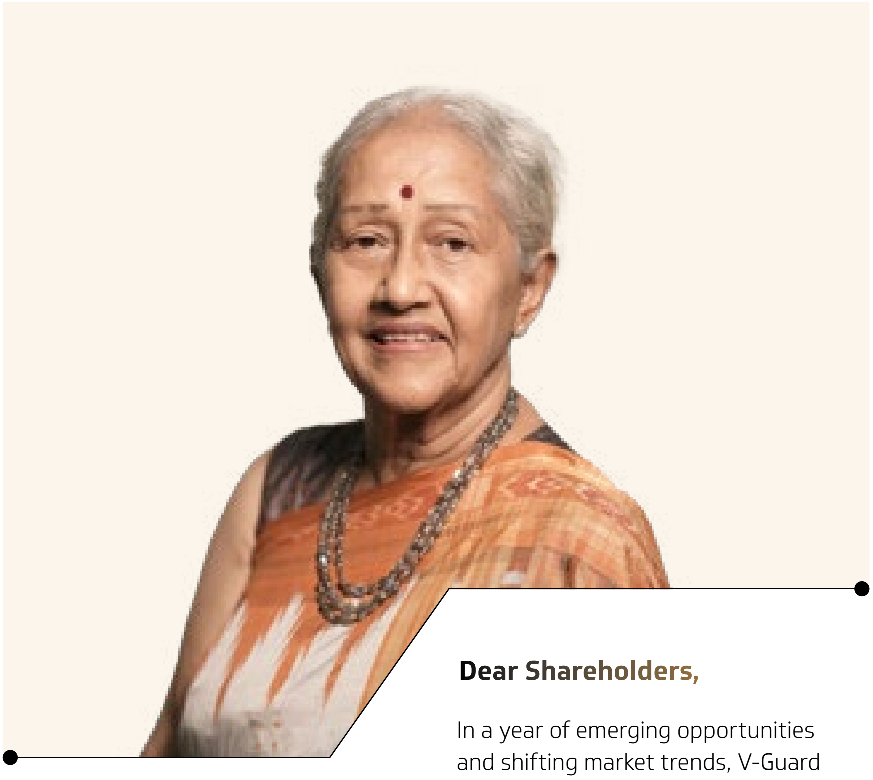
Water Purifiers

Mixer Grinders

Gas Stoves

Other small appliances

CHAIRPERSON'S MESSAGE



Dear Shareholders,

In a year of emerging opportunities and shifting market trends, V-Guard remained driven by the future, setting new benchmarks of performance, advancing our strategic priorities, and strengthening our commitment to sustainable and inclusive growth. Each milestone achieved reaffirms our belief in long-term value creation and purposeful progress.

Financial Year 2024–25 stands as a testament to our steadfast commitment to long-term strategic goals, underpinned by disciplined execution and an agile response to a dynamic and evolving market landscape. The unwavering trust and continued support of our stakeholders have been pivotal in enabling our sustained progress. As we reflect on a year marked by purposeful achievements, we remain focused on identifying new opportunities that will further strengthen our growth trajectory and create enduring value for all stakeholders.

In FY25, we accelerated the execution of our ESG strategy, moving from intent to impact. Anchored in the seven ESG pillars introduced earlier, our efforts focused on critical areas such as decarbonization, water stewardship, and circularity.

Macroeconomic Momentum

The global economy in FY 2024–25 exhibited notable resilience, with growth estimated at 3.3%. While emerging markets experienced moderated expansion, they contended with rising trade barriers, geopolitical uncertainties, and policy-related challenges. Nevertheless, the broader global outlook remained stable, buoyed by easing inflationary pressures and a shift towards more accommodative monetary policies.

India's economy demonstrated strong momentum during the year, with GDP projected to grow by 6.5% during the year, supported by robust consumption, increased public expenditure, and a renewed pickup in private investment. This dynamic macroeconomic backdrop created a favourable environment for V-Guard's operations, enabling us to capitalise on rising consumer demand and benefit from supportive government policies.

Future-Focused Growth in a Transforming Consumer Landscape

The Indian Consumer durables market maintained its upward trajectory, reaching an estimated value of USD 86 billion in 2024 and projected to grow at a compound annual growth rate (CAGR) of 12.83% through 2030. This growth was fueled by rising disposable income, rapid urbanisation, and increasing digital penetration. Various Government initiatives are contributing towards strengthening domestic manufacturing and positioning India as a key hub in the global electronics value chain.

V-Guard operates across a diverse range of product categories including stabilizers, inverters, wires, pumps, fans, water heaters, and kitchen appliances. The industry is witnessing a shift in consumer preference towards premium, feature-rich, energy-efficient and technologically advanced solutions. At the same time, the sector faced headwinds like volatile raw material prices, particularly copper, and seasonal fluctuations in demand for a few products. Navigating these challenges requires resilient and robust business models to sustain competitiveness and drive growth.

Scaling New Heights with Strategic Precision

In FY 2024-25, V-Guard Industries Ltd. delivered strong financial performance, achieving consolidated revenue of **₹5,578 crores**, a 14.8% increase from the previous year. Our profit after tax rose by 21.8% to **₹314 crores**, reflecting strong operational efficiency and market demand.

Our Electronics segment registered a significant year-on-year growth of 29.6%, propelled by strong demand for stabilizers, UPS systems, and inverters. The solar rooftop category saw heightened traction, supported by favourable government incentives. The Electricals segment grew by 10.0%, with consistent performance across wires, pumps, switchgears, and modular switches, reflecting stable market demand. Our Consumer Durables business recorded a 13.8% increase, driven by robust sales of fans, water heaters, kitchen appliances, and air coolers, especially during the peak summer months.

To support our future growth ambitions, we are expanding our battery manufacturing facility and are setting up a new TPW fan factory in Hyderabad. These strategic initiatives reinforce our commitment to strengthening our manufacturing capabilities and deepening our presence in the fast-evolving energy storage and air movement segments. In parallel, we launched a range of innovative products, including mid-market BLDC fans and premium water heaters, aimed at addressing untapped pricing segments and enhancing our competitiveness across key product categories.

Driving Impact with Sustainability at the Core

In FY25, we accelerated the execution of our ESG strategy, moving from intent to impact. Anchored in the seven ESG pillars introduced earlier, our efforts focused on critical areas such as decarbonization, water stewardship, and circularity. We enhanced renewable energy integration across key facilities, expanded water conservation through rainwater harvesting and smart resource management, and reinforced our commitment to responsible waste practices. These initiatives are helping us build a more sustainable, low-carbon operating model aligned with our long-term vision.

Sustainability is now deeply embedded in our culture and operations. We have integrated environmental and social considerations into product design, strengthened supplier engagement through structured ESG assessments, and formalized ethical practices across the ecosystem. Internally, we have continued to foster a culture of inclusivity, safety, and continuous learning. Guided by strong governance mechanisms and cross-functional leadership oversight, we remain committed to building a responsible enterprise that creates lasting value for all stakeholders.

Inclusive Growth by Investing in a Better Tomorrow

At V-Guard, our Corporate Social Responsibility (CSR) efforts are rooted in our commitment to creating meaningful impact across communities. We mainly focus on three impact pillars: Edu Care & Skill Development, Health & Hygiene Programs and Build India & Relief. In 2024-25, we expanded our outreach to 18 states, providing educational support to underprivileged children, promoting health and nutrition programs in rural areas, and promoting skill development initiatives to enhance employability.

These efforts, anchored in our ethos of social responsibility, strengthen our brand and build enduring relationships with the communities we serve. Through focused investments in education and skill development, we aim to empower individuals and contribute meaningfully to the socio-economic development of the nation.

Charting the Path Forward

Looking ahead, we remain optimistic about the opportunities emerging from India's expanding economy and the thriving consumer electronics and appliances sector. V-Guard is well-positioned to capitalise on these trends through strategic initiatives focused on innovation, manufacturing excellence, and market expansion.

We will continue to invest in research and development to introduce cutting-edge, energy-efficient products that meet evolving consumer needs, including smart appliance solutions. Our expansion into non-South markets will remain a strategic priority, helping us balance our geographic footprint and enhance our pan-India presence. At the same time, we will leverage digital transformation to improve operational efficiency and customer engagement, ensuring we remain agile in a competitive market.

I would like to conclude by expressing my sincere gratitude to all our stakeholders—our consumers, partners, suppliers, shareholders, and investors—for their continued trust and support. I also extend my heartfelt appreciation to my colleagues on the Board of Directors, whose insight and guidance have been invaluable as we achieve new milestones. Together, we remain committed to exploring new frontiers of growth and delivering lasting value.

Yours sincerely,

Radha Unni
Chairperson (Non–Executive, Independent Director)
V-Guard Industries Ltd.

MANAGING DIRECTOR'S MESSAGE

In FY25, we continued to evolve our marketing approach in line with changing consumer behaviours and media consumption patterns. Recognising the growing influence of digital ecosystems.

Dear Shareholders,

It is a privilege to present an overview of our performance for the Financial Year 2024–25. The year reflected steady progress underpinned by our commitment to operational efficiency and sustainable growth. In a constantly evolving business environment, we remained anchored to our long-term vision while adapting with discipline and purpose. We maintained financial stability while advancing core capabilities across the value chain and embedding stronger environmental, health, and safety practices across the enterprise.

This year's progress reflects our alignment with a broader theme: Driven by the Future. Defined by Milestones. Every milestone signifies our ongoing efforts to build a resilient, forward-looking organisation capable of addressing evolving market dynamics and creating sustained stakeholder value.

We recorded consolidated revenue of ₹5,578 Crore, reflecting a robust year-on-year increase of 14.8%. Our profit after tax grew by 21.8% to ₹314 Crore, driven by operational excellence and strong market demand. Notably, our gross margin improved to 36.3%, up from 33.8% in the previous year, an outcome of our efforts to enhance in-house manufacturing capabilities and transition towards more premium products. EBITDA grew by 20.3% to ₹513 crores, with an EBITDA margin of 9.2%, up from 8.8% in FY24. Our robust cash flows enabled us to repay the term loan associated with the Sunflame acquisition, and to become debt-free again as of March 31, 2025. I am pleased to announce that the Board of Directors have recommended final dividend of 150% for the Financial Year 2024-25.

Accelerating Growth and Innovation

A strong summer helped the Electronics segment to deliver a standout performance during the year, recording a 29.6% year-on-year revenue growth to ₹1,509.63 Crore and contributing 27.0% to the Company's total revenues. This growth was propelled by sustained demand for solar rooftop solutions, bolstered by supportive government incentives and our leadership in the stabilizers market, where we hold a substantial share in the organised segment. Profitability in the segment improved, supported by greater cost efficiencies and a favourable product mix.

Steady Progress Amid Market Challenges

The Electricals segment, encompassing wires, pumps, switchgears and modular switches, delivered a 10.0% growth, reaching ₹2,169.94 Crore and representing 38.9% of total revenue. Despite volatility in copper prices, demand for wires remained resilient, while pumps continued to benefit from consistent rural and urban consumption. Although raw material price fluctuations exerted some pressure on margins, operational efficiencies helped mitigate the impact. Our focus on expanding distribution beyond the South, with non-South markets now contributing 47.5% to revenue (excluding Sunflame), has further strengthened this segment's growth trajectory.

Unlocking Potential in Consumer Durables

The Consumer Durables segment, which includes fans, water heaters, kitchen appliances and air coolers, recorded a 13.8% increase in revenue to ₹1,643.87 Crore, accounting for 29.5% of total revenues. With the introduction of BLDC fans targeted at the mid premium-market segment and a refreshed range of premium products, we broadened our product offering and value proposition. These efforts translated into an improvement in segment margins to 4.2%, up from 3.4% in the previous year. Our diversified geographic footprint ensured balanced and sustained growth.

Building Deeper Connections

In FY25, we continued to evolve our marketing approach in line with changing consumer behaviours and media consumption patterns. Recognising the growing influence of digital ecosystems, we made a deliberate shift towards a digital-first strategy—rebalancing our media investments to capitalise on the rise of Connected TV (CTV), OTT platforms, digital news, and live-streaming formats. This was thoughtfully complemented by traditional media channels, ensuring a well-rounded, impactful presence across audiences.

Our marketing efforts were anchored in three key pillars: Digital Acceleration, Compelling Brand Storytelling, and Partner Empowerment. These guided our actions in building a brand that is not only relevant and aspirational but also consistently present across the consumer journey.

Our channel engagement programmes, strengthened connections with electricians, plumbers and trade partners, reaching over 1,00,000 retail touchpoints nationwide. The VIP In-store Promoter Programme improved productivity in modern trade channels, while large-scale channel partner meets and WhatsApp-based engagement ensured continuous communication across our distribution network.

Investing in Capacity to Drive Quality and Efficiency

To support our expanding portfolio and to strengthen the agility of our supply chain, we continued to build on our manufacturing and distribution capabilities. We ramped up production in the new facility for mixer grinders and gas stoves in Vapi and the battery manufacturing unit in Hyderabad which were commissioned last year. Construction of a new Table, Pedestal and Wall (TPW) fan plant is underway, with completion expected in next fiscal year. These investments align with our long-term commitment to increasing the share of in-house manufacturing across our product range. It improves quality control and reinforces our ability to deliver innovations with greater speed, consistency and cost efficiency.

Driving Sustainability and Safety Across the Organisation

Our commitment to Environmental, Health, and Safety (EHS) governance was strengthened through structured initiatives throughout the organisation. As on date, ten of our manufacturing facilities achieved ISO 14001 and ISO 45001 certifications, highlighting our adherence to rigorous environmental and occupational safety standards. We continue to reinforce safety culture in our organization across factories. Programmes like 'One Day Safety Officer' and annual safety weeks fostered a culture of shared responsibility, while our EHS Maturity Framework provided a benchmark for improvement.

Building on our Environmental, Social and Governance (ESG) strategy established in FY24, we have continued to advance our sustainability journey with greater momentum and clarity. This year marked a shift from articulating our strategic intent to taking tangible steps towards implementation. We have identified key initiatives and long-term focus areas where consistent and focused efforts will enable us to create meaningful and lasting impact. Our efforts during the year, in the identified areas of environment, social and governance made steady progress and paved the way for achieving our long-term goals.

Marching towards the future

As we enter the new Financial Year, we remain steadfast in our commitment to advancing growth and innovation, targeting resilient revenue growth alongside sustained margin stability. Our strategic focus will continue to prioritize cutting-edge innovation, with plans to launch smart, energy-efficient and relevant products. We will further strengthen our channels and market reach, and leverage data-driven insights to maintain agility and responsiveness in a dynamic market environment. Our investment in emerging technologies, including alternative energy solutions shows our focus to capture the evolving market.

With a strong foundation, a clear vision, and the dedication of our talented team, we are well-equipped to navigate the evolving landscape and deliver sustained value to all our stakeholders. I extend my heartfelt thanks to our board members, customers, employees, partners, and shareholders for their continued trust and support. Together, we will continue to build a resilient, responsible, and future-ready organization.

Yours sincerely,

Mithun K Chittilappilly
Managing Director,
V-Guard Industries Ltd.

FINANCIAL HIGHLIGHTS

A LOOK AT OUR FINANCIAL TRAJECTORY

In FY 2024-25, our Company demonstrated robust financial performance across key indicators. This was underpinned by prudent operational management and a strategically balanced product portfolio. The period witnessed a notable year-on-year increase in revenue, profitability and return metrics. Concurrently, strong operational cash flows and balanced growth across business segments reinforced our focus on financial discipline and sustainable value creation.

5,578 Cr.
Revenue

14.8%
Revenue Growth

513 Cr.
EBIDTA

314 Cr.
PAT

477 Cr.
Cash Flow from Operations

2,170 Cr.
Electricals

1,510 Cr.
Electronics

52.5%
South Revenue

1,644 Cr.
Consumer Durables

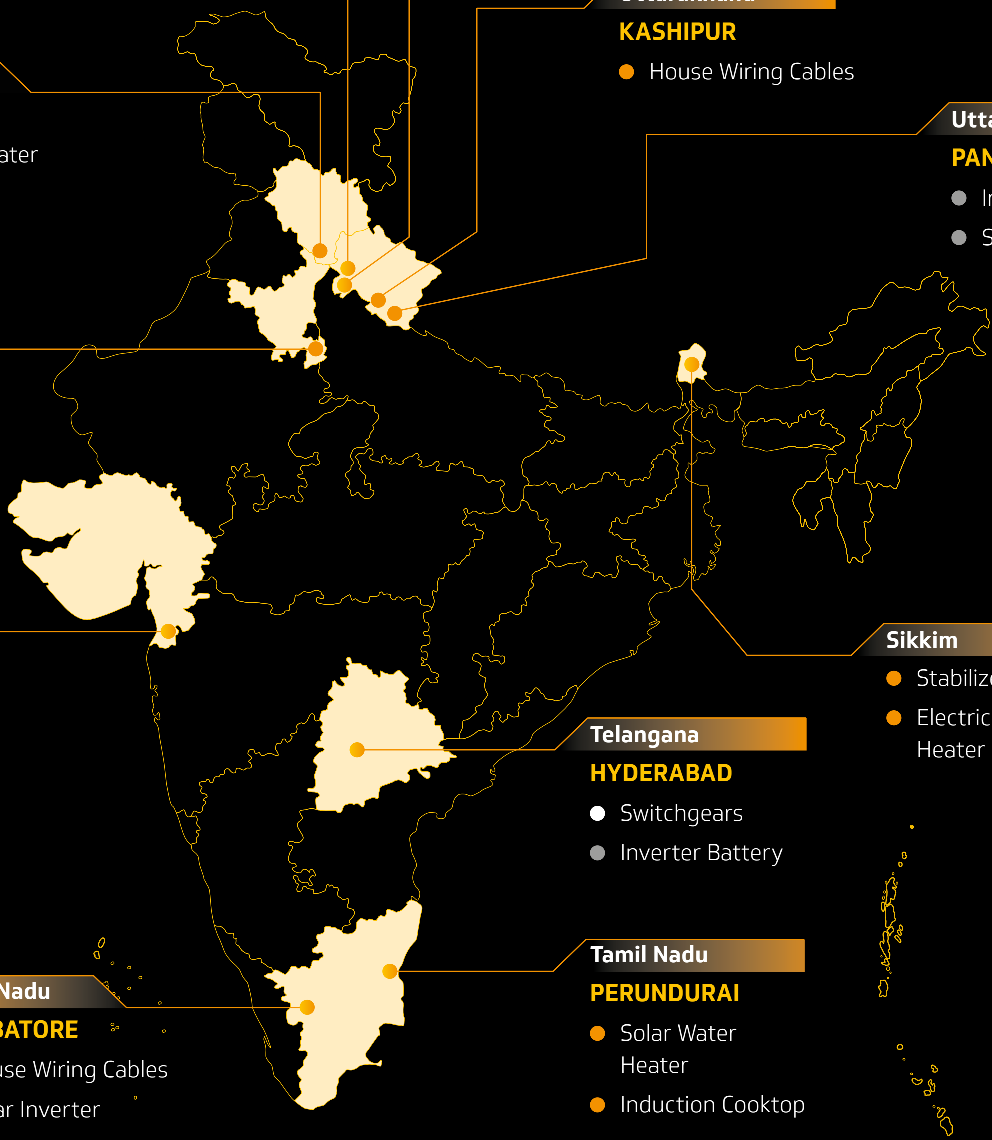
254 Cr.
Sunflame

47.5%
Non-South Revenue

GEOGRAPHIC PRESENCE

MANUFACTURING FOOTPRINT

- V-Guard
- Guts
- Sunflame
- VCPL



Uttarakhand
HARIDWAR
- Switchgears
- Modular Switches

Uttarakhand
ROORKEE
- Ceiling Fan

Uttarakhand
KASHIPUR
- House Wiring Cables

Himachal Pradesh
KALA AMB
- Electric Water Heater

Uttarakhand
PANTNAGAR
- Inverters and
- Stabilizers

Haryana
FARIDABAD
- Cooktop
- Chimney

GUJARAT
VAPI
- Gas Stove
- Mixer Grinder

Sikkim
- Stabilizer
- Electric Water Heater

Telangana
HYDERABAD
- Switchgears
- Inverter Battery

Tamil Nadu
COIMBATORE
- House Wiring Cables
- Solar Inverter
- Pump & Motors

Tamil Nadu
PERUNDURAI
- Solar Water Heater
- Induction Cooktop

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

OUR STRENGTHS

Shaping a Future-Ready Organisation with Purpose

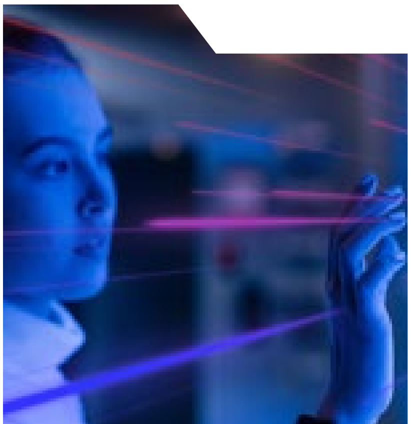
In a constantly evolving world, our steadfast commitment to bringing home a better tomorrow continues to shape both our purpose and progress. In FY25, we strengthened our key pillars across brand, product, people, and systems. Guided by insight we continue to invest in a more agile, resilient, and consumer-centric organisation, one that stays rooted in trust, yet future-focused in its readiness to meet emerging needs, create meaningful experiences, and deliver lasting value for our consumers.

Enhancing Brand Equity

Our sustained investments in brand-building have reinforced visibility and trust across diverse markets. High-impact campaigns, regional activations, and a strong digital narrative helped deepen consumer connect. Our brand today stands as a symbol of trust and reliability, while steadily evolving to reflect contemporary relevance and aspirations.

Insight-Led Decisions. Market-Backed Execution

Investment in understanding of industry dynamics, market shifts, and evolving consumer trends continues to inform our strategic choices. By looking to embed insight into every stage — from product development to execution — we are able to anticipate change, respond with agility, and capitalise on emerging opportunities.



Driving Innovation

We continue to strengthen our innovation capabilities to better align with a shifting market landscape and to deliver products that resonate with the needs of today's discerning consumer. This includes not only investing in advanced technologies and design thinking but also fostering a culture of experimentation and agility across teams.

Expanding Product Portfolio

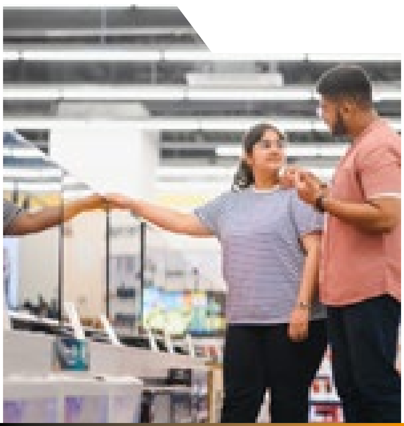
Our diverse and evolving product portfolio is designed to meet the everyday needs and emerging aspirations of households across India. By continually deepening our offerings and broadening our reach, we are able to serve a wide spectrum of consumer needs. This strategic breadth allows us to remain relevant, responsive, and future-ready — delivering meaningful products that align with the priorities of a dynamic and discerning customer base.

Integrating Quality Across the Value Chain

We reinforced our commitment to quality across the value chain through early-stage controls, digital inspection mechanisms, and tighter process discipline. This ensures that quality is not merely tested — it is built into every product from design to delivery.

Advancing Manufacturing for Scale, Precision and Excellence

Our manufacturing strategy continues to evolve with a focus on scale, precision, and operational excellence. Across facilities, we have embedded best-in-class systems, cutting-edge technology, and robust processes that ensure adherence to the highest standards of quality and safety. These capabilities not only enhance efficiency and responsiveness but also strengthen our ability to deliver consistently reliable products at scale, while maintaining cost competitiveness.



Strengthening Reach

Our well-established general trade network continues to serve as the backbone of our distribution strategy. This is now being strategically complemented by emerging channels to further enhance reach and accessibility across India. Continued investments in modern trade, e-commerce, and direct-to-consumer (D2C) platforms are enabling us to build a more connected, agile, and consumer-responsive distribution ecosystem — one that ensures greater control over brand discovery and delivery.

Digitising Operations to Enhance Agility

We continue to accelerate our digital transformation journey, integrating the latest technologies across consumer-facing and enterprise functions. From intelligent planning systems to connected product ecosystems, our focus on digitalisation is enhancing productivity, operational efficiency, and decision-making agility. These advancements are laying the foundation for a more responsive, data-driven, and future-ready organisation.

Empowering People. Building Capability

Our people remain the driving force behind our long-term growth and transformation agenda. We continued to invest in their well-being, development, and engagement — through structured learning pathways, capability-building initiatives, and digital enablement. By nurturing talent and fostering a culture of collaboration and inclusion, we are building a resilient, future-ready workforce equipped to lead into the next phase of growth.

Experienced Leadership

Amidst a dynamic external environment, our stable and experienced leadership team continued to steer the organisation with clarity, conviction, and a long-term perspective. Their forward-thinking approach remained aligned with our broader growth agenda — focused on building scalable systems, driving sustainable profitability, and delivering consistent value to all stakeholders.

Sound Financial Governance

Our prudent and disciplined financial management continues to drive operational efficiency and cost optimisation across the business. A robust balance sheet, strong cash flows, and high creditworthiness reflect the underlying strength of our financial strategy — enabling sustained investments in growth, innovation, and value creation.

MILESTONES

DEFINING MOMENTS OF OUR JOURNEY

1977 - 1987

- Business founded in Kerala
- Introduced stabilizers

1988-1992

Entered the pump segment

1993-1997

Launched wiring cables and water heaters

1998-2002

- Launched UPS
- Set up cable manufacturing unit in Coimbatore
- Launched solar water heaters

2003-2007

- Entered electric fans category
- Expanded operations beyond South India

2008-2012

- Listed on BSE and NSE
- Launched inverter and batteries
- New factories at Kashipur and Kala Amb
- Launched Switchgears
- Crossed ₹ 1,000 Crore turnover
- New Managing Director appointed
- Launched Induction Cooktops

2013-2017

- Commissioned solar water heater facility at Perundurai
- Launched mixer grinders
- Commissioned stabilizer unit at Sikkim
- Crossed ₹ 2,000 Crore turnover
- Launched smart water heater
- Introduced smart fan, inverter, rice cookers, gas stoves
- Acquired GUTS Electro-Mech Ltd.

2018-2020

- Launched modular switches and air coolers
- Unveiled a new brand identity
- Introduced breakfast appliances
- Entered water purifier and kitchen chimneys
- Established fan manufacturing unit in Roorkee

2021-2025

- Launched smart pump
- Crossed revenue of ₹ 5,500 crores
- Incorporated V-Guard Consumer Products Limited (VCPL), a wholly owned subsidiary
- Merger with Simon Electric
- Launched On grid PV Inverters
- Acquistion of Sunflame
- New factories at Hyderabad, Pantnagar and Vapi

INNOVATION

OUR COMPASS IN A RAPIDLY CHANGING WORLD

In a world defined by relentless change and rising consumer expectations, innovation is not just a strategy — it is our compass. It steers our decisions, fuels our product pipeline, and shapes every experience we craft enabling us to stay relevant, act with purpose, and lead with confidence.

Establishing a Dedicated Innovation Function

We are in the process of building a **dedicated Innovation Function** that will anchor a structured and sustained approach to innovation. At the centre of this effort is the development of a **Central Innovation Team**—a strategic initiative aimed at driving end-to-end innovation:

- Exploring partnerships with startups, design schools, and design consultancies
- Internal capability-building and talent development
- Integration of **patent intelligence** and **technology landscape analysis** into our **Technology Roadmap (TRM)** to enable sharper, faster, and category-relevant innovation

Fostering a Culture of Innovation

Innovation at V-Guard is not just an output—it is a mindset we are actively cultivating across the organisation.

Key initiatives include:

- Cross-functional **innovation** workshops held across verticals to encourage ideation and collaboration
- Continued emphasis on **design excellence**, with recognition from both national and international platforms including **CII Design Excellence Award** and the **Red Dot Award**

Designed to Lead: Innovation at Scale

FY25 marked a significant step-up in new product development, with **over 800 SKUs launched** across Electronics, Electricals, and Consumer Durables. Notable launches included:

- **Li Smart 1300** – India's first 3-in-1 Smart Inverter with Lithium Battery, Auto-Voltage Regulation, Smart App Control
- **Husher BLDC Fans** – Delivering affordability and energy efficiency in a fast-growing segment. First of a kind Metal Blade Silent BLDC Fan
- **VB-Pumps** – Launching the Hydro-Pneumatic Pressure Boosting System catering to approx. 15 bathrooms or 75 fittings
- **X20 / Z10 Neo Chimney** - Premium Aesthetics, Curved and Inclined shape chimney, Powerful Suction of 1400 Cubic Meters / Hour, One Touch Auto Clean

Powering Progress: The Kochi Innovation Campus

At the heart of our transformation journey is the upcoming **V-Guard Innovation Centre** — a purpose-built ecosystem where imagination meets engineering, and insights spark meaningful breakthroughs. Designed to fast-track product development and anticipate emerging consumer needs, the Centre is envisioned as a launchpad for disruptive ideas and practical innovation.

We have initiated **Phase 1 of commissioning the Kochi Innovation Campus** in FY 2024, a state-of-the-art facility spanning 1,11,000 sq. ft. This IGBC Gold-rated campus is a cornerstone of our innovation infrastructure, bringing together diverse capabilities under one roof — from consumer insight mining to advanced R&D, IoT labs, reliability testing, and immersive training environment.

The Innovation Campus is purposefully designed to:

- **Unearth deep consumer insights** that shape the future of our product portfolio
- **Accelerate prototyping and design validation** to reduce time-to-market
- **Strengthen IP ownership** through fully internalised development processes
- **Foster seamless collaboration** between design and engineering teams
- **Support multi-vertical innovation** across geographies and customer segments
- **A vibrant Experience centre** – showcasing our portfolio

We are building not just products—but a future-ready innovation engine that will power V-Guard's journey in a dynamic and competitive market.

ENGINEERING THE FUTURE

MANUFACTURING INFRASTRUCTURE

In FY 2024-25, we invested in further expanding our manufacturing footprint, modernising systems and implementing structured frameworks to drive excellence and workplace safety. These efforts are closely aligned with our broader focus on scalability, efficiency and sustainable growth.

Capacity Expansion and Infrastructure Growth

In our endeavour to drive product leadership, we have expanded our manufacturing footprint across key product categories in line with the growth aspirations of V Guard. This enables us with an agile manufacturing model providing the necessary flexibility to launch new products as well as respond faster to market needs.

Key Initiatives

- A new manufacturing unit for mixer grinders and gas stoves in Vapi, Gujarat is scaling up.
- The Battery manufacturing facility in Hyderabad which commenced operations last year is running to optimum capacity.
- Work on new facility for Table, Pedestal and Wall (TPW) fans at Hyderabad has commenced.
- Expansion of capacity at Hyderabad Battery plant has been approved by the Board.

The Corporate Manufacturing Services (CMS) team drives the manufacturing strategy at V-Guard through various initiatives designed to ensure business continuity, process excellence, automation and EHS.

Execution Excellence through VGME Framework

The V-Guard Manufacturing Excellence (VGME) framework built on world class operational principles, aligning all plant functions under a 'ONE-V-Guard operating system'. It acts as a strategic enabler, steering the manufacturing units towards being Future Ready. While defining operational maturity, the framework drives process enhancement, encourages harmonisation and facilitates the widespread adoption of best practices. It fosters a culture of continuous improvement and scalable, sustainable performance across the enterprise.

Industrial Engineering and Productivity Enhancement

The Industrial Engineering team drives productivity improvement, value creation and capacity enhancement across all our manufacturing units. Many key projects focused on process automation, layout improvements and enhancing material handling efficiencies have been a hallmark over the last few years.

Key Initiatives

- Designed and optimised plant layouts for new and existing facilities
- Supported automation initiatives to reduce skill dependency and increase throughput
- Capacity studies and enhancement projects executed in alignment with the operational requirements of each plant for optimized resource utilization, operational agility and support long term strategic goals.

Cost-effective Solutions Implemented

Automation Projects

Continued Investment in Digitization in Manufacturing

V-Guard has always been prudent on adopting appropriate digital technologies and ensures alignment with the overall company vision. As a part of the digital manufacturing journey, various pilots in the areas of real time data access, asset performance management and plant performance management were completed. The digitization manufacturing at V-Guard is aimed at enabling improving decision-making, driving accountability and enhancing competencies.

Key Initiatives

- Initiated a backward traceability system for finished goods through the use of QR codes with ERP
- Leveraged the Suraksha 360 platform to monitor safety events, near miss incidents and audit performance
- Launched pilot projects for asset care digitization to improve uptime and availability through proactive maintenance practices.

Safety and EHS Governance

Environment Health & Safety (EHS) remains a core operational priority since inception of V-Guard. In FY 2024-25, we further strengthened our compliance governance, deepened employee engagement and advanced the implementation of the EHS Maturity Framework. Our EHS built on strong fundamentals shows our values and concern for safety and seriousness for robust compliance culture.

Key Initiatives

- A total of **ten VGIL** group factories are now certified under ISO 14001 (Environment Management Systems) and ISO 45001 (OHSAS) global standards, including three newly established factories.
- Implemented ISO Audit Management Module across all factories.
- Capability building through interactive workshops, mock drills and training sessions on various topics under EHS were conducted regularly. Improved employee engagement, innovative engagement forums and competitions to raise safety awareness among workers.
- Maintained zero Lost Time Injury Frequency Rate (LTIFR) for employees.

8 (VGIL) & 2 (Subsidiary)
ISO certified factories

0
Lost Time Injury Frequency Rate (LTIFR)

Suraksha 360
helps prevent unsafe acts & near-missed tracking

Initiated
Traceability system

Implemented
Asset care digitization Pilot

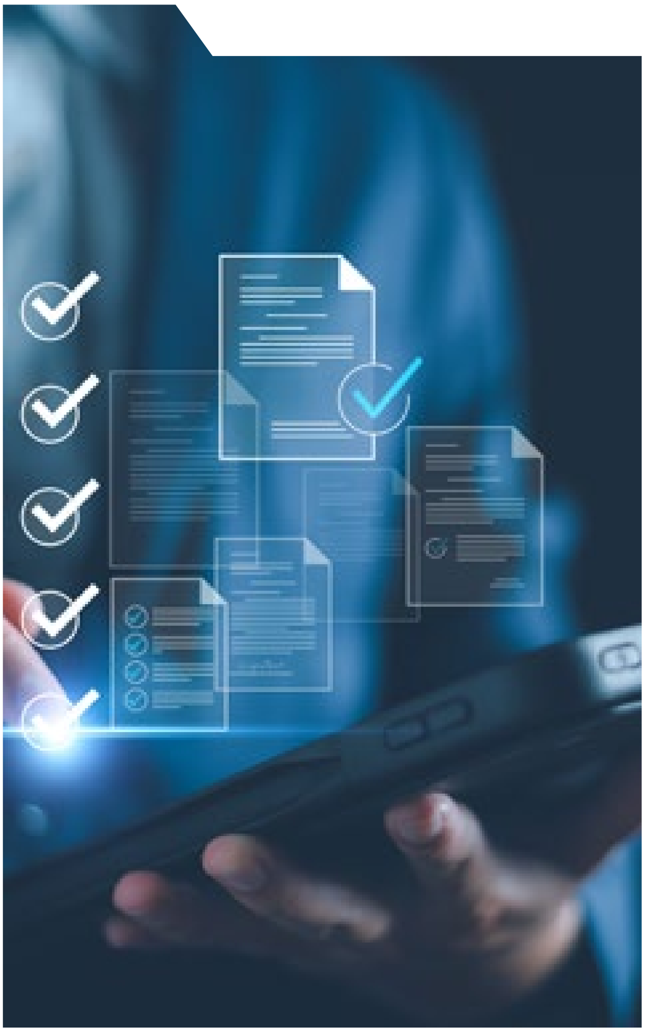
Audit and safety compliance

100%
coverage (plants & warehouses)

QUALITY EXCELLENCE

DRIVEN BY QUALITY

In FY 2024-25, we made significant progress across multiple dimensions, enhancing supplier engagement, leveraging predictive analytics and focusing on consistent product quality, elevating the customer experience. Our six-pillared strategy ensures quality at every operational level.



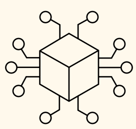
01 Digital Enablement in Quality Management

To improve visibility, responsiveness and traceability across quality processes, we have deployed a comprehensive digital quality management system.

This platform enables:

- Risk-based quality assessments
- Management of product deviations and escalation workflows
- Project workflows and traceability mapping
- Competency tracking for quality personnel

This system provides real-time oversight of quality controls across the entire product lifecycle, from raw material sourcing to post-sales service.

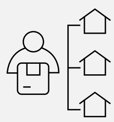


02 Supplier Quality Management

A centralised supplier quality team now oversees vendor evaluation and development, ensuring alignment with our quality standards.

Key steps taken include:

- Implemented a fully digitised onboarding process for suppliers
- Established a standardised Production Part Approval Process (PPAP) to ensure manufacturing readiness
- Conducted regular supplier audits to monitor compliance with quality protocols and drive continuous improvement



03 Product Reliability and Predictive Analytics

We are leveraging advanced analytics models to detect potential product issues. By integrating field data with simulation tools, we are enabling:

- Predictive quality interventions
- Reduced product returns and rework
- Enhanced durability and consistent performance

04 Customer-centric Assurance

Our quality control system extends beyond the factory floor to encompass every customer touchpoint, ensuring a seamless and reliable experience.

- Implemented a structured Channel Net Promoter Score (CNPS) framework to systematically capture and act on trade partner feedback
- Conducted regular customer engagement through site visits and feedback loops
- Hosted Customer Week at key manufacturing plants, offering product training and orientation sessions to deepen customer understanding and engagement

05 Quality Culture and Capability Development

We are institutionalising a robust learning ecosystem to strengthen our capabilities and maintain quality.

- Offering internal six sigma training and certified auditor programmes to both factory and corporate teams
- Promoting quality-focused idea generation programmes that foster a culture of proactive problem-solving and continuous improvement
- Identifying and developing best practices across facilities to ensure consistent quality standards and operational excellence

06 Manufacturing Process Excellence

We have operationalized a consistent quality assurance process across all factories to ensure consistency, accuracy in manufacturing.

- Implementation of Statistical Process Control (SPC)
- Use of Process Failure Mode Effect Analysis (PFMEA)
- Execution of Measurement System Analysis (MSA)
- Automation of critical quality checkpoints
- Backward Raw Material Traceability

Impact

46% (last 5 years)

improvement in new product quality

26%

reduction in critical product-related issues

8%

improvement in customer satisfaction scores

100%

in-house reliability testing across key product categories

MARKETING STRATEGY AND INITIATIVES

ENGAGING AUDIENCES, POWERING BRANDS

In FY25, V-Guard continued to evolve its marketing strategy to keep pace with rapidly shifting consumer behaviour and media consumption trends. With a clear pivot towards digital-first thinking, we recalibrated our media investments to reflect the rising influence of emerging platforms like Connected TV (CTV), OTT platforms, digital news, and streaming of live events. This was complemented by strategic use of traditional media to ensure impact and credibility, enabling a truly integrated media strategy.

Our efforts centred around three core pillars—**Digital Acceleration**, **Brand Storytelling**, and **Partner Empowerment**—ensuring V-Guard stayed relevant, aspirational, and accessible across every touchpoint in the consumer journey.

Strong omni-channel visibility with high-frequency, multi-format **storytelling across digital and TV**

Elevated in-store engagement through immersive brand displays across key retail touchpoints nationwide

Maximized outdoor impact with high-visibility placements in priority markets

Digital-First Marketing and Innovation

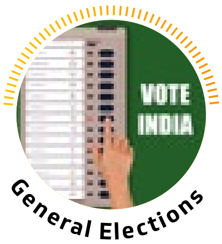
The acceleration of digital consumption has remained a defining trend in recent years. In response, we have significantly expanded our digital marketing initiatives, prioritising visibility, engagement and relevance, particularly among younger audiences.

Key Highlights

Secured high-impact visibility on digital feeds of India's two biggest media events—

IPL

and



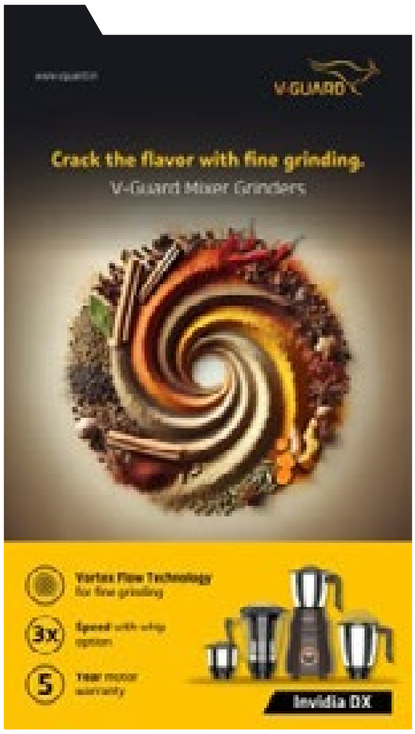
—to boost brand saliency.

- Expanded presence on **Connected TV (CTV)** to reach premium, digitally native audiences with impact.
- Increased investments in **YouTube News** and **OTT** to tap into growing online news and video consumption.
- **Scaled influencer collaborations** across Instagram and YouTube using reels, unboxing, and celebrity-driven formats to engage Gen-Z and Millennials.
- Created **contextual long-format films** around Diwali, New Year, and Holi to build deeper brand affinity.
- Produced a wide range of high quality content, including reels, feature posts, explainer videos, and product demos to power engagement across platforms.

Integrated Media Strategy

In an increasingly fragmented media landscape, V-Guard adopted a sharper integrated media strategy in FY 2024–25. New-age digital platforms were seamlessly combined with traditional media like TV and Out-of-home (OOH), with each channel playing a defined, synergistic role—maximizing both reach and marketing effectiveness.

- **Clear roles for each medium:** TV and OOH were used to create impact; while digital ensured sustained recall and brand affinity.
- **Market-tailored planning:** Media mix was optimized by geography, aligning investments with regional consumption patterns for sharper results.
- **Full-funnel focus:** Balanced long-term brand building with short-term tactical initiatives to deliver across the entire consumer journey.

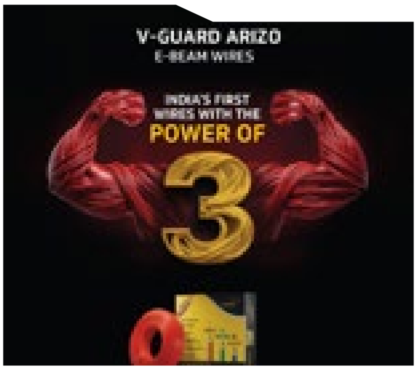


Flagship Campaigns

In FY 2024–25, we executed a series of high-impact, integrated campaigns—leveraging mass media events, digital platforms for recall and storytelling, and influencer collaborations—to drive business outcomes across key product categories like Fans, Water Heaters, Inverter Batteries, and DUPS.

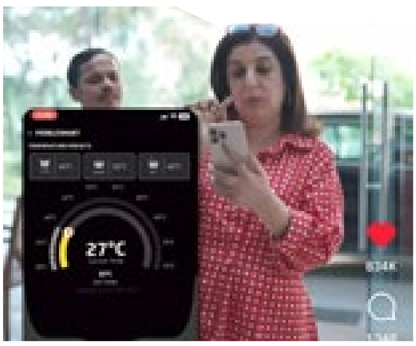
Summer Categories: Capitalizing on general elections, our summer campaign used contextual creatives and marquee sponsorships on leading news platforms to deliver over 300MN+ completed views, achieving wide video reach and strong completion rates, significantly boosting brand salience during peak summer.

Arizo Wire Launch: Backed the launch with a high-impact TV and OOH campaign across key priority markets Kerala, Karnataka, and Odisha—highlight being Kerala's first motion OOH innovation.



BLDC Fans: National campaign combining Digital + OOH garnered nationwide reach and wide engagement, complemented with widespread in-store demo installations to influence last mile conversions.

Water Heaters – Influencer Collaboration: Partnered with celebrity choreographer Farah Khan for an engaging digital campaign, generating 50 million views capturing wide attention and strong traction among urban audiences.



Inverter Batteries & Solar: Expanded brand presence through impactful retail branding across priority markets, supported by loyalty program engagement and digital amplification.

Topical Storytelling: Released emotionally resonant long-format content around Diwali, New Year, and Holi—building brand affinity and social engagement.

In-Store Experience

Retail remains a critical touchpoint in influencing purchase decisions. In FY'25, we enhanced our in-store visibility and elevated product storytelling through refreshed branding elements, rich product information displays and optimised layout across key markets to drive higher engagement and conversions.

In-store Actions

Adopted a sharper, **data-driven approach to counter selection,** ensuring better ROI on branding investments.

Rolled out **high-grade material dealer boards** across key outlets—improving aesthetics and ensuring sustained brand visibility.

Scaled up **demo installations** for key categories like fans and water heaters at retail, enabling hands-on product experience to influence last mile purchase.

In FY 2024–25, we also enhanced marketing support for Sunflame through a mix of strategic and tactical interventions aimed at strengthening brand relevance and consumer connect. Foundational investments were made in consumer research to inform the distinct positioning of our dual-brand strategy. Tactical campaigns were executed around high-purchase occasions such as festivals to drive visibility and conversions. Social media platforms were leveraged to deepen engagement and reinforce recall, while a sharpened content strategy across e-commerce platforms contributed to improved product visibility, ratings, and reviews.

Strengthening Channel Engagement

A robust and empowered channel ecosystem remains central to V-Guard's go-to-market strategy—ensuring product availability, enhancing influence at the point of sale, and reinforcing trust in the brand. In FY 2024–25, we intensified our engagement with channel partners through a combination of digital enablement, structured outreach, and performance-linked incentives—aligning them more closely with our business objectives and brand aspiration.

Multi-Format Channel Strategy

Traditional Trade

Traditional trade remains a cornerstone of our distribution network. In FY 2024–25, we intensified our focus on expanding into under-penetrated regions, especially beyond South India.

Strengthened presence in Tier 2 and Tier 3 towns to boost rural and semi-urban reach.

Enhanced channel partnerships through structured outreach, improved fulfilment and scheme & target visibility.

Achieved a retail footprint of over 1 Lakh outlets nationwide.

Undertaken initiatives which have yielded improvements in channel partner productivity, primarily in the northern and eastern regions.

Deployed multiple sales productivity tools (detailed in the Digital section).

Modern Trade

This continues to be a key growth engine for consumer-facing categories.

Streamlined the distribution strategy across regional accounts

Strengthened the modern trade function by enhancing team structures and expanding instore promoter deployment

Improved sell-out capabilities with structured processes and visibility tools

Streamlined the Sunflame MT operations

E-Commerce

As online shopping grows, our e-commerce strategy has matured into a critical lever for category expansion.

Made strategic category investments, especially in kitchen and consumer electrical appliances.

Strengthened commercial models to ensure control over pricing, discounting and positioning

Adopted a sell-out driven approach to optimise multi-channel operations and reduce channel conflict

Multiple initiatives contributed to improved Sunflame ratings and reviews across e-comm platforms

Direct-to-Consumer (D2C)

To strengthen direct consumer relationships, we launched our own D2C platform.

- Apart from our product line the platform also provides exclusive access to products such as solar power systems and water heaters, which are not available on third-party marketplaces
- Supported by an efficient last-mile logistics network to ensure timely and reliable deliveries
- Enables brand storytelling and seamless service experiences.

Institutional & Canteen Channels

FY 2024-25 marked a deeper focus on institutional and canteen formats, reflecting our strategic emphasis on B2B and government-linked demand.

Progress made

Further expanded our presence in Central Stores Department (CSD) and Central Police Canteens (CPC) across major categories

Expanding our portfolio with a focus on scaling operations to meet increasing demand.

Other Key Initiatives

Retailer Engagement & Digital Empowerment

We significantly strengthened our retail ecosystem engagement with a strong focus on enhancing loyalty and brand alignment. A major highlight was the launch of the revamped Channel Partner Engagement App, available on both Android and iOS. The app provides a comprehensive digital interface for order placement, scheme visibility, lead sharing, warranty registration, product information, and digital reward settlement—eliminating manual processes and streamlining operations.

We also expanded the **Influencer Management Program (IMP)** for retailers, now spanning multiple product categories. This initiative empowers partners with actionable insights to manage their product mix, warranties, and engagement with V-Guard, while enhancing the feedback loop to keep us attuned to ground realities.

Together, these initiatives reinforce our positioning as a progressive and responsive partner in the channel ecosystem—creating a digitally enabled, motivated, and brand-aligned retail network.

Partner Engagement & Outreach

- **Expanded Channel Partner Meets:** Conducted nationwide meets to strengthen relationships, align on product roadmaps, and share strategic priorities.
- **Structured Onboarding & Sales Tracking:** Scaled up onboarding programs for improved secondary sales tracking, transparency, and accountability.
- **Partner Portal Launch:** Introduced a real-time Partner Portal for business updates, promotional alerts, and order tracking—enhancing transparency and responsiveness.

Influencer Engagement

Our **influencer engagement outreach** has evolved into a powerful tool to deepen reach across the value chain. We recorded a 50% increase in enrolments from electricians and plumbers under our IMP program. Cross-selling modules were introduced to help influencers unlock new income streams and enhance familiarity with V-Guard's product portfolio.

The IMP framework now also includes **service technicians, retailers, and retail counter staff**- ensuring V-Guard remains top-of-mind at the point of recommendation and sale. This expanded base of advocates helps guide consumer choice and drive product adoption more effectively.

Through a future-ready, technology-led channel strategy, V-Guard continues to deepen its distribution footprint and build a more agile, aligned, and responsive partner ecosystem. By investing in digital tools, structured outreach, and multi-format presence, we are empowering our channel network to drive growth, consumer trust, and long-term brand equity.

DIGITIZATION

INTEGRATING TECHNOLOGY FOR FUTURISTIC SOLUTIONS

In FY 2024-25, our digital transformation initiatives focused on driving faster decision-making, seamless coordination and enhanced customer service. With a dual focus on value protection and value creation, we continued to strengthen our digital architecture, enhance cybersecurity measures and advance a data-first operating model.

Key Initiatives Include

Traceability and Product Lifecycle Digitization

- A Product Lifecycle Management (PLM) platform integrated with ERP, designed to centralise and streamline all product-related data across the product life cycle.
- Enabled backward traceability down to the component level through QR-coded tagging as pilot in one of the plants.

Sales and Product Enhancement

- Retailer App and Beat Planning: Improved visibility, efficiency and planning for field sales operations.
- Enhanced the Smart App enabling support for IoT-enabled appliances, with added features such as WhatsApp-based integration, improving response time and convenience.

Data and Insights Infrastructure

- We built a centralized Sales Data Lake on AWS to seamlessly consolidate nationwide sales data, enabling faster, more accurate decision-making across the organization.
- Our Tableau-powered BI dashboards transform raw data into actionable insights, empowering teams with real-time visibility into market trends and performance. This data-driven approach sharpens strategic interventions and enables a more agile response to consumer needs and preferences.

Cybersecurity and IT Infrastructure

- Implemented SD-WAN across key plants and offices and upgraded central bandwidth to enhance network reliability and operational efficiency. These infrastructure enhancements ensure faster data flow, more resilient connectivity, and improved coordination across functions.
- Strengthened cybersecurity tools including Extended Detection and Response (XDR), Data Leak Protection (DLP) and Data Classification (DC) to strengthen threat detection and response.
- Migrated all systems to a unified cloud platform, improving performance and integration.
- Enhanced security for Brand protection through various initiatives including Darkweb and Network monitoring.
- Implemented web proxy to enhance network security and control user access to external websites.

SUPPLY CHAIN EXCELLENCE

OUR RESILIENT SUPPLY CHAIN

As we expand our product offerings and expand into new markets, agility, foresight and seamless coordination throughout our supply chain is crucial. In FY 2024-25, our supply chain evolved significantly, fuelled by digital transformation, data-driven planning and a commitment to sustainability.

Integrated Planning for Synchronised Execution

As our operations scale, aligning key functions, such as sales, procurement, production and distribution around a unified plan is essential. To strengthen this alignment, we digitally transformed our supply chain planning framework.

- Upgraded our digital supply chain planning platform to integrate data, improve responsiveness and simulate supply-demand scenarios
- Enabled cross-functional collaboration, improving coordination between sales, operations and procurement teams
- Leveraged the Sales and Operations Planning (S&OP) process to maintain consistent service levels while optimising inventory allocation across markets.

Forecasting Excellence through Data

Accurate demand forecasting is critical to ensuring consistent product availability across our extensive retail network. In FY 2024-25, we made significant progress in our forecasting capabilities by leveraging cross-functional insights by leveraging data-based insights with on-ground intelligence.

- Integrated product-specific and region-specific data models to enhance forecast accuracy
- Utilised forecasting inputs, including historical sales, promotional activity and seasonality trends for more reliable projections
- Facilitated closer collaboration between demand planners and business teams, minimising planning gaps and enabling quicker adjustments.

Sustainable and Responsible Supply Chain

As part of our ESG (Environment, Social and Governance) commitments, we have begun integrating sustainability into our sourcing and logistics strategies. This includes environmental, ethical and regulatory aspects of supply chain responsibility.

- Engaged with suppliers to promote ethical practices and environmentally responsible sourcing practices, in line with our ESG goals
- Launched pilot initiatives focused on low-carbon packaging and transport optimisation for selected routes
- Incorporated ESG-aligned criteria into vendor assessment and onboarding processes, expanding our network of responsible partners.

Technology-driven Transparency and Responsiveness

Timely availability of products across channels depends on real-time visibility and prompt decision-making. In FY 2024-25, we deployed systems to improve monitoring, reduce bottlenecks and drive accountability at every stage of the supply chain.

- Implemented real-time dashboards to track inventory, order status and product movement across warehouses and transit points
- Introduced automated alerts and performance metrics for key supply chain partners, ensuring quicker issue resolution
- Strengthened analytics to identify potential risks, optimise lead time and streamline logistics flows.

Key Highlights

Initiative	Outcome
Digital supply chain planning platform	Improved coordination, faster decisions
Statistical forecasting enhancements	Greater forecast accuracy, reduced demand gaps
Strengthened S&OP framework	Better service levels and inventory control
ESG-aligned supplier engagement	Responsible sourcing and compliance
Real-time inventory & logistics dashboards	Increased transparency, quicker resolution

OUR PEOPLE

ENABLING GROWTH THROUGH A FUTURE-READY WORKFORCE

At V-Guard, we recognize that people are central to delivering on our growth ambitions. In an era marked by rapid technological shifts, evolving consumer expectations, and dynamic market conditions, the business environment is undergoing constant transformation. To stay competitive and future-ready, we as an organization are also investing in continuous learning—reskilling and upskilling our workforce to align with emerging needs, new capabilities, and strategic priorities.

The HR function is also being reimagined to take on a more strategic role. We are also embarking on a strategic HR transformation aimed at aligning the HR function with our long-term vision. This transformation focuses on creating a more agile and future-ready organization — one that is empowered by data, guided by culture, and fuelled by talent. The HR Business Partner model is in the process of getting actively deployed across all corporate functions and regions to provide tailored support. Simultaneously, digitization of the processes is being undertaken to improve data management and enhance analytics-driven decision making. A robust technology-backed HR blueprint is also being developed to ensure process excellence, agility, and cost efficiency.

The transformation will envision the evolution of an HR operating model focused on impact and scalability, alongside measurable metrics for sustained progress enabling positive business outcomes.

In FY 2024–25, we continued to strengthen our capability-building agenda through a structured and future-focused approach to workforce development. A staggering total of over 337,000 training hours were delivered across key functions, with a strong emphasis on behavioural, technical, and digital competencies. Cutting-edge skills such as Design Thinking and AI Prompt Engineering were introduced to align our teams with emerging technologies and evolving business needs.

A rigorous Training Needs Identification process, ensured that learning interventions remained targeted and impactful, reaching nearly 2,900 employees. E-learning platforms and manufacturing-specific programs accounted for over 161,000 hours, enabling scale, and operational readiness.

Our sales force was equipped through structured Sales Process Enablement, delivered by a certified team of internal trainers, while leadership development was accentuated through Managerial Effectiveness Workshops, competency assessments for HODs, and participation in Management Development Programs at premier institutions.

The organization reinforced its commitment to critical modules like Human Rights, POSH, and Code of Conduct, with additional vernacular training for off-roll employees. We continued to focus on training related to compliance and disclosure requirements, in line with existing norms.

In line with our long-term commitment to building a robust leadership pipeline and ensuring business continuity, V-Guard has institutionalized the V-Guard Leadership Acceleration Program (VLEAP). This structured initiative focuses on identifying and nurturing high-potential talent by onboarding Management Trainees from premier B-Schools across India. VLEAP is designed to attract a diverse pool of young, dynamic professionals who bring fresh perspectives, innovative thinking, and agility to the organization. Through curated developmental experiences, cross-functional exposure, and mentoring by senior leaders, the program equips participants with the skills, knowledge, and strategic mindset required to take on leadership roles of the future.

Last but not the least our HR priorities include succession planning, career development and performance recognition. The Company aligns the interests of Critical employees to the success of the Company by providing motivational perks like ESOPs which fosters loyalty, boosts engagement, and encourages an ownership mindset, building a stable, high-performing workforce invested in the organization's future. As we shape the workforce of tomorrow, we remain driven by the future and defined by the milestones that mark our journey—towards a more agile, empowered, and people-first organization.

SUSTAINABILITY

OUR APPROACH TOWARDS SUSTAINABILITY

Building on the strong foundation laid in FY24, V-Guard continues to accelerate its sustainability journey. In the current year, we have progressed from defining strategic intent to executing sustainability actions. This year, we identified key initiatives and long-term focus areas where sustained effort will drive meaningful impact. We continue to build on the seven ESG pillars introduced last year: Climate Action, Responsible Products, Sustainable Supply Chain, Empowering Communities, People & Culture, Effective Governance, and Stakeholder Engagement. Our efforts during the year, in the identified areas of environment, social and governance made steady progress and paved the way for our achieving long-term goals.

Advancing Environmental Stewardship

In FY25, we deepened our environmental commitments. V-Guard's approach to environmental stewardship is anchored in three core focus areas: **decarbonization, water stewardship, and circularity**. In FY25, we expanded our renewable energy capacity to **4.87 MW** through solar installations at **3 plants** and further initiated installations at 2 more plants. These efforts contributed to offsetting approximately **4,968 tCO_2**, achieving **15% renewable energy integration**.

Our water stewardship initiatives led to a ~20% reduction in freshwater withdrawal, supported by enhanced **rainwater harvesting (RWH)** at 4 key locations including a new system initiated at Perundurai Plant. **Smart water metering** and improved STP efficiency are helping us optimize water usage and maximize reuse for domestic applications.

We are also embracing circularity by transitioning from a linear to a regenerative model. Zero Waste to Landfill assessments are underway, and we are building **traceability for recycled content usage**. V-Guard has achieved **100% EPR compliance** for e-waste, plastic & battery, partnering with authorized recyclers for responsible disposal. Our environmental commitments are further guided by the **ISO 14001 environmental management system** adopted across ten of our factories.

Together, these efforts position us to build a **resilient, low-carbon future** while driving operational efficiency and environmental responsibility.

Decarbonization

4.87 MW

installed RE capacity (solar) at 4 sites

4,968 tCO_2e

emissions offset

15%

renewable energy share

Water Stewardship

~20%

reduction in freshwater withdrawal

At 4 key sites

Rain Water Harvesting (RWH)

Smart water meters

& improved STP reuse

Circularity

Zero Waste

to landfill - Assessment Initiated

100%

EPR compliance for e-waste, plastic & battery waste

Driving Product Sustainability

Sustainability has become central to product design. We completed Life Cycle Assessments (LCAs) for key SKUs contributing to 44% of our revenue, established the Responsible Attributes Framework across product lines, and introduced a Packaging Scorecard to drive eco-conscious design.

Embedding Sustainability Across Our Supply Chain

Sustainability at V-Guard is not limited to internal operations—it extends deeply into our value chain. In FY25, we took decisive steps to institutionalize ESG principles across our supplier ecosystem. As part of our strategic roadmap, we developed and rolled out a comprehensive Vendor Assessment Framework aimed at evaluating suppliers on critical ESG criteria, including environmental performance, labor practices, compliance, and human rights.

Our Supplier Code of Conduct, grounded in globally accepted ethical and sustainability principles, was formally adopted by key vendors. The implementation of this code was accompanied by pilot assessments of critical suppliers, marking the beginning of a structured and transparent due diligence process. Concurrently, we have introduced targeted capability-building programs for suppliers, encouraging shared learning and continuous improvement.

Through these initiatives, we are building a resilient, ethical, and climate-conscious supply chain; one that not only supports operational goals but also amplifies our impact on sustainable development.

Empowering Our People

People-first initiatives remain core to our strategy. With ~ 1 Lakh learning hours, enhanced DEI policies, and 92 eNPS, we are building a culture of growth and inclusivity. Gender diversity improved to 17.85% and human rights assessments covered all factories and our corporate office. We continued to maintain zero fatalities and LTIFR.

Strengthening Governance and Transparency

Our ESG governance framework continues to evolve. This year saw the operationalization of Digital Tool for real-time monitoring, expansion of ISO certifications, and enhanced internal engagement through ESG Connect. We also progressed on TCFD-aligned assessments and retained a top-quartile ESG governance rating from a leading agency.

With clear goals and accountable structures in place, we remain committed to long-term sustainability. FY25 marks a significant leap from strategy to execution as we continue our journey towards a responsible and resilient future.

With strong governance structure including ESG Steering Committee, which comprises of functional heads across the Company, continued to provide guidance and oversight on the ESG related action plan for the year. The Risk & ESG Committee reviewed material ESG matters during FY 2024-25, and were provided updates on progress made on various ESG- related initiatives.

Figures are reported at consolidated basis.

CSR

EMPOWERING COMMUNITIES. ENRICHING THE FUTURE

At V-Guard, we view Corporate Social Responsibility (CSR) as both a duty and an opportunity to make a positive impact on the community around us. Our company and its subsidiaries are guided by the principles of inclusive growth and equitable development, recognizing that sustainable business success is deeply intertwined with the well-being of the communities we serve, reflecting our brand values and striving to make the world a better place.

Our CSR initiatives, led by the V-Guard Foundation—a dedicated Section 8 Company—are anchored in a clear and focused framework designed to create long-term, meaningful impact.

In FY 25 we concentrated our efforts across three high-impact pillars:

Edu Care & Skill Development: Enabling brighter futures through access to quality education and vocational training that equip individuals with skills for self-reliance and upward mobility.

Health & Hygiene Programs: Advancing community well-being through preventive healthcare, sanitation awareness, and access to essential health services.

Build India & Relief: Supporting national development and emergency relief through infrastructure interventions, disaster response, and rehabilitation programs.

Employee Involvement

Employees played an active role in extending the reach of CSR initiatives. During FY25, teams from across functions participated in on-ground projects supporting health screening camps, engaging with school programmes and facilitating skill training sessions. Their involvement not only ensured smooth execution but also helped strengthen community connections, bringing a sense of ownership and continuity to the company's development efforts.

Majorly from vulnerable and marginalized groups, across more than 18 states

~78,000 people

Government Schools Supported

~7,150 students

in 27 Schools across various states

Total CSR Spend

~₹660 Lakhs

(~₹550 Lakhs on standalone basis)

Project Suno

~22,000 + children

in West Bengal

Navdharshan

~3,000 children

across Odisha, Telangana and Karnataka

CANCARE Project (for cervical cancer)

~2,400 women

screened in Haryana

Big Idea Business Plan & Big Idea Tech Design

~8,000 students

across 200 colleges across India

Disaster Relief Kits

~ 8,000

affected people

Flagship initiatives

Project Navdharshan

This is one such initiative, focused on the holistic development of children with special needs. Spanning education, therapy, and vocational training, the program creates an enabling ecosystem that nurtures ability and builds confidence. During the year, we extended support to **~ 3,000 children** across Odisha, Telangana, and Karnataka.

Project Suno

Our flagship hearing health initiative, Project Suno continued to make significant strides. Conducted in partnership with public health systems, the project facilitated hearing screening camps for **~ 22,000 children** in government schools and enabled early intervention through the distribution of hearing aids. In FY25, the initiative was implemented in the state of West Bengal.

Project Tarang

During the year, Project Tarang continued to empower underprivileged youth through certified skill development programs in electrical and electromechanical trades, enhancing employability and self-reliance. This skill development initiative imparted on-the-job training for Industrial Training Institute (ITI) graduates. The programme was also certified by the National Skill Development Corporation (NSDC). In FY 2024-25 training programs were conducted in Kerala and Uttar Pradesh.

Big Idea Business Plan & Big Idea Tech Design

This program, is, our commitment to give back to society and also extend beyond philanthropy—it is also about building capability, igniting ambition, and empowering the next generation of changemakers. Conceived with the vision of encouraging strategic thinking, innovation, and problem-solving among young minds, the initiative aims to cultivate future-ready leaders who can address real-world challenges with ingenuity and purpose. This year, the program witnessed overwhelming participation from over **8,000 students** from over **200 + colleges** across the country, reflecting its growing relevance and impact among India's student community.

Driven by the future and defined by meaningful milestones, our growth is rooted in responsibility—advancing not just business outcomes, but a more inclusive and resilient society.

AWARDS AND RECOGNITION

Ambition Box - Among Top 20 Mid-Sized Companies

German Design Award

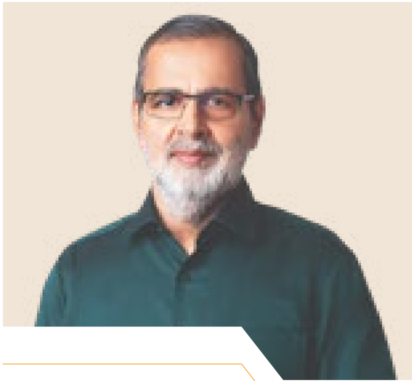
India Marketing Awards South

India's Best In-House Design Studio

Red Dot: Best of the Best

BOARD OF DIRECTORS

BUILDING OUR LEGACY OF TRUST THROUGH STRONG GOVERNANCE



Kochouseph Chittilappilly

Founder

Mr Kochouseph Chittilappilly is the Founder and Promoter of V-Guard Industries Ltd.

He has driven and motivated the Company to succeed in its business. He had been the Managing Director of the Company since its inception and took the Company to newer heights and recognition with his experience and vision. In April, 2012, he passed on this baton to his son Mr. Mithun K Chittilappilly. In 2017 he assumed the position of Non-Executive Chairman of the Board and continued as such till March 2020. As Chairman, he had been instrumental in adoption of best governance practices and upholding the Company's core values. He assumed the office of Chairman Emeritus from April 2020 and stepped down from said position from March 31, 2025.

Apart from his business acumen, Mr. Chittilappilly is a humanitarian par excellence. "K Chittilappilly foundation" (KCF) founded by him undertakes public charitable activities in India without any discrimination as to religion, caste, creed or gender. The Foundation's key focus is in the areas of healthcare, education and development of social infrastructure.

He has been bestowed with numerous awards for exemplary performance in business. Noteworthy among them are Samman Pathra Award for top income tax payer from the Honourable Union Minister of State for Finance, Business Man of the Millennium 2000 from Rashtra Deepika and Tourism Man of the year from "Destination Kerala".

Radha Unni

Chairperson and Independent Director

Ms. Radha Unni is an Associate at Indian Institute of Banking & Finance having more than 36 years of experience in banking sector. During the tenure in the Bank, she was predominantly involved in credit and project appraisal of small, medium and large projects. She had held various positions at the State Bank of India, including deputation to SBI Capital Markets overseeing public issues, debt placements, project appraisal etc. She retired as the Chief General Manager, State Bank of India, Kerala Circle. In the past, she held directorships at The Western India Plywoods Limited, Royal Sundaram General Insurance Co. Limited, Wil Car Wheels Limited, Axles India Limited, Nitta Gelatin India Ltd and The South Indian Bank Limited.

She joined the Company as an Independent Director in September 2018 and assumed the office of Chairperson from July 29, 2024.

She is the chairperson of Stakeholders' Relationship & Risk and ESG Committees of the Board. Further, she is also the member of Audit Committee & Nomination and Remuneration Committee of the Board.

George Muthoot Jacob

Independent Director

Mr. George Muthoot Jacob holds Masters degree in Law from the University of Warwick, UK and has completed Masters in Management from CASS Business School, London.

Currently he holds the position of Deputy Managing Director of Muthoot Finance Limited. He is also on the Board of various companies of Muthoot Group such as Muthoot Finance UK Limited & Muthoot Global UK Limited, Muthoot Securities Ltd., Muthoot Broadcasting Pvt. Ltd., apart from many others.

He has expertise in the areas of General Management, Marketing, Legal, Finance, Risk Management etc. He is also member of the Entrepreneurs' Organization - Kerala Chapter and Young Indians (Part of CII) - Kochi Chapter.

He joined the Company as Independent Director in October 2020.

He is the member of Audit, CSR, Stakeholders' Relationship and Risk and ESG Committees of the Board.

Biju Varkkey

Independent Director

Prof. Biju Varkkey holds Master's Degree in Human Resource Management from Mahatma Gandhi University, Kerala and Fellow Title in Management from NIBM, Pune. He has industry experience in Consulting and Teaching in Leading Management Schools in India. He has worked on various consulting assignments with leading organizations across the globe.

Currently, he is a faculty member at IIM Ahmedabad in the Human Resource Management area, where he teaches graduate, executive development, and doctoral programs.

He joined the Company as Independent Director in May 2021.

He is the Chairperson of Nomination & Remuneration Committee and member of Stakeholder's Relationship Committee, CSR and Investment Committees of the Board.

Ishwar Subramanian

Independent Director

Mr. Ishwar Subramanian is a member of The Institute of Chartered Accountants of India (ICAI) and had secured national Rank under the Examination conducted by ICAI. He has also attended Executive programs in Stanford University, Harvard university and Oxford university. He is a Technology Entrepreneur, Co-founder, and Executive Chairperson of then India's largest B2B marketplace for construction materials (M Supply). He has more than 4 decades of experience as a CEO of MNC, Private Equity Investor, Technology Entrepreneur, Consultant, Board Member, Advisor and Angel Investor. He is a Private Equity Investor, Co-founder, Executive Chairperson and GP of Forum Synergies (India Focused Private Equity Fund).

Currently, he holds the position of Director in Sheenlac Noroo Coatings India Private Limited, Sheenlac Paints Limited, Forum Synergies (India) Pe Fund Managers Private Limited, etc. Further, he is also the Co-founder of Tresa Motors Pvt Ltd., a company engaged in the manufacture of electric trucks and Machani Robotics Inc, a company in the business of making humanoid robots.

He joined the Company as Independent Director on May 30, 2023.

He is the Chairperson of Audit Committee and Investment Committee and member of Nomination & Remuneration Committee of the Board.

Mithun K Chittilappilly

Managing Director

Mr. Mithun K Chittilappilly is a post graduate in Management from University of Melbourne, Australia. After completing his graduation in Commerce, he worked with a couple of MNC viz., Deloitte and Hewlett Packard. In January 2005, he took a break from work to pursue his post-graduation in Management from University of Melbourne, Australia.

After graduating in May 2006, he joined the Company as Executive Director and became the Managing Director of the Company in April 2012. He has been actively involved in the overall management of the operations of the Company and in putting up appropriate systems and processes for bringing in improvement in each of the functions of the Company. Under his leadership, the Company was able to achieve remarkable growth in non-South markets and was able to roll out various new products to the portfolio. He played a critical role in the company's unveiling of a new brand identity and logo, leading its transformation into a technology-driven organization offering smart products.

He also holds the position of Managing Director in V-Guard Consumer Products Limited, a wholly owned subsidiary and holds Directorship on the Board of Sunflame Enterprises Private Limited, a wholly owned subsidiary & V-Guard Foundation, a Section 8 company, the principal arm for implementing V-Guard's CSR programmes/projects.

He is the member of Audit, CSR, Stakeholders' Relationship, Risk and ESG & Investment Committees of the Board.

Ramachandran V

Director & Chief Operating Officer

Mr. Ramachandran V, a leading management professional with over 30 years of cross functional experience across blue chip companies like HUL and LG Electronics, has been appointed as a whole time Director of the company since June, 2013 and has been designated as Director & Chief Operating Officer.

His primary mandate entails building and enhancing business competitiveness and capabilities required to secure future market position by putting together a strategic framework for the organisation. In addition to leading the execution of the corporate strategic initiatives and developing new growth platforms and business development, his mandate includes developing long-term business plans with supporting infrastructure development roadmap.

Mr. Ramachandran V's strategic foresight and pioneering vision has led to several transformational processes being rolled out across various functions including Marketing, Customer Service, Supply Chain Management, Manufacturing Excellence, Research & Development apart from others, to build a future ready organization.

He also serves as a Director on the Boards of V-Guard Consumer Products Limited, GUTS Electro-Mech Limited, and Sunflame Enterprises Private Limited — all wholly owned subsidiaries — as well as V-Guard Foundation, a Section 8 company and the principal arm for implementing V-Guard's CSR programs.

He is the member of Risk and ESG & Investment Committees of the Board.

Antony Sebastian K

Executive Director

Mr. Antony Sebastian is a leading Management professional having over 40 years of cross functional experience in V-Guard. He joined the Company in the year 1985 and worked in various capacities during his extensive tenure. He holds EMBA in Materials Management, Management Diploma in Electronics Engineering and Diploma in Production Management. He has also attended Quality Management Program in Osaka, Japan and underwent Executive Education Program in IIM, Bangalore.

He was instrumental in the development of Supply chain function in the Company and is currently heading the same. He has vast work experience in the fields of Sales and Service, Production Management and Quality Control. He has led many transformational projects in the Company for process improvement.

He joined the Company as Director in Executive Category on May 30, 2023.

He is the Chairperson of the CSR Committee of the Board.

CORPORATE INFORMATION

Founder

Mr. Kochouseph Chittilappilly

Board of Directors

Ms. Radha Unni
Chairperson

Mr. Mithun K Chittilappilly
Managing Director

Mr. Ramachandran V
Director & Chief Operating Officer

Mr. Antony Sebastian K
Executive Director

Mr. George Muthoot Jacob
Independent Director

Prof. Biju Varkkey
Independent Director

Mr. Ishwar Subramanian
Independent Director

Board Committees

Ms. Radha Unni
M C C M

Mr. Antony Sebastian K
C

Mr. Ishwar Subramanian
C M

Mr. Mithun K Chittilappilly
M M M M

Mr. George Muthoot Jacob
M M M M

Mr. Sudarshan Kasturi
M

Mr. Ramachandran V
M

Prof. Biju Varkkey
M C M

Chief Financial Officer

Mr. Sudarshan Kasturi

Company Secretary & Compliance Officer

Mr. Vikas Kumar Tak

Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP

Listed at

National Stock Exchange of India Ltd.

BSE Ltd.

Registered Office

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

Registrar & Transfer Agent

MUFG Intime India Pvt. Ltd. (Formerly Link Intime India Pvt. Ltd.)
Surya 35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road
Coimbatore – 641028
Phone: 0422-2314792
Email: coimbatore@in.mpms.mufg.com

Audit Committee

Stakeholders' Relationship Committee

Risk Management Committee

Nomination and Remuneration Committee

Corporate Social Responsibility Committee

C Chairperson

M Member

Subsidiaries

GUTS Electro-Mech Ltd.

V-Guard Consumer Products Ltd.

Sunflame Enterprises Pvt. Ltd.

Associate Company

Gegadyne Energy Labs Pvt. Ltd.

Plant Locations

Wires & Cable Division

KG Chavadi, Palakkad Main Road,
Coimbatore – 641105

6th KM Stone, Moradabad Road,
Khasra No. 86, Village Basai,
Udham Singh Nagar,
Kashipur, Uttarakhand - 244713

Pump Division

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

Solar Water Heater division

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

Water Heater Division

Village Bankebada,
Near Moginand High School,
Nahan Kala Amb Road,
Moginand P O, Tehsil-Nahan,
Dist - Sirmour,
Himachal Pradesh - 173 030

Rangpo Namchi Road, Mamring,
South Sikkim - 737132, Sikkim

Solar Invertor Division

KG Chavadi, Palakkad Main Road
Coimbatore – 641105

Stabilizer Division

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

Fan Division

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

Modular Switches

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

Plant locations- Subsidiaries

GUTS Electro-Mech Limited

163/C & 164/E, IDA, Phase - 11,
Cherlapally, Hyderabad – 500051

Plot No. 2, Sector 3A, SIDCUL, Haridwar,
Uttarakhand 249410

V-Guard Consumer Products Limited

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

Block/Survey No.129/4, New S. No. 256,
Part A, Khatta No. 527, Vapi, Morai,
Valsad, Gujarat – 396191

Sy No.86 Part, 94 Part and 95 Part,
Motheghanapur Village, Balanagar
Mandal, Mahabubnagar,
Telangana, 50920

Sunflame Enterprises Private Limited

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

Bankers

HDFC Bank Ltd.

ICICI Bank Ltd.

Federal Bank Ltd.

Yes Bank Ltd.

State Bank of India

CITI Bank

HSBC Bank

Kotak Mahindra Bank Ltd.

Management Discussion & Analysis

1. Economic Review & Outlook

The year 2024 was pivotal politically, with major elections in India, the United States, and Indonesia reshaping policy directions globally. In India, the electorate re-elected the incumbent government for a third consecutive term, ensuring policy continuity amid rising global uncertainties.

Globally, 2024 witnessed an uneven recovery. Service sectors remained relatively strong, while manufacturing lagged, particularly in Europe and parts of Asia, due to supply chain disruptions and softer external demand. Geopolitical tensions, including the Russia-Ukraine war and Middle East conflicts, heightened uncertainty across financial and commodity markets.

According to the World Economic Outlook Update, global GDP growth is projected at 3.3% for both 2025 and 2026, below the pre-pandemic average. Global inflation is expected to decline to 4.2% in 2025 and further to 3.5% in 2026. However, stubborn services inflation and challenges in achieving full disinflation complicate monetary policy globally. Globally energy prices are forecast to decline by 2.6% in 2025, driven by weaker demand and higher non-OPEC+ supply, while food and beverage prices are expected to rise globally due to adverse weather impacting key producers. Monetary policies are expected to diverge across regions, advanced economies are likely to move towards easing faster than emerging markets, reflecting different inflation and growth dynamics. Fiscal tightening is also anticipated across both advanced and emerging economies in 2025-26. Global risks remain elevated. The IMF notes heightened financial market volatility due to expected policy changes under newly elected governments. Structural challenges, including trade frictions, accelerated digital and environmental transitions along with other factors, continue to complicate the global growth landscape.

India's economy demonstrated resilience despite global headwinds. In April 2025, the Reserve Bank of India (RBI) lowered the policy repo rate by 25 basis points to 6.0%, aiming to support investment and borrowing amid tighter global financial conditions. Inflation has moderated significantly, with retail inflation (CPI) falling to 3.34% in March 2025, the lowest since 2019, reflecting effective monetary management and supply-side interventions. Real GDP growth is projected at 6.5% for 2025-26, maintaining momentum from the previous year despite a slight downward revision due to global risks. Sectoral trends remain positive: agriculture activity benefited from strong reservoir levels and supportive weather conditions, manufacturing is reviving on improved business sentiment and services continue to drive growth. Investment activity is strengthening, driven by higher capacity utilisation, public infrastructure spending, and a robust financial sector. While merchandise exports may face challenges from global trade frictions and services exports, strong remittance inflows continue to support the current account balance. Inflation expectations remain anchored, with CPI inflation forecast at 4.0% for 2025–26, aided by healthy agricultural output and softening oil prices. However, risks from weather-related shocks and global volatility persists. India's financial system remains stable, backed by healthy forex reserves, improved liquidity, and lower borrowing costs. The Ministry of Finance has warned that rising global trade tensions, especially under the renewed "America First" agenda of the U.S., could impact India's export performance. However, India's robust services trade surplus provides a mitigating cushion. At the same time, there is an emerging school of thought that India could be relatively better placed than most of the countries in terms of tariff rates which may provide opportunities to significantly scale up merchandise exports.

Domestically, India's rural demand recovery and strong public capital expenditure are supporting growth. Investment sentiments have improved, with manufacturing capacity utilisation remaining above historical averages. However, risks from global overcapacity, particularly in sectors like steel, could pose challenges. In India, food inflation is expected to ease with strong seasonal harvests and healthy Rabi production, although adverse weather events could pose upside risks. The core inflation outlook remains benign, supported by softening global energy and commodity prices.

In summary, India's growth outlook remains robust, underpinned by domestic resilience and disinflation trends, although global uncertainties, including geopolitical developments, trade dynamics, and financial market fluctuations, warrant careful monitoring. However, the recent India-Pakistan border tensions can disrupt trade, investment, and cross-border economic activity, particularly in border regions. Heightened military spending may divert resources from development and infrastructure. Tourism and local businesses near the border often suffer due to security concerns.

2. Sector Overview

The Indian consumer durables sector is rapidly growing and contributed about 0.6% to the nation's GDP in 2024. With a projected CAGR of 11%, the sector aims to reach a market size of ₹ 3 lakh crore (US$ 34.5 billion) by 2029. The Appliances and Consumer Electronics (ACE) market is expected to nearly double by 2033, reaching US$ 149.1 billion. In 2025, India expects to become the fifth-largest global market for consumer electronics, with key segments like smartphones, air conditioners and white goods driving growth.

Key product markets are expanding significantly. The air conditioner market will reach US$ 5.6 billion by FY29, while smartphones are expected to grow to US$ 90 billion by 2032. The white goods market, valued at US$ 12.44 billion in 2023, will grow to US$ 19.09 billion by 2031. Other segments like headsets, dishwashers and wearables are also showing promising growth.

Growth is fuelled by rising disposable incomes, urbanisation and increased consumer credit. Additionally, the growing middle class and demand from rural and semi-urban markets are driving consumption and premiumization. The expanding online retail market and the working population are also significant contributors to the sector's growth.

The sector has evolved from a closed market in the pre-liberalisation era to a diverse and competitive landscape today. Key trends include increased product affordability, local manufacturing, and the growing importance of the digital economy. Manufacturers are focusing on sustainability, incorporating energy-efficient technologies and promoting recycling.

Technological adoption is a major driver for consumer goods. The digital economy is booming, with a rise in online shopping, smartphones and wearable tech. AI-enabled appliances are gaining popularity. The push for digital and smart technologies is aligned with Government initiatives like "Smart Cities" and "Digital India."

The Indian Government has introduced policies like the National Policy on Electronics (NPE 2019) and Production-Linked Incentive (PLI) schemes to boost local manufacturing and attract investments. These policies, along with reforms like labour law simplifications, are facilitating growth in the sector.

India is attracting significant foreign investment in the consumer durables sector, with major companies and brands expanding their operations in the country. These investments are strengthening India's position as a key global manufacturing hub.

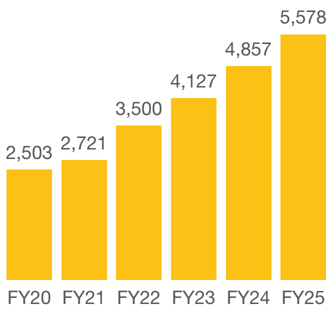
Sustainability is becoming a priority for the sector, with companies focusing on eco-friendly products and energy-efficient technologies. The Government's regulations are promoting greener practices, with the fan industry and energy-efficient appliances benefiting from new policies.

India's consumer durables sector is on a robust growth trajectory, driven by demand, technological advancements and Government support. As the market evolves, India is set to become a global leader in the sector, with sustainability and innovation at its core.

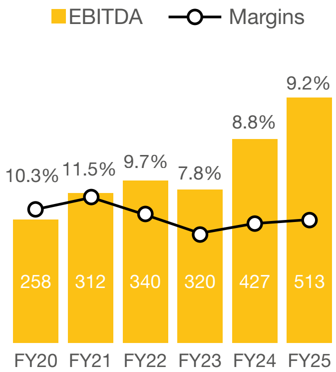
3. Review of Operations

Financial Performance (FY20-25)

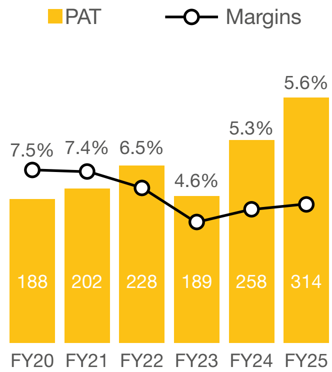
Revenue



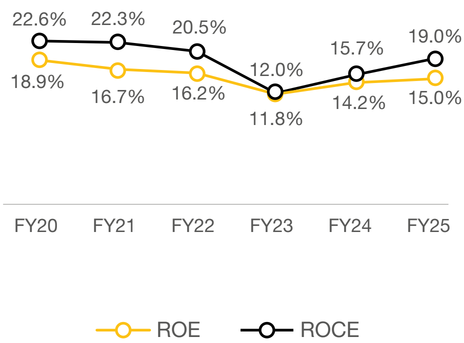
EBITDA and Margins



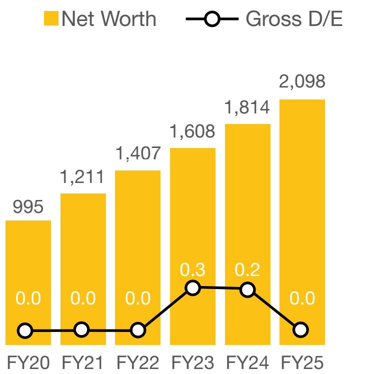
PAT and Margins



ROE & ROCE

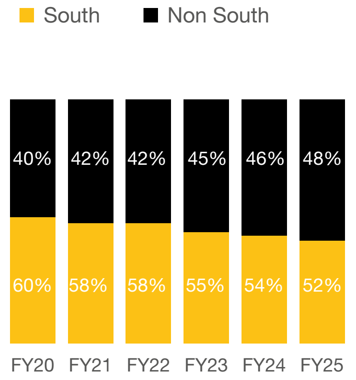


Net Worth & Debt-Equity Ratios

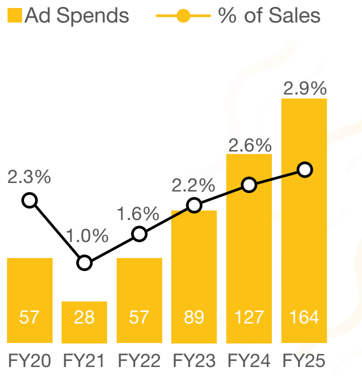


Operational Performance (FY20-25)

Expanding Geographic Presence



Ad Spends and as a % of Sales



Key ratios (%)	FY25	FY24
Gross Margin	36.3%	33.8%
EBITDA Margin (excl. other income)	9.2%	8.8%
Profit after Tax (%)	5.6%	5.3%
Ad & Promotion Exp./ Revenue	2.9%	2.6%
Employee Cost/ Revenue	9.3%	8.3%
Other Expenditure/ Revenue	17.8%	16.8%
Tax rate	24.2%	24.3%
Diluted EPS (₹)	7.14/-	5.88/-

Balance Sheet Snapshot (₹ in Cr)	31 Mar 2025	31 Mar 2024	31 Mar 2023
Net worth	2,097.83	1,814.22	1,607.62
Gross debt	10.81	291.03	419.61
Current Investments	10.14	30.17	0.12
Cash and cash equivalents	64.50	57.37	66.87
Net Cash Position	63.83	(203.49)	(352.62)
Fixed Assets	1,169.90	1,116.81	1,019.67

Balance Sheet Snapshot (₹ in Cr)	31 Mar 2025	31 Mar 2024	31 Mar 2023
Debtor (days)	35	44	50
Inventory (days)	102	92	97
Creditor (days)	67	62	62
Working Capital Turnover (days)	70	74	85
RoE (%)	15.0%	14.2%	11.8%
RoCE (%)	19.0%	15.7%	12.0%

S. No.	Particulars	UOM	2024-25	2023-24
1	Debtors Turnover	Times	10.4	8.3
2	Inventory Turnover	Times	3.6	4.0
3	Interest Coverage Ratio	Ratio	17.9	8.7
4	Current Ratio	Ratio	1.7	1.6
5	Debt Equity Ratio	Ratio	0.0	0.2
6	Operating Margin i.e. EBITDA	%	9.2%	8.8%
7	Net Profit Margin	%	5.6%	5.3%
8	Return on Net worth	%	15.0%	14.2%

Note: Explanation if difference is more than 25%

Interest coverage ratio has improved from last year as the interest on borrowing for acquisition of Sunflame Enterprises Pvt Ltd. (Sunflame) is lower due to repayments during the year.

Debt equity ratio has improved compared to last year mainly due to repayment of term loan related to Sunflame acquisition in FY25.

4. Dividend

The Company's Board has recommended final dividend of ₹ 1.50/- per share. This translates to a payout for the financial year 2024-25 of ~₹ 65.40 crore (₹ 60.91 crore in 2023-24). The dividend payout, for the year under review is ~21%.

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

5. Segment-wise Review

Products	FY25 (₹ in Cr)	Contribution (%)	FY24 (₹ in Cr)	Contribution (%)	YoY growth (%)
Electronics	1,509.63	27.0%	1,165.20	24.0%	29.6%
Electricals	2,169.94	38.9%	1,973.07	40.6%	10.0%
Consumer Durables	1,643.87	29.5%	1,444.28	29.7%	13.8%
Sunflame	254.38	4.6%	274.12	5.7%	-7.2%
Grand Total	**5,577.82**	**100.0%**	**4,856.67**	**100.0%**	**14.8%**

Electronics

The Electronics segment comprises of Voltage Stabilizers, Digital UPS Systems (including Inverter Batteries) and Solar Power Systems. In FY25, it delivered a robust performance, supported by favourable seasonal trends and improved internal efficiencies. Demand was primarily driven by continued variability in regional power supply and increasing adoption of high-energy consumer appliances such as air conditioners, refrigerators and televisions which are factors that have steadily increased reliance on power management solutions.

During the year, the segment reported revenue of ₹ 1,509.63 crore, reflecting a growth of 29.6% YoY as compared to ₹ 1,165.20 crore in FY24. Growth was largely attributed to a stronger and extended summer season, which drove heightened demand for stabilizers and inverter-based systems.

Segment margins improved to 19.7%, up from 16.5% in FY24, supported by volume growth and a strategic shift towards increased in-house manufacturing across key product lines of Stabilizers, Inverters and Batteries. This move enabled better cost optimization and enhanced value capture. Margin gains were further augmented by a favourable market environment.

The Company is a market leader in the **Stabilizers** category, outperforming regional players with limited reach. During the year, the category witnessed robust momentum, driven by seasonal tailwinds arising from a strong summer and sustained underlying demand. Favourable market conditions, coupled with healthy channel dynamics, further supported growth.

Operationally, Stabilizers is backed by manufacturing facilities in Sikkim and Pantnagar, the latter being the first plant established under V-Guard Consumer Products Ltd. (VCPL), the Wholly-owned subsidiary of the Company. These plants support a wide range of offerings, including stabilizers designed for air conditioners, LED TVs, refrigerators, washing machines and treadmills – ensuring both product versatility and market responsiveness.

While the stabilizer market had experienced a post-COVID dip in CAGR to 4–5%, it has since rebounded to pre-pandemic levels of 4–6%. Looking forward, the category is poised for sustainable growth trajectory in the coming years.

The **Digital UPS Systems** category, encompassing Inverters and Batteries, has emerged as a key pillar in the Company's long-term growth strategy. With the Indian market grappling with low electrification in certain pockets, recurring power disruptions and energy supply gaps, demand for dependable backup solutions is accelerating. To capitalize on this opportunity, the Company has expanded its product lineup and undertaken capacity-building measures, aligning with the increasing power needs of Tier-2 and rural regions.

As part of this strategic focus, in addition to the inverter manufacturing facility at Pantnagar under VCPL, a new Battery Manufacturing facility was established, on the outskirts of Hyderabad under VCPL. This plant, which became operational towards the end of of FY24, is now fully functional and delivering strong output. The shift to in-house battery production has enhanced operational agility and reduced dependency on third-party suppliers, resulting in better cost structures and competitive pricing. These efficiencies are already translating into improved margins. VCPL plans to further invest ~ ₹ 50 Crores for increasing the capacity of Hyderabad Battery plant.

The fiscal year 2025 witnessed a sharp rise in inverter sales, largely driven by prolonged heatwaves and resultant power outages. The Company's prior investments in manufacturing and distribution have enabled it to respond effectively to this uptick in demand, reinforcing its position in the Electronics domain.

To future-proof its technology portfolio, V-Guard has invested in Gegadyne Energy Labs Pvt. Ltd. (GEL), a Mumbai-based deep-tech startup developing advanced battery systems. GEL's innovations focus on improving battery lifecycle, charging efficiency, safety, and maintenance. The company has moved from R&D to pilot-scale production and is preparing for commercial scaling and a potential 'Series B' funding round.

V-Guard's investment supports GEL's technology development and operational setup. This investment aligns with V-Guard's broader strategy to integrate advanced energy storage technologies.

V-Guard also entered the solar energy space with its **Solar Power Systems** category. It provides a focused offering of on-grid and off-grid systems, aligning with the Indian Government's intensified efforts to promote solar rooftop adoption.

As per the Economic Survey 2024-2025, the Government has launched several initiatives to boost solar power use. The PM - Surya Ghar: Muft Bijli Yojana plans to install rooftop solar systems in one crore homes, aiming for about 30 GW of residential capacity by 2027. By early 2025, over 7 lakh households had systems installed. New rules introduced in 2024 have also made rooftop solar installation easier by removing certain approval steps and cutting down project timelines.

Large-scale efforts like the Solar Parks Scheme aims to build 40 GW of solar capacity through new parks and infrastructure. So far, nearly 39.9 GW have been approved across 13 states. PM-KUSUM helps farmers by funding small solar plants and solar pumps, adding decentralized power to rural areas.

Other programs include solar electrification for tribal villages, Government-supported solar projects through public sector units, and incentives to boost the local manufacturing of solar panels under the PLI Scheme. The Smart Cities Mission is also installing solar streetlights in urban areas, and Indian Railways plans to reach 30 GW of renewable energy by 2030.

To support growth, loans for solar projects are given priority and special green bonds have been introduced. The sector is also creating jobs, including opportunities for women through community solar programs. However, challenges like limited battery storage technology, shortages of critical minerals, and the need for better recycling of old solar equipments remain key areas for improvement.

In response, V-Guard has expanded its presence in solar rooftop solutions, a segment that, while currently modest in scale, is witnessing rapid growth. The Company has invested in both product innovation and service delivery, building a strong foundation to meet emerging demand.

The solar rooftop product line, integrated with inverters and battery systems, is gaining momentum as was particularly seen in certain regions, during the latter half of the fiscal year. Though its contribution to overall revenue remains limited, the segment is evolving into a promising growth avenue, supported by increasing consumer adoption and Government-led incentives.

The Electronics segment remains well-positioned to capitalize on structural shifts in energy usage patterns and increased electrification across urban and semi-urban markets.

Electricals

The Company's Electricals segment generates the highest share of revenue and encompasses product categories like Wires, Pumps, Modular Switches and Switchgears. The performance of the segment is closely linked to external factors such as construction activity, weather fluctuations, water table levels and shifts in consumer spending. In the fiscal year 2025, it generated revenue of ₹ 2,169.94 crore, as compared to ₹ 1,973.07 crore, a growth of 10.0% YoY. The segment contributed 38.9% to the Company's revenue as against 40.6% in FY24. Segment margins for the year came in at 10.1%, slightly lower than the 10.8% achieved last year, with copper price fluctuations contributing to a drag on margins.

The Wires category, is the largest contributor to the revenue of the Company. The Company mainly operates in house wiring cable segment where demand is driven by electrification of houses and the growth in the real estate sector. With 90-95% of Wire sales coming from retail trade rather than institutional projects, stocking sentiment in the channel becomes a critical driver. It's performance is closely tied to movement in copper prices, which is the key input material. Copper price volatility has a direct bearing on both demand and inventory behaviour, making this segment particularly sensitive to external cost cycles. Nevertheless, price pass-through in this category is typically efficient, which helps to offset margin volatility.

The Company has expanded capacity in previous years and is well-equipped to meet expected demand over the next few years. With 100% in-house manufacturing structurally feasible in this category, it offers a strong long-term strategic advantage. V-Guard currently follows a blended manufacturing model, supported by its well-positioned facilities in Coimbatore and Kashipur, which offer the operational agility to respond swiftly to commodity-driven fluctuations. Outlook for the category remains optimistic, fuelled by expectations of heightened construction activities in near future.

The category of residential **Pumps** forms a significant part of Electricals segment, with demand largely influenced by seasonal patterns, especially during summer, when falling water tables typically drive higher sales. Pump is among the few products with a demand that leans more towards rural areas. Its market is largely dominated by local and regional brands and consumer awareness remains limited. As a result, purchasing decisions are often guided by retailers or plumbers. The category experienced steady growth in FY25.

Switches and Switchgears form a key pillar of the Company's long-term growth strategy, complementing its core Wires' business and enabling a seamless extension into adjacent markets. Recognising the potential in this space, V-Guard acquired Simon Electric Pvt. Ltd. (SEPL) in FY23, a company affiliated with Spain's Simon Group. By the following fiscal year, SEPL was fully integrated into V-Guard's operations, with its systems streamlined and personnel fully absorbed into the organisation along with the manufacturing unit located at Haridwar, Uttarakhand. This strategic move has strengthened the Company's capabilities and positioned it for accelerated growth in the Switches category.

The Switchgear category has been performing well, with V-Guard gradually establishing itself as a preferred brand in this domain across several Indian states. With over a decade of groundwork in the market, the brand is now well-recognised among both trade partners and end-consumers.

With Simon's brand license agreement as well as the technology collaboration agreement (with Simon Global), V-Guard aims to tap into the additional segments of the Switches market. The Company leverages Simon's advanced manufacturing processes, high-quality standards and technology collaborations to enhance its offerings. By internalising a significant share of its switches production and laying out a strategic roadmap for wider distribution and platform innovation, V-Guard is positioned to scale this business aggressively. V-Guard remains positive of the long-term prospects of this category, backed by ongoing product development and a focus on quality and innovation.

Further strengthening its foothold in the switchgear space, V-Guard had invested in GUTS Electro-Mech Ltd. (GUTS), a Wholly-owned Subsidiary based in Hyderabad. GUTS specialises in the manufacturing and supply of essential electrical protection devices such as Miniature Circuit Breakers (MCBs) and Residual Current Circuit Breakers (RCCBs). These products play a critical role in ensuring electrical safety and align well with the Company's broader portfolio in power management and distribution.

Both Switches and Switchgears' have the potential to deliver high growth for the Company. The Company is actively pursuing growth strategies to capitalize on synergistic benefits.

Consumer Durables

The Consumer Durables segment, comprising Fans, Water Heaters, Air Coolers and Kitchen Appliances, recorded revenue of ₹ 1,643.87 crore in FY25, compared to ₹ 1,444.28 crore in FY24, reflecting a year-on-year growth of 13.8%. The segment contributed 29.5% to V-Guard's total revenue during the year, as against 29.7% in FY24. Segmental margins were at 4.2% in FY25 vs. 3.4% in the previous fiscal.

While there has been a moderate improvement in profitability, margins remain below pre-COVID levels, largely due to delayed pricing pass-through. However, the Company expects further enhancement in margins – particularly in Kitchen Appliances and Fans, as the new manufacturing facilities ramp up operations. Management remains focused on restoring Consumer Durables segment margins to historical levels.

Overall demand for Consumer Durables remained stable during the year. That said, the Water Heater category witnessed relatively softer demand mainly due to adverse weather conditions.

V-Guard offers a comprehensive range of **Fans**, including ceiling, table, pedestal and wall (TPW) models, blending advanced technology with elegant design. Continuous product innovation and timely launches have positioned the brand as a dynamic player in the market. With strong growth in premium offerings and positive consumer response, V-Guard continues to enhance its presence in a segment traditionally dominated by long-established players.

The Company currently operates a state-of-the-art fan manufacturing facility in Roorkee, focused on premium ceiling fans. This unit is nearing full capacity for liquid-painted fans. To support future growth and enhance operational efficiency, VCPL, Wholly-owned Subsidiary of the Company, is setting up new facility in Hyderabad by investing ~ ₹ 100 crore, funded through internal accruals.

The Hyderabad plant, now under construction and expected to begin commercial production in FY'27, will manufacture both ceiling and TPW fans. With evolving Government policies, promoting manufacturing in India, V-Guard is proactively building domestic capabilities to ensure long-term supply security. In addition, the new facility aims to reduce dependency on non-exclusive third-party vendors by bringing manufacturing in-house, allowing for better control over quality, innovation and differentiation, which are key levers in a highly competitive market.

With a clear focus on scaling its premium product portfolio, and replicating the success of its Roorkee facility, V-Guard is well-positioned for long-term growth in the fan segment. The Hyderabad plant will serve as a critical enabler – offering improved supply reliability, enhanced product quality and the agility to respond to evolving regulatory and market dynamics.

The Company operates a well-diversified **Water Heaters** category, offering electric, solar, and heat pump models. These products are designed to serve both residential and institutional needs and are available across a broad price spectrum—from economical options to high-end premium models. The company is also a leading player in the solar water heater segment. Manufacturing is supported by facilities strategically located in Kala Amb (Himachal Pradesh), Sikkim, and Perundurai (Tamil Nadu), ensuring efficient production and distribution across regions.

During the fiscal year, the Water Heaters category saw moderate demand, primarily due to weather-related factors such as an extended summer and a delayed onset of winter, which contributed to subdued growth. The category also faced heightened price competition, especially within the e-commerce channel.

The Company addresses varied consumer and institutional cooling requirements through an extensive range of **Air Coolers**, including desert, window-mounted, personal and room variants. These offerings are designed to provide efficient, affordable and reliable cooling solutions across both residential and commercial spaces.

Supported by favourable weather patterns and rising summer temperatures, the category has witnessed strong seasonal tailwinds. The Company continues to invest in product innovation, consistently introducing new models and upgraded designs to meet evolving consumer preferences. With this proactive approach, the Company is well-positioned to leverage the growing demand for air coolers in the Indian market.

The **Kitchen Appliances** category includes induction cooktop, mixer grinders, gas cooktops, rice cookers and water purifiers along with other small and large appliances like kitchen hoods, breakfast appliances etc. The category continued to experience soft demand trends for the third consecutive year. The weakness is attributed to post-COVID normalisation, prior over-penetration and stress in lower-income segments, affecting both small and large appliances. The slowdown appears structural, industry-wide and not driven by unorganised competition.

To improve supply-side efficiency and cost competitiveness, the Company commissioned a dedicated manufacturing facility in Vapi under its Wholly-owned Subsidiary, V-Guard Consumer Products Ltd. (VCPL). Commercial production began towards the end of FY24, with a focus on mixer grinders and gas stoves. The commercial production of mixer grinders and gas stoves at the plant has reduced reliance on external sourcing. It not only supports V-Guard's current requirements but is also designed to meet future demand for mixer grinders, food processors and gas stoves. The Company witnessed some recovery in demand towards second half of FY25 and looks forward to FY26 with several product launches planned and some early traction in e-commerce and general trade.

At present, **Water Purifier** category is distributed exclusively via e-commerce platforms. Demonstrating swift growth, the category has benefitted from V-Guard's commitment to quality and value-driven pricing. As part of its strategic roadmap, the Company is focused on optimising the product range through ongoing feedback from digital channels and consumers. This will lay the foundation for a phased entry into the organised retail space, further strengthening market presence.

Sunflame delivered revenue of ₹ 254.38 crore in FY25 impacted by muted demand and lower orders from Government - run canteen stores. EBIT margins remained under pressure due to higher staffing and promotional spends. The segment is of strategic importance for V-Guard's long-term growth and the Company is taking appropriate steps to improve growth and profitability.

Financial and IT systems of Sunflame are now fully integrated with V-Guard. While operational integration is ongoing, the Company has strengthened the brand's product development, design and marketing capabilities. Sunflame is working on a long-term growth strategy which includes transitioning to V-Guard's direct distribution model and expanding into modern retail where it had limited presence previously.

Channel performance varied during the year for Sunflame. General Trade delivered strong results during the festive period, whereas institutional channels such as the Canteen Stores Department (CSD) and Central Police Canteens (CPC) remained subdued, primarily due to prior overstocking and changes in classification norms. E-commerce and modern trade channels, having undergone system transitions have now stabilised with significant contributions in the second half of FY25.

V-Guard remains confident in Sunflame's growth trajectory, aiming for decent growth over the next few years. Margin recovery is expected as integration costs normalise and scale improves.

On the financial front, V-Guard has stayed on track with debt repayment related to the Sunflame acquisition. The loan has been repaid in full in FY25 on the back of strong cash flows and efficient working capital management.

6. Financial Performance

Revenue for the FY25 stood at ₹ 5,577.82 crore, compared to ₹ 4,856.67 crore in the prior year, reflecting a YoY increase of 14.8%. The Electronics, Electricals, and Consumer Durables segments recorded YoY growth of 29.6%, 10.0% and 13.8%, respectively. Sunflame witnessed muted demand and registered a revenue degrowth of 7.2%.

Contribution to revenue from Non-South markets stood at 47.5%, compared to 45.8% in FY24, amounting to ₹ 2,530.47 crore. Contribution from South markets stood at 52.5% vs. 54.2% in FY24, at ₹ 2,792.97 crore. These figures exclude contributions from Sunflame.

In FY25, the Company witnessed strong growth in Electronics and Consumer Durables, driven by demand for AC stabilizers, inverters, batteries and fans. Electricals saw slower growth due to channel destocking and copper price fluctuations. Sunflame's revenue was impacted mainly due to slowdown in Kitchen industry and lower orders from Government canteen stores. Despite these challenges, core product demand remains robust, supporting a positive outlook.

Gross margins for the year stood at 36.3% vs. 33.8% in FY24, an expansion of 250 bps YoY, driven by effective cost controls, premiumisation, a favourable product mix and price increases. Increased in-house manufacturing also contributed to the improvement in gross margins. While further immediate margin expansion may be limited, improvements in price competitiveness and sales acceleration are expected.

During the fiscal year, advertising and promotional (A&P) spends were 2.9% of revenue, compared to 2.6% in FY24. A&P spending for the V-Guard brand, along with additional activities under the Sunflame brand post-acquisition contribute to the overall rise in A&P spends.

EBITDA margins for FY25 stood at 9.2%, representing a growth of 40 bps from 8.8% in FY24. PBT for the year stood at ₹ 413.95 crore compared to ₹ 340.32 crore in FY24, registering a growth of 21.6%. PAT for FY25 stood at ₹ 313.72 crore, a growth of 21.8% over ₹ 257.58 crore in FY24.

The Company generated cash flow from operations amounting to ₹ 476.96 crore in FY25, compared to ₹ 392.74 crore in FY24. As of March 31, 2025, net cash balance stood at ₹ 63.83 crore, compared to net debt of ₹ 203.49 crore as of March 31, 2024. Repayment of the long-term debt related to the Sunflame acquisition, which commenced in April 2024, has now been completed.

In line with its commitment to sustained long-term growth, the Company continues to invest in capacity expansion by setting up new factories and expanding existing facilities. The Company anticipates further enhancement in revenue and margins as these facilities scale up in the coming years.

Note: Financial performance detailed above is on the basis of consolidated financial statements.

7. Outlook

Over the years, V-Guard has evolved into one of India's most respected consumer brands, built on a foundation of deep industry expertise, advanced infrastructure, strong R&D capabilities and a skilled workforce. Supported by a vast network of distributors and vendors, V-Guard has established a robust nationwide presence, earning significant brand loyalty and a reputation for delivering superior products and services.

Innovation remains central to V-Guard's identity. The Company is steadfast in its commitment to innovation and excellence, continuously striving to craft and deliver groundbreaking products that captivate consumers with enriching experience. Aligned with this ethos, V-Guard is dedicated to making strategic investments in emerging opportunities to drive future growth.

The Company continues to invest strategically in emerging growth opportunities, leveraging technology and data analytics to sharpen consumer insights, enhance experience and drive stronger brand engagement. A strong focus on people development, skill enhancement and building an inclusive, safe work environment continues to fuel its sustainable growth journey.

Manufacturing excellence forms a critical pillar of V-Guard's operations. Around 65% of its revenues in FY25 were generated through its own state-of-the-art facilities, while remaining came from outsourced production. Over the next three to four years, V-Guard aims to increase the share of in-house manufacturing to 70-75%, enhancing control over quality, costs and supply chain efficiency. The Company's strategically located plants also support its diversification efforts and strengthen its expansion into Non-South markets.

Financially, V-Guard stands on a solid foundation, supported by robust cash flows and high credit ratings. New manufacturing units launched in Hyderabad (Inverter Batteries) and Vapi (Kitchen Appliances), along with operational enhancements at Sunflame Enterprises Pvt. Ltd., position the Company for accelerated scaling and improved margin performance. VCPL, Wholly-owned Subsidiary of the Company, has started work towards setting up a facility near Hyderabad to produce TPW and ceiling fans with an investment of ~ ₹ 100 crore. The first phase of the facility, is expected to begin operations within 18 months. The Company is further investing ~ ₹ 50 crore for increasing the capacity of Hyderabad Battery plant.

As a well-recognised brand with a wide portfolio of products, the Company is well entrenched in the domestic market on a pan-India basis and believe it is poised to capitalise on the strong growth potential of the Indian market in the years ahead.

Sunflame is expected to bounce back, contingent on external demand factors, with a broader long-term vision for sustained expansion within the kitchen appliances category. V-Guard's strategic roadmap focuses on strengthening Consumer Durables by scaling operations and improving margins, expanding its presence in the high-potential Electricals segment, particularly in Switches and Switchgears, and enhancing competitiveness in the Inverter-Battery category through manufacturing efficiencies.

Growth momentum is expected to be led by Consumer Durables, Switches and Switchgears, and Inverter-Battery, while other categories are expected to grow broadly in line or slightly better than overall market.

With an expansive retail network of more than 1 lakh dealer and retailer touchpoints as of FY25, and plans to add 3,000-4,000 new retailers annually, V-Guard continues to prioritise investments in brand-building, advertising and promotions and workforce expansion, particularly in emerging categories.

Guided by a clear vision to become India's most trusted and admired consumer brand, V-Guard remains firmly committed to delivering exceptional consumer experiences, driving sustainable, profitable growth and maximising long-term value for its shareholders.

8. Strengths and Opportunities

Strengths

- **High Brand Recall:** The Company has invested significantly in building its brand equity over the past decade, which has led to high brand recall and enabled entry into new product categories.
- **Growing Focus on Domestic Manufacturing:** The Company has placed considerable emphasis on enhancing its in-house manufacturing capabilities and has reduced reliance on imports. This has enabled the Company to control cost, improve supply chain resilience and enhance responsiveness to local market needs.
- **Commitment to Innovation and Quality:** Heightened emphasis on R&D, development of new product and superior quality enables the Company to enhance its offerings and garner the trust and loyalty of its consumer base.
- **Extensive Distribution Network Reach:** A widespread network of more than 1 Lakh retail touchpoints provide the Company an extensive market reach across India.
- **Catering to a Large Consumer Base:** The diversified product portfolio within the fast-growing consumer electricals, electronics and durables space targets the mass consumption market in India, offering substantial growth potential.
- **Proven Ability for Competitive and Profitable Growth:** A strong track record of execution indicates the Company's ability to capitalise on emerging opportunities and deliver consistent financial performance.
- **Experienced Leadership Navigating Complexities:** A well-equipped management team brings valuable expertise and understanding to navigate the dynamic Indian business environment.
- **Customer-Centric Approach Driving Loyalty:** The strong focus of the Company on after-sales service and its meticulous approach to understand the needs of the consumers enable it to garner the trust and loyalty of the consumers.

Opportunities

- **Strong Macro and Demographic Drivers:** The industry will continue to see a strong uptrend in the medium- to long-term driven by macroeconomic and industry factors like increasing disposable incomes, increased ease of availability of finance, low product penetration levels, growing middle class, premiumization in metros and urban towns, and increasing distribution reach by companies in tier II and tier III cities as well. In addition, the Government's push for housing for all, increasing availability of electricity and infrastructure development augur well for long term growth prospects of the sector.
- **Growing Demand for Energy-Efficient Products:** Heightened environmental awareness and rising electricity costs are driving the growing inclination of consumers towards energy-efficient appliances and electrical products. The Company can capitalise on this demand by widening its energy-efficient products portfolio across categories, such as BLDC fans, electric water heaters, water pumps, etc. Incorporation of long term cost saving and environmental benefits in its products can help the Company to tap into this expanding segment.
- **Significant Growth Potential in Non-South Markets:** By strategically investing in the distribution network, tailoring market campaigns to local preferences and potentially introducing region-wise products, the Company can increase its market share and revenue in the under-represented regions. Further, this diversification will reduce the Company's dependence on any specific market.
- **Shift from Unorganized to Organized:** The Company is present in key product categories having significant market sizes. Increasing formalization of the market presents an opportunity for organized players to benefit - especially market leaders, with established brands and entrenched manufacturing and distribution capabilities.
- **E-Commerce:** The Company has steadily built up its presence in e-commerce and continues to see healthy growth in this channel.
- **Replacement Demand:** Shortening renovation cycles across segments due to rising disposable incomes, changing preferences of middle class and companies' focus of technology and innovation.

9. Enterprise Risk Management

A strong governance structure has been put in place where the Risk & ESG Committee of the Board oversees the adequacy and effectiveness of the Risk Management Framework. It incorporates leading risk management standards and practices to identify, assess, prioritize, manage and report risks.

All identified risks are evaluated based on their likelihood of occurrence and potential impact on the Company's operations and objectives. The key risks, along with the corresponding mitigation strategies, are outlined below:

Key risks	Risk Statement	Mitigation Plan
Emerging channels	The channel landscape is fast changing with multiple trade formats and inadequate presence in certain emerging channels; hence the need arises to focus on Go-To-Market, customer management & trade terms capabilities.	• Channel-centric focused organizational structure and agile operating model. • Robust insights mechanism and digital marketing capabilities. • Established SCM, Service & Sell-out systems. • Developed D2C, Quick Commerce & other Digital Operating Models. • Key account management and retail marketing capabilities. • Differentiated GTM Model (sell-out) & exclusive products.
Impact of digitization	Advent of digitization may bring about very significant changes to business model, including disruption in sales and distribution, fundamental process changes and shift in consumer behavior and products.	• Investing in capabilities required to scale up e-commerce operations. • Smart products roadmap to drive digital product plans. • Processes around digital content and digital customer acquisition. • Digitally driven Sell-out system and next-generation supply chain capabilities. • Enterprise analytics for better visibility and collaboration.
Hypercompetition in marketplace	Cost of doing business is rising and growth is impacted due to traditional electrical players expanding focus to adjacent categories, slew of e-Com players leveraging vendor ecosystem, consolidation of companies and MNCs shifting focus on Indian FMCE market.	• Adoption of digital Product Life Cycle Management for faster time to market. • Product value chain to enhance product differentiation. • Consumer-centric long-term NPD pipeline. • Building sell-out management capability.
Margin recovery	Commodity price volatility, delayed pricing actions, dependency on trading operations can impact margins.	• Velocity of pass-through and timely pricing actions. • Monitoring of commodity price movements and market price tracking mechanism. • In-house manufacturing of established products through organic and inorganic routes. • Value engineering initiatives for cost reductions. • Premiumization of product portfolio.
Information security	Due to the increased threat of cyber security incidents globally, IT downtime and data loss can adversely impact business operations.	• Robust Information Security Management Systems corresponding to global standards and industry benchmarks. • Disaster Recovery Plan for critical applications. • Incident management response systems. • Building awareness among users. • Cyber threats are mitigated by deploying advanced systems, tools, and processes.

Key risks	Risk Statement	Mitigation Plan
Environment, Social and Governance	Impact on business continuity and reputation due to Environmental & Social incidents and noncompliance of regulations.	• Transitioning to low-carbon operations to address climate-related risk by: Integrating renewable energy, water conservation, circular waste management practices, and investing in responsible products. • Well-established Environment, Health, and Safety compliance framework. • Human Rights assessments for employees and value chain partners. • Empowering communities through CSR initiatives. • Multi-tier governance mechanism to consider the aspects beyond compliance. • Disclosures as per standards.
Supply Security	External and internal factors can lead to supply disruption, impacting sales.	• Reducing dependency on imports through in-house manufacturing and developing domestic alternatives. • With the help of R&D, continuously developing alternate make, designs and models. • Disaster management plan for own manufacturing plants.
Inadequate Talent Pipeline	Non-availability of people with appropriate skills for evolving business requirements and growth.	• Locational flexibility is supported by collaborative platforms and technology to attract talent. • Upskilling and leadership development programs for employees. • Focused employee value propositions.

10. Human Resources

Over the last year, HR has taken various initiatives for employee benefit and retention. A new Human Resource Management System (HRMS) platform was introduced to digitise the processes, improve data management and enhance analytics-driven decision making.

During the year, your Company continued with succession planning & risk mitigation programme for critical senior leadership positions and continues with strategic initiatives for career development for high potential managers and creation of a talent pool.

Continuing with retaining and attracting talent pool your Company continued with its ESOP plan and granted options as per ESOP 2013 Scheme to 47 employees during the year. Overall ~80 employees are covered under ESOP plan.

Over 4,700 employees engaged with more than 470 curated courses. The Company also conducted various management development programmes to groom the employees. The relationship of your Company with employees has been cordial during the year. The Company also won AmbitionBox Employee Choice Awards for Best Place to work for three years in a row in Consumer Electronics Industry (Mid-size category).

As on March 31, 2025, the total number of employees of the Company is 3,133 against 3,006 on March 31, 2024.

11. Audit & Internal Control Systems

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

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

The Company has a robust Internal Financial Controls monitoring framework. The Company continuously monitors process changes and updates the Risk and Control Matrices (RCMs) along with identification of process automation opportunities and enhanced management monitoring mechanisms to strengthen the control environment. Key controls across processes were evaluated during the year to provide assurance regarding compliance with the existing policies and significant operating procedures, and no significant weaknesses/ deviations were noted in effectiveness of the controls. Further, the Statutory Auditors of the Company also conducted audit of the Internal Financial Controls Over Financial Reporting of the Company as on March 31, 2025, and issued their report which forms part of the Independent Auditor's report.

Directors' Report

Your Directors take pleasure in presenting their 29th Annual Report on the business and operations of V-Guard Industries Ltd. ('the Company'), together with the Audited Financial Statements for the Financial Year ended March 31, 2025.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

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

(₹ in Crore)

Particulars	Financial Year ended Standalone		Financial Year ended Consolidated	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Revenue from Operations	5,308.87	4,559.43	5,577.82	4,856.67
Other Income	18.86	51.84	20.89	34.03
Total Income	**5,327.73**	**4,611.27**	**5,598.71**	**4,890.70**
Operating expenditure	4,886.40	4,205.81	5,064.59	4,429.96
Operating profit before Depreciation, Interest & Tax	**441.33**	**405.46**	**534.12**	**460.74**
Finance Cost	19.92	37.46	24.51	39.54
Depreciation and amortization expense	73.68	66.95	95.66	80.88
Profit Before Tax	**347.73**	**301.05**	**413.95**	**340.32**
Tax Expense:				
a) Current Tax	86.18	70.8	100.59	85
b) Deferred Tax	1.33	(0.66)	(0.36)	(2.26)
Profit After Tax	**260.22**	**230.91**	**313.72**	**257.58**
Basic EPS (₹)	5.95	5.28	7.17	5.89
Diluted EPS (₹)	5.92	5.27	7.14	5.88

2. COMPANY PERFORMANCE

The key highlights of the Company's financial performance during the Financial Year 2024-25 are given below:

- The consolidated revenue from operations increased by 14.85% from ₹ 4,856.67 Cr. to ₹ 5,577.82 Cr. in the Financial Year 2024-25. Whereas the standalone revenue from operations increased by 16.44% from ₹ 4,559.43 Cr. to ₹ 5,308.87 Cr. in the Financial Year 2024- 25.
- The consolidated EBITDA increased by 20.28% from ₹ 426.71 Cr. to ₹ 513.23 Cr. in the Financial Year 2024-25 and standalone EBITDA by 19.47% from ₹ 353.62 Cr. to ₹ 422.47 Cr. in Financial Year 2024-25.
- The consolidated Net Profit grew by 21.79% from ₹ 257.58 Cr. to ₹ 313.72 Cr. in the Financial Year 2024-25 and standalone Net Profit increased by 12.69% from ₹ 230.91 Cr. to ₹ 260.22 Cr. in Financial Year 2024-25.

The segment wise performance of the Company is detailed under the section Management Discussion and Analysis Report which forms part of this Annual Report. The consolidated financial results comprise of full year financial performance of Wholly-owned subsidiaries -Guts Electro-Mech Ltd., V-Guard Consumer Products Ltd., Sunflame Enterprises Pvt. Ltd., and Associate Company - Gegadyne Energy Labs Pvt. Ltd.

3. TRANSFER TO RESERVES

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

4. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2025, your Company continues to have following Wholly-owned Subsidiaries (WoS) and Associate Company:

1. Guts Electro-Mech Ltd. (GUTS): WoS
2. V-Guard Consumer Products Ltd. (VCPL): WoS
3. Sunflame Enterprises Pvt. Ltd. (SEPL): WoS
4. Gegadyne Energy Labs Pvt. Ltd. (GEL): Associate Company

As on the date of report, VCPL is identified as material subsidiary of the Company as defined in Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Policy for determining Material Subsidiaries, adopted by your Board, is in conformity with Regulation 16 of Listing Regulations. The Policy can be accessed on the Company's website at https://www.vguard.in/uploads/investor_relations/Policy-on-Material-subsidiary.pdf.

During the year under review, Mr. George Muthoot Jacob, Independent Director of the Company was appointed as Independent Director on the Board of Wholly-owned subsidiary – Sunflame Enterprises Pvt. Ltd.

During the Financial Year under review, no company has become or ceased to be Subsidiary or Associate of the Company.

5. CHANGES TO THE SHARE CAPITAL

Authorised Share Capital:

During the year under review, there was no change in the authorised share capital of the Company. As on March 31, 2025, it stood at ₹ 1,91,50,00,000 (Rupees One Hundred and Ninety One Crore and Fifty Lakhs Only) divided into 1,91,50,00,000 (One Hundred and Ninety One Crore and Fifty Lakhs) Equity Shares of ₹ 1/- (Rupee One Only) each.

Issued, Subscribed and Paid-up Share Capital:

During the year under review 13,93,053 equity shares of face value of ₹ 1/- each were allotted to the employees who exercised options under the ESOP Scheme of the Company namely 'ESOS 2013'. The details are mentioned in point no.16(g) below.

The Paid-up Capital of the Company as at March 31, 2025 was ₹ 43,57,79,033/- (Rupees Forty Three Crores Fifty Seven Lakhs Seventy Nine Thousand and Thirty Three Only) divided into 43,57,79,033 (Forty Three Crores Fifty Seven Lakhs Seventy Nine Thousand and Thirty Three) Equity Shares of ₹ 1/- (Rupee One Only) each.

Save and except, as stated above, there was no change in Share Capital of the Company. During the Financial Year under review, your Company had not issued nor allotted any preference shares, debentures, bonds, warrants, equity shares with differential rights or sweat equity shares.

6. DIVIDEND

In line with the Dividend Distribution Policy of the Company, the Board of your Company in its meeting held on May 14, 2025 has recommended a final dividend of ₹ 1.50/- (One Rupee and Fifty Paisa Only) @ 150% per equity share of ₹ 1/- (Rupee One Only) for the Financial Year 2024-25 payable to those members whose name/s appear in the Register of Members/list of beneficiaries as on July 31, 2025 i.e. the cut-off date/record date. The total final dividend payout will amount to ~₹ 65.40 Cr. The payment of final dividend is subject to the approval of members in the 29th Annual General Meeting ("AGM") of the Company to be held on August 7, 2025.

The Register of Members and Share Transfer Books will remain closed from August 1, 2025 (Friday) to August 7, 2025 (Thursday) (both days inclusive) for the purpose of payment of final dividend for the Financial Year 2024-25, if declared at the ensuing AGM.

Pursuant to the Finance Act, 2020 read with the Income-tax Act, 1961, the dividend paid or distributed by a company shall be taxable in the hands of the shareholders w.e.f. April 1, 2020. Accordingly, in compliance with the said provisions, your Company shall make the payment of dividend after deduction of tax at source at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Notice of 29th Annual General Meeting and the Finance Act, 2020 and amendments thereto.

The aforesaid final dividend is being paid by the Company from its profits during the Financial Year. The dividend recommended is in accordance with the Dividend Distribution Policy of the Company.

7. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, unclaimed/ unpaid dividend of which was lying in the Unpaid Dividend Account for the Financial Year 2016-17, pursuant to the provisions of Section 124(5) of the Companies Act, 2013 (the Act), was transferred during the year under review to IEPF. In addition, the Company has transferred unclaimed amount on account of sale proceeds of the fractional shares with respect to the Bonus Issue made in the Financial Year 2016-17. The Company has transferred 46,899 equity shares, in respect of which dividend(s) have not been claimed for seven consecutive years, to IEPFA. The details of unpaid or unclaimed dividend(s) & shares transferred to IEPF during the year, pursuant to the applicable provisions of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and the dividend(s) which are due for transfer to IEPF in the forthcoming years, are provided in the Report of Corporate Governance forming part of this Annual Report.

Details of Nodal Officer

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

8. PUBLIC DEPOSITS

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

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

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

10. CREDIT RATING

The Company's credit facilities are rated by M/s. CRISIL Ratings Ltd. and M/s. ICRA Ltd. During the year, M/s CRISIL Ratings Ltd. had re-affirmed the top-notch rating i.e. CRISIL A1+ (pronounced as CRISIL A one plus rating) on commercial paper of your Company. M/s. ICRA Ltd.

has re-affirmed the long-term rating of the Company as [ICRA]AA (pronounced ICRA double A) and short-term rating as [ICRA]A1+ (pronounced ICRA A one plus) during the year. The outlook on the long-term rating was revised from "Stable" to "Positive".

Particulars	Short Term	Long Term	Outlook
ICRA Ltd.	[ICRA] A1+ (Top notch rating)	[ICRA] AA	"Positive" on long -term rating (Previous year – Stable)
CRISIL Ratings Ltd.*	CRISIL A1+ (Top notch rating)	-	-

*Note: For commercial papers.

11. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

12. BOARD OF DIRECTORS AND ITS COMMITTEES

a) Composition of the Board of Directors

As on March 31, 2025, the Board of Directors of the Company comprised of Seven Directors, with three Executive and four Independent Directors including one woman Independent Director. The composition of the Board of Directors meets the requirement of provisions of Regulation 17 of the Listing Regulations and Section 149 of the Act.

b) Change in office of Directors, Key Managerial Personnel and Senior Management Personnel of the Company during the year under review and details of Directors seeking Appointment/Re-appointment at the 29th Annual General Meeting

The members of the Company in their 28th Annual General Meeting held on August 01, 2024, re-appointed Mr. Antony Sebastian K (DIN: 01628332), Whole-time Director, who retired by rotation as per the provisions of the Act.

The members of the Company in their 28th Annual General Meeting held on August 01, 2024, approved the re-appointment of Mr. Ramachandran V (DIN: 06576300), Whole-time Director, for a further period of 4 years from June 01, 2024 to May 31, 2028.

During the period under review, Mr. Cherian N Punnoose, Chairperson and Non-executive Independent Director, Mr. C J George and Mr. Ullas K Kamath, Non-executive Independent Directors retired from the Company, after completion of their second term on close of business hours of July 28, 2024. The Board placed on record sincere appreciation for their outstanding contribution towards the success of the Company, during their tenure as Independent Directors on the Board of the Company. The Board of Directors in their meeting held on July 24, 2024, appointed Ms. Radha Unni, Independent Director, as the Chairperson of the Company with effect from July 29, 2024.

Mr. Kochouseph Chittilappilly stepped down as Chairman Emeritus with effect from close of business hours of March 31, 2025. The Board appreciated the contribution, mentorship, leadership and his efforts in creating the brand 'V-Guard'.

In compliance with the provisions of Section 152 of the Act, Mr. Ramachandran V (DIN: 06576300), Whole-time Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Based on the performance evaluation and recommendation of Nomination and Remuneration Committee, the Board of Directors has recommended his re-appointment as Director/ Whole-time Director of the Company, liable to retire by rotation.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on May 14, 2025, has re-appointed Mr. Mithun K Chittilappilly (DIN: 00027610), as Managing Director of the Company, for a further period of five years, effective from April 01, 2026 and Mr. George Muthoot Jacob (DIN: 00018955), Independent Director, for a second and final term of five consecutive years, effective from October 05, 2025, subject to the approval of shareholders in the ensuing AGM. The re-appointment of Mr. Mithun K Chittilappilly, Managing Director and member of Promoter group was also recommended by Audit Committee. In terms of the provisions of Section 160 of the Act, and the rules made thereunder, the Company has received notice from members of the Company, proposing the candidature of Mr. Mithun K Chittilappilly and Mr. George Muthoot Jacob, to the office of Managing Director and Independent Director, respectively. The Company has also received necessary documents/declaration(s) from them.

The above proposals of re-appointment forms part of the Notice of the 29th Annual General Meeting of the Company and the relevant resolutions are recommended for members approval thereon. During the year under review, no Director of the Company has resigned.

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

The particulars of Senior Management along with changes made during the Financial Year as per the Listing Regulations, are given in the Report on Corporate Governance which forms part of this Report.

As on March 31, 2025, Mr. Mithun K Chittilappilly (DIN: 00027610), Managing Director, Mr. Ramachandran V (DIN: 06576300), Whole-time Director & COO, Mr. Antony Sebastian K (DIN: 01628332), Whole-time Director, Mr. Sudarshan Kasturi, Chief Financial Officer and Mr. Vikas Kumar Tak, Company Secretary & Compliance Officer are the Key Managerial Personnel (KMP) of your Company. During the year under review, there were no changes to the KMP of the Company.

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

The Nomination and Remuneration Committee has formulated Nomination, Remuneration and Evaluation Policy, which details the criteria for determining qualifications, positive attributes and Independence of Directors in terms of provisions of Section 178(3) of the Act and the Listing Regulations. The Nomination, Remuneration and Evaluation Policy is available on the website of the Company at the link https://www.vguard.in/uploads/investor_relations/Nomination-Remuneration-Evaluation-Policy.pdf.

d) Declaration by Independent Directors

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 25 (8) read with Regulation 16 of Listing Regulations (as per the amendment in SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021). The Independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The Company has also received from them declaration of compliance of Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, regarding online registration with the Indian Institute of Corporate Affairs ("IICA") at Manesar, for inclusion/ renewal of name in the databank of Independent Directors. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Independent Directors prescribed in Schedule IV of the Act. Accordingly, all the Independent Directors of the Company had registered their names with data bank of IICA. The Board of Directors of the Company have taken on record the declarations and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same and confirmed that the Independent Directors fulfil the conditions of independence specified in Listing Regulations and the Companies Act, 2013, as amended and are independent of the management.

In the opinion of the Board, all the Independent Directors are persons possessing attributes of integrity, expertise and experience (including proficiency) as required under the applicable laws, rules and regulations.

e) Certificate from Practicing Company Secretary

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

f) Number of Meetings of the Board of Directors

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

During the year under review, five Board meetings were held on May 16, 2024, July 24, 2024, October 29, 2024, January 28, 2025, and March 17, 2025. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations. The details of the Board meetings are given in the Report on Corporate Governance which forms part of this Report. The Company provides all the Board Members the facility to participate in the meetings of Board and its Committees through Video Conferencing/ Other Audio-Visual Means.

Pursuant to the requirements of Schedule IV to the Act and the Listing Regulations, separate meetings of the Independent Directors of the Company were held on May 16, 2024, and March 05, 2025, and the Independent Directors reviewed the matters enumerated under Schedule IV(VII)(3) to the Act and

Regulation 25(4) of the Listing Regulations. All the Independent Directors attended the said meetings.

g) Statutory Committees of the Board

Pursuant to the requirements under the Act and the Listing Regulations, the Board of Directors have constituted various committees such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility ("CSR") Committee and Risk & ESG Committee. During the year under review, the Board has reconstituted the various Committees due to retirement of Mr. Cherian N Punnoose, Mr. C J George and Mr. Ullas K Kamath, Non-executive Independent Directors of the Company.

The composition and terms of reference of the Committees including changes and number of meetings held during the Financial Year under review are given in the Report on Corporate Governance forming part of this Annual Report. All the recommendations made by the Committees of the Board including the Audit Committee were accepted by the Board.

h) Performance Evaluation

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

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

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

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

i) Familiarization Programme

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

During the year under review, presentation on regulatory updates on SEBI Regulations, ESG, statutory policy updates, updates on projects and investments made by the company, CSR Projects undertaken/to be undertaken by the Company pursuant to the provisions of the Companies Act, 2013 were made to Directors. They also visited one of the manufacturing plant, during the year.

The details of the programs/sessions conducted for familiarization of Independent Directors can be accessed on the website of the Company at the link https://www.vguard.in/uploads/investor_relations/Familiarisation-Program-2024-25.

j) Directors' Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Act, the Directors to the best of their knowledge and belief, confirm:

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

ii. That they had selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2024-25 and of the profit and loss of the Company for that period;

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

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

v. That they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

The aforesaid statement has also been reviewed and confirmed by the Audit Committee of the Board of Directors of the Company.

13. AUDIT RELATED MATTERS

a) Statutory Auditors

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

The Board has duly examined the Statutory Auditors' Report on the financial statements of the Company for the Financial Year 2024-25, which is self-explanatory. The Auditor's Report for the Financial Year ended March 31, 2025 does not contain any qualification, reservation or adverse remarks.

b) Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, on recommendation of the Audit Committee, the Board of Directors has re-appointed M/s. BBS & Associates, Cost Accountants, Kochi as Cost Auditor for the Financial Year 2025-26 to conduct audit of cost records maintained by the Company. The appointment and remuneration payable to the Cost Auditor was approved by the Board, based on the recommendation of the Audit Committee. The requisite resolution for ratification of remuneration payable to the Cost Auditor, by the members of the Company is set out in the Notice of the ensuing AGM. The Cost Auditor has certified that their appointment is within the limits of Section 141(3)(g) of the Act and that they are not disqualified from appointment within the meaning of the said Act.

The Cost Audit Report for the Financial Year 2023-24, issued by M/s. BBS & Associates, Cost Accountants, Kochi was duly filed with the Ministry of Corporate Affairs within the timeline. The Cost Audit Report does not contain any qualifications, reservations, or adverse remarks.

M/s. BBS & Associates, Cost Accountants, Kochi are in the process of carrying out the cost audit for applicable products for the Financial Year 2024-25. The Report to be issued by them will be considered by the Board of Directors and the same will be filed with the Ministry of Corporate Affairs within stipulated time as prescribed in the Companies Act, 2013 and rules made thereunder.

The Company made and maintained the Cost Records under Section 148 of the Companies Act, 2013 for the Financial Year 2024-25.

c) Secretarial Auditors

Pursuant to the provisions of Section 204(1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 24A of the Listing Regulations, the Board had re-appointed M/s. Keyul M Dedhia & Associates, Company Secretaries, Mumbai, as Secretarial Auditors of the Company for the Financial Year 2024-25 as recommended by the Audit committee.

The Secretarial Auditors have submitted their report for the Financial Year 2024-25, confirming compliance by the Company of all the provisions of applicable corporate laws. The Secretarial Audit Report for the Financial Year 2024-25 is annexed as **Annexure-I** which forms part of this report. The Board has duly examined the Secretarial Auditors' Report for the Financial Year 2024-25, which is self-explanatory.

The Board of Directors upon the recommendation of Audit Committee proposes to the shareholders, the appointment of M/s. Dedhia Shah & Partners LLP, Company Secretaries, Mumbai (ICSI Unique Code Number: L2025MH019000) as Secretarial Auditors of the Company for a term of 5 (five) years to hold office from Financial Year 2025-26 to 2029-30. The Company has received necessary documents/certificates from the Secretarial Auditors including consent, eligibility certificate, non-disqualification certificate, peer reviewed certificate, etc. The above proposal of appointment forms part of the Notice of the 29th Annual General Meeting of the Company and the relevant resolution is recommended for members approval thereon.

d) Internal Auditors

Pursuant to the provisions of Section 138 of the Act, the Board of Directors, on recommendation of the Audit Committee, re-appointed M/s Mahajan & Aibara Chartered Accountants LLP, Mumbai, as the Internal Auditors of the Company for the Financial Year 2024-25 in its meeting held in May 2024.

14. REPORTING OF FRAUDS

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

15. POLICY MATTERS

a) Nomination, Remuneration and Evaluation Policy

In terms of provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee of the Company has formulated and recommended to the Board a policy, containing the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive/Non- Executive) and it highlights the remuneration for the Directors, Key Managerial Personnel and other employees, ensuring that it covers the matters mentioned in Section 178(4) of the Act. During the year under review, the Nomination, Remuneration and Evaluation Policy was amended for updating the required changes. The Nomination, Remuneration and Evaluation Policy is available on the website of the Company at the link https://www.vguard.in/uploads/investor_relations/Nomination-Remuneration-Evaluation-Policy.pdf

b) Vigil Mechanism / Whistle Blower Policy

Your Company, as required under Section 177 (9) of the Act and Regulation 22 of the Listing Regulations, has established a Whistle Blower Policy, which enables the Directors, Employees etc. to report instances of unethical behaviour, fraud or violation of Company's Code of Conduct. The policy provides for direct access to the Chairperson of the Audit Committee and for safeguarding the whistle blowers who raises grievances, against victimization. During the year under review, the policy was reviewed/amended to streamline the process and improve coverage. During the period under review, two complaints were received and duly resolved and hence no complaint was pending as on March 31, 2025.

The policy formulated in line with the provisions of the Act and the Listing Regulations is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/WHISTLEBLOWER-POLICY.pdf

c) Corporate Social Responsibility Policy

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

During the year under review, the Company's CSR Programmes are focused on three broad programme areas, viz. Edu-care and Skill Development, Health & Hygiene and Build India & Relief programs. During the Financial Year under review, the Company carried out several initiatives under the CSR programme heads, through V-Guard Foundation, a Section 8 Company formed to carry out CSR activities of the Company and its Subsidiaries. A report on CSR activities is attached as **Annexure-II** forming part of this report.

d) Risk Management Policy

The Company has formulated Enterprise Risk Management Policy in accordance with the guidelines provided under the Charter of the Risk and ESG Committee of the Board of Directors, and pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Risk Management Charter and Policy institutionalize a formal risk management function and framework consisting of risk management process, risk governance and communication structure.

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

e) Dividend Policy

Pursuant to the provisions of Regulation 43A of the Listing Regulations, the Board of Directors of the Company has adopted a Dividend Policy which details the dividend philosophy of the Company. As per the Policy, the Board of Directors shall consider internal and external factors while recommending / declaring interim or final dividend. The said policy is given in **Annexure-III** to this report and placed on the website of the Company at https://www.vguard.in/uploads/investor_relations/Dividend-policy.pdf

16. OTHER MATTERS

a) Material changes and commitments if any, affecting the financial position of the company which have occurred between the end of the Financial Year to which the financial statements relate and the date of the report

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year to which the financial statements relate and the date of the report.

b) Change in the nature of business, if any

There was no change in the nature of business of the Company during the Financial Year 2024-25.

c) **Internal Financial Controls**

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

Further, the Statutory Auditors of the Company also reviewed internal controls over financial reporting of the Company as on March 31, 2025 and issued their report which forms part of the Independent Auditor's report.

d) **Particulars of Loans, Guarantees and Investments**

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

During the year under review, your Board of Directors had approved an investment of ₹ 2.5 Lakhs (Rupees Two Lakhs and Fifty Thousand Only) divided into 2,500 Equity shares of ₹ 100/- each in KINFRA Electronic Park Pvt. Ltd. a Special Purpose Vehicle (SPV) developed by KINFRA to manage day to day operations and for sustainable development of the KINFRA Campus where the Company is setting up its state-of-the-art innovation campus.

During the Financial Year under review, your Board of Directors had approved granting of secured interim loan up to ₹ 6.60 crores (Rupees Six Crores and Sixty Lakhs Only) to Gegadyne Energy Labs Pvt. Ltd. (GEL), Associate Company, in one or more tranches. As on March 31, 2025, loan amount of ₹ 1.60 crores (Rupees One Crores and Sixty Lakhs Only) was disbursed to GEL.

Further, details of loans and investments as on March 31, 2025, are set out in the Note 6 & 7 to the standalone financial statements of the Company.

e) **Financial Position and Performance of Subsidiaries, Joint Ventures and Associates**

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

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries and an Associate Company, for the Financial Year 2024-25 is given in Form AOC-1 which forms an integral part of this Annual Report.

In accordance with Section 136(1) of the Act, the Annual Report of your Company containing inter alia, financial statements including consolidated financial statements, has been placed on the Company's website at https://www.vguard.in/investor-relations/annual-reports. Further, the financial statements of the Subsidiaries are also placed on the Company's website at https://www.vguard.in/investor-relations/subsidiaries.

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

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

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

g) **Employee Stock Option Scheme 2013**

During the year under review, the Nomination and Remuneration Committee granted the following options to eligible employees under ESOS 2013:

a) 15,19,200 options on May 15, 2024,

b) 8,07,159 options on July 23, 2024,

c) 35,721 options on October 28, 2024, and

d) 2,12,006 options on January 27, 2025

The above options will vest over a period of not more than 4 years from the date of grant on time and performance basis.

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

a) 4,90,053 equity shares at face value.

b) 5,67,000 equity shares at a premium of ₹ 67.75/-

c) 3,36,000 equity shares at a premium ₹ 120.80/-

During the year, options cancelled due to separation of employees and non-achievement of performance criteria, were added back to the ESOP pool as per ESOS 2013 and shall be available for making any future grants.

The disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and

Section 62(1)(b) of the Act, read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is provided in **Annexure-IV** which forms part of this Report.

h) Code of Conduct

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

All members of the Board and Senior Management personnel have affirmed their compliance with the Code as on March 31, 2025. A declaration to this effect, signed by the Managing Director in terms of the Listing Regulations is given in the Report of Corporate Governance forming part of this Annual Report. The Code is made available on the Company's website at https://www.vguard.in/uploads/investor_relations/Code-Conduct-for-Board-Senior-Management.pdf.

i) Extract of Annual Return

Pursuant to Section 134 and Section 92(3) of the Act read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the Annual Return of the Company containing the particulars prescribed, in Form MGT-7, as on March 31, 2024, is made available on the Company's website at https://www.vguard.in/uploads/investor_relations/Annual_Return_2024.pdf.

The draft of Form MGT-7, as on March 31, 2025, is made available on the Company's website at https://www.vguard.in/uploads/investor_relations/Annual-Return-2025.pdf.

j) Management Discussion and Analysis Report

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

The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report.

k) Related Party Transactions

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

During the year under review, the Audit Committee of the company also reviewed Related Party Transactions, entered by its Wholly-owned subsidiaries with the Company, on quarterly basis in compliance with the latest amendment made in Listing Regulations. The Company had entered into Material Related Party Transactions with V-Guard Consumer Products Ltd., Wholly-owned subsidiary as per the provisions of the Companies Act, 2013.

A statement with respect to all related party transactions was presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of transactions. All the related party transactions entered during the Financial Year were on arm's length basis and in the ordinary course of business. The details of related party transactions are provided in Form AOC-2, as **Annexure-V**, as prescribed under Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Disclosures as per Ind-AS 24 have been made in note 45 of the financial statements for the year ended March 31, 2025.

In accordance with the requirements of the Listing Regulations, the Company has also adopted a Policy on Materiality and dealing with Related Party Transactions. During the year under review, the said policy was reviewed/amended in line with latest amendments in Listing Regulations. A Policy on materiality and dealing with Related Party Transactions has been placed on the website of the Company at https://www.vguard.in/uploads/investor_relations/POLICY-MATERIALITY-DEALING-RELATED-PARTY-TRANSACTIONS.pdf

l) Corporate Governance

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

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

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

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

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

The remuneration details of Directors and Key Managerial Personnel and ratio of remuneration of each Director to the median of employees' remuneration as per Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure-VII**. In accordance with the provisions of Section 197(12) of the Act and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of remuneration of top ten employees who have drawn remuneration not less than the limits specified in the Rules is available on the website of the Company at https://www.vguard.in/investor-relations/disclosure-others.

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

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

The Company has in place a policy on prevention of sexual harassment at workplace. The Policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment as per the guidelines provided in the policy. All women employees (permanent, temporary, contractual and trainees) are covered under this policy, and it has been circulated amongst the employees of the Company and the same is exhibited on the notice board of all the business locations/divisions of the Company. During the period under review, no complaint was received and one complaint which was pending at the beginning was resolved during the year.

p) **Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016**

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

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

r) There is no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company. Hence, no disclosure is required under clause 5A of paragraph A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

s) During the year under review, your Company has suo-moto filed adjudication application with the Hon'ble Registrar of Companies, Kerala & Lakshadweep, for violation of provisions of Section 152(6) of the Companies Act, 2013 and rules made thereunder and received the Order dt August 18, 2024, issued by Adjudicating Officer, Registrar of Companies, Kerala & Lakshadweep. The Company has duly filed the said Order with the Ministry of Corporate Affairs within the statutory timeline.

17. COMPLIANCE WITH SECRETARIAL STANDARDS

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

18. LISTING OF SHARES

The equity shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The listing fee for the Financial Year 2025-26 was paid to both the Stock Exchanges.

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

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

20. PREVENTION OF INSIDER TRADING

The Board has formulated a code of conduct for regulating, monitoring and reporting of trading of shares by Insiders. This code lays down guidelines, procedures to be followed and disclosures to be made by the insiders while dealing with shares of the Company and cautioning them on consequences of non-compliances. The same is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Code-Conduct-Insider-Trading.pdf.

21. IMPLEMENTATION OF CORPORATE ACTION

During the year under review, all the corporate actions were duly implemented/completed within the specified time limit.

22. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Sd/-	Sd/-
Radha Unni	**Mithun K Chittilappilly**
Chairperson	Managing Director
DIN: 03242769	DIN:00027610

Place: Kochi
Date: May 14, 2025

Annexure I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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

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

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

Based on our limited verification of the Company's Books, Papers, Minute Books, Forms and Returns filed with applicable regulatory authority(ies) and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2025 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We herewith report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2025, as per the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. The Essential Commodities Act, 1955.

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

We have also examined compliance with the applicable clauses:

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

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

Based on the aforesaid information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, the Company has filed Form FC-GPR with the Reserve Bank of India for allotment of Equity Shares of the Company to the shareholders of Simon Electric Private Limited pursuant to the Order Dt March 31, 2023 passed by Hon'ble National Company Law Tribunal, Kochi Bench, sanctioning the Scheme of Amalgamation between Simon Electric Private Limited and V- Guard Industries Limited and their respective Shareholders and Creditors. The same was marked for refiling with certain queries and the Company is under process to re-file Form FC GPR with the Reserve Bank of India through Authorised Dealer.

We further report that, the Company has filed adjudication application with the Hon'ble Registrar of Companies, Kerala, for violation of provisions of Section 152(6) of the Companies Act, 2013 and rules made thereunder and received the Order dt August 18, 2024, issued by Adjudicating Officer, Registrar of Companies, Kerala & Lakshadweep. The Company has duly filed the said Order with the Ministry of Corporate Affairs.

We further report that

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

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

Based on the representation made by the Company and its Officers, all the decisions were carried through unanimously and recorded as part of the Minutes.

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

We further report that during the financial year under audit period, the Company has not undertaken any corporate action having a major bearing on the Company's affairs in pursuance of aforesaid laws, rules and regulations, guidelines, standards etc. as mentioned above.

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

Sd/-
Keyul M. Dedhia
Proprietor
FCS No: 7756 COP No: 8618
UDIN: F007756G000339758
Peer Review Certificate No: 876/2020

May 14, 2025, Mumbai.

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

'Annexure A'

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test-check basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we follow provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and we rely on Statutory Auditors' Independent Assessment on the same.

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

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

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-

Keyul M. Dedhia
Proprietor
FCS No: 7756 COP No: 8618
UDIN: F007756G000339758
Peer Review Certificate No: 876/2020

May 14, 2025, Mumbai.

Annexure II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR policy of the Company:

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

During the Financial Year under review, the Company's major CSR initiatives were undertaken under three broad program heads, as follows: -

- **Edu care & Skill Development** - Includes therapeutic support, vocational training, teacher training in special schools, technical skill development for underprivileged youth etc.
- **Health & Hygiene** - Includes initiatives to provide dental and eye care equipment to the poor through government hospitals, conduct ear screening tests for students and support them with hearing aids etc.
- **Build India & Relief** - includes drinking water project in rural areas, waste collection programmes, disaster relief to affected people at Wayanad landside area, water offset projects etc.

These efforts aim to positively impact communities and contribute to environmental sustainability & ecological balance.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Antony Sebastian K*	Chairperson / Wholetime Director	3	3
2.	Mr. Mithun K Chittilappily*	Member/ Managing Director	3	3
3.	Mr. George Muthoot Jacob	Member / Independent Director	3	3
4.	Prof. Biju Varkkey	Member / Independent Director	3	3
5.	Mr. Cherian N Punnoose^	Member / Independent Director	3	1^^

* The Board of Directors in its meeting held on July 24, 2024, re-designated Mr. Antony Sebastian K, Wholetime Director as the Chairperson of the CSR Committee with effect from July 29, 2024. Mr. Mithun K Chittilappily stepped down as Chairperson of the CSR Committee w.e.f. July 28, 2024 and continued as a member of the Committee.

^ Mr. Cherian N Punnoose ceased to be a Member of the Committee consequent to completion of second term as Independent Director on July 28, 2024.

^^ Mr. Cherian N Punnoose attended one meeting of CSR Committee till the time he was Director of the Company.

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

Pursuant to Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors has constituted a CSR Committee. The weblink where the Composition of the CSR Committee, CSR Policy and CSR Projects approved by the Board could be found as follows:

S. No.	Particulars	Weblink
1	CSR Committee and CSR Policy	https://www.vguard.in/uploads/investor_relations/CSR-Policy.pdf
2	CSR Projects	https://www.vguard.in/uploads/investor_relations/CSR%20Annual%20Action%20Plan%202024-25.pdf

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

5. CSR Obligation for the reporting period:

S. No.	Particulars	Amount (₹ in Lakhs)
a	Average net profit of the Company as per section 135(5)	26,417.76
b	Two percent of average net profit of the company as per section 135(5)	528.36
c	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	0.00
d	Amount required to be set off for the Financial Year, if any	8.16
e	Total CSR obligation for the Financial Year (5b+5c-5d)	520.20

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

S. No.	Particulars	Amount (₹ in Lakhs)
a	Amount spent on CSR projects, both ongoing and other than ongoing projects	534.88
b	Amount spent in Administrative Overheads	15.15
c	Amount spent on Impact Assessment, if applicable	-
d	Total amount spent for the Financial Year [(a)+(b)+(c)]	550.03*

* During the year, the Company disbursed ₹ 531.00 Lakhs to V Guard Foundation for CSR activities and spent ₹ 12.63 Lakhs directly. Income of ₹ 6.40 Lakhs was generated from the CSR projects and bank interest which was additionally utilized for CSR activities during the year. Therefore, the total CSR expenditure for FY 2024-25 amounts to ₹ 550.03 Lakhs.

e. CSR amount spent or unspent for the Financial Year:

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

f. Excess amount for set-off, if any:

S. No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	528.36
(ii)	Total CSR obligation for the Financial Year*	520.20*
(iii)	Total amount spent for the Financial Year	550.03
(iv)	Excess amount spent for the Financial Year [(iii)-(ii)]	29.83
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any^	6.40
(vi)	Amount available for set off in succeeding Financial Years [(iv)-(v)]	23.43

* Total CSR obligation is provided after setting off ₹ 8.16 lakhs excess amount spent in the previous Financial Year.

^ ₹ 6.40 Lakhs income was generated from the CSR projects and bank interest, which was also utilised for CSR activities during the year.

7. Details of Unspent CSR amount for the preceding three Financial Years: N. A.

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding Financial Years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
N. A.								

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

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

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

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

For **V-Guard Industries Ltd.**

Sd/-
Antony Sebastian K
Chairperson – CSR Committee
and Whole time Director
DIN: 01628332

Sd/-
Mithun K Chittilappilly
Member – CSR Committee and
Managing Director
DIN: 00027610

Place: Kochi
Date: May 14, 2025

Annexure III

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

This Policy, framed pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in compliance with the provisions of Companies Act, 2013 including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force which shall be disclosed in the Annual Report and on the website of the Company.

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

2. DEFINITIONS

Unless the context otherwise requires, the words, terms, expressions and derivations used in this Policy shall have the same meaning given in the Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

a. "**Applicable laws**" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

b. "**Board of Directors**" or **"Board"** shall mean the Board of Directors of V-Guard Industries Ltd., from time to time.

c. "**Company**" shall mean V-Guard Industries Ltd.

d. "**the Act**" shall mean Companies Act, 2013 read with related rules framed thereunder and including all amendments and modifications thereto.

e. "**Listing Regulations**" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f. **"Policy**" shall mean Dividend Distribution Policy.

g. "**SEBI**" shall mean Securities and Exchange Board of India.

3. OBJECTIVE OF THE POLICY

The objective of the policy is to;

a. Ensure a regular dividend income for the shareholders and long term capital appreciation for all the stakeholders of the Company.

b. To strike the right balance between the quantum of dividend paid and amount of profit retained in the business for various purposes.

c. To maintain a consistent approach to dividend pay-out plans and also provide greater clarity on the dividend pay-out philosophy of the Company.

d. Lay down the circumstances under which the shareholders of the Company may or may not expect dividend;

4. FINAL DIVIDEND

The Board of Directors of the Company, subsequent to adoption of audited annual financial statements of a Financial Year, recommends the Final Dividend to be paid for that particular Financial Year subject to the approval of shareholders in their Annual General Meeting (AGM).

Process for approval of payment of Final Dividend

- Board to recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy;
- Based on the profits arrived at as per the audited financial statements;
- Shareholders to approve in Annual General Meeting;
- Once in a Financial Year.
- Dividend is subject to TDS and shareholder is liable to pay tax on Dividend Income as per the amended provisions of Income Tax Act, 1961.

5. INTERIM DIVIDEND

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

Process of approval of payment of Interim Dividend

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

- One or more times in a Financial Year. As per Income Tax Act, 1961 dividend declared, paid or distributed by a Company, shall be taxable in the hands of the shareholders. The Company shall, deduct TDS/ Withholding Tax (TDS/WHT) at the time of payment of dividend at the applicable tax rates.

6. DECLARATION OF DIVIDEND

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

i) Current Financial Year's profit:

a) after providing for depreciation in accordance with law and

ii) The profits for any previous Financial Year(s):

a) after providing for depreciation in accordance with law; and

b) remaining undistributed; or

iii) out of i) & ii) both.

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

The Board may, at its discretion, declare a Special Dividend as it may deem fit.

7. FACTORS TO BE CONSIDERED WHILE DECLARING OR RECOMMENDING DIVIDEND

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

a. **External Factors**

i. Economic, business and market conditions

ii. Agreement with lenders

iii. Industry trend

iv. Statutory Restrictions

b. **Internal Factors**

i. Profit earned during the year and accumulated reserves

ii. The present and future capital requirements for both existing and new units

iii. Past dividend trends

iv. Cost of raising funds from alternate sources

v. Net worth, cash flow position and Debt equity ratio

vi. Business acquisition plans

vii. Providing for unforeseen events or contingencies of the Company

8. DIVIDEND RANGE

The Company aims in ensuring sustainable wealth creation for its shareholders and with this objective, would distribute an optimum level of profits among the shareholders and retain the balance for meeting the expansion requirements. Subject to applicable laws, the Board may at its discretion choose to recommend a dividend out of the Company's free reserves. The Board of Directors will have absolute discretion to recommend or declare dividend considering internal & external factors.

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

9. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

In line with the Policy of the Company, there may be certain circumstances under which the shareholders of the Company may not expect dividend, including but not limited to:

a. Adverse market conditions and business uncertainty.

b. The Company is in higher need of funds for acquisition/ diversification/ expansion/ investment opportunities/ deleveraging or capital expenditures.

c. The Company proposes to utilize surplus cash in entirety for alternative forms of distribution such as buy-back of securities.

d. The Company has incurred losses or in the stage of inadequacy of profits.

e. Changing government regulations.

f. Any other extraordinary circumstances etc.

Even under such circumstances, the Board may at its discretion, and subject to applicable laws, choose to recommend a dividend out of the Company's free reserves.

10. UNCLAIMED/UNPAID DIVIDEND

The Dividend (Final/Interim) declared by the Company for any financial year, is deposited into a separate bank account and the same is disbursed to the eligible shareholders within the statutory limit of 30 days, either through electronic mode or by issuing dividend warrants.

Dividend amount which remains unpaid / unclaimed in the dividend account after 30 days from the date of transfer of the amount to the dividend account, shall be transferred to unpaid dividend account. Any shareholder who has not collected the dividend, can make a claim for receipt of the same, to the Company.

Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund (IEPF).

The Company shall inform the concerned shareholder three months before the due date of transfer of shares regarding the shares liable to be transferred to IEPF for which dividend has remained unpaid and unclaimed for seven consecutive years or more as on the date of transfer, at their latest available address and also simultaneously publish a notice in the leading newspaper in English and regional language having wide circulation and on their website giving details of such shareholders and shares due for transfer.

11. REVIEW AND AMENDMENT

The Board may review this policy on periodical basis, considering various external and internal factors. However, in case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board of Directors

Sd/-
Radha Unni
Chairperson
DIN: 03242769

Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Place: Kochi
Date: May 14, 2025

Annexure IV

DISCLOSURES IN COMPLIANCE WITH REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA

(SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AND RULE 12 OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

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

Disclosed in the notes to financial statements (Refer to Note 47) of Standalone Financial Statements 2024-25 which forms part of this Annual Report.

2 Material Changes in the Scheme

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

3 Diluted EPS on issue of shares pursuant to ESOS: ₹ 5.92

4 (i) Details related to ESOS

S. No.	Particulars	ESOS 2013
1	Details of the Shareholders approval	May 14, 2013, July 26, 2016, April 30, 2017, December 09, 2017, August 12, 2020 and August 24, 2023
2	Total number of options approved under the scheme	2,18,50,000 no. of options
	Additional options granted on account of Corporate Action of Bonus Issue	33,66,710 no. of options
3	Vesting requirements	Options granted under the scheme would be vested for not less than 1 (One) year and not more than 4 (Four) years from the date of grant of such options. Vesting of options would be subject to continued employment with the company. Options granted shall be capable of being exercised within a period of 6 (Six) years from the date of vesting.
4	Exercise Price / Pricing Formula	The Company has granted options both at Market price and face value, as detailed below: **No. of options** — **Particulars** 1,62,90,806 — At Market Price 99,21,308 — At Face Value
5	Maximum Term of Options granted	As per the terms attached to each of the grants, the total term of the options for the grants is upto 10 (Ten) years. (Exercise period will be for a period of 6 (Six) years from each year of vesting)
6	Source of Shares	Primary
7	Variation in terms of options	No Variation
8	Method used for accounting of ESOS	Fair Value Method
9	For options granted during the year weighted average exercise prices and weighted average fair value of the options shall be disclosed separately for options whose exercise price either equals or is less than the market price of the stock.	

S. No.	Particulars	ESOS 2013 (in ₹)
I	**Weighted average exercise price of options whose**	
	Exercise price equals market price	354.55/-
	Exercise price is greater than market price	Nil
	Exercise price is less than market price	1/-
II	**Weighted average fair value of options whose**	
	Exercise price equals market price	143.24/-
	Exercise price is greater than market price	Nil
	Exercise price is less than market price	417.03/-

(ii) Employee-wise details of options granted during the financial year 2024-25 to:

(i) Senior Managerial Personnel

S. No.	Name of employee & Designation	No. of options	Exercise Price per Option (in ₹)
a	Deepak Augustine, Sr. Vice President - Marketing	48,399	1/-
b	Abie Abraham, Vice President - EMD	32,388	1/-
c	Sreekumar A, Vice President - Corp. Mfg Services & WCD	37,876	1/-
d	Biju Pramod P, Vice President - MED	33,281	1/-
e	Narender Singh Negi, Vice President - R&D (Electronics)	25,647	1/-
f	Nandagopal Nair, Vice President & Head - Brand & Communications	29,972	1/-
g	Anish Mathews, Asst. Vice President - Strategy	27,193	1/-
h	Bijoy Panakkat, Vice President - Electronics	20,319	1/-
i	Anjana Narwal, Asst. Vice President - Corporate Quality	20,318	1/-
j	Suresh Kumar V R, Sr. GM & Head – SD (SCM)	18,042	1/-
k	Prasad Sudhakar Teni, Sr. GM - Home Appliances	18,691	1/-
l	Karthikeyan S, Asst. Vice President - SCM	20,472	1/-
m	K Sreekanth, Sr. GM - Civil & MEP	8,985	1/-
n	Sudarshan Kasturi, CFO	1,81,801	1/-

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year

S. No.	Name of employee & Designation	Total number of options	Exercise Price per option (in ₹)
a	Ramachandran V	12,59,200	354.55/-
		2,60,000	1/-
b	Sudarshan Kasturi	1,81,801	1/-

(iii) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

	Name of employee and designation	Total number of Options
	NIL	

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

a)	The fair value has been calculated using the Binomial Method. The assumptions used in the model are as follows	Weighted Average Assumptions
	Price of the underlying shares in market at the time of Option granted (₹)	388.76
	Expected Volatility %	31.00%
	Riskfree Rate % (Annualized)	6.86%
	Exercise Price (₹)	173.95
	Expected Life (In Years)	6.13
	Expected Dividend % (Annualized)	0.35%
b)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Volatility is based on historical prices for the period equivalent to the expected life of the options
c)	The method used and the assumptions made to incorporate the effects of expected early exercise	It is assumed that the options will be exercised within the exercise period
d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No other features incorporated
e)	Weighted average market price of exercised options	390.45

5. Options Movement During the year

S. No.	Particulars	ESOS 2013
1	Number of options outstanding at the beginning of the period	48,61,849
2	Number of options Granted during the year	25,74,086
3	Number of options vested during the year	8,03,403
4	Number of options exercised during the year	13,93,053
5	Number of shares arised as a result of exercise of options	13,93,053
6	Number of options lapsed during the year	-
7	Number of options cancelled during the year	5,06,946
8	Money realised by exercise of options (INR)	8,03,96,103
9	Number of options outstanding at the end of the year	55,35,936
10	Number of options exercisable at the end of the year	22,38,759
11	Loan repaid by the trust during the year from the exercise price received	NA

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

For and on behalf of the Board of Directors

Sd/-
Radha Unni
Chairperson
DIN: 03242769

Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Date: May 14, 2025
Place: Kochi

Annexure V

FORM NO AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts or 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 fourth proviso thereto:

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

The Company has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or not at arm's length during Financial Year 2024-25.

a.	Name(s) of the related party and nature of relationship	NA
b.	Nature of contracts/arrangements/transactions	
c.	Duration of the contracts/ arrangements/ transactions	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	
e.	Justification for entering into such contracts or arrangements or transactions	
f.	Date(s) of approval by Board	
g.	Amount paid as advances, if any	
h.	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

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

a.	Name of the related party and nature of relationship	V-Guard Consumer Products Limited (VCPL), Wholly Owned Subsidiary
b.	Nature of contracts/ arrangements/ transactions	Purchase of Agreed products by the Company from VCPL as per the terms and conditions mentioned in Supply Agreement
c.	Duration of the contracts/ arrangements/ transactions	5 Years
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	The supply agreement between VCPL & the Company dated August 1, 2022, is for a period of 5 years.
e.	Date(s) of approval by the Board	July 24, 2022
f.	Amount paid as advances, if any	There is no advance outstanding as on March 31, 2025

For and on behalf of the Board of Directors

Sd/-
Radha Unni
Chairperson
DIN: 03242769

Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Date: May 14, 2025
Place: Kochi

Annexure VI

DISCLOSURE PURSUANT TO SECTION 134 (3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

I. Steps taken or impact on Conservation of Energy:

We are deeply committed to environmental stewardship, recognizing that preserving the planet is a responsibility we all share. Our company, including all its manufacturing operations, plays an essential role in minimizing environmental harm and supporting a more sustainable future.

The below list summarises the few initiatives and process improvements undertaken by the Company to drive energy efficiency in operations for the Financial Year 2024-25.

a. Initiatives adopted in 2024-25	i. DC to AC conversion of motors in Rod Breakdown (RBD) and Buncher machines. ii. Installation of "Intelligent Control System for Air Conditioners" for energy management. iii. Replacing existing electricity-powered streetlights with solar-powered lights in the plant for reducing the energy consumption and carbon emission. iv. Installation of a daylight harvesting system instead of floodlights and motion sensor for lights. v. Installation of HJT Panels to improve energy generation and system efficiency. vi. Usage of Rooftop Solar Panels for product testing. vii. Reduction of air compressor loading pressure to improve energy efficiency and optimize air compressor performance. viii. Energy savings through continuous improvement projects in manufacturing processes such as line speed increases, OEE improvements etc.
b. Process improvement measures undertaken in 2024-25	i. Enhancing operational efficiency of the RBD Welding Machine Motor through runtime optimization. ii. Implemented motion sensors in packing machines to improve energy efficiency. iii. Introduced regenerative testers for testing cells and battery packs. iv. Optimizing air cooler fan capacity in screw compressors and controlling circulation pumps in chillers.

II. Steps taken for utilizing alternate energy sources

V-Guard has undertaken the following initiatives to utilize alternative energy sources during the Financial Year 2024-25:

i. Utilized renewable energy from both solar and wind sources to reduce carbon emissions and support sustainable power generation.

ii. Implemented photovoltaic (PV) energy systems to promote energy savings by reducing dependence on conventional electrical energy sources.

iii. Grid-Tie inverter testing was conducted using rooftop solar installations to assess performance under real-world solar conditions.

iv. Installed Heterojunction (HJT) solar panels which significantly enhances power generation efficiency due to their advanced cell architecture.

v. Regenerative testers were employed, wherein the energy discharged from one battery pack is utilized to charge another. This approach reduces dependency on grid power and results in significant energy savings.

vi. The power from storage cells is utilized as a backup power source for the Battery Management System (BMS) tester, ensuring uninterrupted operation during power fluctuations.

Estimated savings made by various energy conservation initiatives (~)

a. Energy generated through renewable means: 17,441.88 Gigajoules

   i. Solar energy: 15,013.95 Gigajoules

   ii. Wind energy: 2,427.93 Gigajoules

b. Water Savings : 1,251 Kilolitres

c. Mitigation of CO_2 emission : 3,522 Tonnes

III. Capital investment on Energy Conservation Equipment

During the year under review, total capital invested in energy conservation projects is ₹ 109.39 Lakhs, at various plants.

B. TECHNOLOGY ABSORPTION:

I. Efforts made towards Technology absorption

V-Guard is investing significantly in R&D, to explore new technologies & innovations aimed at achieving higher efficiency.

- Initiated research on Advanced Motor Technologies.
- Extended usage of CAE (Computer Aided Engineering) software tools for enhancing performance and energy efficiency in products.
- Introduced variable speed, energy efficient Hydro-pneumatic pumping systems.
- Developed a new isolator design that reduces watt loss, improves thermal efficiency, and complies with Conditioned Reconnection System (CRS) standards.
- Introduction of energy efficient products in BLDC Ceiling fan category and improved user interface (UI), providing customers with real-time fan speed information.
- Launch of E-Beam cured Halogen free Flame Retardant (HFFR) technology with RoHS and REACH compliance in House Wiring Cables.
- Automation at House Wiring packing section (Mono carton erector) and Multi Core Cables for online coiling at extrusion - Design & Installation of Machinery.
- Significant size reduction of the Smart WiFi/BLE card PCB across all smart product categories, including DUPS, stabilizers, water heaters, pumps, and sockets, leading to reduced e-waste and enhanced product compactness.
- Developed an in-house R&D Support App, an essential tool used during the product development phase to integrate debugging and validation processes, significantly reducing development timelines.
- Switched from Thermocol buffers to eco-friendly packaging to reduce our carbon footprint.
- Deployed a cloud-based system for end-to-end tracking of water consumption, enabling real-time monitoring and improved resource management.
- Ensured adherence to BIS and BEE compliance.

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

- Developed a series of electronics-enabled domestic pumps with enhanced features, improving consumer comfort.
- Focused on import substitution as part of the “Make in India” initiative, promoting local manufacturing and reducing reliance on imported products.
- The redesign of certain higher-rated MCB coils resulted in a reduction of copper consumption.
- Successfully launched the Surge Protection Device (SPD), providing enhanced protection against voltage surges and improving the durability of electrical systems.
- The substitution of alternative materials has resulted in a lower carbon footprint and enhanced sustainability, contributing to more eco-friendly product development.
- Adoption of biodegradable polythene in fan packaging and replaced EPS buffers in ceiling fan with eco-friendly buffers.

- Launched TOPCON bifacial half-cut solar panels, boosting energy generation efficiency and delivering superior performance through cutting-edge cell technology.
- Design improvement in the specific water heater led to a cost reduction.
- Removal of USB Provision in DUPS for reducing standby power consumption and align product specifications with actual customer usage pattern.

Awards and acclamations

Received "Innovation in Water Purifier Product of the Year 2024 Category" at Global Water Tech Summit and Award 2024 on July 26, 2024.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)

Details of technology imported	Year of Import	Whether technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
Portable Grease Test Kit	2022	Yes	NA
High precision motor test device	2022	Yes	NA
High precision progressive stamping tool	2023	Yes	NA
High precision Anemometer	2023	Yes	NA
Surge Protection Device	2023	Yes	NA
3D Scanner	2024	Yes	NA
Precision LCR meter	2024	Yes	NA
High-Capacity Power Analyzer	2024	Yes	NA
Air wipers to efficiently wipe out water particles in High-Speed Insulating Lines	2024	Yes	NA

IV. The expenditure incurred on Research and Development:

(₹ in Crores)

a	Capital	3.55
b	Recurring	28.51
c	Total	32.06
d	% of R&D expenditure on total sales	0.60

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(₹ in Crores)

Particulars	2024-25	2023-24
Foreign Exchange earned	11.55	10.33
Foreign Exchange outgo	243.96	268.50

For and on behalf of the Board of Directors

Sd/-
Radha Unni
Chairperson
DIN: 03242769

Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Place: Kochi
Date: May 14, 2025

Annexure VII

DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars	
(i)	Ratio of the remuneration of each Director to the median remuneration of the employee of the Company for the Financial Year.	**Name**	**Ratio to Median**
		Mr. Mithun K Chittilappilly	117.10
		Mr. Ramachandran V*	410.15
		Mr. Antony Sebastian K**	16.73
		Mr. Cherian N Punnoose$	1.65
		Mr. C J George$	0.68
		Mr. Ullas K Kamath$	0.40
		Ms. Radha Unni	1.70
		Mr. George Muthoot Jacob	1.45
		Prof. Biju Varkkey	1.24
		Mr. Ishwar Subramanian**	1.45
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	**Name**	**Percentage (%)**
		Mr. Mithun K Chittilappilly	22.93%
		Mr. Ramachandran V*	73.48%
		Mr. Antony Sebastian K**	NA
		Mr. Cherian N Punnoose$	NA
		Mr. C J George$	NA
		Mr. Ullas K Kamath$	NA
		Ms. Radha Unni	-12.70%
		Mr. George Muthoot Jacob	-14.55%
		Prof. Biju Varkkey	0%
		Mr. Ishwar Subramanian**	NA
		Mr. Sudarshan Kasturi*	25.15%
		Mr. Vikas Kumar Tak*	42.97%
(iii)	Median Remuneration for the Financial Year	₹ 8,08,852	
(iv)	Percentage increase in the median remuneration of employees in the Financial Year	14.67 %	
(v)	Number of permanent employees on the rolls of the Company.	3,113 (As on March 31, 2025)	
(vi)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentage increase in the salary of employees other than managerial cadre in the Financial Year was "10.72%". Percentage increase in the salary of managerial personnel in the Financial Year is detailed in point (ii) above.	
(vii)	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration is as per the Nomination Remuneration and Evaluation Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	

* The increase in remuneration includes exercise of employee stock options of yester years by Mr. Ramachandran V, Mr. Sudarshan Kasturi and Mr. Vikas Kumar Tak during the year. Value of ESOP perquisites has been provided in Corporate Governance Report and/or Annual Return of the Company.

** Mr. Antony Sebastian K was appointed as Whole-Time Director and Mr. Ishwar Subramanian was appointed as Independent Director w.e.f. May 30, 2023.

$ Mr. Cherian N Punnoose, Mr. Ullas K Kamath and Mr. C J George retired from the Board with effect from July 28, 2024, upon completion of second term of office as Independent Director in the Company.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Radha Unni	**Mithun K Chittilappilly**
Place: Kochi	Chairperson	Managing Director
Date: May 14, 2025	DIN: 03242769	DIN: 00027610

Report on Corporate Governance

Report on Corporate Governance of V-Guard Industries Ltd. (V-Guard /the Company) for the Financial Year ended March 31, 2025, as stipulated in the relevant provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time ('the Listing Regulations'), is set out below:

I. CORPORATE GOVERNANCE PHILOSOPHY

The Governance Philosophy of the Company is to conduct business with honesty, fairness, and transparency, adhering to the highest ethical standards and legal requirements in all our dealings. We continuously evaluate and enhance our Corporate Governance practices to adapt with evolving regulatory requirements, industry standards, and stakeholder expectations. We consider Corporate Governance as a strategic ingredient that underpins our success and sustainability. The Company always endeavours to align the practices in line with the changing business environment and ensures that the interests of all stakeholders are safeguarded and the stakeholders are taken along in its journey to newer heights.

At V-Guard, we are committed to upholding the highest standards of Corporate Governance, guided by principles of transparency, accountability, integrity, and respect for the interests of all stakeholders. Our Corporate Governance Philosophy serves as the foundation of our operations, ensuring that we conduct business in a responsible and ethical manner to create sustainable long-term value for our shareholders, employees, customers, consumers and the communities in which we operate. Your Company recognizes that sound Corporate Governance is essential for fostering long-term sustainability and driving value creation. In addition to regulatory compliance, your Company endeavours to meet highest standards of ethical and responsible conduct throughout the organization in letter and spirit.

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

II. BOARD OF DIRECTORS

a) Composition of the Board

The composition of the Board of your Company is in conformity with Regulation 17 of the Listing Regulations. Every member of the Board is having experience and expertise in their respective fields. The Company's policy is to maintain an optimum combination of Executive and Non-Executive/ Independent Directors. As on March 31, 2025, the Board comprised of 3 (Three) Executive Directors, 4 (Four) Non-Executive Independent Directors including 1 (One) Woman Independent Director. Out of the three Executive Directors, one Director is from promoter category and the other two are in the professional category. The Chairperson of the Board is Non-Executive Independent Director. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and expertise in varied fields, enabling it to discharge its responsibilities and provide effective leadership for long-term vision with the highest standards of governance. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

During the Financial Year under review, Mr. Cherian N Punnoose, Chairperson and Independent Director (DIN: 00061030), Mr. C J George, Independent Director (DIN: 00003132) and Mr. Ullas K Kamath, Independent Director (DIN: 00506681), retired from the Board with effect from July 28, 2024, upon completion of second term of office as Independent Director in the Company. Consequent to the retirement of Mr. Cherian N Punnoose, Chairperson and Independent Director (DIN: 00061030), the Board of Directors appointed Ms. Radha Unni (DIN: 03242769) as Chairperson of the Board with effect from July 29, 2024. Further, the Company has re-appointed Mr. Ramachandran V, Whole-time Director (DIN: 06576300) for a period of 4 years, with effect from June 1, 2024, to May 31, 2028, vide approval of members at the 28th Annual General Meeting held on August 1, 2024.

All the Independent Directors have declared that they meet the criteria of 'Independence' as required under the provisions of Section 149 of the Companies Act, 2013 (the 'Act') read with the provisions of Regulation 16 of the Listing Regulations. As per the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, all the Independent Directors of the Company have registered with the Indian Institute of Corporate Affairs (IICA) for inclusion of their names in the comprehensive repository maintained by the Ministry of Corporate Affairs and are exempted from online proficiency self-assessment test.

During the year under review, the Board of Directors met 5 (Five) times. Details of Name, Position & Category, Date of Appointment, Attendance at Board Meetings and AGM, Directorship on Board and Membership/Chairmanship of Board Committees in other Companies, Directorship held in other listed entities & Category of Directorship, are given below.

Name & DIN	Position / Category	Attendance at: Board Meetings attendance/ attendance %	Attendance at: 28th AGM	Directorship on Board and Membership/ Chairmanship of Board Committees in other companies: Directorship in other Boards#	Committee Membership#	Committee Chairperson#	Directorship in other listed entities and Category of Directorship	Date of Appointment
Ms. Radha Unni (DIN: 03242769)	Chairperson Non-Executive Independent	5 (100%)	Yes	Nil	Nil	Nil	Nil	September 27, 2018
Mr. Mithun K Chittilappilly (DIN: 00027610)	Managing Director Promoter and Executive	5 (100%)	Yes	2	Nil	Nil	Nil	April 01, 2003
Mr. Ramachandran V (DIN: 06576300)	Whole-time Director & Chief Operating Officer Executive	5 (100%)	Yes	3	Nil	Nil	Nil	June 01, 2013
Mr. Antony Sebastian K (DIN: 01628332)	Whole-time Director Executive	5 (100%)	Yes	Nil	Nil	Nil	Nil	May 30, 2023
Mr. George Muthoot Jacob (DIN: 00018955)	Director Non-Executive Independent	4 (80%)	No	7	1	Nil	Muthoot Finance Ltd. Executive Director	October 5, 2020
Prof. Biju Varkkey (DIN: 01298281)	Director Non-Executive Independent	5 (100%)	Yes	1	Nil	Nil	ESAF Small Finance Bank- Non-Executive - Independent Director	May 26, 2021
Mr. Ishwar Subramanian (DIN: 01473535)	Director Non-Executive Independent	5 (100%)	Yes	1	Nil	Nil	Nil	May 30, 2023
Mr. Cherian N Punnoose*	NA	2 (100%)	NA	NA	NA	NA	NA	NA
Mr. C J George*	NA	2 (100%)	NA	NA	NA	NA	NA	NA
Mr. Ullas K Kamath*	NA	1 (50%)	NA	NA	NA	NA	NA	NA

*Mr. Cherian N Punnoose, Chairperson and Independent Director, Mr. C J George, Independent Director and Mr. Ullas K Kamath, Independent Director, retired from the Board with effect from July 28, 2024, upon completion of second term of office as Independent Director in the Company.

Directorship, Membership and Chairmanship in other companies shown above do not include Alternate Directorship, Private Limited Companies that are neither a subsidiary nor a holding company of a Public Company, Companies incorporated under Section 8 of the Companies Act, 2013 (the Act) and Companies incorporated outside India.

Membership and Chairmanship of Board Committees include Chairmanship/ Membership of Audit Committee and Stakeholder's Relationship Committee as per the Regulation 26(1)(b) of the Listing Regulations of other companies excluding V-Guard Industries Ltd. Details of no. of membership given above include the details of Chairmanship held by the Directors.

Necessary disclosures regarding Directorship and Committee positions in other Companies as on March 31, 2025 have been made by the Directors. As per the disclosures received from them, none of the Directors of the Company is a member of more than 10 (Ten) Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairperson of more than 5 (Five) Committees across all listed companies and unlisted public Companies in which he / she is a Director. Directorship, Membership and Chairmanship held by the Directors of the Company, in other companies are within the limits prescribed.

In compliance with SEBI Listing Regulations, at least half of the Board of Directors shall comprise of independent directors. As on March 31, 2025, more than 50% of the Board Members are Independent Directors.

None of the Independent Directors of the Company is serving on the Board of more than 7 (Seven) listed companies, as an Independent Director. Further, Independent Directors of the Company, serving as Whole-time Director in any other listed company are not holding the position of Independent Director in more than 3 (Three) listed companies, as prescribed under Regulation 17A of the Listing Regulations.

The Managing Director/ Whole-time Director of the Company does not serve as an Independent Director on the Board of any Company.

In Compliance with the Companies Act, 2013 and SEBI Listing Regulations, the Company appoints Executive Directors and Independent Directors for a fixed term. Based on their skills, experience, expertise in specific functional areas and contribution made by them, the Board recommends the re-appointment of Directors for the approval of shareholders. Further, the Company also complies with the requirements of Section 152 of Companies Act, 2013 w.r.t. retirement of Directors by rotation on a yearly basis and Directors are re-appointed by the Shareholders on the recommendations of the Board and Nomination and Remuneration Committee, subject to their consent and eligibility. Further, the liability of Directors is limited as per the provisions of Companies Act, 2013, SEBI Regulations and/or other laws applicable to the Company.

The Chairperson of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee were present at the previous Annual General Meeting of the Company.

b) Number and Dates of Meeting of Board of Directors

During the Financial Year under review, the Board of Directors met 5 (Five) times i.e. May 16, 2024, July 24, 2024, October 29, 2024, January 28, 2025, and March 17, 2025.

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

In case of special and urgent business matters, approval of the Board/Committees is taken by passing a resolution by circulation, as permitted by law, which is noted in the next Board/Committee meeting.

During the year under review, separate meetings of the Independent Directors of the Company were held on May 16, 2024, and March 05, 2025, and the Independent Directors present in the meeting discussed the matters enumerated in the Schedule IV to the Act and Regulation 25(3) of the Listing Regulations. The Independent Directors reviewed the performance of:

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

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

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

c) **Disclosure of relationship between Directors Inter-se**

None of the Directors have any inter–se relationship.

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

None of the Non-Executive Independent Directors of the Company is holding Equity shares in the Company. The Company has not issued any convertible instruments.

e) **Details of familiarization program imparted to Independent Directors and weblink**

The Company has conducted several programmes from time to time for all the Independent Directors of the Company, to enable them to familiarize with the nature of the industry in which the Company operates, its business model etc., and the role to be played by them. Their rights and responsibilities were intimated through the Letter of Appointment issued to them. During the year under review, presentation on regulatory updates on SEBI Regulations, ESG, statutory policy updates, updates on projects and investments made by Company, CSR projects undertaken/ to be undertaken by the Company pursuant to the provisions of the Companies Act, 2013 were made and Directors also visited plant for familiarisation and understanding the products and manufacturing processes. The details of such familiarization programmes are disclosed on the Company's website at https://www.vguard.in/uploads/investor_relations/Familiarisation-Program-2024-25.pdf

List of core skills, competencies, and expertise of Board of Directors:

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

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

Skills and Description	Ms. Radha Unni	Mr. Mithun K Chittilappilly	Mr. Ramachandran V	Mr. Antony Sebastian K	Mr. George Muthoot Jacob	Prof. Biju Varkkey	Mr. Ishwar Subramanian
Strategy & Transformation Experience in developing and reviewing long term business strategy for sustainable growth and profitability of businesses in a highly competitive landscape. Enabling organisational and functional capability building through transformation initiatives.	✓	✓	✓	✓	✓	✓	✓

Skills and Description	Ms. Radha Unni	Mr. Mithun K Chittilappilly	Mr. Ramachandran V	Mr. Antony Sebastian K	Mr. George Muthoot Jacob	Prof. Biju Varkkey	Mr. Ishwar Subramanian
Innovation & Technology Understanding the Management of product innovation value chain, emerging technology and business risks thereof, their commercial and disruptive potential to enable evaluation/ propose new technologies/ innovation ideas for adoption in the manufacture of various product categories.		✓	✓	✓			
Finance Evaluating the financial viability of various strategic proposals, review of capital budgets, financial results/ statements, risk management and mitigations.	✓	✓	✓	✓	✓	✓	✓
Sales/ Marketing Developing strategies to protect and grow brand equity and distribution reach. Understanding evolution in channels and strategies required to protect and grow the business.		✓	✓				✓
Corporate Governance Understanding and promoting best in class practices across various functional areas to enhance enterprise governance.	✓	✓	✓	✓	✓	✓	✓
Digital application to consumer goods value chain Understand developments across the digital landscape and their potential to disrupt consumer businesses. Evaluate plans and priorities to leverage digital effectively for growth and efficiency. Promote adoption of appropriate digital priorities consistent with consumer business value chain.		✓	✓				

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

The Independent Directors, appointed in the Board have fulfilled all the necessary condition and criteria as enumerated under Regulation 16(1)(b) of the Listing Regulations and have provided their declaration in relation to their Independence as required under Regulation 25(8) of the Listing Regulations. The Independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All the Independent Directors are Independent and not related to any members of the Board and they have registered themselves with the IICA for the purpose of Independent Director registration, which is mandated by the Ministry of Corporate Affairs and are exempted from online self-assessment proficiency test.

Based on the declarations received from the Independent Directors, the Board has confirmed the veracity of such disclosures and confirmed that the Independent Directors fulfil the conditions of independence specified in the Act and the Listing Regulations and are independent of the management of the Company.

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

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

The Board has constituted Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and the Risk & ESG Committee. Each of the Committees deal with matters as mandated by the statutory regulations and play a very crucial role in the overall governance structure. All the Committees have specific terms of reference approved by the Board which outlines the composition, scope, powers, duties and responsibilities. The minutes of the meeting of all Committees are placed before the Board for review.

III. AUDIT COMMITTEE

a) Brief description of terms and reference

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of the Listing Regulations read with Section 177 of the Act and over the years the Committee has been reconstituted, and its Charter/ terms of reference has been amended from time to time to align it with the requirements of the applicable laws, rules and regulations. The Committee was reconstituted by the Board of Directors in its meeting held on July 24, 2024.

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

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

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

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

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

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

    b) Changes, if any, in accounting policies and practices and reasons for the same;

    c) Major accounting entries involving estimates based on the exercise of judgement by management;

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

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

    f) Disclosure of any related party transactions;

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

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

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

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

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

9) Scrutiny of inter-corporate loans and investments;

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

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

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

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

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

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

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

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

18) Reviewing the functioning of the whistle blower mechanism;

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

20) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Cr. or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;

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

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

b) Composition, Meetings and Attendance during the year

The present composition of the Audit Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's Audit Committee consists of 4 (Four) Directors, of which 3 (Three) are Non-Executive Independent Directors. All the members of the Audit Committee have adequate knowledge in the areas of finance and accounting. Mr. Ishwar Subramanian is the Chairperson of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

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

During the year under review, the Committee Members met 5 (Five) times, i.e. May 15, 2024 & May 16, 2024 (Adjourned Meeting), July 23, 2024 & July 24, 2024 (Adjourned Meeting), October 28, 2024 & October 29, 2024 (Adjourned Meeting), January 27, 2025 & January 28, 2025 (Adjourned Meeting) and March 17, 2025. The gap between two meetings was not more than 120 days and requisite quorum was there for all the meetings. The audited standalone and consolidated financial statements of the Company for the Financial Year ended March 31, 2025, were reviewed by the Committee members at the adjourned meeting held on May 14, 2025.

The Composition & Attendance of Committee members at the meetings held during the year under review is as follows:

Name of Director	Position	Category	No. of Meetings Attended/ % of Attendance
Mr. Ishwar Subramanian^	Chairperson	NP/NE/ID	5 (100%)
Mr. Mithun K Chittilappilly	Member	P/M	5 (100%)
Ms. Radha Unni	Member	NP/NE/ID	5 (100%)
Mr. George Muthoot Jacob	Member	NP/NE/ID	5 (100%)
Mr. Cherian N Punnoose*	Member	NP/NE/ID	2 (100%)
Mr. C J George*	Member	NP/NE/ID	2 (100%)
Mr. Ullas K Kamath*	Member	NP/NE/ID	1 (50%)

NP/NE/ID: Non-Promoter / Non-Executive / Independent Director

P/M: Promoter/Managing Director

*Mr. Cherian N Punnoose was the Chairperson of the Audit Committee until July 28, 2024. Mr. Cherian N Punnoose, Mr. C J George & Mr. Ullas K Kamath ceased to be the members of the Committee with effect from July 28, 2024.

^ Mr. Ishwar Subramanian was appointed as the Chairperson of the Audit Committee with effect from July 29, 2024, by the Board in its meeting held on July 24, 2024.

IV. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) of the Listing Regulations read with Section 178 of the Act and over the years the Committee has been reconstituted, and its Charter/ terms of reference has been amended from time to time to align with the requirements of the applicable laws, rules and regulations. The Committee was reconstituted by the Board of Directors in its meeting held on July 24, 2024.

a) Brief description of terms and reference

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

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

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

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

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

    c) consider the time commitments of the candidates.

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

4) Devising suitable policy on board diversity;

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

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

7) Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

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

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

b) The Composition Meetings and Attendance during the year

The present composition of the Nomination and Remuneration Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Regulations. The Company's Nomination & Remuneration Committee consists of 3 (Three) Members and all are Non-Executive Independent Directors. Prof. Biju Varkkey is the Chairperson of the Nomination & Remuneration Committee. The Company Secretary acts as the Secretary to the Nomination & Remuneration Committee.

The members of Nomination and Remuneration Committee met 4 (Four) times i.e. May 15, 2024, July 23, 2024, October 28, 2024 & January 27, 2025. The requisite quorum was there for all the meetings.

The Composition & Attendance of Committee members at the meetings held during the year under review is as follows:

Name of Director	Position	Category	No. of Meetings Attended/ % of Attendance
Prof. Biju Varkkey	Chairperson	NP/NE/ID	4 (100%)
Ms. Radha Unni	Member	NP/NE/ID	4 (100%)
Mr. Ishwar Subramanian	Member	NP/NE/ID	4 (100%)

Name of Director	Position	Category	No. of Meetings Attended/ % of Attendance
Mr. Cherian N Punnoose*	Member	NP/NE/ID	2 (100%)
Mr. C J George*	Member	NP/NE/ID	2 (100%)
Mr. Ullas K Kamath*	Member	NP/NE/ID	1 (50%)

NP/NE/ID : Non-Promoter / Non-Executive / Independent Director

* Mr. Cherian N Punnoose, Mr. C J George & Mr. Ullas K Kamath ceased to be the members of the Committee with effect from July 28, 2024.

c) Performance evaluation criteria for Independent Directors

As per the Nomination, Remuneration and Evaluation Policy of the Company, the Independent Directors of the Company are evaluated based on criteria such as highest personal and professional ethics, integrity, and maintenance of confidentiality, independence of behaviour and judgement, values and independence, contribution to Board deliberation, effective deployment of knowledge and expertise, willingness to devote sufficient time to carry out the duties and responsibilities effectively including attendance at the meetings, act in the best interest of minority shareholders of the Company etc. The annual evaluation of the performance of the Independent Directors was done through an external agency as per the provisions of the Act and the Listing Regulations.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has constituted the Stakeholders' Relationship Committee to look into various aspects of interest of investors such as non-receipt of dividend, notices and annual report, approve transmission of shares, issue of duplicate shares, etc. and over the years, the Committee has been reconstituted and its Charter/ terms of reference has been amended from time to time to align it with the requirements of the applicable laws, rules and regulations. The Committee was reconstituted by the Board of Directors in its meeting held on July 24, 2024.

a) Terms of reference

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

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

b) Composition, Meeting and Attendance during the year

The present composition of the Stakeholders Relationship Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Regulations. The Committee consists of 4 (Four) Members comprising of 3 (Three) Non–Executive Independent Directors and 1 (One) Executive Director as members. During the year under review, the Committee met once i.e. on July 23, 2024. The requisite quorum was there for the meeting.

The Composition, Meeting and Attendance of the members at the meetings held during the year under review is as follows:

Name of Director	Position	Category	No. of Meetings Attended/ % of Attendance
Ms. Radha Unni^	Chairperson	NP/NE/ID	1 (100%)
Mr. Mithun K Chittilappilly	Member	P/M	1 (100%)
Mr. George Muthoot Jacob	Member	NP/NE/ID	1 (100%)
Prof. Biju Varkkey	Member	NP/NE/ID	1 (100%)
Mr. Cherian N Punnoose*	Member	NP/NE/ID	1 (100%)
Mr. C J George*	Member	NP/NE/ID	1 (100%)

NP/NE/ID: Non-Promoter / Non-Executive / Independent Director

P/M: Promoter/Managing Director

*Mr. Cherian N Punnoose was the Chairperson of the Stakeholders' Relationship Committee until July 28, 2024. Mr. Cherian N Punnoose & Mr. C J George ceased to be the members of the Committee with effect from July 28, 2024.

^Ms. Radha Unni was appointed as the Chairperson of the Stakeholders' Relationship Committee by the Board in its meeting held on July 24, 2024 with effect from July 29, 2024.

c) Name and designation of the Compliance Officer

Mr. Vikas Kumar Tak, Company Secretary, is the Compliance Officer of the Company.

d) Redressal of Investor Grievances

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

Category	No. of investor complaints as on April 01, 2024	No. of investor complaints received during the year	No. of investor complaints resolved during the year	No. of investor complaints pending as on March 31, 2025
Annual Report	0	52	52	0
Dividend	0	85	85	0
Shares	0	5	5	0
Others	0	0	0	0
Total	**0**	**142**	**142**	**0**

VI. RISK & ESG COMMITTEE

The Risk & ESG Committee of the Company is constituted in line with the provisions of Regulation 21 of the Listing Regulations, and the Committee has been reconstituted, and its Charter/ terms of reference has been amended from time to time to align it with the requirements of the applicable laws, rules and regulations. In order to broaden the scope of the Committee, the Board had included ESG related terms of reference in Risk Management Committee and thus, the name of the Committee was changed to Risk & ESG Committee. The Committee was reconstituted by the Board of Directors in its meeting held on July 24, 2024.

a) Brief description of terms of references

The terms of reference of Risk & ESG Committee are as follows:

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

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

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

   (c) Business continuity plan.

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

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

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

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

6. The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk & ESG Committee;

7. To guide and set the tone of the sustainability agenda and strategy;

8. To review and monitor the operational, regulatory, and reputational risks and impacts of ESG on the Company and provide insight and guidance with respect to the Company's management of such risks and impacts;

9. To oversee the Company's ESG framework, policies, practices, performance and reporting with respect to ESG goals.

b) Composition, Meetings and Attendance during the year

The present composition of the Risk & ESG Committee is in accordance with the Listing Regulations. The Committee consists of 5 (Five) members comprising 2 (Two) Non–Executive Independent Director, 2 (Two) Executive Directors and 1 (One) Key Managerial Person as members.

During the year under review, the Committee met 4 (Four) times i.e. May 7, 2024, July 11, 2024, October 8, 2024, and January 7, 2025, respectively. The gap between two meetings was not more than 180 days and requisite quorum was there for all the meetings.

The Composition, Meeting and Attendance of the members at the meetings held during the year under review is as follows:

Name of Director	Position	Category	No. of Meetings Attended/ % of Attendance
Ms. Radha Unni^	Chairperson	NP/NE/ID	3 (75%)
Mr. Mithun K Chittilappilly	Member	P/M	4 (100%)
Mr. Ramachandran V	Member	NP/E	4 (100%)
Mr. George Muthoot Jacob	Member	NP/NE/ID	2 (50%)
Mr. Sudarshan Kasturi	Member	CFO	4 (100%)
Mr. Ullas K Kamath*	Member	NP/NE/ID	2 (100%)

NP/NE/ID: Non-Promoter/ Non-Executive/Independent Director
P/M: Promoter/Managing Director
NP/E: Non-Promoter/Executive Director
CFO: Chief Financial Officer

* Mr. Ullas K Kamath Chairperson of the Risk & ESG Committee ceased to be the member of the Committee with effect from July 28, 2024 subsequent to completion of his second term as Independent Director.

^ Ms. Radha Unni was appointed as the Chairperson of the Risk & ESG Committee with effect from July 29, 2024, by the Board in its meeting held on July 24, 2024.

VII. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013 ('the Act') and the Committee has been reconstituted, and its Charter/ terms of reference has been amended from time to time to align it with the requirements of the applicable laws, rules and regulations. The Committee was reconstituted by the Board of Directors in its meeting held on July 24, 2024.

a) Brief description of terms of references

The terms of reference of CSR Committee are as follows:

1. Formulation and recommendation to the Board, a Corporate Social Responsibility Policy (CSR Policy) including its amendments from time to time which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.

2. Formulation and recommendation to the Board, CSR Annual Action Plan for each Financial Year.

3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

4. To recommend to the Board, amount of CSR budget for carrying out the activities referred to in sub-clause (1) above.

5. To provide the Annual Report on the CSR activities done by the Company to the Board.

6. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

7. CSR Committee shall discuss any other item apart from the above for the furtherance of CSR Objectives in accordance with the Policy.

b) Composition, Meetings and Attendance during the year

The present composition of the Corporate Social Responsibility Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder. The Committee consists of 4 (Four) members comprising 2 (Two) Non–Executive Independent Director and 2 (Two) Executive Directors as members.

During the year under review, the Committee met 3 (Three) times i.e. May 15, 2024, October 28, 2024 and January 27, 2025, respectively. The requisite quorum was present at the said meetings.

The Composition, Meeting and Attendance of the members at the meetings held during the year under review is as follows:

Name of Director	Position	Category	No. of Meetings Attended/ % of Attendance
Mr. Antony Sebastian K^	Chairperson	NP/E	3 (100%)
Mr. Mithun K Chittilappilly $	Member	P/M	3 (100%)
Mr. George Muthoot Jacob	Member	NP/NE/ID	3 (100%)
Prof. Biju Varkkey	Member	NP/NE/ID	3 (100%)
Mr. Cherian N Punnoose*	Member	NP/NE/ID	1 (100%)

NP/NE/ID: Non-Promoter/ Non-Executive/Independent Director
P/M: Promoter/Managing Director
NP/E: Non-Promoter/Executive Director

$ Mr. Mithun K Chittilappilly stepped down as the Chairperson of the CSR Committee w.e.f. July 28, 2024, and continued as the member of the Committee.

^The Board of Directors in its meeting held on July 24, 2024, appointed Mr. Antony Sebastian K, as the Chairperson of CSR Committee with effect from July 29, 2024.

* Mr. Cherian N Punnoose ceased to be a member of the Committee with effect from July 28, 2024, subsequent to completion of his second term as Independent Director.

VIII. SENIOR MANAGEMENT

Particulars of Senior Management of the Company and the changes thereon are available on the website of the Company at https://www.vguard.in/uploads/investor_relations/List-Senior-Management-FY-2024-25.pdf

Mr. Robin Joy A, Vice President & Chief Information Officer (CIO), a Senior Management Personnel (SMP), retired from the Company w.e.f. August 30, 2024. Mr. Atul Shekhar Singh who was a member of Senior Management from December 13, 2023, replaced him as CIO w.e.f. August 31, 2024.

The company promptly informed the stock exchanges of all changes in senior management during the year.

IX. REMUNERATION OF DIRECTORS

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

All the Non-Executive Directors were paid sitting fees for attending the meetings of the Board and Committees of the Board.

Mr. Cherian N Punnoose, the former Chairperson of the Board who retired on July 28, 2024, is eligible for payment of remuneration by way of commission on pro-rata basis for the Financial Year 2024-25. Commission to the Non-Executive Directors of the Company is not exceeding 1% of the net profits of the Company.

Apart from above, there are no other pecuniary relationship or transactions between any Non-Executive Directors and the Company during the year under review.

b) **Criteria of making payments to Non-Executive Directors**

The Company has adopted Nomination, Remuneration and Evaluation Policy, which describes the criteria of making payments to Non-Executive Directors. The Policy is available on the website of the Company at the link https://www.vguard.in/uploads/investor_relations/Nomination-Remuneration-Evaluation-Policy.pdf

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

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

c) **Disclosure with respect to Remuneration**

(i) Details of remuneration and sitting fee paid to the Directors of the Company during the year under review:

(₹ in Lakhs)

Name	Salary	Retirement Benefits #	Perquisites $	Commission	Sitting fees	Total
Ms. Radha Unni	-	-	-	-	13.75	**13.75**
Mr. Mithun K Chittilappilly^	336.41	35.16	11.58	563.98	-	**947.13**
Mr. Ramachandran V $	371.22	32.45	2,913.82	-	-	**3,317.49**
Mr. Antony Sebastian K	128.78	6.56	-	-	-	**135.34**
Mr. George M Jacob	-	-	-	-	11.75	**11.75**
Mr. Ishwar Subramanian	-	-	-	-	11.75	**11.75**
Prof. Biju Varkey	-	-	-	-	10.00	**10.00**
Mr. Cherian N Punnoose*	-	-	-	7.32	6.00	**13.32**
Mr. C J George*	-	-	-	-	5.50	**5.50**
Mr. Ullas K Kamath*	-	-	-	-	3.25	**3.25**
Total	**836.41**	**74.17**	**2,925.40**	**571.30**	**62.00**	**4,469.28**

* Mr. Cherian N Punnoose, Mr. Ullas K Kamath and Mr. C J George retired from the Board with effect from July 28, 2024, upon completion of second term of office as Independent Director in the Company.

Retirement benefits do not include provisions for gratuity & leave encashment, if any, as they are determined on an actuarial basis for the company as a whole.

$ Perquisite value of options exercised by Mr. Ramachandran V under ESOS 2013 amounting to ₹ 2,913.42 Lakhs is included in the remuneration disclosed above.

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

(ii) Details of fixed component and performance linked incentives, along with the performance criteria

The details of fixed components are as provided in the table above.

Variable Pay of ₹ 95.47 Lakhs and ₹ 26.52 Lakhs were paid to Mr. Ramachandran V and Mr. Antony Sebastian K, Executive Directors of the Company, as per the criteria approved by the shareholders in their meetings held on August 01, 2024 and August 24, 2023, respectively.

(iii) Service Contracts, notice period, severance fees

The appointment of the Executive Directors is as 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 Employment Agreement is entered into by the Company with the Executive Directors.

The Company had re-appointed Mr. Mithun K Chittilappily as Managing Director for a period of Five years with effect from April 01, 2021, and his notice period is Four months. Mr. Ramachandran V was re-appointed as Whole-time Director and Chief Operating Officer for a period of Four years with effect from June 01, 2024, and his notice period is Four months. The Company had appointed Mr. Antony Sebastian K as Whole-time Director for a period of Four years with effect from May 30, 2023, and his notice period is one month.

As per the terms and reference of appointment no severance fee is payable to the Executive Directors of the Company.

(iv) Stock option details

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

Except for Mr. Ramachandran V, Executive Director & COO, no ESOP Options were granted to any of the Directors during the Financial Year 2024-25. During the period under review, Mr. Ramachandran V has exercised 9,03,000 options granted at market price and 72,600 options granted at discount, under ESOS 2013.

X. GENERAL BODY MEETING

Details of Annual General Meeting held during the last three years

Financial Year	Date and Time	Address	Details of Special Resolutions
2023-24	August 01, 2024, 11.00 A. M.	The Annual General Meeting was held through Video Conference/ Other Audio Visual Means. The deemed venue of the meeting shall be the Registered Office of the Company at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028.	a) Increase overall managerial remuneration payable from 11% to 15% of the net profits of the Company. b) Increase managerial remuneration payable to Mr. Ramachandran V, Whole-time Director (DIN: 06576300) in excess of 5% of the net profits of the Company.
2022-23	August 24, 2023, 11.00 A. M.	The Annual General Meeting was held through Video Conference/ Other Audio Visual Means. The deemed venue of the meeting shall be the Registered Office of the Company at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028.	a) Appointment of Mr. Ishwar Subramanian (DIN: 01473535) as Non-Executive Independent Director of the Company. b) Grant of Options to employees of subsidiary company(ies) under the Employee Stock Option Scheme, 2013. c) Creation of further number of options for grant under the existing Employee Stock Option Scheme of the Company.
2021-22	July 28, 2022, 11.00 A. M.	The Annual General Meeting was held through Video Conference/ Other Audio Visual Means. The deemed venue of the meeting shall be the Registered Office of the Company at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028.	a) Increase the managerial remuneration payable to Mr. Ramachandran V (DIN: 06576300), Whole-time Director in excess of 5% of the net profits of the Company.

All the Special Resolutions were passed with the requisite majority.

Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the Financial Year 2024-2025.

Postal Ballot:

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

XI. MEANS OF COMMUNICATION

a) Quarterly Results

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

b) **Newspapers wherein results are normally published**

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

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

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

XII. GENERAL SHAREHOLDER INFORMATION

a) **Date, Venue and Time of the 29th Annual General Meeting**

Day and Date	Thursday, August 7, 2025
Time	11.00 A.M.
Mode & Venue	Meeting is being conducted through Video Conference/ Other Audio Visual Means pursuant to applicable circulars issued by Ministry of Corporate Affairs from time to time. The deemed venue for the meeting shall be registered office of the Company.

b) **Board Meeting and Financial calendar**

The Financial Year of the Company starts from April 1 of a year and ends on March 31 of the following year.

Calendar of Board Meeting to approve the accounts (tentative and subject to change) for the Financial Year 2025-2026 is as follows:

For the quarter ended	Proposed Dates
June 30, 2025	July 29, 2025
September 30, 2025	October 29, 2025
December 31, 2025	January 28, 2026
March 31, 2026	May 14, 2026

c) **Dividend for the Financial Year 2024-2025**

Considering the Dividend Policy of the Company, the Board has recommended final dividend of ₹ 1.50 (150%) per equity share which is subject to the approval of the shareholders at the ensuing Annual General Meeting, and if approved, will be payable on or before September 5, 2025. The Company has formulated a policy on Distribution of Dividend and the same is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Dividend-policy.pdf and forms part of this Annual Report.

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

Date of Book Closure

The Register of Members will remain closed from August 1, 2025, to August 7, 2025 (both days inclusive), and a dividend will be paid to the members whose name(s) appear in the Register of Members/ Register of Beneficial Owners as on record date i.e. July 31, 2025.

Unpaid dividend Amount

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

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

Financial Year	Dividend per Share (Amt in ₹)	Nature	Date of Declaration of Dividend	Last date for claiming the amount	Due date of transfer to IEPF	Account balance as on March 31, 2025 (Amount in ₹)
2017-18	0.70	Final	July 31, 2018	September 05, 2025	October 05, 2025	5,99,697.00
2018-19	0.80	Final	July 24, 2019	August 29, 2026	September 28, 2026	5,47,534.40
2019-20	0.90	Interim	February 14, 2020	March 21, 2027	April 20, 2027	7,33,802.40
2020-21	1.20	Final	August 5, 2021	September 10, 2028	October 10, 2028	5,87,236.60
2021-22	1.30	Final	July 28, 2022	September 02, 2029	October 02, 2029	5,82,324.50
2022-23	1.30	Final	August 24, 2023	September 29, 2030	October 29, 2030	4,83,013.90
2023-24	1.40	Final	August 01, 2024	September 06, 2031	October 06, 2031	6,11,874.80

The Company has transferred an amount of ₹ 6,86,926 (Six Lakhs Eighty Six Thousand Nine Hundred Twenty Six Rupees Only) as Final Dividend for the Financial Year 2016-17, which were lying in Unpaid Dividend Account, to IEPF. Further, the company has transferred unclaimed amount of ₹ 23,407 (Twenty Three Thousand Four Hundred and Seven Rupees Only) to IEPF on account of sale proceeds of the fractional shares with respect to the Bonus Issue made in the Financial Year 2016-17. The Unclaimed dividend in respect of the final dividend for Financial Year 2017-18, is due for transfer to IEPF on September 5, 2025, in terms of Section 124(6) of the Act. Claims against Unpaid/ Unclaimed dividend pertaining to Financial Year 2017-18 may be lodged at the Registered Office or at the Office of Registrar and Transfer Agent of the Company on or before September 05, 2025.

Members whose dividend is unpaid, may write to the Company at its Registered Office or to M/s MUFG Intime India Private Limited., RTA of the Company by giving details of their bank account for claiming dividend.

As per the provisions of Section 124(6) of the Act and Investor Education and Protection Fund Authority Rules, 2016 (the 'Rules'), if dividend on any shares has not been encashed or claimed during seven consecutive years or more, such shares are to be transferred to Investor Education and Protection Fund Authority (IEPFA). The Company shall intimate to all shareholders who have not claimed dividend for seven consecutive years from the Financial Year 2017-18, indicating that such shares shall be transferred to IEPFA. The shareholders can claim dividend on or before September 05, 2025, failing which the shares will be transferred to IEPFA at an appropriate date. The said intimation will also be published in newspapers and made available on the website of the Company https://www.vguard.in/ in the page 'Investor Relations'.

Details of shares transferred to Investor Education and Protection Fund Authority (IEPFA):

During the year under review, the Company was required to transfer 48,179 equity shares to IEPFA as dividends have not been encashed or claimed on the above shares during the seven consecutive years from the Financial Year 2017-18 to 2023-24. However, the Company could transfer only 46,899 equity shares to IEPFA, as 1,280 equity shares could not be transferred to the demat account of IEPFA, due to regulatory restrictions. The Company had intimated IEPFA the details of such shares by filing e-form IEPF-4. The voting rights on the shares transferred to IEPFA shall remain frozen till the shareholders claim those shares from IEPFA, by filing e-Form IEPF-5, as prescribed under the Rules. The details of shares transferred to IEPFA is available on the website of the Company at https://www.vguard.in/investor-relations/shareholder-information-new.

The procedures to be followed by the shareholder for filing of e-form IEPF-5 for claiming both unpaid dividend and the shares from IEPFA is detailed on the website of the Company at https://www.vguard.in/investor-relations/shareholder-information-new.

Pursuant to Schedule VI, Regulation 39 of the Listing Regulations, there were 3220 unclaimed/ undelivered equity shares in 'Unclaimed Securities Suspense Escrow Account for V-Guard Industries Limited' as on March 31, 2025, which belongs to Eight shareholders. During the year, shareholders claimed 14,980 shares from Unclaimed Securities Suspense Escrow Account and 2240 shares were transferred to the IEPF authority.

In accordance with the requirements of Regulation 34 and Regulation 39 read with Schedule V(F) of the Listing Regulations, details of equity shares in V-Guard Industries Limited – Unclaimed Suspense Account are as follows, which were issued in demat form and/or physical form, respectively:

Particulars	No. of shareholders	No. of equity shares (₹ 1 each)
Aggregate number of shareholders and the outstanding unclaimed shares in the suspense account lying at the beginning of the year	20	20440
Shareholders who approached listed entity for transfer of shares from the suspense account during the year	2	14980
Shareholders to whom shares were transferred from suspense account during the year	2	14980
Shareholders whose shares were transferred from suspense account to IEPF	10	2240
Aggregate number of shareholders and outstanding shares lying in the suspense account at the end of the year	8	3220
that the Voting rights on such shares shall remain frozen till the rightful owner of such shares claims the shares	8	3220
The voting rights on the shares outstanding in the suspense account as on March 31, 2025, shall remain frozen till the rightful owner of such shares claims the shares		

d) **Name and address of the Stock Exchange at which the shares of the Company are listed and details of annual listing fees paid**

Equity Shares of the Company are quoted on the National Stock Exchange of India Ltd. (NSE) and the BSE Ltd., since March 13, 2008. Listing fees for the Financial Year 2025-26 have been paid to both the Stock Exchanges. Address of the Stock Exchanges are as follows:

BSE Ltd	National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Towers, Dalal street, Mumbai – 400001 Script Code: 532953	Exchange plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla complex, Bandra – East, Mumbai – 400051 Script Symbol- VGUARD

ISIN: INE951I01027

Custodial Fees

The Company has paid the custodial fees to the National Security Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the Financial Year 2025-26.

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

f) **Registrar and Share Transfer Agent**

MUFG Intime India Private Limited (Formerly known as Link Intime India Pvt. Ltd.)
Surya 35, Mayflower Avenue,
Behind Senthil Nagar, Sowripalayam Road,
Coimbatore – 641028
Phone: 0422-2314792,
E-mail: coimbatore@in.mpms.mufg.com

Share transfer

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

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

Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate shares, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the

Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

In accordance with the SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024), the Company had opened a Suspense Escrow Demat Account with the DP for transfer of shares lying unclaimed for more than 120 days from the date of issue of Letter of Confirmation to the shareholders in lieu of physical share certificates to enable them to make a request to DP for dematerialising their shares.

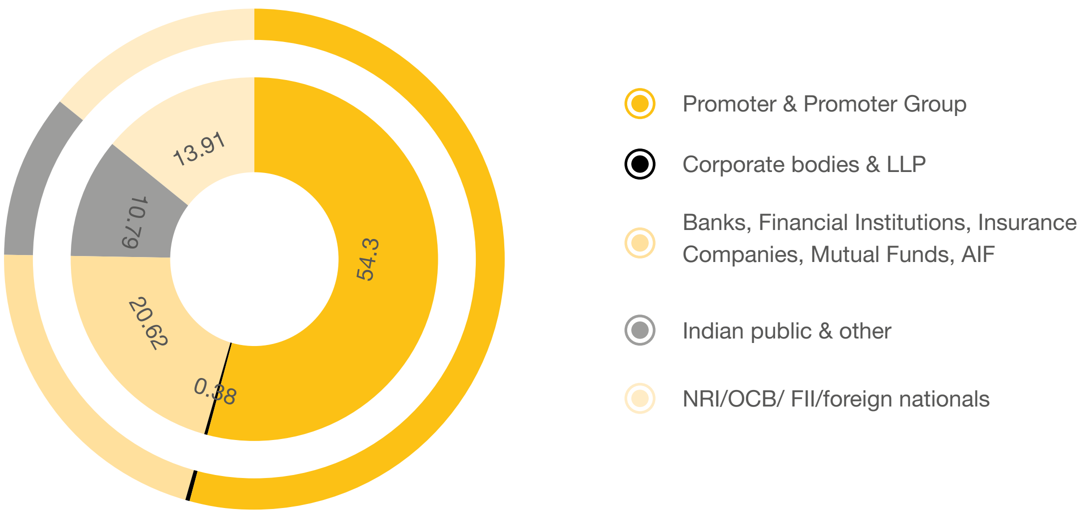
During the Financial Year ended March 31, 2025, Nil shares were lying in the Suspense Escrow Demat Account of the Company, hence, no request was received for release of shares from the said Suspense Escrow Demat Account of the Company.

g) Distribution of shareholding as on March 31, 2025

Sl. No.	Shareholding of Nominal shares From	To	Number of shareholders	% of shareholders	Number of shares	% of shares
1	1	5,000	134385	99.36	1,94,27,201	4.46
2	5,001	10,000	371	0.27	26,29,252	0.60
3	10,001	20,000	179	0.13	24,88,682	0.57
4	20,001	30,000	64	0.05	15,59,194	0.36
5	30,001	40,000	34	0.02	11,67,206	0.27
6	40,001	50,000	27	0.02	12,44,261	0.28
7	50,001	100,000	61	0.05	43,08,130	0.99
8	100,001	Above	129	0.10	40,29,55,107	92.47
	Total		135250	100.00	43,57,79,033	100.00

Category of shareholder as on March 31, 2025

Category	No. of shares	% of total no. of shares
Promoter & Promoter Group	23,66,37,552	54.3
Corporate bodies & LLP	16,51,117	0.38
Banks, Financial Institutions, Insurance Companies, Mutual Funds, AIF	8,98,64,199	20.62
Indian public & other	4,70,28,744	10.79
NRI/OCB/ FII/Foreign Nationals	6,05,97,421	13.91
Total	43,57,79,033	100.00



h) Dematerialisation of shares and liquidity

The shares of the Company are in compulsory dematerialisation segment and actively traded in National Stock Exchange of India Ltd., and BSE Ltd. The status of shares held in dematerialised and physical form as on March 31, 2025, are given below:

Particulars	No. of shares	Percentage
Issued Capital	43,57,79,033	100%
Listed Capital (Exchange-wise)	43,57,79,033	100%
Shares held in Dematerialised form	43,54,43,939	99.92%
Shares held in Physical form	3,35,094	0.08%

i) There were no outstanding Global Depository Receipts/American Depository Receipts/warrants or any convertible instruments as at and for the Financial Year ended March 31, 2025.

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

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

k) Plant Locations

The details of manufacturing /plant locations (of the Company and its wholly owned subsidiaries) and registered office are given in Corporate Information section of Annual Report.

l) Address for investor correspondence is as follows:

The Company Secretary
V-Guard Industries Ltd.
42/962, Vennala High School Road,
Vennala, Kochi, Kerala – 682 028
Phone: 0484-433 5000, 200 5000
e-mail: secretarial@vguard.in, cscompliance@vguard.in

m) List of credit rating obtained by the company with revision during the Financial Year.

The Company's credit facilities are rated by M/s. CRISIL Ratings Ltd and M/s. ICRA Ltd. M/s CRISIL Ratings Ltd had re-affirmed the top-notch rating i.e. CRISIL A1+ (pronounced as CRISIL A one plus rating) on commercial paper of your Company w.e.f. November 29, 2024. M/s. ICRA Ltd has re-affirmed the long-term rating of the Company as [ICRA]AA (pronounced ICRA double A) and short-term rating as [ICRA]A1+ (pronounced ICRA A one plus) w.e.f. February 17, 2025. The outlook on the long-term rating was revised from “Stable” to “Positive”.

XIII. Other disclosures

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

The Company has not entered into any materially significant transactions that has potential conflict with the interest of the Company at large. However during the year, the Company has entered into material Related Party Transactions with its wholly-owned subsidiary i.e. V-Guard Consumer Products Limited, as per the provisions of the Companies Act, 2013 and a confirmation to this effect as required under section 134(3)(h) of the Companies Act, 2013 is given in Form AOC-2 as Annexure V of Board's Report, which forms part of this Annual Report.

The Board of Directors of the Company, as per the provisions of Regulation 23 of the Listing Regulations, has formulated a policy on Material Related Party Transactions. The said policy is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/POLICY-MATERIALITY-DEALING-RELATED-PARTY-TRANSACTIONS.pdf. The related party transactions entered during the year under review are in the ordinary course of business and on arms' length basis. Further, a statement on all related party transactions is presented before the Audit Committee of the Company on quarterly basis for its review.

Also, refer note no. 45 of the Standalone financial statements as of March 31, 2025, which forms part of this Annual Report for details of related party transactions.

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

The Company has complied with all the requirements of the Stock Exchanges and SEBI on matters relating to Capital Markets. There were no penalties imposed or strictures passed against the Company by SEBI, Stock Exchanges on which the shares of the Company are listed or any statutory authority in this regard, during the last 3 years.

c) **Details of establishment of vigil mechanism / whistle blower policy**

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

During the review period, two complaints were received and duly resolved, and hence no complaint was pending as on March 31, 2025.

Vigil Mechanism adopted by the Company is hosted on the website of the Company at https://www.vguard.in/uploads/investor_relations/WHISTLEBLOWER-POLICY.pdf

d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted non-mandatory requirements detailed in point no. XIV of this report.

e) **Details of policy for determining material subsidiaries**

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

Governance of Subsidiary Companies – Guts Electro-Mech Limited, V-Guard Consumer Products Limited & Sunflame Enterprises Private Limited

M/s. Guts Electro-mech Limited, M/s. V-Guard Consumer Products Limited and M/s. Sunflame Enterprises Private Limited continue to be Wholly owned Subsidiaries of the Company.

The Audit Committee reviews the consolidated financial statements of the Company and the investments, if any made by unlisted subsidiary companies.

The minutes of the Board and committee meetings of the subsidiary companies, along with the details of the significant transactions and arrangement entered by the Company are shared with the Board of Directors of the Company. The Company does not have a material subsidiary as on March 31, 2025. However, on the basis of Financials of FY 2024-25 the V-Guard Consumer Products Limited (VCPL) has become Material Subsidiary of the Company.

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

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

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

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

h) **Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority.**

The Company has obtained a Certificate from M/s. Keyul M. Dedhia & Associates, Practicing Company Secretaries (ICSI Unique Code Number: S2009MH120800), Mumbai, in compliance with the provisions of Regulation 34(3) of the Listing Regulations read with Schedule V Para C clause (10) (i) of the Listing Regulations, confirming that none of the Directors of the Company are debarred or disqualified from being appointed or continuing as a Director of any company, by SEBI or Ministry of Corporate Affairs or any other Statutory Authority as on March 31, 2025. Certificate obtained from the Practising Company Secretary forms part of this Report.

i) **Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant Financial Year, the same to be disclosed along with reasons**

During the year under review, all the recommendations of all the Committees which were mandatorily required have been accepted by the Board.

j) **Total fees paid to Statutory Auditors**

M/s. Price Waterhouse Chartered Accountants LLP with Firm Registration No. 012754N/ N500016, was appointed as Statutory Auditor of the Company from the conclusion of 26th Annual General Meeting until the conclusion of 31st Annual General Meeting of the Company to be held in the Financial Year 2027-28. Fees paid to Statutory Auditor is provided in note no. 36 of the Standalone financial statements for the Financial Year ended March 31, 2025, which forms part of this Annual Report.

Fees paid/ provided to M/s. Price Waterhouse Chartered Accountants LLP with Firm Registration No. 012754N/ N500016, for conducting Statutory Audit of V-Guard Consumer Products Ltd., Guts Electro-Mech Limited and Sunflame Enterprises Pvt. Ltd. (Wholly owned Subsidiaries) is ₹ 25 Lakhs, ₹ 15 Lakhs and ₹ 40 Lakhs (which includes additional fee of ₹ 10 Lakhs pertaining to Financial Year 2023-24), respectively.

k) **Redressal of Grievances under Sexual Harassment Policy:**

The Company has in place, a policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the period under review, no complaint was received and one complaint which was pending at the beginning was resolved during the current year.

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

During the year under review, the Company and its subsidiaries has not given any loans and advances to firms/companies in which directors are interested. However, the Company during the year has disbursed a secured loan of ₹ 1.6 Cr. to M/s. Gegadyne Energy Labs Pvt. Ltd. (GEL), an associate Company of V-Guard Industries Limited (in which one of the Director of the Subsidiary Company, is a Nominee Director on behalf of V-Guard). The said loan was given for an interim period, and the rate of interest was charged at arm's length basis.

The details of Loans, Investments and Guarantees are provided in Directors Report forming part of this Annual Report.

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

The Company does not have a material subsidiary as on March 31, 2025. However, based on Financials of FY 2024-25 the V-Guard Consumer Products Limited (VCPL) a wholly owned subsidiary of the Company, has become Material Subsidiary of the Company. VCPL was incorporated on July 19, 2021, in Ernakulam, Kerala, India. During their first AGM, shareholders appointed Price Waterhouse Chartered Accountants LLP as the Statutory Auditors effective from August 10, 2022, to hold the office until the conclusion of the Sixth AGM.

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

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

a) The Chairperson of the Company is Non-Executive Independent Director and not related to the Managing Director/ Whole-time Director of the Company. A clear distinction exists between the roles and duties of the Chairperson and those of Managing Director.

b) The Company has Woman Independent Director who is also Chairperson of the Board.

c) The Company follows the regime of financial statements with unmodified audit opinion.

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

e) Two meetings of Independent Directors were held during the year without the presence of non-independent directors and members of the management.

XV. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

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

XVI. DETAILS OF OTHER COMPLIANCES

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

a) **Code of conduct for Directors and Senior Management**

The Board has put in place a Code of Conduct for Directors and Senior Management of the Company in line with the provisions of the Act and the Listing Regulations. The Code is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Code-Conduct-for-Board-Senior-Management.pdf.

b) **Notice of interest by Senior Management Personnel**

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

c) **Prevention of insider trading**

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

During the year under review, the Company has provided training sessions to employees who are categorized as Insiders in order to apprise them about the various provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

d) **Risk Management**

The Board has adopted Risk Management Policy of the Company and has implemented the procedures to inform the members of Audit Committee and Board about the risk assessment and mitigations. The members of the Committee consist of two Executive Directors, two Independent Directors and one Key Managerial Personnel [Chief Financial Officer] of the Company.

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

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

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

f) **Submission of quarterly compliance report on Corporate Governance**

The Company has submitted quarterly compliance report on Corporate Governance/Integrated Governance with all the Stock Exchanges wherein the shares of the Company are listed.

g) **Management Discussion and Analysis Report**

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

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

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

i) The Company had already in place Directors and Officers Liability Insurance (D&O) which is renewed annually. Further, as per the applicable provisions of the Companies Act, 2013 and in compliance with Regulation 25(10) of the Listing Regulations, the Company continues to take D & O insurance policy on behalf of all Directors including Independent Directors, and Officers of the Company for indemnifying any of them against any liability that may arise in course of fulfilling their duties towards the Company.

j) The Company has not been informed of any agreement under Regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations which is impacting the management or control of the Company or imposing any restriction or creating any liability upon the Company.

k) **Memorandum of Association and Articles of Association:**

During the year under review, there were no changes in Memorandum of Association (MoA) and Articles of Association (AOA). Pursuant to provisions of Companies Act, 2013, the changes in MoA and AoA are subject to approval of shareholders of the Company.

XVII. CEO/CFO CERTIFICATION

Pursuant to Regulation 17(8) of the Listing Regulations, Mr. Mithun K Chittilappilly, Managing Director and Mr. Sudarshan Kasturi, Chief Financial Officer has given CEO/CFO Certificate as per the format specified in part B to the Schedule II of the Listing Regulations, and said certificate was placed before the meeting of Board of Directors in their meeting held on May 14, 2025 and is annexed to this report.

XVIII. DECLARATION OF CODE OF CONDUCT

In compliance with the provisions of Schedule V(D) of the Listing Regulations, the declaration signed by the Managing Director 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 is annexed to this Report.

For and on behalf of the Board of Directors

Sd/-
Radha Unni
Chairperson
DIN: 03242769

Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Place: Kochi
Date: May 14, 2025

Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's code of conduct

This is to confirm that all the Members of the Board and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the Financial Year ended March 31, 2025.

For **V-Guard Industries Limited**

Sd/-

Mithun K Chittilappilly
Managing Director
DIN: 00027610

Place: Kochi
Date: May 14, 2025

CEO/CFO CERTIFICATION TO THE BOARD

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Mithun K Chittilappilly, Managing Director and Sudarshan Kasturi, Chief Financial Officer of V-Guard Industries Limited, hereby certify that:

A. We have reviewed the financial statements and the cash flow statement for the quarter and year ended March 31, 2025, and that to the best of our knowledge and belief:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   2) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period under review which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and steps have been taken or is proposed to be taken to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   1) That there are no significant changes in the internal control over financial reporting during the period under review.

   2) That there are no significant changes in the accounting policies during the period under review and the same has been disclosed in the notes to financial statements; and

   3) That we are not aware of instances of any significant fraud with involvement therein of the management or any employee having any significant role in the Company's internal control system over financial reporting.

For **V-Guard Industries Limited**

Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Date: May 14, 2025
Place: Kochi

CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance with conditions of Corporate Governance by V-Guard Industries Limited ('the Company'), for the financial year ended on March 31, 2025, as per Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations during the financial year ended March 31, 2025.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and shall not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

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

Sd/-
Keyul M. Dedhia
Proprietor
FCS No: 7756 COP No: 8618
UDIN: F007756G000339881
Peer Review Certificate No: 876/2020

May 14, 2025, Mumbai.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ending on March 31, 2025, have been debarred or disqualified from being appointed or continuing as Director(s) of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our test check basis verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-

Keyul M. Dedhia
Proprietor
FCS No: 7756 COP No: 8618
UDIN: F007756G000339824
Peer Review Certificate No.: 876/2020

May 14, 2025, Mumbai.

Business Responsibility & Sustainability Report (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L31200KL1996PLC010010
2.	Name of the Listed Entity	V-Guard Industries Limited
3.	Year of incorporation	February 12, 1996
4.	Registered office address	42/962, Vennala High School Road, Vennala, Kochi, Kerala – 682 028
5.	Corporate address	42/962, Vennala High School Road, Vennala, Kochi, Kerala – 682 028
6.	E-mail	cscompliance@vguard.in
7.	Telephone	0484 433 5000
8.	Website	www.vguard.in
9.	Financial year for which reporting is being done	2024-25
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11.	Paid-up Capital	₹ 43,57,79,033
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ramachandran V Telephone: 0484 433 5000 Email: cscompliance@vguard.in
13.	Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Electronics	Stabilizers, Digital UPS and Solar Power Systems	28%
2.	Electrical	PVC Insulated Cables, Switch Gears, Pumps and Modular Switches	41%
3.	Consumer Durables	Electric Water Heaters, Solar Water Heaters, Fans, Air Coolers and Kitchen appliances.	31%

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

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Electronics	2710, 2720, 2790	28%
2.	Electrical	2710, 2732, 2812	41%
3.	Consumer Durables	2599, 2815, 27502, 27503	31%

III. Operations

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

Location	Number of plants	Number of offices *	Total
National	9	1 Registered office, 1 Corporate office and 29 Branch offices, 1 lab and 18 warehouses/hubs	59
International	-	-	-

*Owned and rented physical locations having operational control are considered.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States/UTs)	Pan India
International (No. of Countries)	6 Countries (Nepal, Spain, Bangladesh, Singapore, Maldives and Laos)

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

Particulars Export sales (INR in Lakhs)	FY 24-25
Sales outside India	13.25 Crores
% to sales	0.25%

c. A brief on types of customers

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

b. Modern Trade and Regional Specialty chains

c. E-commerce/Quick Commerce

d. Central Police Canteens

e. Canteen Stores Department

f. Institutions

IV. Employees

20 Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)*	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		EMPLOYEES				
1.	Permanent (D)	2661	2460	92.45%	201	7.55%
2.	Other than Permanent (E)	1767	1556	88.06%	211	11.94%
3.	**Total employees (D + E)**	**4428**	**4016**	**90.70%**	**412**	**9.30%**
		WORKERS				
4.	Permanent (F)	472	464	98.31%	8	1.69%
5.	Other than Permanent (G)	2281	1596	69.97%	685	30.03%
6.	**Total workers (F + G)**	**2753**	**2060**	**74.83%**	**693**	**25.17%**

*Count does not include apprentices.

b. **Differently abled Employees and Workers**

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

21. Participation/Inclusion/Representation of women

	Total (A)*	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (BOD)	7	1	14.29%
Key Management Personnel (KMP)	5*	0	0%

*KMP includes 3 executive directors.

22. Turnover rate for permanent employees and workers

	FY 2025			FY 2024			FY 2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.70%	10.80%	14.40%	16.17%	9.14%	15.65%	15.29%	10.19%	14.92%
Permanent Workers	4.80%	31.60%	5.30%	3.93%	9.09%	4.05%	1.50%	0%	1.46%

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Guts Electro-Mech Limited	Subsidiary	100%	Yes
2.	V-Guard Consumer Products Limited	Subsidiary	100%	Yes
3.	Sunflame Enterprises Private Limited	Subsidiary	100%	Yes
4.	Gegadyne Energy Labs Private Limited	Associate	24%	No

VI. CSR Details

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

(ii) Turnover (in ₹): 5308.87 Crores

(iii) Net worth (in ₹): 1998.34 Crores

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No)	FY 2025			FY 2024		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes, https://www.vguard.in/uploads/policies/Stakeholder-Engagement-Policy.pdf	-	-	-	-	-	-
Communities		-	-	-	-	-	-
Shareholders*		142	-	-	160	-	-
Employees and workers		14	-	-	72	2	-
Customers		12723	1700	Number represents service calls escalation related to products by consumers	11127	255	Number represents service calls escalation related to products by consumers
Value Chain Partners		-	-	Although no formal grievances were raised, in the ordinary course of business the partners raise issues relating to seasonal business volumes, working capital support, investment requirements etc. which get resolved.	-	-	Although no formal grievances were raised, in the ordinary course of business the partners raise issues relating to seasonal business volumes, working capital support, investment requirements etc. which get resolved.
Others		-	-	-	-	-	

*Complaints raised by investors majorly include queries related to unpaid dividends, annual report and dematerialization of shares.

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

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

V-Guard conducted a structured materiality assessment to identify and prioritize issues most relevant to its business and stakeholders. This process involved evaluating a wide range of factors, including global megatrends, regulatory developments, ESG standards, and stakeholder expectations. Extensive engagement with internal and external stakeholders was undertaken to assess the significance of each issue based on its potential impact on stakeholder interests and the Company's strategic objectives and risk profile. The assessment resulted in the identification of 21 material ESG topics, which were reviewed and approved by the Board of Directors. These material topics, along with associated ESG risks, are integrated into V-Guard's Enterprise Risk Management (ERM) framework.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Decarbonization	Opportunity	Transitioning to low carbon operations through implementing operational eco-efficiency and enhancing the share of renewable energy	-	Positive
		Risk	Evolving regulatory landscape	The company has developed a decarbonization strategy focusing on increasing the share of renewable energy and reducing carbon emissions.	Negative
2.	Water Stewardship	Risk	Risks pertaining to unavailability of fresh water and increase in the cost of water	The company has been practicing water conservation measures focused on reducing freshwater withdrawal through various resource efficiency and other measures including rainwater harvesting	Negative
3.	Circularity	Opportunity	Focusing towards shifting from linear model 'Take › make › dispose' to a circular model of 'Make › use › return'. For the better use of resources, extend material usage life and also contribute towards reducing associated emissions and waste generation.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Sustainable Supply Chain	Risk	To minimize negative impacts on the environment, to ensure ethical and fair labour practices, and to create economic value for all stakeholders	Strengthening further our policies, procedures and protocols across the value chain. Also, effectively engaging with suppliers to enhance the ESG performance.	Negative
5.	Sustainable Products	Opportunity	Integrating sustainability as an inherent characteristics of product design, raw material sourcing and development	-	Positive
6.	Sustainable Packaging	Opportunity	Standardizing, eliminating, substituting, and minimizing the primary, secondary and tertiary packaging of a product	-	Positive
7.	Human Rights	Risk	Violation of human rights triggers conflicts and instability and causes severe risk to the overall reputation of the organization	The company's Code of Conduct & Ethics and the HR policies and processes adequately address the aspects of human rights	Negative
8.	Employee Training and Development	Opportunity	Investing in employees for their development through various capacity-building sessions, leadership programs and also through effective feedback	-	Positive
9.	Diversity, Equity, and Inclusion (DEI)	Opportunity	Implementing diversity, equity and inclusion by employing people from diverse gender in the organization.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10.	Health, Safety, and Wellbeing	Risk	Poor health and safety management system leads to various risks such as disruption due to hazards and accidents, reputation risk, financial risk that results in reduced productivity, and decreased employee satisfaction	Implementing an effective health and safety management system, providing appropriate training to employees, conducting safety audits, and fostering a culture of safety in workplace	Negative
11.	Talent Management	Opportunity	Employing a diverse group of talent fosters all-round development of the entity bringing in diverse innovations	-	Positive
12.	Corporate Social Responsibility	Opportunity	Development of communities through strategic implementation of healthcare, education, and skill development brings out better leadership attributes of the entity and increases brand value, customer loyalty and public trust	-	Positive
13	Corporate Governance	Opportunity	Robust Governance structure is fundamental for the seamless functioning and performance of the organization. It shall result in building a strong market reputation and relationship with investors and other stakeholders	-	Positive
		Risk	Poor corporate governance can pose several risks including legal and financial risks, reputational damage, decreased stakeholder trust, and decreased shareholder value	A well-defined multi-tier governance mechanism in place across the organization	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
14.	Business Ethics	Risk	Lack of business ethics pose risk of of deteriorating trust among employees and loyalty among customers	The company has a Code of Conduct for employees, Directors and Senior Management that outlines preservation of business ethics	Negative
15.	Compliance Management	Risk	Failure to comply with regulations, standards and policies may lead to legal implications, financial loss, reputation loss and penalties	Robust compliance management system is in place across operations. Effective monitoring mechanism also include periodic internal audits and reporting which aid in building a culture of ethics and compliance.	Negative
16.	Risk Management	Risk	To better understand business / ESG-related shifts, impacts, and dependencies that may affect a business's ability to achieve its strategy or objectives.	The company's Risk Management framework has been designed to establish a process that addresses the Company's business needs and responsibilities, while being simple and pragmatic. The framework is aligned to leading risk management standards and practices	Negative
17.	Innovation, R&D	Opportunity	Exploring alternatives and breakthrough initiatives to enhance sustainable coefficient will help to deliver a positive impact on the customers and society	-	Positive
18.	Data Privacy and Cybersecurity	Risk	Data breach, data loss, cyber-attacks could lead to unavailability of data or exposure of sensitive data to unauthorized individuals.	The company has a robust cybersecurity management system. Cyber Threats are mitigated by deploying various systems, tools and processes such as Data classification (DC), Data Leakage Protection (DLP), Data Backup and Recovery (DR), end point protection, access management, secured network connectivity, firewalls, password management and Vulnerability assessments.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
19.	Digital Transformation	Opportunity	Integration of digital technology throughout all aspects of an organization, resulting in significant changes to how the organization functions and delivering long-term value	-	Positive
20.	Disclosures	Risk	Improper disclosures with inadequate reporting impact the performance and reputation of the organization	Transparent governance policies and procedures. Adequate reporting and disclosures in alignment with global frameworks like GRI/TCFD/IIRC.	Negative
21.	Brand and Reputation	Opportunity	A strong brand name attracts more customers, investors and captures better market preferences	-	Positive
		Risk	A poor brand results in negative stakeholder feedback, decrease in loyalty and trust and losing of existing stakeholders	Reviews and feedback from external stakeholders, conducting customer satisfaction survey and engaging with external stakeholders to understand the evolving markets	Negative

SECTION B:
MANAGEMENT AND PROCESS DISCLOSURES

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

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

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	Mr. Mithun K Chittilappilly Managing Director								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Mr. Mithun K Chittilappilly Managing Director								

* All policies are either approved by the Board committee or Management committee.

10. Details of Review of NGRBCs by the Company:

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

Note - A, Q and M represents Annually, Quarterly and Monthly respectively

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

P1	P2	P3	P4	P5	P6	P7	P8	P9
Y (secretarial audit by M/s. Keyul M Dedhia & Associates on board policies)	Y (BIS and BEE assessments by regulatory agencies)	Y (ISO audits by Bureau Veritas)	Y (secretarial audit by M/s. Keyul M Dedhia & Associates on Board policies)	Y (ISO audits by Bureau Veritas)	Y (ISO audits by Bureau Veritas)	NA	N	Y (Information Technology General Controls assessment under IFC project by EY)

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

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

SECTION C:
PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentages of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	4	All Principles Awareness on ESG and material topics, Periodic updates on policy and regulations.	100%
Key Managerial Personnel (KMPs)	7	All Principles Insider Trading, POSH, Code of Business Conduct, Human Right, Equal Opportunity, Health and Safety and IT Policy training are conducted annually. Awareness on ESG and material topics are created by Brand & Communication team through mailers and videos.	100%
Employees other than BoD and KMPs	7	All Principles Insider Trading, POSH, Code of Business Conduct, Human Right, Equal Opportunity, Health and Safety and IT Policy training are conducted annually. Regular newsletters and mailers are sent for data awareness and IT security. Awareness on ESG and material topics are created by Brand & Communication team through mailers and videos.	100%
Workers	174	Principle 1, 3, 5, 6 and 9 POSH, Code of Business Conduct, Human Right, Equal Opportunity and Health and Safety trainings are conducted annually. All workers are also required to undergo periodic training as per EHS programmes.	100%

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

a. Monetary					
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle 1	Registrar of Companies, Kerala & Lakshadweep	2,03,000	Suo-moto adjudication application filed by the Company with regard to Section 152(6) of the Companies Act, 2013 and the Registrar of Companies, Kerala & Lakshadweep imposed penalty on Managing Director	No
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NIL	NIL	NIL	NIL	NIL

b. Non-Monetary				
	NGRBC Principle	Name of the regulatory/enforcement agencies/Judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

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

Not Applicable

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

Yes. The Company has implemented a comprehensive Code of Conduct applicable to the Board of Directors, Senior Management, and all employees. It sets out the principles of ethical behavior and professional integrity expected across the organization. The Code is supported by a Whistleblower mechanism that provides confidential channels for reporting concerns. Any violations of the Code may result in disciplinary action, including impacts on performance appraisals, suspension, or termination, as appropriate. The Code of Conduct is publicly available at: https://www.vguard.in/uploads/policies/Code-Conduct-Employees.pdf.

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

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

Note - No breaches related to corruption, bribery or money laundering were identified during the reporting period, in line with the Company's Code of Conduct and applicable regulations

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

	FY 2025 Current Financial Year		FY 2024 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	-	NIL	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	-	NIL	-

Note - No instances of breaches concerning conflicts of interest were reported or identified in accordance with the Company's Code of Conduct during the reporting period

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

Not Applicable

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Number of days of accounts payables*	44	56

*Purchases include material, spares, services and capex purchases made in FY 2025, however, only material purchases were considered in the previous year.

9 **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	1.22%*	8.06%
	b. Number of trading houses where purchases are made from	157	130
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	65.91%	93.65%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	87.36%	88.82%
	b. Number of dealers/distributors to whom sales are made	9338	8357
	c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributor	6.87%	8.08%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)**	15.87%	13.10%
	b. Sales (Sales to related parties / Total Sales)**	0.41%	0.22%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)***	1.95%	-
	d. Investments (Investments in related parties / Total Investments made)****	98.89%	96.73%

* Purchases include material, spares, services and capex purchases made in FY 25, however, only material purchases were considered in the previous year. A "trading house" is a specialized legal entity primarily engaged in the business of export, import, and/or domestic trade of goods and services, facilitating such import, export and/or domestic trade and providing related services to support these transactions.

**All related party purchases and sale transactions are with our wholly-owned subsidiary companies.

***Balances at year-end have been considered.

**** Investments include investments in wholly-owned subsidiaries and associate companies. Balances at year-end have been considered.

Leadership Indicators

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

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

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

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

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year	Details of improvements in environmental and social impacts
R&D*	33%	26%	Various R&D and capital expenditure projects were undertaken to improve the safety of consumers, plastic reduction in products, improving energy efficiency, development of solar products etc.
Capex**	4%	3%	

*Employee benefit-related expenses are excluded from R&D.

**As a percentage of total Capex for tangible assets

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

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

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

   80% of our material sourcing during FY 25 was through sustainable sourcing. We have included the vendors who have incorporated our Supplier Code of Conduct in their agreements or published their sustainability program publicly. Additionally, the Company has established a structured Vendor Screening process that covers environmental, social, governance, and business relevance aspects such as energy use, RoHS, REACH, conflict minerals, social responsibility, health and safety, training & development activities, quality management, process control, traceability, non-conformance handling etc. The screening also considers country-specific, sector-specific, and commodity-specific risks. Suppliers are rated based on audit performance, with approval granted only to those meeting the defined thresholds. We have also initiated a supplier assessment process (desk assessments with systematic verification of evidence) during this financial year, where all major critical vendors will be assessed under Environment, Social, and Governance parameters, as part of our Sustainability program. During the financial year, we have conducted assessments for vendors covering 26% of total purchase by value and individually contributing to 2% or more during the financial year as per SEBI regulation.

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

   V-Guard has partnered with government-authorized recyclers, as a part of plastic waste management, E waste management & battery waste management collection program. In FY2024-25, we reclaimed 893MT (Category 1- 27MT and Category 2- 866MT) of plastic waste, 6022.66 MT of e-waste, and 3200 MT of battery waste through authorized channels.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

   If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

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

Leadership Indicators

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

   As part of our commitment to environmental stewardship and in alignment with ISO 14040 standards, V-Guard initiated Life Cycle Assessments (LCA) in FY 2024–25 for selected SKUs within the Stabilizer and Wires & Cables categories. These categories together accounted for approximately 44% of total revenue. Conducted by an independent external agency, the assessments followed the four structured phases of LCA: Goal and Scope Definition, Inventory Analysis, Impact Assessment, and Interpretation. A 'Cradle-to-Gate' system boundary was applied, capturing environmental impacts from raw material extraction to the final stages of manufacturing. The Environmental Footprint (mid-point indicator) methodology was implemented using openLCA software, with reference data sourced from the Environmental Footprint (EF) 3.1 cut-off database. These efforts represent a step towards enhancing product sustainability and informing data-driven decisions across our value chain.

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

   LCA is in Progress for Stabilizer VG 400 Model and House Wire cables SUPERIO Model.

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Lead (for Battery manufacturing)	100%	100%
Castings (for pumps)	36%	29%
Plastic (Switches)	20%	12%

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

	FY 2025 Current Financial Year			FY 2024 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastic waste	-	893.00MT	-	-	600.00MT	-
E-waste	-	6022.66MT	-	-	5693.30MT	-
Battery waste	-	3200.00MT	-	-	2953.32MT	-

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

Essential Indicators

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees*											
Male	2460	2459	99.96%	2459	99.96%	NA	NA	2460	100%	NA	NA
Female	201	201	100%	201	100%	201	100%	NA	NA	132	65.67%
Total	**2661**	**2660**	**99.96%**	**2660**	**99.96%**	**201**	**100%**	**2460**	**100%**	**132**	**65.67%**
Other than Permanent employees											
Male	1556	1556	100%	1556	100%	NA	NA	NA	NA	NA	NA
Female	211	211	100%	211	100%	211	100%	NA	NA	35	16.59%
Total	**1767**	**1767**	**100%**	**1767**	**100%**	**211**	**100%**	**NA**	**NA**	**35**	**16.59%**

*Paternity policy has been introduced from April 2024 for permanent employees and workers.

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

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers*											
Male	464	464	100%	464	100%	NA	NA	464	100%	NA	NA
Female	8	8	100%	8	100%	8	100%	NA	NA	7	87.50%
Total	**472**	**472**	**100%**	**472**	**100%**	**8**	**100%**	**464**	**100%**	**7**	**87.50%**
Other than Permanent workers											
Male	1596	1596	100%	1596	100%	NA	NA	NA	NA	NA	NA
Female	685	685	100%	685	100%	685	100%	NA	NA	656	95.77%
Total	**2281**	**2281**	**100%**	**2281**	**100%**	**685**	**100%**	**NA**	**NA**	**656**	**95.77%**

*Paternity policy has been introduced from April 2024 for permanent employees and workers.

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.**

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.45%*	0.30%

*During FY 24-25, salaries paid to permanent employees and permanent workers during maternity and paternity leaves are also considered.

2. Details of retirement benefits.

Benefits	FY 2025 Current Financial Year			FY 2024 Previous Financial Year		
	No. of employees covered as a % of total Employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No.of employees covered as a % of total employees	No. of workers Covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100% employees are covered based on eligibility as per respective legislation	100% employees are covered based on eligibility as per respective legislation	Yes	100% employees are covered based on eligibility as per respective legislation	100% employees are covered based on eligibility as per respective legislation	Yes
Gratuity			NA*			NA*
ESI			Yes			Yes

*Note - We are maintaining a gratuity fund with LIC

3. Accessibility of workplaces

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

Wheelchair ramps are available at all plant locations and in 6 out of 8 owned branches and warehouse locations to assist people with physical disabilities. During FY 24-25, we also constructed toilets and seating arrangements for people with disability in all our factory locations, and we are building the same in our owned branches and warehouses.

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

Yes. The company has an equal opportunity and anti-discrimination policy which is available at https://www.vguard.in/uploads/policies/Equal-Oppurtunity-Anti-discrimination-Policy.pdf.

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

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

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

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

POSH:https://www.vguard.in/uploads/policies/PoSH-policy.pdf

Whistleblower policy: https://www.vguard.in/uploads/policies/WHISTLEBLOWER-POLICY.pdf

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

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

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

8. **Details of training given to employees and workers:**

Category	FY 2025 Current Financial Year					FY 2024 Previous Financial Year				
	Total (A)*	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2460	2460	100%	2460	100%	2353	2353	100%	2353	100%
Female	201	201	100%	201	100%	187	187	100%	187	100%
Total	**2661**	**2661**	**100%**	**2661**	**100%**	**2540**	**2540**	**100%**	**2540**	**100%**
Workers										
Male	464	464	100%	420	91%	455	455	100%	400	88%
Female	8	8	100%	8	100%	11	11	100%	11	100%
Total	**472**	**472**	**100%**	**428**	**91%**	**466**	**466**	**100%**	**411**	**88%**

The above data represents only permanent employees and workers; however, health and safety trainings are given to all non-permanent employees and workers as well.

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

Category	FY 2025 Current Financial Year			FY 2024 Previous Financial Year		
	Total (A)	No. (B)*	% (B/A)	Total (C)	No. (D)*	% (D/C)
Employees						
Male	2460	2460	100%	2353	2353	100%
Female	201	201	100%	187	187	100%
Total	**2661**	**2661**	**100%**	**2540**	**2540**	**100%**
Workers						
Male	464	464	100%	455	455	100%
Female	8	8	100%	11	11	100%
Total	**472**	**472**	**100%**	**466**	**466**	**100%**

*All permanent employees and workers are eligible for performance and career development review based on their date of joining.

10. **Health and safety management system:**

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

Yes, Internal Occupational Health and Safety (OHS) management systems have been implemented across all V-Guard factories, warehouses, and offices. Guided by a robust Environmental, Health and Safety (EHS) policy framework, these systems aim to safeguard employee health, minimize workplace incidents, ensure regulatory compliance, and foster a strong health & safety culture. As on March 31, 2025, seven factories are certified under ISO 45001, with implementation underway at remaining sites. To strengthen audit processes, a digital ISO audit management module has been integrated into our EHS platform, Suraksha 360, enabling effective tracking and monitoring of internal and external audits.

All employees have undergone mandatory medical examinations as per statutory requirements, with appropriate health interventions carried out based on findings. A customized preventive maintenance system ensures the safe and reliable operation of critical safety equipment. Health and safety performance is continually evaluated through a structured maturity model and expert reviews. The Corporate EHS team conducts periodic management reviews, chaired by the Managing Director (MD) and Chief Operating Officer (COO), involving key stakeholders to assess performance and drive improvements. Critical safety issues are escalated to the Management Committee, comprising senior leadership, for immediate resolution.

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

A comprehensive Hazard Identification and Risk Assessment (HIRA) system has been implemented across all manufacturing sites to identify hazards associated with routine activities. For non-routine activities, Job Safety Assessments (JSA) are conducted to recognize potential hazards and evaluate associated risks. An online HIRA module has been integrated into the EHS digital platform to monitor factory-level risks, track the implementation of action plans, and support regular reviews. In addition to core safety practices such as layered safety audits, the Work Permit System, incident reporting, and continuous workplace surveillance by both plant teams and the corporate EHS team, additional safety measures have been introduced to further strengthen overall safety performance.

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

Yes, V-Guard has implemented a digital platform for reporting near misses, unsafe acts, unsafe conditions, statutory violations, and policy/procedure deviations to proactively address and reduce potential workplace risks. All employees are trained to identify and report these issues, strengthening our culture of safety, compliance, and continuous improvement.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, permanent employees, permanent workers and non-permanent employees including their dependent family members are covered under group Mediclaim policies, which gives them access to cashless claims across 10900+ network hospitals. Further, permanent employees and permanent workers have access to the Company provided free annual health checkups, their family members can access this facility at company-negotiated rates at empanelled diagnostic centres.

Non-permanent workers have access to medical/maternity benefits under ESIC.

Many of our facilities are equipped with gyms and wellness centres to support our employees' physical health, and many programs both in person and on digital platform, towards improving mental well-being. Qualified medical practitioners also address the workforce and ensure awareness of non-occupational and lifestyle diseases / disorders. Additionally, employees are encouraged to participate in regular fitness programs, such as Zumba and Yoga.

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

Safety Incident/Number	Category	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	2	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

Safety is integrated into the workplace culture at V-Guard through structured training programs conducted throughout an employee's lifecycle, including mandatory induction and periodic safety training, with adherence monitored across all sites. A robust EHS management system, guided by the company's EHS policy and supported by the digital platform Suraksha 360, captures leading indicators such as near misses, unsafe acts, and unsafe conditions to drive proactive safety behavior. Risk identification and mitigation are ensured through tools like Job Safety Analysis (JSA), Hazard Identification and Risk Assessment (HIRA), and Management of Change (MOC) processes. A safety maturity assessment framework is implemented across factories to evaluate and continuously improve safety performance. Controls such as Work Permit Systems, Machine safety program, and regular internal and external audits are in place to prevent incidents. Workplace hygiene is maintained by monitoring lux levels, noise levels, and air quality. Comprehensive fire detection and firefighting systems, along with regular mock drills and emergency response training, ensure preparedness. A Safety Committee with equal representation from workers and management regularly reviews safety performance. All EHS guidelines, Standard Operating Procedures (SOP), and internal standards are accessible through the VG Portal to ensure uniform and compliant implementation across the organization.

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

	FY 2025 Current Financial Year			FY 2024 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	6	0	-	25	0	-
Health & Safety	2	0	-	9	0	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% Factories and warehouses have been audited by the EHS functions and unit team to ensure safe work conditions, while two warehouses and one branch office have also undergone third-party audits to verify compliance with statutory requirements. Additionally, V-Guard EHS maturity assessments have been successfully completed at eight factory locations, reinforcing V-Guard's commitment to continuous improvement and regulatory adherence.
Working Conditions	100% Factories and warehouses have been audited by the EHS functions and unit team to ensure safe work conditions, while two warehouses and one branch office have also undergone third-party audits to verify compliance with statutory requirements. Additionally, V-Guard EHS maturity assessments have been successfully completed at eight factory locations, reinforcing V-Guard's commitment to continuous improvement and regulatory adherence.

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

During the financial year 2024–25, two safety-related recordable incidents were reported. One incident was due to ergonomic issues, which have been addressed through an ergonomic study, resulting in the provision of an appropriate lifting mechanism. The second incident involved inadequate usage of PPE during scrap handling activities. In response, a HIRA (Hazard Identification and Risk Assessment) was conducted, and the PPE matrix was subsequently revised to ensure adequate protection. All incidents are reported through the digitized EHS platform (Suraksha 360), followed by thorough investigations to identify root causes and determine appropriate corrective actions. These actions are reviewed by management, and their implementation and effectiveness are tracked within the system. To address significant risks, suitable poka-yoke controls such as machine interlocks, safety light curtains, and two-hand controls are implemented. Additionally, best practices like theme-based safety audits, machine safety assessments, fire safety audits and the Management of Change (MOC) process are adopted to ensure proactive risk control and enhance workplace safety.

Leadership Indicators

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

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

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

The Company obtains all necessary documents as per contract labor regulations from its service providers to ensure statutory dues such as PF, ESI etc., are deducted and deposited in a timely manner.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025 Current Financial Year	FY 2024 Previous Financial Year	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Employees	0	0	0	0
Workers	0	0	0	0

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

Yes. The company has a Transition Assistance policy that helps employees navigate the transition from their current role to retirement or a new phase of life outside of the organization

5 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	In FY 24-25, we identified our critical vendors and developed a supplier assessment protocol covering ESG aspects, and initiated assessments based on the same. We have assessed all vendors individually contributing to more than 2% during the financial year as per SEBI regulations and circulars.
Working Conditions	

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

Based on the assessment scores, we are categorizing suppliers and developing corrective action plans, which will be communicated to our value chain partners.

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

Essential Indicators

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

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

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	• Annual shareholder meeting • Investor presentations and conference calls • Press releases and newsletters • Annual Report • Intimation to Stock exchanges and website of the Company	Annually- AGM, Annual report Quarterly- Investor presentation and conference calls. As per requirement - Others	• Disclose significant information • Avoid conflict of interest • Transparency • Complaints and grievances • Governance • Internal control, internal audit and risk management

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Vendors/ Suppliers and Consultants/ Agency Partners	No	• Regular interaction through online and offline meetings, phone calls, e-mails • Conferences and workshops • Training and awareness programmes • Supplier Audits • Consultative engagements for defined objectives basis business priorities • Marketing communication/ Market research/Media Planning execution	As per requirement	• Well-defined and detailed procurement procedures • Sustainable and transparent business operations • Procurement of environmentally and socially sustainable products • Timely and complete payment to suppliers • Complaints and grievances • Understanding consumer pain points and gaps • Improve brand perception
Customers	No	• Customer satisfaction surveys • Marketing and advertising • Customer service centers • Complaint handling and feedback • Electronic Communication - Social media, WhatsApp, Calls and SMS • Company website	As per requirement	• Safe, reliable and environmentally friendly products • Meet quality requirements • Dedicated customer support • Innovation, research and development • Complaints and grievances • Avoid misleading communication
Employees and workers	No	• Intranet portal • Trainings and development programmes • Performance management system • Emails, written communication • Newsletters, circulars and internal publications • Employee engagement initiatives • Functional and cross-functional committees	As per requirement	• Professional training and development • Performance evaluation • Equal opportunities • Work ethics and discipline • Occupational health and safety matters • Complaints and grievances • Adherence to laws and regulations
Government and Regulatory authorities	No	• Meetings and formal dialogue • Representation through various trade bodies Workshops • Written communications • Periodic Reporting	As per requirement	• Adherence to laws and regulations • NGRBC Principles • Insights on Policy improvements

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Industry associations	No	• Meetings and formal dialogue • Written communications	As per requirement	• Environment-Friendly Business Practices • Skill development • NGRBC Principles
Media	No	• Written Communications • Interviews and Forums • Press Conferences • Publications and Announcements • Media releases	As per requirement	• Clarity and transparency • NGRBC Principles
NGOs and communities	No	• Conferences and workshops • Communication via telephone, email, etc. • Community-participation events • CSR partnerships - Contribution towards various causes	As per requirement	• Assistance to society and communities • Waste management • Disaster-relief initiatives • Skill development • Medical and public welfare activities • Opportunities for the vulnerable and marginalized in society

Leadership Indicators

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

V-Guard engages with internal and external stakeholders and receives feedback periodically on the economic, environmental, and social aspects. We have a Risk and ESG Committee of the board to oversee the Company's ESG framework, policies, practices, performance, and reporting. The Committee reviews and monitors the operational, regulatory, and reputational risks and impacts of ESG on the Company and provides insight and guidance on the Company's management of the same.

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

V-Guard conducted stakeholder engagement and materiality assessment (SEMA) to identify and prioritize sustainability issues that are relevant and significant to both the business and its stakeholders. Based on the outcome of these exercises, the company identifies and defines the material topics that need actions on priority. These material topics assist the development of strategies, policies, objectives, and goals necessary to cascade sustainability commitment across the operations. The company also implements a comprehensive monitoring mechanism to track progress and ensure that the strategies and policies effectively address the material topics of concern.

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

V-Guard identifies underprivileged communities around its business locations that are disadvantaged, vulnerable, and marginalized stakeholders and continuously engages with all such stakeholders in identifying their needs and priorities. As part of V Guard's Corporate Social Responsibility (CSR) initiatives, the organization invests in strengthening community outreach, catering to the needs of the community around it. The organization remains steadfastly committed to creating an enabling environment for the inclusive growth of the communities around it.

Principle 5: Businesses should respect and promote human rights.

Essential Indicators

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

Category	FY 2025 Current Financial Year			FY 2024 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	2661	2661	100%	2540	2540	100%
Other than permanent	1767	1767	100%	1462	1462	100%
Total employees	**4428**	**4428**	**100%**	**4002**	**4002**	**100%**
Workers						
Permanent	472	472	100%	466	466	100%
Other than permanent	2281	2281	100%	2464	2464	100%
Total workers	**2753**	**2753**	**100%**	**2930**	**2930**	**100%**

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

Category	FY 2025 Current Financial Year					FY 2024 Previous Financial Year				
	Total (A)*	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	2460	0	0%	2460	100%	2353	0	0%	2353	100%
Female	201	0	0%	201	100%	187	0	0%	187	100%
Other than Permanent										
Male	1556	0	0%	1556	100%	1309	0	0%	1309	100%
Female	211	0	0%	211	100%	153	0	0%	153	100%
Workers										
Permanent										
Male	464	0	0%	464	100%	455	0	0%	455	100%
Female	8	0	0%	8	100%	11	0	0%	11	100%
Other than Permanent										
Male	1596	903	57%	693	43%	1790	1238	69%	552	31%
Female	685	615	90%	70	10%	674	627	93%	47	7%

*Count for FY 25, does not include apprentices

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

a. **Median remuneration / wages:**

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	3	9,47,13,308	-	-
Key Managerial Personnel**	2	3,07,45,846	-	-
Employees other than BoD and KMP	2455	9,22,687	201	7,84,659
Workers	464	4,05,449	8	3,78,031

*Out of 7 directors, we have 3 executive directors who are paid remuneration, and the rest are independent directors to whom the company pays sitting fees and commission. For more details, please refer to the Corporate Governance report.

**We have 5 KMPs in FY 2025, out of which 3 are directors hence have included their median remuneration along with BOD.

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Gross wages paid to females as % of total wages	7.92%*	5.05%

*Permanent and non-permanent employees and workers are considered for computing gross wages during the current financial year; however, only permanent employees and workers were considered in FY 24.

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

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

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

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

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

	FY 2025 Current Financial Year			FY 2024 Previous Financial Year		
	Filed during the year	Pending Resolution at the end of year	Remarks	Filed during the year	Pending Resolution at the end of year	Remarks
Sexual Harassment	0	0		1	1*	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

* Resolved in FY25

Note- Other than the complaints disclosed, no breaches pertaining to discrimination or harassment were reported under the Company's Code of Conduct or related workplace policies during the reporting period.

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees / workers	0%	0.10%
Complaints on POSH upheld	1*	Enquiry ongoing*

* Resolved in FY25

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

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

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

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

10. **Assessments of the year**

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

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

Not Applicable

Leadership Indicators

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

No complaints were received in relation to human rights.

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

We have conducted human rights due-diligence across all our 9 factories and the Head Office.

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

Wheelchair ramps are available at all plant locations and in 6 out of 8 owned branches and warehouse locations to assist people with physical disabilities. During FY 24-25, we also constructed toilets and seating arrangements for people with disability in all our factory locations, and we are building the same in our owned branches and warehouses.

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

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	In FY 24-25, we identified our critical vendors and developed a supplier assessment protocol covering ESG aspects, and initiated assessments based on the same. We have assessed all vendors individually contributing to more than 2% during the financial year as per SEBI regulations.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	

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

Based on the assessment scores, we are categorizing suppliers and developing corrective action plans, which will be communicated to our value chain partners.

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

Essential Indicators

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

Parameter	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
From renewable sources (In GJ)		
Total electricity consumption (A)	17441.88	11560.91
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**17441.88**	**11560.91**
Total electricity consumption (D)	62927.64	64687.55
Total fuel consumption (E)	34124.91	26817.53
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F) (In GJ)	**97052.55**	**91505.08**
Total energy consumed (A+B+C+D+E+F) (In GJ)	**114494.43**	**103065.99**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)*	21.57	22.61
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)**	445.57	506.35
Energy intensity in terms of physical output* **	45126.39	51440.58
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note 1 - We have included all our factories, corporate offices, branches and warehouse locations having operational control for reporting purposes, basis which we have restated FY 24 figures

* Energy intensity per Crore rupee of turnover

** For calculating revenue-adjusted Purchasing power parity (PPP), the conversion factor as per IMF website (Source: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/SAU/IND) has been considered.

*** Energy intensity per Crore units. For physical output, we have considered the units of different products produced across our manufacturing facilities. For wires and cables, 1 coil is considered as 1 unit.

Note 2 - Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

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

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

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

Parameter	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Water withdrawal by source (in kiloliters)		
(i) Surface water	1868.80	1278.00
(ii) Groundwater	80552.18	70509.88
(iii) Third party water (Municipal water supplies)	13693.48	25142.97
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**96114.46**	**96930.85**
Total volume of water consumption (in kiloliters)*	**79912.08**	**80958.90**

Parameter	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)**	15.05	17.76
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)***	310.99	397.74
Water intensity in terms of physical output**	31496.24	40406.86
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note 1 - We have included all our factories, corporate offices, branches and warehouse locations for reporting purposes, basis which we have restated FY 24 figures.

*Water consumption is calculated as the difference between water withdrawal and water discharge. It includes water consumed for domestic, gardening, process and fire water.

Water consumption for branches and warehouses are estimated by multiplying the seated headcount by the stipulated per head per working day consumption in liters based on Central Ground water Authority guidelines (https://cgwa-noc.gov.in/landingpage/Guidlines/NBC2016WatRequirement.pdf).

**Water intensity per Crore rupee of turnover.

***For calculating revenue-adjusted Purchasing power parity (PPP), conversion factor as per IMF website (Source: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/SAU/IND) has been considered.

**** Water intensity per Crore units. For physical output, we have considered the units of different products produced across our manufacturing facilities. For wires and cables, 1 coil is considered as 1 unit.

Note 2 - Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency No

4. Provide the following details related to water discharged:

Parameter	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Water discharge by destination and level of treatment (in kilo liters)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	10950.80	10629.15
- With treatment –Tertiary treatment	2782.91	2902.00
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment (Water sent for treatment to Central Effluent Treatment Plant)	2468.68	2440.80
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – Tertiary treatment	-	-
Total water discharged (in kilo liters)	**16202.39**	**15971.95**

Note 1 - We have included all our factories, corporate offices, branches and warehouse locations having operational control for reporting purposes, basis which we have restated FY 24 figures. The water discharged for all factories, branches and warehouse locations are considered as 80% of the water withdrawal from source based on CPCB database report dated 24th December 2009.

Note 2 - Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency No

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

At present we don't have Zero Liquid Discharge mechanism, however as per the pollution control board consent conditions, we responsibly reuse the treated water. Our 9 manufacturing locations and corporate office are well equipped with water management systems with the aim of reducing freshwater withdrawal. We are using treated wastewater for domestic (20,088kl) and process (1372kl) and purposes. Across our facilities, we have established robust operational efficiency measures, rainwater harvesting systems, recycle and reuse measures ensuring effective usage and lawful disposal of water. Water consumption is also tracked through installed meters across factories, with a transition underway to smart metering.

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

Parameter	Please specify unit	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
NO_x	MT	0.34	0.79
SO_x	MT	0.10	0.37
Particulate matter (PM2.5)	MT	5.83	8.16
Persistent organic pollutants (POP)	We undertake third party lab testing for each of these air emission parameters including NOx and Sox for all locations periodically to ensure the parameters are within the permissible limits. We also submit the reports to the concerned authority.		
Hazardous air pollutants (HAP)			
Volatile organic compounds (VOC)			
Others			

Note 1 - We have included all our factories, corporate offices, branches and warehouse locations having operational control for reporting purposes, basis which we have restated FY 24 figures.

Note 2 - Previous year figures are restated to include only process-related air emissions.

Note 3 - Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

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

Parameter	Please specify unit	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tons of CO_2 equivalent	2433.60	2165.86
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF3, if available)	Metric tons of CO_2 equivalent	12707.89	12865.64
Total Scope 1 and Scope 2 emissions	Metric tons of CO_2 equivalent	15141.49	15031.50
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)*	Metric tons of CO_2 equivalent/ turnover in crores	2.85	3.30
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)**	Metric tons of CO_2 equivalent/ turnover adjusted for PPP in crores	58.92	73.85
Total Scope 1 and Scope 2 emission intensity in terms of physical output*	Metric tons of CO_2 equivalent/ units produced in crores	5967.81	7502.27
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-		-

Note 1 - We have included all our factories, corporate offices, branches and warehouse locations having operational control for reporting purposes, basis which we have restated FY 24 figures.

* Scope 1 and 2 emission intensity per Crore rupee of turnover

** For calculating revenue adjusted Purchasing power parity (PPP), conversion factor as per per IMF website (Source: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/SAU/IND) has been considered.

*** Scope 1 and 2 Emission Intensity per Crore units. For physical output, we have considered the units of different products produced across our manufacturing facilities. For wires and cables, 1 coil is considered as 1 unit.

Note 2 - Intergovernmental Panel on Climate Change (IPCC) emission factors have been used for fuel consumption (scope 1 emissions), CEA baseline emission factors have been used for grid emission factor (scope 2 emissions) and GHG Protocol IPCC Global Warming Potential values have been used for refrigerants.

Note 3 - Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
No

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

Through onsite solar, wind turbines, and IEX green power, we are cutting carbon emissions while optimizing operations with VFDs and energy-efficient HVAC systems. Actions are being undertaken to reduce greenhouse gas emissions by investing in renewable energy projects such as solar panels and wind turbines. 15% of energy consumed during the current year is from these renewable sources which offsets about 3522 tons of CO2 during FY 2024-25 and 2323 tons during FY 2023-24. In addition to the existing solar plant at manufacturing locations, we have installed 30 KWP at EMW locations, 3.2 KWP at Kala Amb location and initiated 351KWP at Haridwar. ISO 50001 certification is obtained for wires and cables manufacturing units at Chavadi and Kashipur locations and PVC compounding manufacturing unit at Chavadi location. On the product front, our 5-star BLDC fans, eco-friendly pumps, and energy efficient water heaters set new sustainability benchmarks. With a strong R&D focus on solar and battery advancements, we are committed to driving innovative, eco-friendly solutions for a greener tomorrow.

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

Parameter	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Total Waste generated (in metric tons)		
Plastic waste **(A)**	561.95	441.91
E-waste **(B)**	28.99	16.71
Bio-medical waste **(C)**	0.01	-
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	323.58	282.30
Radioactive waste **(F)**	-	-
Other Hazardous waste. Haz. Waste from process + Haz. Waste from pollution control equipment's, + Filter bed sand+ Filter bags etc. **(G)**	220.94 (Used oil, ETP sludge, Paint Sludge, Empty Chemical container, Oil-soaked cotton, oil filters, Contaminated rags, Process Waste, Residues & Sludges)	173.52 (Used oil, ETP sludge, Paint Sludge, Empty Chemical container, Oil-soaked cotton, Contaminated rags)
Other Non-hazardous waste generated **(H)**. MS Scrap + Aluminum scrap (Break-up by composition i.e., by materials relevant to the sector)*	2729.18	2545.51
Total (A+B + C + D + E + F + G + H)	**3864.65**	**3459.95**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)**	0.73	0.76
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)***	15.04	17.00
Waste intensity in terms of physical output****	1523.22	1726.87
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled	1279.87	740.92
(ii) Re-used	0.41	-
(iii) Other recovery operations	2250.75	2545.51
Total	**3531.03**	**3286.43**

Parameter	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste		
(i) Incineration	132.80	-
(ii) Landfilling	-	-
(iii) Other disposal operations *****	90.06	173.52
Total	**222.86**	**173.52**

Note 1 - We have included all our factories, corporate offices, branches and warehouse locations having operational control or financial control, wherever applicable for reporting purposes, basis which we have restated FY 24 figures.

*General waste generation and disposal for warehouses and branch offices is calculated based on seated headcount with the daily average generation of 123.45 gm/head/day as per guidelines provided by the Annual report of Solid Waste Management Rule 2021-22 by CPCB.

**Waste intensity per Crore rupee of turnover

***For calculating revenue adjusted Purchasing power parity (PPP), the conversion factor as per per IMF website (Source: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/SAU/IND) has been considered

**** Waste intensity per Crore units. For physical output, we have considered the units of different products produced across our manufacturing facilities. For wires and cables, 1 coil is considered as 1 unit.

***** Other disposal includes hazardous waste and biomedical waste given to PCB authorized third parties as per regulatory requirements.

Note 2: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

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

Hazardous waste, E-Waste, battery waste and Plastic Waste are disposed of through CPCB authorized vendors and Non-hazardous waste is disposed of through V-Guard approved vendors. V-Guard is monitoring the waste generation and waste disposal across its unit and also monitoring hazardous chemicals for reducing its usage. The company has adopted measures across its units for waste segregation at the source.

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

V-Guard has no operation in eco-sensitive areas.

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

Environment impact assessment is not applicable in projects as per the Environment (Protection) Rules, 1986, hence it is not conducted.

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

Yes

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilo liters):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Chavadi, Perundurai, Kashipur, Roorkee, Haridwar

(ii) Nature of operations: Manufacturing Locations

(iii) **Water withdrawal, consumption, and discharge in the following format:**

Parameter	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Water withdrawal by source (in kiloliters)		
(i) Surface water	1868.80	1278.00
(ii) Groundwater	47912.47	40964.88
(iii) Third party water	7692.72	14942.10
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters)	**57473.99**	**57184.99**
Total volume of water consumption (in kiloliters)	**55005.30**	**54744.19**
Water intensity per rupee of turnover (Water consumed / turnover)*	10.36	12.01
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – Tertiary treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	2468.68	2440.80
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – Tertiary treatment	-	-
Total water discharged (in kiloliters)	**2468.68**	**2440.80**

Note 1 - We have included all our factory locations for reporting purposes.

* Water intensity per Crore rupee of turnover.

Note 2 - Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency
No

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

We have initiated the inventorization of Scope 3 emissions from FY 25.

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

Not present in ecologically sensitive areas.

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

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action, if any
1.	Increase the Energy Efficiency of Products	• Developed 5-star rated fan in the induction model category. • Launched highly efficient BLDC fans with IOT technology. • Launched BIS & BEE rated (3 Star) Solar Water Heater. • Developed new Isolator Design in switch gear segment with Reduced Watt Loss and Material Optimization, which reduces watt loss by 26.5%, improving thermal performance and thus lowering energy consumption.	Reduction in energy consumption	NA
2.	Renewable Energy Projects	• Launched 20KW Solar Grid Tie inverters with IOT technology. • 35 new products launched in solar water heater segment. • 4 new SKUs launched in Solar plus DUPS segment. • 8 SKUs of new model solar panel launched in the market.	Increase the utilization of Renewable Energy/ Green Energy	NA
3.	Eco-friendly Packaging/ Packaging Material Reduction	• Corrugated packaging is used instead of Thermocol /EPS packaging in Mixer Grinder, Stabilizer, Ceiling Fan, Electric water Heater. • Removed UV lamination from the packaging carton of DUPS to improve the recyclability of packaging, and reduce the use of non-biodegradable materials.	Use of biodegradable packing material to avoid environmental impact	NA
4.	IOT Based Projects	• Launched V-Guard Smart App 2.0 for various smart product categories of DUPS, Stabilizer, Water heater, Pump, Sockets.	Optimum utilization of power and maximum utilization of Solar Power by selecting the suitable modes in the mobile application according to the customer requirements and reducing energy consumption based on usage.	NA
5.	Material conservation	• 50% size reduction of Smart WIFI/ BLE card PCB in all smart Products categories of DUPS, Stabilizer, Water heater, Pump, Sockets. • Lead weight reduction in battery	E-waste reduction Reduction in 175 tonnes of lead usage	NA
6	Green energy	• Installed 30KWP at EMW locations and initiated 351KWP at Haridwar plant. • Installed a rooftop solar panel system of capacity 3.2 KWP at Kala Amb plant to power the administrative building. • Replacement of Existing Electricity backed streetlights with Solar.	Increase of renewable energy percentage in total energy mix. Offset 5300 kg of CO2 emission	NA

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action, if any
7	Energy Conservation	• Optimization & standardization of cycle time in machinery. • Conversion of DC motor to AC motor in machinery. • Installation of "Intelligent Control system for Air Conditioners" • Using VFD chiller in production. • Implementation of daylight harvesting system, automated lighting system and conversion from normal lights to LED lights. • Conversion of normal fan to BLDC fan. • Installed motion sensor-controlled exhaust fans in washrooms.	Annual Saving of 2,22,013 units	NA
8	Fresh water reduction	• Rainwater harvesting system implemented in Chavadi and Kala Amb unit. • Installation of UF+RO system in the STP outlet in Chavadi plant to use the treated wastewater for cooling tower.	Reduction of 1251 kiloliters of freshwater withdrawal.	NA
9	Air Emission	• Installation of Retrofit Emission Control Device (RECD) in diesel generators in Chavadi and Cochin Head Office to reduce the emissions.	Reduction of air emission	NA

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

To establish business contingency of operations of critical IT applications and to handle the disaster recovery scenarios, V-Guard has a defined Disaster Recovery plan. We also have Security Management System (ISMS) policy for ensuring confidentiality, integrity and availability of critical information.

We also conduct regular trainings and circulate newsletters for creating awareness on Information security for our employees. Disaster Management Plan is being implemented at 2 of our manufacturing facilities, including subsidiaries as pilot and and will be developed for all the other locations as well.

6. Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Nil

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

In FY 24-25, we identified our critical vendors and developed a supplier assessment protocol covering ESG aspects, and initiated assessments based on the same. We have assessed all vendors individually contributing to more than 2% during the financial year as per SEBI regulations.

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

Essential Indicators

1. a. **Number of affiliations with and industry chambers/ associations.**

   V-Guard is a member of 9 trade associations.

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

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

Note - We have not made any payments, contributions, or donations to these associations beyond the standard membership fees.

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

   Not Applicable since there were no cases of anti-competitive conduct by V-Guard in FY 2024-25.

Leadership Indicators

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

   Nil

Principle 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

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

   Not Applicable

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

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

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

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

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

Parameter	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Directly sourced from MSMEs/ small producers *	22.81%	22.64%
Directly from within India*	94.47%	93.02%

* Purchases include material, spares, services and capex purchases.

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:**

Location	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
Rural	19.78%	19.36%
Semi-urban	10.41%	11.49%
Urban	46.26%	46.93%
Metropolitan	23.56%	22.22%

Note - Based on the revised categorization of gross wages, last year figures have been restated

Leadership Indicators

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

   Not Applicable

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

S. No.	State	Aspirational District	Amount Spent in INR
1	Jharkhand	Ranchi	8,34,000
2	Odisha	Koraput	15,53,000
3	Uttarakhand	Haridwar	8,26,000
4	Chhattisgarh	Mahasamund	2,21,000
5	Kerala	Wayanad	5,19,000
6	Uttarakhand	Udham Singh Nagar	14,50,000

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

   Nil

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

   We did not have any case of intellectual property related disputes in FY 2024-25

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

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	V-Guard Edu care & Skill Development	19411	83%
2	V-Guard Health & Hygiene	33740	100%
3	V-Guard Build India & Relief	19800	52%

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

Essential Indicators

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

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

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

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

d. Buddy and smart App at Dealer Points

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

Parameter	As a percentage to total turnover
Environmental and social parameters relevant to the product	23%
Safe and responsible usage	100%
Recycling and/or safe disposal	17%

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

	FY 2025 Current Financial Year			FY 2024 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	-	Nil	Nil	
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential Services	Nil	Nil		Nil	Nil	
				Nil	Nil	
Restrictive Trade Practices	Nil	Nil				
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other	12723	1700	Number represents service calls escalation related to products by consumers	11127	255	Number represents service calls escalation related to products by consumers

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

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

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

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

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

   No data breaches are found.

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

   a. Number of instances of data breaches: **Nil**

   b. Percentage of data breaches involving personally identifiable information of customers: **Not Applicable**

   c. Impact, if any, of the data breaches: **Not Applicable**

Leadership Indicators

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

   Information pertaining to all our products is routinely updated on V-Guard's official website and can be found via other channels.

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

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

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

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

   - Website Banner
   - Call Centre
   - WhatsApp messages

4. **Does the entity display product information on the product over & above what Is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief? Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, V-Guard provides safety and product usage manuals to our consumers with detailed information on a product's installation, operation, maintenance, and safe disposal.

   Our customer service team reaches out to 5 to 6 lakh consumers annually and successfully records their responses. This exercise is carried out for major categories that involve service and installation.

Financial Statements

Independent Auditor's Report

To the Members of V-Guard Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **V-Guard Industries Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2025, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Revenue from sale of products (as described in Note 30 of the standalone financial statements) The Company's revenue principally comprises sale of goods. The revenue from sale of goods is recognised in accordance with the accounting principles under Ind AS 115, "Revenue from contracts with customers" and is measured at the transaction price net of trade discounts and volume rebates as per trade schemes and taxes or duties collected on behalf of government authorities and is recognised at a point in time when the entity satisfies the performance obligation by transferring control of promised goods to customers. The control in respect of sale of goods is generally transferred when the products are delivered to customers in accordance with the terms of contract with customers.	Our audit procedures among others, included the following: • Understanding and evaluating the design and testing the operating effectiveness of Company's controls around revenue recognition including accounting for trade discounts and volume rebates. • Assessing the Company's accounting policy for revenue recognition including the policy for recording trade discounts and volume rebates in accordance with Ind AS 115 "Revenue from Contracts with Customers". • Selecting samples of revenue transactions during the year and inspecting underlying documents which include invoices, shipping documents/ customers' acceptance, as applicable, to determine that the revenue is recognised in accordance with the agreed terms. • Testing selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in accordance with agreed terms, in the appropriate financial period.

Key audit matter	How our audit addressed the key audit matter
We have considered revenue recognition as a key audit matter due to significant audit risk around revenue recognition requiring greater audit effort and attention on account of the risk of revenue being recorded in incorrect period and due to estimates involved in calculation of liability for trade schemes	• Testing on a sample basis the calculation of the liability for trade discounts and volume rebates at year end with approved trade schemes and underlying sales data, including testing of completeness and arithmetical accuracy of the data used by the Company's Management. • Testing on a sample basis credit notes issued to customers/ payments made for incentives as per the approved trade schemes.

Other Information

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

   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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

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

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

7. 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.

8. 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

9. 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.

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

    (a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

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

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

11. 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.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

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

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

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

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

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

(e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above on reporting under Section 143(3)(b) and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

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

(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 40B to the standalone financial statements.

ii. The Company was not required to recognise a provision as at March 31, 2025 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contracts (including derivative contracts).

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

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 55(vii)(A) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 55(vii)(B) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 20 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by users with specific access and changes made to certain records. During the course of performing our procedures, except the aforesaid instances, we did not notice any instance of audit trail feature being tampered with. With respect to direct database changes, in the absence of adequate documentation, we are unable to comment on the audit trail feature and, accordingly, the question of our commenting on whether the audit trail feature was tampered with, does not arise. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.

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

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

Sd/-
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 25064311BMOFLI9655

Place: Kochi
Date: May 14, 2025

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of V-Guard Industries Limited on the standalone financial statements as of and for the year ended March 31, 2025

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

1. We have audited the internal financial controls with reference to standalone financial statements of V-Guard Industries Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to 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 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 standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Sd/-
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 25064311BMOFLI9655

Place: Kochi
Date: May 14, 2025

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of V-Guard Industries Limited on the standalone financial statements as of and for the year ended March 31, 2025

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment and Investment Property.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment and Investment Property are physically verified by the Management according to a planned programme designed to cover all the items once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all the Property, Plant and Equipment and Investment Property has been physically verified by the Management during the previous year and no material discrepancies have been noticed on such verification. Accordingly, no physical verification was carried out by the Management during the year.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 on Property, Plant and Equipment and Right of Use Assets and Note 4 on Investment property to the standalone financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets), Investment Property and Intangible Assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets), Investment Property or Intangible Assets does not arise.

(e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise.

ii. (a) The physical verification of inventory excluding Goods in Transit and stocks with third parties aggregating to ₹ 15.83 crores, has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5.00 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. Further, the Company is yet to submit the returns or statements for the quarter ended March 31, 2025 with such banks and hence, the question of our commenting under clause 3(ii)(b) of the order to the extent it relates to the last quarter of the financial year does not arise. Also, refer Note 55(ii) to the standalone financial statements.

iii. (a) The Company has made investments in one company and four mutual fund schemes and granted secured loan to one associate company and unsecured loans to 207 employees during the year. The company has not stood guarantee, or provided security to any party during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances are as per the table given below:

Description	Amount (₹ in Crores)
Aggregate amount of loans granted/ provided during the year	
- Associate company	1.60
- Employees	1.90
Balance outstanding as at balance sheet date in respect of the above loans	
- Associate company	1.60
- Employees	1.49

(Also, refer Note 7, 15 and 56 to the standalone financial statements)

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.

(c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) The loan granted during the year, including to related party had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. No loans were granted to promoters during the year.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of the loans and investments made.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. Pursuant to the Rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, in respect of provident fund, employees' state insurance, income tax, customs duty, goods and services tax and other statutory dues, as applicable, with the appropriate authorities. However, there are no arrears of statutory dues outstanding as at March 31, 2025, for a period of more than six months from the date they became payable.

(b) There are no statutory dues of professional tax, employees' state insurance which have not been deposited on account of any dispute. The particulars of dues of income tax, entry tax, value added tax, service tax, goods and services tax, central excise duty, customs duty and provident fund as at March 31, 2025 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crores)	Amount paid (₹ In Crores)	Period to which the amount relates (FY)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	61.59	15.72	2007-08, 2009-10 to 2017-18 and 2020-21	Commissioner of Income Tax (Appeals)
		3.50	0.03	2021-22	Assistant Commissioner of Income Tax, Kochi (Rectification application filed)
Finance Act, 1994	Service tax	0.42	0.01	2014-15, 2015- 16 and 2016-17	Assistant Commissioner of CGST and Central Excise Bhubaneswar I Division
Central Goods and Services Taxes Act, 2017	Goods and Services tax	0.43	0.02	2017-18	Commissioner of GST and Central Excise (Appeals), Coimbatore
		1.30	0.02	2018-19 and 2020-21	Commissioner of GST & Central Excise (Appeals), Lucknow
		0.04	-	2018-19	Commissioner (Appeals), CGST Delhi Appeals-I
		0.24	-	2018-19, 2019-20 and 2020-21	Commissioner of GST & Central Excise (Appeals), Jaipur
		1.12	0.07	2018-19 and 2020-21	Commissioner of GST & Central Excise (Appeals), Bhopal
		0.15	0.01	2018-19	Commissioner of GST & Central Excise (Appeals), Hyderabad
		2.61	0.26	2019-20	Commissioner (Appeals), CGST Gurugram

Name of the statute	Nature of dues	Amount (₹ in Crores)	Amount paid (₹ In Crores)	Period to which the amount relates (FY)	Forum where the dispute is pending
Central Goods and Services Taxes Act, 2017	Goods and Services tax	0.00	-	2019-20	Commissioner of GST & Central Excise (Appeals), Bhubaneswar
		0.03	0.03	2020-21	Commissioner of GST & Central Excise (Appeals), Mysore
		0.09	0.03	2020-21 and 2022-23	Commissioner of GST and Central Excise (Appeals), Dehradun
Central Excise Act, 1944	Central Excise duty	0.15	-	2016-17 and 2017-18	Customs, Excise and Service Tax Appellate Tribunal, Kolkata
Finance Act, 1994	Service tax	0.21	0.01		
Customs Act, 1962	Customs duty	0.10	0.03	2013-14, 2018-19, 2019-20 and 2022-23	Commissioner of Customs Appeals, Chennai
		0.23	0.21	2016-17	Customs, Excise and Service Tax Appellate Tribunal, Allahabad
Bihar Entry Tax - Goods Act, 1993	Entry Tax	0.33	0.06	2014-15 and 2015-16	Joint Commissioner of Commercial Taxes (Appeals), Patna
Central Sales Tax Act, 1956	Central Sales tax	0.08	0.01	2011-12 and 2012-13	Odisha Sales Tax Tribunal, Cuttack
Orissa Entry Tax Act, 1999	Entry Tax	1.55	0.10	2011-12 and 2012-13	
Orissa Value Added Tax Act, 2004	Value added tax	3.55	0.41	2011-12, 2012-13, 2014-15 and 2015-16	
Bihar Value Added Tax Act, 2005	Value added tax	0.14	-	2015-16	Additional Commissioner of State Taxes (Appeals), Patna
		0.08	0.08	2017-18	Commercial Taxes Tribunal, Patna
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	0.13	0.03	2006-07 to 2009-10	Appellate Tribunal (Commercial Taxes), Telangana
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	0.07	0.03	2008-09 to 2011-12	Central Government Industrial Tribunal, Chandigarh
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	0.07	-	2009-10 to 2011-12	Central Government Industrial Tribunal, Kochi

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans during the year ended March 31, 2025 and there was no unutilized balance of term loan obtained in earlier years as on April 1, 2024. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associate. The company did not have any joint ventures during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, or associate company. The company did not have any joint ventures during the year.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Sd/-
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 25064311BMOFLI9655

Place: Kochi
Date: May 14, 2025

Standalone Balance Sheet

as at March 31, 2025

(₹ in crores)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
A. ASSETS			
1. Non-current assets			
Property plant and equipment	3	343.53	333.10
Capital work-in-progress	3	48.17	23.88
Investment property	4	0.28	0.28
Other intangible assets	5	51.03	31.22
Intangible assets under development	5	0.50	12.37
Right of use assets	3	70.42	70.69
Financial assets			
(a) Investments	6	888.58	888.55
(b) Loans	7	1.05	0.84
(c) Other financial assets	8	17.91	17.88
Current tax assets (net)	9	33.96	30.96
Deferred tax assets (net)	10	8.48	8.83
Other non-current assets	11	24.97	16.25
		1,488.88	**1,434.85**
2. Current assets			
Inventories	12	865.03	709.47
Financial assets			
(a) Investments	6	10.00	30.04
(b) Trade receivables	13	513.53	553.58
(c) Cash and cash equivalents	14A	30.07	35.07
(d) Other bank balances	14B	0.42	0.56
(e) Loans	15	2.85	1.16
(f) Other financial assets	16	2.96	1.75
Other current assets	17	125.12	119.41
		1,549.98	**1,451.04**
TOTAL ASSETS		**3,038.86**	**2,885.89**
B. EQUITY AND LIABILITIES			
1. Equity			
Equity share capital	18	43.58	43.44
Other equity	19	1,954.76	1,724.63
TOTAL EQUITY		**1,998.34**	**1,768.07**
2. Non-current liabilities			
Financial liabilities			
(a) Borrowings	21	-	137.26
(b) Lease liabilities	22	47.17	47.58
Provisions	23	17.19	14.88
		64.36	**199.72**
3. Current liabilities			
Financial liabilities			
(a) Borrowings	24	10.81	153.77
(b) Lease liabilities	22	18.75	17.09
(c) Trade payables	25		
(i) Total outstanding dues of micro enterprises and small enterprises		38.11	60.40
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		598.35	423.59
(d) Other financial liabilities	26	137.91	104.93
Other current liabilities	27	75.65	74.36
Provisions	28	96.58	81.69
Current tax liabilities (net)	29	-	2.27
		976.16	**918.10**
TOTAL LIABILITIES		**1,040.52**	**1,117.82**
TOTAL EQUITY AND LIABILITIES		**3,038.86**	**2,885.89**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No: 064311

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Radha Unni
Chairperson
DIN: 03242769

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 14, 2025

Place : Kochi
Date : May 14, 2025

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(₹ in crores)

Particulars		Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
1	**Income**			
(a)	Revenue from operations	30	5,308.87	4,559.43
(b)	Other income	31	18.86	51.84
	Total income		**5,327.73**	**4,611.27**
2	**Expenses**			
(a)	Cost of raw materials consumed		1,366.72	1,300.24
(b)	Purchase of stock-in-trade		2,351.58	1,864.88
(c)	(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	32	(136.17)	(36.22)
(d)	Employee benefits expense	33	479.43	376.76
(e)	Depreciation and amortization expenses	34	73.68	66.95
(f)	Finance costs	35	19.92	37.46
(g)	Other expenses	36	824.84	700.15
	Total expenses		**4,980.00**	**4,310.22**
3	**Profit before tax (1 - 2)**		**347.73**	**301.05**
4	**Income tax expenses**	38		
(a)	Current tax expenses		86.18	70.80
(b)	Deferred tax expense / (credit)		1.33	(0.66)
	Total income tax		**87.51**	**70.14**
5	**Profit for the year (3 - 4)**		**260.22**	**230.91**
6	**Other comprehensive income**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(a)	Re-measurement (losses) / gains on defined benefit plans	43	(3.97)	(3.44)
(b)	Income tax effect		0.98	0.82
	Other comprehensive income for the year, net of tax		**(2.99)**	**(2.62)**
7	**Total comprehensive income for the year, net of tax (5 + 6)**		**257.23**	**228.29**
8	**Earnings per equity share (basic and diluted) (₹) :**	46		
	(Nominal value of equity share - ₹ 1 each)			
	Basic earnings per share		5.95	5.28
	Diluted earnings per share		5.92	5.27

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No: 064311

Place : Kochi
Date : May 14, 2025

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Radha Unni
Chairperson
DIN: 03242769

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 14, 2025

Standalone Statement of Changes in Equity

for the year ended March 31, 2025

A) Equity share capital

Particulars	No. of shares	₹ in crores
As at April 1, 2023	**43,21,74,432**	**43.22**
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	11,28,540	0.11
Add : Equity shares issued as consideration for business combination (Refer Note 48)	10,83,008	0.11
As at March 31, 2024	**43,43,85,980**	**43.44**
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	13,93,053	0.14
As at March 31, 2025	**43,57,79,033**	**43.58**

B) Other equity

(₹ in crores)

Particulars	Attributable to the equity holders						Total
	Securities premium	General reserve	Retained earnings	Capital reserve	Share based payments reserve	Shares pending issuance	
As at April 1, 2023	**141.92**	**64.89**	**1,247.83**	**20.46**	**42.84**	**26.84**	**1,544.78**
Net profit for the year	-	-	230.91	-	-	-	230.91
Other comprehensive income for the year							
Remeasurement (loss) / gain on defined benefit plans (net of taxes)	-	-	(2.62)	-	-	-	(2.62)
Total comprehensive income	-	-	228.29	-	-	-	228.29
Equity shares issued under ESOS 2013	6.01	-	-	-	-	-	6.01
Final dividend (Refer Note 20)	-	-	(56.36)	-	-	-	(56.36)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	10.19	-	-	-	(10.19)	-	-
Compensation cost on stock options granted (net) (Refer Note 33)	-	-	-	-	2.02	-	2.02
Shares issued as consideration for business combination (Refer Note 48)	26.73	-	-	-	-	(26.84)	(0.11)
As at March 31, 2024	**184.85**	**64.89**	**1,419.76**	**20.46**	**34.67**	**-**	**1,724.63**
Net profit for the year	-	-	260.22	-	-	-	260.22
Other comprehensive income for the year							
Remeasurement (loss) / gain on defined benefit plans (net of taxes)	-	-	(2.99)	-	-	-	(2.99)
Total comprehensive income	**-**	**-**	**257.23**	**-**	**-**	**-**	**257.23**
Equity shares issued under ESOS 2013	7.90	-	-	-	-	-	7.90
Final dividend (Refer Note 20)	-	-	(60.91)	-	-	-	(60.91)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	13.59	-	-	-	(13.59)	-	-
Compensation cost on stock options granted (net) (Refer Note 33)	-	-	-	-	25.91	-	25.91
As at March 31, 2025	**206.34**	**64.89**	**1,616.08**	**20.46**	**46.99**	**-**	**1,954.76**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No: 064311

Place : Kochi
Date : May 14, 2025

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Radha Unni
Chairperson
DIN: 03242769

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 14, 2025

Standalone Statement of Cash Flows

for the year ended March 31, 2025

(₹ in crores)

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
A. Cash flow from operating activities				
Profit before tax		347.73		301.05
Adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortization expenses	73.68		66.95	
(Profit) / loss on property, plant and equipment sold / scrapped / written off (net)	(0.12)		0.64	
Finance costs	19.92		37.46	
Finance income	(1.21)		(0.59)	
Net gain on sale of investment	(5.86)		(1.89)	
Fair value gain on Investment	-		(17.14)	
Dividend received during the year from the subsidiary	-		(21.13)	
(Gain) / loss on lease modifications / termination	-		(1.34)	
Liabilities / provisions no longer required written back	(0.09)		(0.13)	
Loss allowance for trade receivables (net)	1.18		5.28	
Impairment allowance for doubtful advances (net)	(0.65)		(0.81)	
Unrealised loss / (gain) on foreign currency transaction	0.24		0.44	
Share based payments expense	25.91		2.02	
		113.00		**69.76**
Operating profit before working capital changes		**460.73**		**370.81**
Movement in working capital				
Decrease / (increase) in inventories	(155.56)		(20.06)	
Decrease / (increase) in trade receivables	38.88		(39.07)	
Decrease / (increase) in loans to employees	(0.30)		0.60	
Decrease / (increase) in other financial assets	(1.06)		2.67	
Decrease / (increase) in other assets	(5.66)		(26.35)	
Increase / (decrease) in trade payables	152.32		50.58	
Increase / (decrease) in other financial liabilities	32.07		42.27	
Increase / (decrease) in provisions	13.23		17.52	
Increase / (decrease) in other liabilities	1.29		20.55	
		75.21		**48.71**
Cash generated from operations		**535.94**		**419.52**
Income tax paid (net of refunds)		(91.45)		(69.12)
Net cash flow from / (used in) operating activities (A)		**444.49**		**350.40**
B. Cash flow from investing activities				
Purchase of property, plant and equipment, intangible assets including capital work-in-progress, intangible assets under development and capital advances	(103.45)		(84.04)	
Proceeds from sale of property, plant and equipment	0.76		0.58	
Purchase of non current investment	(0.03)		-	
Investment in associate	-		(20.01)	
Sale / (purchase) of current investments (net)	25.90		(28.16)	
Redemption of / (investment in) fixed deposits with maturity more than 3 months (net)	0.01		2.60	
Loan granted to associate	(1.60)		(2.30)	
Loan repaid by associate	-		2.30	
Finance income	1.16		0.58	
Dividend received during the year from the subsidiary	-		21.13	
Net cash flow (used in) / from investing activities (B)		**(77.25)**		**(107.32)**

Standalone Statement of Cash Flows

for the year ended March 31, 2025

(₹ in crores)

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
C. Cash flow from financing activities				
Proceeds from exercise of share options (including share application money)	8.04		6.12	
Payment of principal portion of lease liabilities	(17.92)		(15.49)	
(Repayment of) / proceeds from short term borrowings (net)	(6.27)		(129.62)	
(Repayment of) / proceeds from long term borrowings	(273.95)		-	
Finance costs paid	(21.09)		(36.42)	
Dividends paid on equity shares	(61.05)		(56.25)	
Net cash flow (used in) / from financing activities (C)		**(372.24)**		**(231.66)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(5.00)**		**11.42**
Cash and cash equivalents at the beginning of the year		35.07		23.65
Cash and cash equivalents at the end of the year		**30.07**		**35.07**
Components of cash and cash equivalents: (Refer Note 14A)				
(a) Cash on hand		0.03		0.09
(b) Balances with banks:				
In current accounts		25.04		29.99
In fixed deposits with original maturity of less than 3 months		5.00		4.99
		30.07		**35.07**
Non cash investing activities				
Acquisition of right of use assets		19.19		8.83
Disposal of right of use assets		(4.35)		(16.41)

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No: 064311

Place : Kochi
Date : May 14, 2025

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Radha Unni
Chairperson
DIN: 03242769

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 14, 2025

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

1. CORPORATE INFORMATION

V-Guard Industries Limited ('V-Guard' or 'the Company') is a public Company domiciled in India with its registered office at Vennala High School Road, Kochi, Kerala. The Company is engaged in the manufacturing, trading and selling of a wide range of products as given below:

Segment	Products
Electronics	Stabilizers, Digital UPS and Solar Inverters
Electricals	PVC Insulated Cables, Switch Gears, Pumps and Modular Switches
Consumer Durables	Fans, Water Heaters, Kitchen Appliances and Air Coolers

The Company's manufacturing facilities are located at K.G. Chavady, Coimbatore, Tamil Nadu; at SIPCOT Industrial growth center, Perundurai, Tamil Nadu; at Kashipur, Roorkee and Haridwar, Uttarakhand; at Kala Amb, Himachal Pradesh; and at Majitar, Rangpo and Mamring in Sikkim. The Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The standalone financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on May 14, 2025.

2. ACCOUNTING POLICIES

This note provides a list of accounting policies and basis of preparation adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

2.1 Basis of preparation

a) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as applicable to the standalone financial statements.

b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) certain financial assets and liabilities (including derivative instruments) measured at fair value

(ii) defined benefit plans – plan assets measured at fair value

(iii) share-based payments.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to nearest crores upto two decimal places (₹00,00,000), except when otherwise indicated.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments, do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

d) New and amended standards adopted by the Company.

The Ministry of Corporate Affairs vide notification dated September 9, 2024 and September 28, 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2024 :

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 11

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2 Other Accounting Policies

This note provides a list of other accounting policies adopted in the preparation of these standalone financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Government Grants

Government Grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

b) Interest and dividend income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Dividend income is recognised when the right to receive payment is established.

c) Retirement and other employee benefits

Defined contribution schemes

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company has no obligation, other than the contribution payable to the fund towards such schemes. The Company recognizes contribution payable as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit scheme

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund maintained with Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, as the Company believes that it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

d) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Share based payments reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

e) Property, plant and equipment

The Company's accounting policy for land is explained in note 3. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

f) Investment Property

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable, borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. Investment property as at March 31, 2025 and March 31, 2024 comprise of land.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

g) Other Intangible Assets

The Company's accounting policy for intangibles is explained in note 5.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets are disposed.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

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Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Leases

The Company's accounting policy for leases is explained in note 22.

As a Lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. 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.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

As a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Investment in Subsidiaries and associates

The Company's accounting policy for Investment in Subsidiaries and associates is explained in note 6. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control over those policies.

Investment carried at cost is tested for impairment as per Ind AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee and
- the ability to use its power over the investee to affect the amount of the investor's returns.

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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.

k) Financial Assets

The Company's accounting policy for financials assets is explained in note 49. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- 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 amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to loans, deposits, trade and other receivables.

Financial assets at fair value through other comprehensive income (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value

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changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments. Investments in other entity and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss. Fair value of mutual funds is determined based on the net asset value of the funds.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e, removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit losses (ECL) model for measurement and recognition of impairment loss.

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. For financial assets measured as at amortised cost and contractual revenue receivables ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Put Option on the Non-Controlling Interest ("NCI") of subsidiary is initially measured at the present value of the amount payable on exercise of the option.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, put option liability and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

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Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

l) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

m) Income Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the uncertainty.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures,

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deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

n) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

o) Cash dividend and non-cash distribution

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders in case of final dividend and by the board of directors in case of interim dividend. A corresponding amount is recognised directly in equity.

p) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of an entity comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Company
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business

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combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If consideration transferred is less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

r) Segment accounting

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products. Further:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under un-allocable expenditure.
- Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.
- Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.
- Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

s) Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provision

Provision for assurance type warranty-related costs are recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to four years.

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Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

t) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no 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.

u) Foreign currencies

The Company's financial statements are presented in INR which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses a monthly average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

v) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1 -** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

The Company has a team comprising of members of senior management that determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale/distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted investments and financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The team decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Revenue from sale of products

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return also.

In estimating the variable considerations, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with trade schemes, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could effect the reported fair value of financial instruments.

c) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These mainly include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligation are given in Note 43.

d) Taxes

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress

Accounting Policy

Freehold land is carried at historical cost. All other property, plant and equipment is recognised at cost, less accumulated depreciation and impairment loss, if any. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. For Leases Refer Note 42.

Depreciation Methods, estimated useful lives and residual value

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation.

The estimated useful lives are as mentioned below:

Asset Category	Useful life estimated by the management (in years)
Factory buildings	30
Other buildings	60
Plant and equipment*	5 to 20
Computers	3 to 6
Office equipment*	6
Furniture & fixtures	10
Vehicles	8 to 10

Leased assets are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

* For these classes of assets, where the estimated useful lives are different from lives prescribed under Schedule II of the Companies Act 2013, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience and the risk of technological obsolescence.

See note 2.2 (e) for the other accounting policies relevant to property, plant and equipment.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress (Contd..)

(₹ in Crores)

	Property, plant and equipment								Right of use assets				Capital work- in-progress
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Leasehold land	Leasehold buildings	Leased vehicles	Total	
Gross block													
As at April 1, 2023	**19.16**	**147.52**	**287.80**	**15.69**	**0.83**	**15.46**	**23.85**	**510.31**	**25.12**	**87.33**	**9.71**	**122.16**	**12.17**
Additions	-	4.71	21.30	1.82	0.44	1.84	5.22	35.33	-	7.73	1.10	8.83	13.98
Disposals	-	(0.22)	(2.53)	(0.18)	(0.05)	(0.45)	(0.96)	(4.39)	-	(16.22)	(0.19)	(16.41)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(2.27)
As at March 31, 2024	**19.16**	**152.01**	**306.57**	**17.33**	**1.22**	**16.85**	**28.11**	**541.25**	**25.12**	**78.84**	**10.62**	**114.58**	**23.88**
Additions	-	5.11	33.47	3.15	-	4.83	7.03	53.59	-	8.63	10.56	19.19	37.31
Disposals	-	-	(3.53)	(0.10)	-	(0.42)	(2.81)	(6.86)	-	(0.61)	(3.74)	(4.35)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(13.02)
As at March 31, 2025	**19.16**	**157.12**	**336.51**	**20.38**	**1.22**	**21.26**	**32.33**	**587.98**	**25.12**	**86.86**	**17.44**	**129.42**	**48.17**
Accumulated depreciation													
As at April 1, 2023	**-**	**25.15**	**108.40**	**7.80**	**0.57**	**10.47**	**17.00**	**169.39**	**3.26**	**27.42**	**3.62**	**34.30**	**-**
Charge for the year	-	5.64	29.07	1.92	0.14	1.87	3.29	41.93	1.04	14.20	2.49	17.73	-
Disposals	-	(0.22)	(1.38)	(0.14)	(0.05)	(0.41)	(0.97)	(3.17)	-	(8.00)	(0.14)	(8.14)	-
As at March 31, 2024	**-**	**30.57**	**136.09**	**9.58**	**0.66**	**11.93**	**19.32**	**208.15**	**4.30**	**33.62**	**5.97**	**43.89**	**-**
Charge for the year	-	5.72	27.53	1.94	0.17	2.38	4.78	42.52	0.92	15.08	3.44	19.44	-
Disposals	-	-	(2.92)	(0.09)	-	(0.41)	(2.80)	(6.22)	-	(0.61)	(3.72)	(4.33)	-
As at March 31, 2025	**-**	**36.29**	**160.70**	**11.43**	**0.83**	**13.90**	**21.30**	**244.45**	**5.22**	**48.09**	**5.69**	**59.00**	**-**
Net block													
As at March 31, 2024	**19.16**	**121.44**	**170.48**	**7.75**	**0.56**	**4.92**	**8.79**	**333.10**	**20.82**	**45.22**	**4.65**	**70.69**	**23.88**
As at March 31, 2025	**19.16**	**120.83**	**175.81**	**8.95**	**0.39**	**7.36**	**11.03**	**343.53**	**19.90**	**38.77**	**11.75**	**70.42**	**48.17**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress (Contd..)

Notes:

(i) Capital work-in-progress (CWIP) as at March 31, 2025 represents property, plant and equipment under construction at various plants, warehouses and office buildings.

(ii) Capital work-in-progress ageing schedule

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	37.31	8.92	1.94	-	48.17
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	13.98	9.38	0.52	-	23.88
Projects temporarily suspended	-	-	-	-	-

(iii) There are no projects under capital work-in-progress where the completion is overdue as at March 31, 2025.

Capital work-in-progress completion schedule whose expected completion date is overdue as at March 31, 2024:

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Vitreous enamel coated solar water heater project at Perundurai	1.95	8.19	-	-	10.14

(iv) The Company has capitalised borrowing cost of ₹2.95 crores (March 31, 2024 : Nil).

(v) Right of use asset includes:-

(a) Leasehold land which represents land obtained on long term lease from Government authorities and others.

(b) Leasehold building which represents properties taken on lease for its factories, offices and warehouses, accounted for in accordance with principle of Ind AS 116 ‘Leases’. Refer Note 42.

(c) Leased vehicles which represent cars taken on lease for use by employees.

(vi) During the year ended March 31, 2025, the Company has capitalized expenses amounting to ₹ 0.07 crores (March 31, 2024 - ₹ 0.13 crores) to the cost of property, plant and equipment / capital work-in-progress. Consequently, expenses disclosed under Note 36, other expenses are net of amounts capitalized by the Company.

(vii) Also refer Note 40.A on capital commitments.

Note 4 : Investment property (at cost)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	0.28	0.28
Additions (subsequent expenditure)	-	-
Balance as at the end of the year	**0.28**	**0.28**

Note: Investment Property represents land at Coimbatore acquired by the Company in earlier years. The carrying amount of the investment property is a reasonable approximation of fair value.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 5 : Other intangible assets and Intangible assets under development

Accounting Policy

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Asset Category	Useful life (in years)
Software	5 years
Trademark	10 years
Technical knowhow	10 years

See note 2.2 (g) for the other accounting policies relevant to intangible assets and note 2.2 (t) for the company's policy regarding impairment.

(₹ in Crores)

Particulars	Other intangible assets				Intangible assets under development
	Technical knowhow	Computer software	Trademark	Total	
Gross block (Cost)					
As at April 1, 2023	**-**	**33.74**	**0.05**	**33.79**	**3.65**
Purchase / additions	10.00	10.89	-	20.89	12.37
Capitalised during the year	-	-	-	-	(3.65)
As at March 31, 2024	**10.00**	**44.63**	**0.05**	**54.68**	**12.37**
Purchase / additions	-	31.54	-	31.54	0.50
Disposals	-	(0.72)	-	(0.72)	-
Capitalised during the year	-	-	-	-	(12.37)
As at March 31, 2025	**10.00**	**75.45**	**0.05**	**85.50**	**0.50**
Accumulated amortization					
As at April 1, 2023	**-**	**16.12**	**0.05**	**16.17**	**-**
Charge for the year	0.83	6.46	-	7.29	-
Disposals	-	-	-	-	-
As at March 31, 2024	**0.83**	**22.58**	**0.05**	**23.46**	**-**
Charge for the year	1.00	10.72	-	11.72	-
Disposals	-	(0.71)	-	(0.71)	-
As at March 31, 2025	**1.83**	**32.59**	**0.05**	**34.47**	**-**
Net block					
As at March 31, 2024	**9.17**	**22.05**	**-**	**31.22**	**12.37**
As at March 31, 2025	**8.17**	**42.86**	**-**	**51.03**	**0.50**

Notes:

(i) Intangible assets under development ageing (IAUD) schedule

(₹ in Crores)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.50	-	-	-	0.50
Projects temporarily suspended	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 5 : Other intangible assets and Intangible assets under development (Contd..)

(₹ in Crores)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	12.37	-	-	-	12.37
Projects temporarily suspended	-	-	-	-	-

(ii) There are no projects under intangible assets under development where the completion is overdue or has exceeded its cost compared to its original plan.

(iii) Also refer Note 40.A on capital commitments.

(iv) Remaining useful life of intangible assets ranges from 1 to 9 years (March 31, 2024 : 1 to 10 years) as at the year end.

Note 6: Investments

The investment in subsidiaries and associate are carried at cost as per Ind AS 27, less impairment loss, if any. See note 2.2 (j) for the other accounting policies relevant to Investment in Subsidiaries and associates.

Non-Current

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Investments carried at cost		
(a) Equity investments in subsidiary companies (Refer Note 41)		
Unquoted		
Guts Electro-Mech Limited		
1,965,242 (March 31, 2024 : 1,965,242) equity shares of ₹ 10 each fully paid up (Refer Note 41)	8.85	8.85
V-Guard Consumer Products Limited		
121,089,961 (March 31, 2024 : 121,089,961) equity shares of ₹ 10 each fully paid up (Refer Note 41)	121.09	121.09
Sunflame Enterprises Private Limited		
1,565,000 equity shares of ₹ 1 each fully paid up (March 31, 2024 : 1,565,000 equity shares of ₹ 1 each fully paid up) (Refer Note 41)	688.04	688.04
	817.98	**817.98**
(b) Equity investments in associate company		
Unquoted		
Gegadyne Energy Labs Private Limited		
7 (March 31, 2024 : 7) equity shares of ₹ 10 each fully paid up	0.08	0.08
	0.08	**0.08**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 6: Investments (Contd..)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Investments carried at fair value through profit and loss		
(a) Investments in Preference shares of associate company		
Unquoted		
Gegadyne Energy Labs Private Limited		
1151 (March 31, 2024 : 1151) Optionally Convertible Cumulative Preference Shares ("OCCPS") of ₹ 500 each fully paid up and 2900 (March 31, 2024 : 2900) Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of ₹ 500 each fully paid up (Refer Note (i) below)	70.49	70.49
	70.49	70.49
(b) Equity investments Others		
Unquoted		
Kinfra Electronic Park Private Limited		
2500 (March 31, 2024 : Nil) equity shares of ₹100 each fully paid up (Refer Note (ii) below)	0.03	-
	0.03	-
Total	888.58	888.55

Notes:

(i) During the year ended March 31, 2024, the Company has invested an amount of ₹20.01 crores in Gegadyne Energy Labs Private Limited (GEL). Post investment, the Company holds 24.32% shareholding (on a fully diluted basis) in GEL. GEL has accordingly become an associate company of the company with effect from November 21, 2023. Gegadyne is a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions.

(ii) During the year ended March 31, 2025 the Company has invested an amount of ₹ 0.03 crores in Kinfra Electronics Park Private Limited which is a Special Purpose Vehicle (SPV) constituted for facility management and infrastructure development for Electronics Manufacturing Cluster (EMC) park where the company has leased land for development of an in-house innovation center.

Current

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Investments carried at fair value through profit and loss:		
(a) ICICI Prudential Overnight Funds- Direct Growth	5.00	-
36,365.60 [March 31, 2024 : Nil] units		
(b) SBI MF Overnight Funds - Direct Growth	5.00	-
12,047.30 [March 31, 2024 : Nil] units		
(c) ABSL Liquid Direct Growth Fund	-	10.02
Nil [March 31, 2024 : 2,57,258.40] units		
(d) HDFC Liquid Direct Growth Fund	-	10.01
Nil [March 31, 2024 : 21,132.45] units		
(e) SBI Liquid Direct Growth Fund	-	10.01
Nil [March 31, 2024 : 26,495.29] units		
Total	10.00	30.04

Notes:

(i) Carrying value of unquoted investments are as below:

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Investments in Subsidiary Companies:		
Aggregate carrying value of unquoted investments	817.98	817.98
(b) Investments in Associate Company:		
Aggregate carrying value of unquoted investments	70.57	70.57
(c) Investments in Others:		
Aggregate carrying value of unquoted investments	10.03	30.04

(ii) There is no impairment in the value of investments during the years ended March 31, 2025 and March 31, 2024.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 7: Loans (Non-current)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	1.05	0.84
Total	**1.05**	**0.84**

Notes:

(i) There are no loans as at March 31, 2025 and March 31, 2024 which have significant increase in credit risk or which are credit impaired.

(ii) Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Company. The carrying value may be affected by the changes in the credit risk of the counter parties.

Note 8: Other non-current financial assets

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	17.24	17.20
(b) Non-current bank balance (Refer Note 14B)	0.67	0.68
Total	**17.91**	**17.88**

(i) There are no financial assets as at March 31, 2025 and March 31, 2024 which have significant increase in credit risk or which are credit impaired.

(ii) Refer Note 49 for accounting policies relevant to financials assets.

Note 9: Current tax assets (net)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance income tax (net of provisions)	33.96	30.96
Total	**33.96**	**30.96**

Note 10: Deferred tax assets / (liabilities) (net)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Tax effect of items constituting deferred tax assets		
Impairment allowance for doubtful trade receivables, loans and advances	9.27	9.14
Disallowances under Section 43B of the Income Tax Act, 1961	10.97	11.05
Others including lease liabilities	22.90	20.82
	43.14	**41.01**
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of property, plant and equipment and Right of use assets	(32.21)	(29.45)
Financial Assets at Fair Value through Profit or Loss	(2.45)	(2.73)
	(34.66)	**(32.18)**
Net deferred tax assets / (liabilities) [Refer Note 38(d) and 38(e)]	**8.48**	**8.83**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 11: Other non-current assets

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
(a) Capital advances	21.30	13.18
(b) Deposits with statutory / Government authorities	3.26	2.63
(c) Prepaid expenses	0.41	0.44
Total	**24.97**	**16.25**

Note 12: Inventories

Accounting Policy

Inventories are valued at lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, packing materials, consumables and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Raw materials	130.04	111.69
(b) Work-in-progress	46.22	41.67
(c) Finished goods	196.29	167.06
(d) Stock-in-trade	476.86	374.47
(e) Packing materials and consumables	15.62	14.58
Total	**865.03**	**709.47**

Notes:

(i) The above includes goods in transit as under:

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	3.08	2.66
Stock-in-trade	8.64	14.53
Packing materials and consumables	0.00	0.03
Total	**11.72**	**17.22**

(ii) During the year ended March 31, 2025 ₹ (1.29) crores (March 31, 2024: ₹ 5.65 crores) was recognised as an expense for inventories carried at net realisable value.

(iii) Inventories are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 13: Trade receivables

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables and contract assets, the company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables		
Secured, considered good	12.46	11.62
Unsecured, considered good	532.20	571.92
	544.66	583.54
Less: Impairment allowance (allowance for bad and doubtful debts) (Refer Note 51C)		
Unsecured, considered good based on expected credit loss provisioning	31.13	29.96
	31.13	29.96
Total	513.53	553.58

Notes:

(i) Trade receivables are generally on terms of 15 to 90 days and are non-interest bearing except in case of overdue payments.

(ii) Trade receivables are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

(iii) Refer Note 45 for receivables from related parties.

(iv) Offsetting financial assets and financial liabilities: The Company provides certain incentives to selected customers, the amounts payable by the Company as at March 31, 2025 of ₹ 139.01 crores (March 31, 2024: ₹ 96.65 crores) are offset against receivables from the customers and only the net amounts are settled.

(v) The secured portion of trade receivables is supported by security deposits received from customers, as disclosed in Note 26(b).

Trade receivables ageing schedule

(₹ in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total as at March 31, 2025
		Less than 6 months	6 months -1 year	1-2years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	411.44	101.30	4.34	2.93	0.66	1.15	521.82
ii) Disputed trade receivables - considered good	-	-	-	0.60	3.77	18.47	22.84
Total	411.44	101.30	4.34	3.53	4.43	19.62	544.66

(₹ in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total as at March 31, 2024
		Less than 6 months	6 months -1 year	1-2years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	447.35	101.55	5.41	2.42	0.23	1.52	558.48
ii) Disputed trade receivables - considered good	-	-	-	3.92	0.55	20.59	25.06
Total	447.35	101.55	5.41	6.34	0.78	22.11	583.54

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 14: Cash and cash equivalents and Other bank balances

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
A. Cash and cash equivalents		
(a) Cash on hand	0.03	0.09
(b) Balances with banks:		
On current accounts	25.04	29.99
In fixed deposits with original maturity of less than 3 months	5.00	4.99
Total	**30.07**	**35.07**
B. Other bank balances		
(a) Unpaid dividend accounts	0.42	0.56
(b) Fixed deposits (Refer note below)	0.67	0.68
Total	**1.09**	**1.24**
Less: Amount disclosed under other non-current financial assets (Refer Note 8)	(0.67)	(0.68)
Total	**0.42**	**0.56**

Note: Fixed deposits of ₹ 0.67 crores (March 31, 2024: ₹ 0.68 crores) has been lien marked with banks towards various guarantees in favour of vendors, statutory authorities and others.

Note 15: Loans (Current)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured, considered good (carried at amortised cost)		
(a) Loan given to Associate (Refer Note 56)	1.60	-
Unsecured, considered good (carried at amortised cost)		
(b) Loans to employees (Refer Note 7(i))	1.25	1.16
Total	**2.85**	**1.16**

(i) There are no loans as at March 31, 2025 and March 31, 2024 which have significant increase in credit risk or which are credit impaired. Also refer Note 7 (ii).

(ii) Refer Note 45 for receivables from related parties.

(iii) Refer Note 56 for details of security of loan given to Associate

Note 16: Other current financial assets

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good (carried at amortised cost)		
(a) Interest accrued	0.26	0.21
(b) Receivable from related parties	2.70	1.54
Total	**2.96**	**1.75**

Notes:

(i) There are no current financial assets as at March 31, 2025 and March 31, 2024 which have significant increase in credit risk or which are credit impaired.

(ii) Refer Note 45 for receivables from related parties.

(iii) Refer Note 49 for accounting policies relevant to financials assets.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 17: Other current assets

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good unless otherwise stated		
(a) Advance to suppliers		
Considered good	57.00	46.51
Considered doubtful	5.71	6.36
	62.71	**52.87**
Less: Provision for doubtful advances	(5.71)	(6.36)
	57.00	**46.51**
(b) Balances with Government authorities	49.87	46.14
(c) Prepaid expenses	12.09	17.67
(d) Right to return asset	5.04	7.73
(e) Others	1.12	1.36
Total	**125.12**	**119.41**

Note 18: Share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	₹ in crores	Number of shares	₹ in crores
(a) Authorised:				
Equity shares of ₹ 1/- (March 31, 2024: ₹ 1/-) each with voting rights	1,91,50,00,000	191.50	1,91,50,00,000	191.50
(b) Issued, subscribed and fully paid-up:				
Equity shares of ₹ 1/- (March 31, 2024: ₹ 1/-) each with voting rights	43,57,79,033	43.58	43,43,85,980	43.44

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹ in crores	Number of shares	₹ in crores
At the beginning of the year	43,43,85,980	43.44	43,21,74,432	43.22
Issued during the year	13,93,053	0.14	22,11,548	0.22
Outstanding at the end of the year	**43,57,79,033**	**43.58**	**43,43,85,980**	**43.44**

(b) Terms / rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹ 1 per share (March 31, 2024: ₹ 1 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity share holders will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 18: Share capital (Contd..)

(c) Details of shareholders holding more than 5% shares in the Company:

Class of shares / name of shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Mr. Kochouseph Chittilappilly	4,09,05,394	9.39%	4,09,05,394	9.42%
Mr. Arun K Chittilappilly	3,77,77,828	8.67%	3,77,77,828	8.70%
Mr. Mithun K. Chittilappilly	8,63,89,878	19.82%	8,63,89,878	19.89%
Kotak Mahindra Mutual Fund	2,57,84,216	5.92%	2,82,18,086	6.50%
SBI Mutual Fund	3,27,55,487	7.52%	3,94,35,567	9.08%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

(i) The Company has issued 6,408,490 shares of face value of ₹ 1 each (March 31, 2024: 6,368,878 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(ii) The Company has issued 1,083,008 shares to the erstwhile share holders of Simon Electric Private Limited as part of the merger during the year ended March 31, 2023. Refer Note 48.

(e) Shares reserved for issue under options and contracts

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer Note 47.

(f) Details of shares held by promoters:

As at March 31, 2025

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	4,09,05,394	-	4,09,05,394	9.39%	(0.03%)
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.51%	(0.01%)
Promoter group					
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.67%	(0.03%)
Mr. Mithun K. Chittilappilly	8,63,89,878	-	8,63,89,878	19.82%	(0.06%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.77%	(0.02%)
Mr. Mithun K. Chittilappilly, Trustee of Anekha Chittilappilly Trust	2,13,00,000	-	2,13,00,000	4.89%	(0.02%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.25%	(0.01%)

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 18: Share capital (Contd..)

As at March 31, 2024

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	4,54,05,394	(45,00,000)	4,09,05,394	9.42%	(1.09%)
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.52%	(0.01%)
Promoter group					
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.70%	(0.04%)
Mr. Mithun K. Chittilappilly	8,63,89,878	-	8,63,89,878	19.89%	(0.10%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.79%	(0.02%)
Mr. Mithun K. Chittilappilly, Trustee of Anekha Chittilappilly Trust	2,13,00,000	-	2,13,00,000	4.90%	(0.03%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.26%	(0.03%)

Note 19: Other Equity

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Securities Premium		
Opening Balance	184.85	141.92
Exercise of Options under ESOS 2013	7.90	6.01
Transfer from Share based payments reserve on exercise of options under ESOS 2013	13.59	10.19
Shares issued as consideration for business combination (Refer Note 48)	-	26.73
Closing Balance	**206.34**	**184.85**
General Reserve		
Opening Balance	64.89	64.89
Change during the year	-	-
Closing Balance	**64.89**	**64.89**
Retained Earnings		
Opening Balance	1419.76	1247.83
Net Profit for the year	260.22	230.91
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement (loss) / gain on defined benefit plans (net of taxes)	(2.99)	(2.62)
Final dividend	(60.91)	(56.36)
Closing Balance	**1616.08**	**1419.76**
Capital Reserve		
Opening Balance	20.46	20.46
Change during the year	-	-
Closing Balance	**20.46**	**20.46**
Share based payments reserve		
Opening Balance	34.67	42.84
Transfer from Share based payments reserve on exercise of options under ESOS 2013	(13.59)	(10.19)
Compensation cost on stock options granted (net) (Refer Note 33)	25.91	2.02
Closing Balance	**46.99**	**34.67**
Share pending issuance		
Opening Balance	-	26.84
Shares issued as consideration for business combination (Refer Note 48)	-	(26.84)
Closing Balance	**-**	**-**
Total	**1,954.76**	**1,724.63**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 19: Other Equity (Contd..)

Nature and purpose of reserves:

Securities premium: The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve : Represents the amounts transferred from the retained earnings in accordance with the Companies (Transfer of Profits to Reserves) Rules 1975, as per the requirements of the erstwhile Companies Act, 1956.

Retained earnings : Represents the profits / losses of the Company earned till date, net of appropriations. Further, remeasurement gains / (losses) of defined benefit plans are presented as part of retained earnings.

Capital reserve : The excess of fair value of net assets acquired over consideration paid in business combination is recognised as capital reserve.

Share based payments reserve : The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to share based payments reserve. The outstanding balance represents the cumulative compensation cost of stock options granted but not yet vested / exercised.

Shares pending issuance : Represents the equity shares pending to be issued as on March 31, 2023 pursuant to business combination (Refer Note 48).

Note 20: Distribution made and proposed

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividends on equity shares declared and paid:		
Final dividend for the year ended March 31, 2024 - ₹ 1.40 per share of face value of ₹ 1 each (March 31, 2023 - ₹ 1.30 per share of face value of ₹ 1 each)	60.91	56.36
Total	**60.91**	56.36
Proposed dividends on equity shares:		
Proposed dividend for the year ended March 31, 2025 - ₹ 1.50 per share of face value of ₹ 1 each (March 31, 2024 - ₹ 1.40 per share of face value of ₹ 1 each) (Refer note below)	65.37	60.81
Total	**65.37**	60.81

Note : Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at the balance sheet date.

Note 21: Non-current borrowings

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(carried at amortised cost)		
Secured		
(a) Term loan from a bank	-	89.65
(b) Term loan from a financial institution	-	184.30
Less : Current Maturities of Long term-debt (included in current borrowings) (Refer Note 24)		
(a) Term loan from a bank	-	(44.73)
(b) Term loan from a financial institution	-	(91.96)
Total	**-**	**137.26**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 21: Non-current borrowings (Contd..)

Notes:

(i) Terms of loans are listed below:

(₹ in Crores)

Particulars	Terms of repayment	Interest rate	Balance as at 31 March 2025	Balance as at 31 March 2024
Term loan of ₹ 90.00 crores from a bank	Maturity : January, 2026 Terms : 8 equal quarterly instalments starting from April 2024	Repo rate + 200 bps	-	89.65
Term loan of ₹ 185.00 crores from a financial institution	Maturity : January, 2026 Terms : 8 equal quarterly instalments starting from April 2024	91 day T-Bill rate + 239 bps	-	184.30

(ii) Security of term loans is detailed below:

(a) Term loan from bank : Mortgage on certain immovable properties and charge on all existing and future plant, machinery and equipment.

(b) Term loan from financial institution : Mortgage on certain immovable properties and charge on all existing and future plant, machinery and equipment.

(iii) The Company was afforded the option to prepay the term loan prior to its maturity and exercised this option accordingly.

(iv) Change in liabilities arising from financing activities are as follows:

(₹ in Crores)

Particulars	Lease liabilities		Borrowings	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Balance outstanding as at beginning of the year	64.67	80.95	291.03	419.61
Addition on account of new leases during the year	19.19	8.83	-	-
Deletion on account of termination of leases during the year	(0.02)	(9.62)	-	-
Cash inflow from borrowings	-	-	-	77.59
Finance costs	6.00	6.62	13.40	27.95
Cash outflows	(23.92)	(22.11)	(293.62)	(234.12)
Balance outstanding as at end of the year	**65.92**	**64.67**	**10.81**	**291.03**
Disclosed as:				
Current borrowings (Refer Note 24)	-	-	10.81	153.77
Non-current borrowings (Refer Note 21)	-	-	-	137.26
Current portion of lease liabilities (Refer Note 22)	18.75	17.09	-	-
Non-current portion of lease liabilities (Refer Note 22)	47.17	47.58	-	-
Total	**65.92**	**64.67**	**10.81**	**291.03**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 22: Lease liabilities

Accounting Policy

The Company's lease primarily comprises of land, building and vehicles. Lease contracts are typically made for fixed period of 11 months to 3 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less, without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

See note 2.2 (i) for the other accounting policies relevant to leases.

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(carried at amortised cost)		
(a) Non-current portion of lease liabilities (Refer Note 21 (iv) and 42)	47.17	47.58
(b) Current portion of lease liabilities (Refer Note 21 (iv) and 42)	18.75	17.09
Total	**65.92**	**64.67**

Note 23: Provisions (Non-current)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for warranty (Refer Note 28)	17.19	14.88
Total	**17.19**	**14.88**

Note 24: Current borrowings

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(carried at amortised cost)		
Secured		
Current maturities of long term debt		
(a) Term loan from a bank (Refer Note 21)	-	44.73
(b) Term loan from a financial institution (Refer Note 21)	-	91.96
Unsecured		
(a) Channel financing facility from bank (Refer note (ii) below)	10.81	17.08
Total	**10.81**	**153.77**

Notes:

(i) The Company has not made any defaults in the repayment of loans availed during the year.

(ii) Channel financing facility from bank represents financing arrangement with limited recourse to the Company. The Company therefore continues to recognise receivables in their entirety in its balance sheet with corresponding liability presented as borrowings.

(iii) Also refer Note 21(iv).

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 25: Trade payables

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(carried at amortised cost)		
(a) Total outstanding dues of micro enterprises and small enterprises	38.11	60.40
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises:		
- Related parties	72.25	17.25
- Others	526.10	406.34
	598.35	423.59
Total	**636.46**	**483.99**

Notes:

(i) Trade payables are non interest bearing and are normally settled in 7 days to 120 days. For explanations on the Company's risk management process, refer Note 51.

(ii) Trade payables are unsecured and for amounts due to related parties, refer Note 45.

(iii) Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Principal amount and interest due there on remaining unpaid to any supplier as at the end of the year:		
Principal amount due to micro and small enterprises	38.02	60.22
Interest due on above	0.32	0.32
	38.34	60.54
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under the MSMED Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.32	0.32
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Notes:

A. Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

B. Principal amount due to micro and small enterprises includes dues of micro and small enterprises included under other financial liabilities (Refer Note 26 (ii)).

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 25: Trade payables (Contd..)

Trade payables ageing schedule

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2025
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	36.51	1.60	-	-	-	38.11
ii) Others	530.25	61.54	2.17	1.50	2.89	598.35
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2024
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	50.47	9.93	-	-	-	60.40
ii) Others	321.18	83.03	6.75	4.27	8.36	423.59
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

Note 26: Other current financial liabilities

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(carried at amortised cost)		
(a) Unpaid dividends (Refer note (i) below)	0.42	0.56
(b) Trade / Security deposits received	13.21	13.74
(c) Capital creditors (Refer note (ii) below)	0.34	1.07
(d) Employee benefits payable (Refer Note 45 for related party balances)	93.12	61.46
(e) Deferred consideration payable (Refer Note 41 (iii))	29.16	27.38
(f) Other payables (Refer Note 45 for related party balances)	1.66	0.72
Total	**137.91**	**104.93**

Notes:

(i) Unpaid dividend represents unpresented dividend warrants and does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

(ii) Capital creditors includes outstanding dues of micro enterprises and small enterprises of ₹ 0.23 crores (March 31, 2024: ₹ 0.14 crores) Refer note 25(iii).

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 27: Other current liabilities

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Statutory dues*	42.40	38.93
(b) Contract liabilities (Refer Note 30(iii))	20.49	22.38
(c) Refund liabilities arising from right to return assets	7.85	11.59
(d) Others	4.91	1.46
Total	**75.65**	**74.36**

*Represents dues relating to Goods and Services tax, Provident Fund, Employee State Insurance, withholding taxes etc.

Note 28: Provisions (Current)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Provision for employee benefits		
(i) Provision for compensated absences (Refer note (i) below)	26.34	22.83
(ii) Provision for gratuity (Refer Note 43)	13.16	12.53
(b) Other provisions		
(i) Provision for warranty (Refer note (ii) below)	57.08	46.33
Total	**96.58**	**81.69**

Notes:

(i) Provision for compensated absences

The obligations for compensated absences cover the Company's liability for paid leaves. The entire amount of the provision is presented as current as the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The current portion of provision per the actuarial valuation report, included in the total obligation for compensated absences, is ₹ 3.58 crores (March 31, 2024 – ₹ 3.10 crores).

(ii) Provision for warranty:

A provision is recognized for expected warranty claims and after sales services on products sold during the year, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within five years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current information available about defective returns based on the warranty period for the respective products sold.

The table below gives information about movement in provision for warranty :

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	61.21	48.81
Additional provision recognized	78.36	69.39
Amounts used during the year	(65.30)	(56.99)
Balance as at the end of the year	**74.27**	**61.21**
Disclosed as:		
Non-current (Refer Note 23)	17.19	14.88
Current	57.08	46.33

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 29: Current tax liabilities (net)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for income tax (net of advance tax)	-	2.27
Total	**-**	**2.27**

Note 30: Revenue from operations

Accounting Policies

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Company manufactures and sells a range of electronic, electrical and consumer durables. Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. The performance obligation for revenue from sale of services is satisfied over time and payment is generally due upon completion of service and acceptance of the customer. Revenue is thus recognized as the service is performed and there are no unsatisfied performance obligations.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

(a) Variable Consideration

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 volume discount, gifts, other schemes etc. Revenue from contract with customer is presented after deducting cost of all these schemes.

(b) Right to return assets and refund liability

A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of good sold) is also recognised for the right to recover the goods from the customer.

(c) Financing Components

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(d) Contract Liabilities

Contract liability is recognised when there are billings in excess of revenues and the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 30: Revenue from operations (Contd..)

(e) Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Revenue from contracts with customers		
Sale of products	5,265.23	4,524.28
Sale of services	7.44	4.44
Sale of scrap*	24.33	23.53
	5,297.00	4,552.25
(b) Government budgetary support (Refer note (i) below)*	11.87	7.18
Total	**5,308.87**	**4,559.43**

* Represents other operating revenues.

Notes:

(i) Government budgetary support represents benefits provided by the Central Government of India to the Company in respect of its manufacturing units in the state of Sikkim in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 5, 2017 which were earlier eligible for excise duty exemption.

(ii) Timing of revenue recognition is as below:

(₹ in Crores)

Particulars	For the year ended March 31, 2025			
	Electronics	Electricals	Consumer Durables	Total
Sale of products	1,493.93	2,141.08	1,630.22	5,265.23
Sale of services	3.51	0.98	2.95	7.44
Sale of scrap	3.91	12.77	7.65	24.33
Total revenue from contracts with customers	**1,501.35**	**2,154.83**	**1,640.82**	**5,297.00**
India	1,489.55	2,154.57	1,639.63	5,283.75
Outside India	11.80	0.26	1.19	13.25
Total revenue from contracts with customers	**1,501.35**	**2,154.83**	**1,640.82**	**5,297.00**
Timing of revenue recognition				
Goods transferred at a point in time	1,497.84	2,153.85	1,637.87	5,289.56
Services transferred over time	3.51	0.98	2.95	7.44
Total revenue from contracts with customers	**1,501.35**	**2,154.83**	**1,640.82**	**5,297.00**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 30: Revenue from operations (Contd..)

(₹ in Crores)

Particulars	For the year ended March 31, 2024			
	Electronics	Electricals	Consumer Durables	Total
Sale of products	1,155.67	1,934.80	1,433.81	4,524.28
Sale of services	2.82	1.11	0.51	4.44
Sale of scrap	3.45	12.42	7.66	23.53
Total revenue from contracts with customers	**1,161.94**	**1,948.33**	**1,441.98**	**4,552.25**
India	1,151.27	1,947.52	1,441.56	4,540.35
Outside India	10.67	0.81	0.42	11.90
Total revenue from contracts with customers	**1,161.94**	**1,948.33**	**1,441.98**	**4,552.25**
Timing of revenue recognition				
Goods transferred at a point in time	1,159.12	1,947.22	1,441.47	4,547.81
Services transferred over time	2.82	1.11	0.51	4.44
Total revenue from contracts with customers	**1,161.94**	**1,948.33**	**1,441.98**	**4,552.25**

Set out below, is the reconciliation of the revenue from contracts with customers :

(₹ in Crores)

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	Electronics	Electricals	Consumer Durables	Electronics	Electricals	Consumer Durables
External customers	1,508.36	2,154.83	1,645.68	1,166.58	1,948.33	1,444.52
Government budgetary support	(7.01)	-	(4.86)	(4.64)	(0.00)	(2.54)
Total revenue from contracts with customers	**1,501.35**	**2,154.83**	**1,640.82**	**1,161.94**	**1,948.33**	**1,441.98**

(iii) Contract balances

The following are the contract balances:

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables (Current) (Refer Note 13)	513.53	553.58
Contract liabilities (Current) (Refer Note 27)	20.49	22.38

During the year ended March 31, 2025, revenue recognised from amount included in contract liability at the beginning of year is ₹ 20.66 crores (March 31, 2024: ₹ 13.45 crores).

(iv) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contract price	5,692.96	4,915.49
Adjustments:		
Discounts, rebates and trade incentives	(388.11)	(351.65)
Refund liabilities	(7.85)	(11.59)
Total revenue from contracts with customers	**5,297.00**	**4,552.25**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 30: Revenue from operations (Contd..)

(v) Performance obligation

The performance obligation for sale of products and scrap are satisfied upon delivery / dispatch of goods depending upon terms with customers and payment is generally due within 15 to 90 days from delivery. Some contracts provide customers with a right of return, volume based discounts, rebates and other promotion incentive schemes, which give rise to variable consideration subject to constraint. The contracts do not have a significant financing component. The Company offers standard warranty on selected products. The Company makes provision for same as per the principles laid down under Ind AS 37. The performance obligation for services is satisfied over time and payment is generally due upon completion of service and acceptance of the customer. There are no unsatisfied performance obligations as at March 31, 2025 and March 31, 2024.

Note 31: Other income

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on sale of investments	5.86	1.89
Dividend from Subsidiary	-	21.13
Fair value gain on Investment	-	17.14
Interest income from financial assets at amortised cost:		
(i) Interest income on overdue trade receivables	4.99	5.93
(ii) Interest income from banks on deposits	0.10	0.13
(iii) Interest income on others	1.11	0.46
Mould hire charges	0.12	0.09
Liabilities / provisions no longer required written back	0.09	0.13
Profit on property, plant and equipment sold / scrapped / written off (net)	0.12	-
Miscellaneous income	6.47	4.94
Total	**18.86**	**51.84**

Note 32: Decrease / (increase) in inventories of finished goods, work-in-progress and traded good

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the end of the year:		
Finished goods	196.29	167.06
Work-in-progress	46.22	41.67
Stock-in-trade	476.86	374.47
Total (A)	**719.37**	**583.20**
Inventories at the beginning of the year:		
Finished goods	167.06	193.62
Work-in-progress	41.67	37.74
Stock-in-trade	374.47	315.62
Total (B)	**583.20**	**546.98**
(Increase) / decrease in inventories		
Finished goods	(29.23)	26.56
Work-in-progress	(4.55)	(3.93)
Stock-in-trade	(102.39)	(58.85)
Net (increase) / decrease (B - A)	**(136.17)**	**(36.22)**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 33: Employee benefits expense

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Salaries, wages and bonus	404.94	336.39
(b) Contributions to provident and other funds	18.40	15.98
(c) Share based payment expense (Refer Note 47)	25.91	2.02
(d) Gratuity expense (Refer Note 43)	6.71	5.55
(e) Staff welfare expenses	23.47	16.82
Total	**479.43**	**376.76**

Note : Also refer Note 39.

Note 34: Depreciation and amortization expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Depreciation of property, plant and equipment (Refer Note 3)	42.52	41.93
(ii) Depreciation of right of use assets (Refer Note 3)	19.44	17.73
(iii) Amortization of intangible assets (Refer Note 5)	11.72	7.29
Total	**73.68**	**66.95**

Note 35: Finance costs

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss:		
(i) Interest on borrowings	13.40	27.95
(ii) Interest on lease liabilities (Refer Note 42)	6.00	6.62
(iii) Interest - others	3.48	2.89
	22.88	37.46
Less: Capitalised with property, plant and equipment (Refer Note 3)	2.96	-
Total	**19.92**	**37.46**

Note 36: Other expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of packing materials and consumables	55.56	60.47
Power and fuel	22.74	22.11
Job work and service Charges	13.23	10.56
Rent (Refer Note 42)	10.18	13.55
Repairs and maintenance		
Plant and machinery	3.94	4.29
Building	1.86	2.05
Others	53.24	37.18
Rates and taxes	3.86	4.05
Travelling and conveyance	59.07	49.89
Freight and forwarding charges	138.14	102.41
Advertisement and business promotion expenses	142.92	108.08
Donations and contributions	0.09	0.02

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 36: Other expenses (Contd..)

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
CSR expenditure (Refer Note 37)	5.44	5.48
Legal and professional fees	43.02	40.32
Directors' sitting fees	0.62	0.86
Commission / emolument (Refer Note 45)	1.01	0.94
Payments to statutory auditors (Refer note (i) below)	1.16	0.97
Loss on foreign currency transactions and translation (net)	1.78	2.59
Loss on property, plant and equipment sold / scrapped / written off (net)	-	0.64
Loss allowance for trade receivables (net) (Refer Note 51C)	1.18	5.28
Impairment allowance for doubtful advances (net)	(0.65)	(0.81)
Outsourced manpower cost	100.86	86.53
Warranty expenses	78.36	69.39
Miscellaneous expenses	87.23	73.30
Total	**824.84**	**700.15**

Notes:

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Payments to statutory auditors comprises:		
Statutory audit fees	0.60	0.51
Tax audit fees	0.06	0.06
Limited review fees	0.24	0.24
Fees for other services (certifications)	0.02	-
Other assurance related service	0.14	-
Reimbursement of expenses	0.10	0.16
Total	**1.16**	**0.97**

(ii) Also Refer Note 39

Note 37: Details of CSR expenditure

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Gross amount required to be spent during the year	5.28	5.44
(b) Amount spent during the year:		
(i) In cash		
- Construction / acquisition of any asset	-	-
- On purposes other than (i) above	5.44	5.48
(ii) Yet to be paid in cash		
- Construction / acquisition of any asset	-	-
- On purposes other than (i) above	-	-
(c) Details related to spent / unspent obligations:		
(i) Contribution to public trust	-	-
(ii) Contribution to charitable trust	-	-
(iii) Contribution to Section 8 Company (Refer Note 45)	5.31	5.39
(iv) Others	0.13	0.09
(v) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 37: Details of CSR expenditure (Contd..)

(d) Details of CSR expenditure under Section 135(5) of the Companies Act, 2013 in respect of other than ongoing projects

(₹ in Crores)

Opening Balance as on April 1, 2024	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent
-	-	5.28	5.44	0.16

(₹ in Crores)

Opening Balance as on April 1, 2023	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent
-	-	5.44	5.48	0.04

(e) Refer Note 45(3) for nature of projects under CSR.

Note 38: Income taxes

The major components of income tax expense for the year ended March 31, 2025 and March 31, 2024 are:

(a) Statement of profit and loss

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current income tax		
Current income tax charge	86.18	70.80
Deferred tax		
Relating to origination and reversal of temporary differences	1.33	(0.66)
Income tax expense reported in the statement of profit and loss	**87.51**	**70.14**

(b) OCI section

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income tax related to items recognised in OCI during the year	0.98	0.82

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024:

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Accounting profit before income tax	347.73	301.05
Applicable tax rate	25.17%	25.17%
Computed tax expense at statutory rate	87.52	75.77
Corporate Social Responsibility Expenditure	1.39	1.38
Dividend from Subsidiary	-	(5.32)
Other items	(1.40)	(1.69)
Income tax charged to the Statement of profit and loss	87.51	70.14

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 38: Income taxes (Contd..)

(d) Reconciliation of deferred tax assets / (liabilities) (net):

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance as at beginning of the year	8.83	7.35
Tax income / (expense) during the year recognised in Statement of profit and loss	(1.33)	0.66
Tax income / (expense) during the year recognised in other comprehensive income	0.98	0.82
Closing balance as at end of the year	**8.48**	**8.83**

(e) Movement of deferred tax assets / (liabilities) (net) for the year ended March 31, 2025 and March 31, 2024:

(₹ in Crores)

Particulars	Difference between book balance and tax balance of property, plant and equipment and right of use assets	Financial Assets at Fair Value through Profit or Loss	Impairment allowance for doubtful trade receivables, loans and advances	Disallowances under Section 43B of the Income Tax Act, 1961	Others including lease liabilities	Net Deferred Tax Balance
As at April 1, 2023	**(33.01)**	**-**	**8.08**	**6.77**	**25.51**	**7.35**
(Charged) or credited:						
- to profit or loss	3.56	(2.73)	1.05	3.47	(4.69)	0.66
- to other comprehensive income	-	-	-	0.82	-	0.82
As at March 31, 2024	**(29.45)**	**(2.73)**	**9.13**	**11.06**	**20.82**	**8.83**
(Charged) or credited:						
- to profit or loss	(2.76)	0.28	0.13	(1.06)	2.08	(1.33)
- to other comprehensive income	-	-	-	0.98	-	0.98
As at March 31, 2025	**(32.21)**	**(2.45)**	**9.26**	**10.98**	**22.90**	**8.48**

Note 39: Details of research and development expenditure

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employee benefits expense	21.68	18.23
Travelling expenses	1.65	1.09
Others	5.18	4.47
Total	**28.51**	**23.79**

Note 40: Commitments and contingencies

A) Capital commitments (Net of advances)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for	72.08	55.59

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 40: Commitments and contingencies (Contd..)

B) Contingent liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Claims against the Company not acknowledged as debt	0.27	0.18
(b Direct tax matters under dispute / pending before Income Tax Authorities	55.77	55.77
(c) Indirect tax matters for demands raised by goods and services tax / sales tax / VAT department pending before various appellate authorities	12.95	8.45
(d) Others	0.14	0.14
Total	**69.13**	**64.54**

Notes:

(i) The Company is involved in taxation and other disputes, lawsuits, proceedings etc. including commercial matters and claims relating to Company's products that arise from time to time in the ordinary course of business. Management is of the view that such claims are not tenable and will not have any material adverse effect on the Company's financial position and results of operations. It is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.

(ii) The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

(iii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 41: Investment in subsidiaries

a) These financial statements are separate financial statements prepared in accordance with Ind AS-27 "Separate Financial Statements".

b) The Company's investment in subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Portion of ownership interest as at March 31, 2025	Portion of ownership interest as at March 31, 2024	Method used to account for the investment
Guts Electro-Mech Limited (Refer note (i) below)	India	100%	100%	At cost
V-Guard Consumer Products Limited (Refer note (ii) below)	India	100%	100%	At cost
Sunflame Enterprises Private Limited (Refer note (iii) below)	India	100%	100%	At cost

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 41: Investment in subsidiaries (Contd..)

(i) The Company had acquired 74% equity stake in Guts Electro-Mech Limited ("Guts") on August 31, 2017. Guts is a public limited company engaged in the business of Switch Gear. The Company's Board of Directors at its meeting held on July 27, 2022 approved acquisition of balance 26% equity shares of Guts by exercising call option in accordance with the Share purchase and subscription agreement dated August 31, 2017. Consequently, Guts has become a wholly-owned subsidiary of the Company.

(ii) Pursuant to the approval of the Board of directors in their meeting held on July 02, 2021, the Company incorporated a wholly owned subsidiary by the name of V-Guard Consumer Products Limited ("VCPL") on July 19, 2021 and invested in 121,089,961 equity shares of ₹ 10 each. VCPL is incorporated with an objective of engaging in establishment and carrying on the business of manufacturing, selling and dealing in various consumer electrical, electronics, electromechanical products and home and kitchen appliances of all kinds both electrical and non-electrical and such other allied products.

(iii) Pursuant to the approval of the Board of directors in their meeting held on December 09, 2022, the Company completed the acquisition of 100% shareholding of Sunflame Enterprises Private Limited on January 12, 2023 for an aggregate consideration of ₹ 688.04 crores (including deferred consideration of ₹ 25.00 crores (excluding the interest component of ₹ 1.99 crores (March 31, 2024 : ₹ 2.38 crores)) and costs related to acquisition ₹ 7.71 crores) computed after the closing adjustments relating to working capital and net debt as described in the Share Purchase Agreement dated December 9, 2022. Accordingly, Sunflame Enterprises Private Limited has become a wholly-owned subsidiary of the Company with effect from January 12, 2023.

Note 42: Leases

(i) The Company's lease asset primarily consist of leases for vehicles, land and buildings for factories, branch offices and warehouses having the various lease terms. Certain real estate leases have renewal and / or termination options, which are assessed to determine if those options would affect the duration of the lease term. Renewal and termination options in real estate leases create flexibility in the Company's real estate portfolio, allowing the Company to readily adapt to changing business needs. The Company also has lease for vehicles, which have an average lease term of 4 years. The Company also has certain leases with lease terms of 12 months or less. The Company applies the short term lease recognition exemptions for these leases.

(ii) Refer Note 3 for carrying amount and movements of right of use assets during the years ended March 31, 2025 and March 31, 2024.

(iii) Refer Note 21 (iv) for carrying amount and movements of lease liabilities during the years ended March 31, 2025 and March 31, 2024.

(iv) Amounts recognised in statement of profit and loss during the year:

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on right of use assets (Refer Note 34)	19.44	17.73
Finance cost accrued during the year (included in finance costs) (Refer Note 35)	6.00	6.62
Expense related to short term leases (included in other expenses) (Refer Note 36)	10.18	13.55
(Gain) / loss on lease modifications (Refer Note 31)	(0.00)	(1.34)
Total	**35.62**	**36.56**

(v) The maturity analysis of lease liabilities are disclosed in Note 51A.

(vi) The weighted average incremental borrowing rate applied to lease liabilities is 9% (March 31, 2024 : 9%).

(vii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(viii) The Company had total cash outflows for leases of ₹34.10 crores during the year ended March 31, 2025 (March 31, 2024 ₹35.66 crores).

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 43: Employee benefit plans

Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit:

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Components of employer expense:		
Current service cost	6.17	5.12
Net interest expense / (income) on net defined benefit obligations	0.54	0.43
Total expense recognised in the Statement of Profit and Loss	**6.71**	**5.55**
Actual contribution and benefit payments for year:		
Actual benefit payments	1.82	2.02
Actual contributions	10.07	4.76
Net (liability) / asset recognised in the Balance Sheet:		
Present value of defined benefit obligation	(65.01)	(52.75)
Fair value of plan assets	51.85	40.22
Net (liability) / asset recognised in the Balance Sheet (Refer Note 28(a)(ii))	**(13.16)**	**(12.53)**
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	52.75	43.20
Current service cost	6.17	5.12
Interest cost on DBO	3.63	3.00
Transfer to subsidiary	(0.18)	(0.17)
Actuarial losses / (gains)	4.46	3.62
Benefits paid	(1.82)	(2.02)
Present value of DBO at the end of the year	**65.01**	**52.75**
Change in fair value of assets during the year:		
Plan assets at beginning of the year	40.22	35.06
Return on plan assets greater / (lesser) than discount rate	0.50	0.18
Actual company contributions	10.07	4.76
Interest income on plan assets	3.09	2.57
Transfer to subsidiary	(0.21)	(0.33)
Benefits paid	(1.82)	(2.02)
Plan assets at the end of the year	**51.85**	**40.22**
Composition of the plan assets is as follows:		
Insurer managed assets	100%	100%
Remeasurement (losses) / gains in other comprehensive income		
Return on plan assets greater / (lesser) than discount rate	0.50	0.18
Actuarial (loss) / gain on obligations arising from changes in experience adjustments	(2.33)	(3.27)
Actuarial gain / (loss) on obligations arising from changes in financial assumptions	(2.14)	(0.35)
Total amount recognised in OCI	**(3.97)**	**(3.44)**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 43: Employee benefit plans (Contd..)

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The below sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Defined benefit obligation	65.01	52.75

(₹ in Crores)

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Impact on defined benefit obligation (increase / (decrease))due to change in discount rate	4.68	(4.14)	5.66	(4.94)
Impact on defined benefit obligation (increase / (decrease)) due to change in salary escalation rate	(4.10)	4.53	(4.94)	5.65

Asset liability matching strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Maturity profile of defined benefit obligation

(₹ in Crores)

Expected cash flows (value on undiscounted basis)	As at March 31, 2025	As at March 31, 2024
Within 1 year	7.86	5.86
Within 2 years	6.94	6.33
Within 3 years	7.41	6.23
Within 4 years	8.40	6.70
Within 5 years	9.37	7.71
Within 6 to 10 years	53.58	46.15

Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2024: 7 years).

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 43: Employee benefit plans (Contd..)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Actuarial assumptions:		
Discount rate	6.50%	7.00%
Salary escalation rate	9.00%	9.00%
Attrition	Marketing - 16% & Non-Marketing - 8%	Marketing - 16% & Non-Marketing - 8%
Mortality Table	Indian Assured Lives Mortality (2006-08) modified Ultimate	Indian Assured Lives Mortality (2006-08) modified Ultimate
Estimate of amount of contribution in the immediate next year (₹ in crores)	13.16	12.53

Notes:

i) Plan assets are fully represented by balance with the Life Insurance Corporation of India.

ii) The long term estimate of the expected rate of return on fund assets has been arrived at based on the prevailing yields on these assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.

iii) The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iv) Plan Characteristics and Associated Risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. **Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. If bond yields fall, the defined benefit obligation will tend to increase.

b. **Salary Inflation risk :** The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors. Higher than expected increases in salary will increase the defined benefit obligation

c. **Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to over state withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Note 44: Segment reporting

The Company publishes this standalone financial statement along with the consolidated financials statements. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the consolidated financial statements.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 45: Related party transactions

(a) Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. Mithun K. Chittilappilly - Managing Director
	Mr. Ramachandran V - Director and Chief Operating Officer
	Mr. Sudarshan Kasturi - Chief Financial Officer (Refer Note 2 below)
	Mr. Vikas Kumar Tak - Company Secretary (Refer Note 2 below)
	Mr. Antony Sebastian - Executive Director (w.e.f from May 30, 2023)
Relatives of KMP with whom transactions have taken place during the year	Mr. Kochouseph Chittilappilly - Father of Mr. Mithun K. Chittilapilly
	Ms. Sheela Kochouseph - Mother of Mr. Mithun K. Chittilapilly
	Mr. Arun K. Chittilappilly - Brother of Mr. Mithun K. Chittilapilly
	Ms. Vidyavathi Vaidyanathan - Wife of Mr. Ramachandran V
	Ms. Radhika Ramachandran - Daughter of Mr. Ramachandran V
Non - Executive Directors	Mr. Cherian N Punnoose (ceases to be Non - Executive Director w.e.f July 28, 2024)
	Mr. Ullas K Kamath (ceases to be Non - Executive Director w.e.f July 28, 2024)
	Mr. C J George (ceases to be Non - Executive Director w.e.f July 28, 2024)
	Mr. George Jacob Muthoot
	Prof. Biju Varkey
	Mr. Ishwar Subramanian (w.e.f May 30, 2023)
	Ms. Radha Unni
Subsidiaries	Guts Electro-Mech Limited
	V-Guard Consumer Products Limited
	Sunflame Enterprises Private Limited
Associate	Gegadyne Energy Labs Private Limited (w.e.f November 21, 2023)
Entities in which KMP/ relatives of KMP can exercise significant influence	K Chittilappilly Trust
	Arav Chittilappilly Trust
	Anekha Chittilapilly Trust
	V-Guard Foundation (Refer Note 3 below)

The Company has not entered in to any transactions with companies in which KMP / relatives of KMP can exercise significant influence.

(b) Transactions with related parties during the year

(₹ in Crores)

Name of the related party	Nature of transactions	For the year ended March 31, 2025		For the year ended March 31, 2024	
Mr. Kochouseph Chittilappilly	Dividends paid		5.73		5.90
	Emoluments		0.94		0.74
Mr. Mithun K. Chittilappilly	Dividends paid		12.09		11.23
	Remuneration:		10.56		8.12
	Salaries and allowances	4.57		3.37	
	Company contribution to provident fund	0.35		0.28	
	Commission	5.64		4.47	
Mr. Ramachandran V	Dividends paid		0.31		0.22
	Remuneration:		33.24		19.73
	Salaries and allowances	3.79		4.06	
	Company contribution to provident fund	0.32		0.30	
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	29.13		15.37	
	Issue of Equity shares including premium		8.00		5.94

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 45: Related party transactions (Contd..)

(₹ in Crores)

Name of the related party	Nature of transactions	For the year ended March 31, 2025		For the year ended March 31, 2024	
Mr. Sudarshan Kasturi	Dividends paid		0.00		0.00
	Remuneration:		5.55		4.38
	Salaries and allowances	3.58		2.93	
	Company contribution to provident fund	0.17		0.15	
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	1.80		1.30	
	Issue of Equity shares including premium		0.01		0.01
Mr. Vikas Kumar Tak	Dividends paid		0.00		0.00
	Remuneration:		0.82		0.52
	Salaries and allowances	0.58		0.50	
	Company contribution to provident fund	0.02		0.02	
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	0.22		-	
	Issue of Equity shares including premium		0.00		-
Mr. Antony Sebastian	Dividend Paid		0.06		0.06
	Remuneration:		1.36		1.01
	Salaries and allowances	1.29		0.96	
	Company contribution to provident fund	0.07		0.05	
Relatives of KMP (Excluding Mr. Kochouseph Chittilappilly)	Dividends paid		6.91		6.42
Entities in which KMP/ relatives of KMP can exercise significant influence	Dividends paid		8.49		7.88
Non - Executive Directors	Sitting fees		0.62		0.86
	Commission		0.07		0.20
Guts Electro-Mech Limited	Purchase of goods		75.84		69.38
	Sale of Components		0.42		0.67
	Sale of services		0.82		0.73
	Reimbursement of expenses by subsidiary		1.06		0.75
V-Guard Consumer Products Limited	Purchase of goods		668.92		343.91
	Sale of Components		15.13		5.76
	Staff Welfare		0.01		0.01
	Sale of services		3.61		2.61
	Reimbursement of expenses by subsidiary		0.80		0.16
	Rent received		0.03		0.03
Sunflame Enterprises Private Limited	Reimbursement of expenses by subsidiary		5.45		3.98
	Sale of property, plant and equipment		-		0.01
	Sale of Goods		0.01		-
	Sales of services		1.66		0.24
	Dividend Received		-		21.13
	Rent Received		0.16		0.01
Gegadyne Energy Labs Private Limited	Investment in Preference shares		-		20.01
	Loan Given		1.60		2.30
	Interest on Loan Given		0.00		0.03
	Loan Repayment		-		2.30

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 45: Related party transactions (Contd..)

(c) Related party balances

(₹ in Crores)

Name of the related party	Nature of transactions	As at March 31, 2025	As at March 31, 2024
Mr. Kochouseph Chittilappilly	Emoluments payable	0.94	0.74
Mr. Mithun K. Chittilappily	Commission payable	5.64	4.47
Non - Executive Director	Commission payable	0.07	0.20
Mr. Ramachandran V	Remuneration payable	0.95	1.12
Mr. Sudarshan Kasturi	Remuneration payable	0.46	0.22
Mr. Vikas Kumar Tak	Remuneration payable	0.09	0.05
Mr. Antony Sebastian	Remuneration payable	0.27	0.23
Guts Electro-Mech Limited	Trade receivables	1.16	2.29
	Trade payables	18.15	6.57
V-Guard Consumer Products Limited	Rent deposit (Other Financial Liability)	0.01	0.01
	Trade receivables	2.00	1.58
	Trade payables	54.10	10.68
Sunflame Enterprises Private Limited	Other current Financial assets	2.70	1.54
Gegadyne Energy Labs Private Limited	Loan Outstanding	1.60	-

Notes:

1. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole. These are included as part of managerial remuneration on payment basis. Further, share based payments are disclosed when the stock options are exercised by the KMP as per the perquisite valuation rule. The details of KMP compensation is as below:

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term employee benefits	19.44	16.29
Post-employment benefits	0.93	0.81
Share based payment expense	31.15	16.67

2. Represents additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year.

3. The Company has formed V-Guard Foundation, a Company incorporated under Section 8 of the Companies Act, 2013, as its principal arm for implementing the Company's CSR programs / projects in compliance with Section 135 of the Companies Act, 2013. Two directors of the Company are the directors of V-Guard Foundation. During the year ended March 31, 2025, the Company has contributed ₹ 5.31 crores (March 31, 2024: ₹5.39 crores) towards expenditure for CSR activities. V-Guard Foundation has undertaken various CSR projects like V-Guard Educare and Skill Development, V-Guard Build India, V-Guard Health Care and V-Guard Women Empowerment.

4. The 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.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 46: Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit for the year (₹in crores)	260.22	230.91
Weighted average number of equity shares outstanding*	43,76,94,778	43,69,74,476
Basic earnings per share (₹)	**5.95**	**5.28**
Net Profit for the year (₹in crores)	260.22	230.91
Weighted average number of equity shares outstanding	43,95,12,234	43,83,27,754
Diluted earnings per share (₹)	**5.92**	**5.27**
Weighted average number of equity shares in calculating basic EPS	43,76,94,778	43,69,74,476
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	18,17,456	13,53,278
Weighted average number of equity shares in calculating diluted EPS	**43,95,12,234**	**43,83,27,754**

*Includes effect of vested employee stock options, considered as 'in-substance' issued equity shares.

Note 47: Share based payments

The members of the Company by way of a special resolution under Section 81(1)(A) of the Companies Act, 1956, passed on 14th May, 2013 through postal ballot procedure, approved Employees Stock Option Scheme, 2013 (ESOS 2013) for grant of stock options to eligible employees of the Company. According to the Scheme, the eligible employees will be entitled to options as given below subject to satisfaction of prescribed vesting conditions. All options granted under ESOS 2013 can be exercised within 6 years from the date of vesting. The number of shares allocated for allotment under the ESOS 2013 is 2,23,61,109 equity shares of ₹ 1/- each. The schemes are monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time. Refer table below for details of grants yet to be exercised as at the year end.

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting conditions
Grant III	2016-17	04-May-16	4,20,000	1.00	Over 4 years	60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			37,80,000	68.75		
Grant V	2016-17	08-Aug-16	12,61,246	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
			49,280	1.00		100% of the entitlements are time based grants which will vest over 4 years.
			2,80,000	1.00		60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			11,20,000	121.79		
Grant X	2017-18	22-Jan-18	2,50,768	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 47: Share based payments (Contd..)

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting conditions
Grant XV	2020-21	22-May-20	12,59,200	172.05	Over 4 years	100% of the entitlements are time based grants which will vest over 4 years.
			2,60,000	1.00	Over 4 years	100% of the entitlements based on the Company's performance at the end of 4 years.
Grant XVI	2020-21	27-Aug-20	10,62,635	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company and its subsidiaries.
Grant XVII	2020-21	03-Feb-21	3,16,325	1.00	Over 4 years	
Grant XVIII	2020-21	19-Mar-21	24,907	1.00	Over 4 years	
Grant XIX	2021-22	30-Jul-21	1,47,685	1.00	Over 4 years	
Grant XX	2021-22	28-Oct-21	1,14,365	1.00	Over 4 years	
Grant XXI	2021-22	02-Feb-22	2,51,143	1.00	Over 4 years	
Grant XXII	2021-22	25-Mar-22	59,980	1.00	Over 4 years	
Grant XXIII	2022-23	19-May-22	91,407	1.00	Over 4 years	
Grant XXIV	2022-23	27-Jul-22	86,868	1.00	Over 4 years	
Grant XXV	2022-23	02-Feb-23	1,23,651	1.00	Over 4 years	
Grant XXVI	2023-24	29-May-23	27,657	1.00	Over 4 years	
Grant XXVII	2023-24	27-Jul-23	1,40,326	1.00	Over 4 years	
Grant XXVIII	2023-24	29-Oct-23	65,415	1.00	Over 4 years	
Grant XXIX	2023-24	31-Jan-24	36,915	1.00	Over 4 years	
Grant XXX	2024-25	15-May-24	12,59,200	354.55	Over 4 years	
			2,60,000	1.00		
Grant XXXI	2024-25	31-Aug-24	8,07,159	1.00	Over 4 years	
Grant XXXII	2024-25	28-Oct-24	35,721	1.00	Over 4 years	
Grant XXXIII	2024-25	27-Jan-25	1,81,801	1.00	Over 3 years	75% of the total entitlements are time based grants which will vest over 3 years and the balance 25% will vest at the end of third year based on the performance of the Company and its subsidiaries.
			14,536		Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company and its subsidiaries.
Grant XXXIV	2024-25	19-Mar-25	15,669	1.00	Over 4 years	

The details of the activity under the Scheme are summarized below :

Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited / expired during the year	Exercised during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life (in years)
1.00	19,64,650	13,14,886	5,06,946	4,90,053	22,82,537	2,44,559	7.66
	(20,94,470)	(2,70,313)	(26,181)	(3,73,952)	(19,64,650)	(2,46,010)	(6.88)
71.36	-	-	-	-	-	-	-
	(19,588)	-	-	(19,588)	-	-	-
68.75	11,34,000	-	-	5,67,000	5,67,000	5,67,000	0.67
	(17,01,000)	-	-	(5,67,000)	(11,34,000)	(11,34,000)	(1.19)
121.79	5,04,000	-	-	3,36,000	1,68,000	1,68,000	1.27
	(6,72,000)	-	-	(1,68,000)	(5,04,000)	(5,04,000)	(1.27)
172.05	12,59,200	-	-	-	12,59,200	12,59,200	3.64
	(12,59,200)	-	-	-	(12,59,200)	(9,44,400)	(4.64)
354.55	-	12,59,200	-	-	12,59,200	-	7.62
	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 47: Share based payments (Contd..)

Note: The numbers in parenthesis pertains to the previous year ended March 31, 2024.

Weighted average fair value of the options granted during the year was ₹ 283.68 (March 31, 2024: ₹ 281.98).

Weighted average equity share price at the date of exercise of options during the year was ₹ 390.45 (March 31, 2024: ₹ 291.78).

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Binomial model:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Risk-free interest rate (%)	6.48 % to 6.96 %	6.80 % to 7.32 %
Expected life of options (years)	4.01 to 7.01	4.01 to 7.01
Expected volatility (%)	27.89% to 32.00%	27.57% to 30.02%
Dividend yield (%)	0.32 % to 0.40 %	0.44 % to 0.52 %

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date, indicative of future trends, which may not necessarily be the actual outcome. Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefits expense is ₹ 25.91 crores(March 31, 2024: ₹ 2.02 crores).

Note 48: Acquisition of Simon Electric Private Limited through Scheme of Amalgamation

In accordance with the Scheme of Amalgamation (Scheme) between the Company and Simon Electric Private Limited (Simon) as approved by Hon'ble National Company Law Tribunal, Simon was merged with business of the Company with effect from March 25, 2023 (appointed date), in consideration of 0.76646 equity shares of the Company of ₹ 1 each fully paid up for every 100 equity shares held in Simon of ₹ 10 each fully paid up.

Pursuant to the Scheme, the authorised share capital of the Company was increased to ₹ 191.50 crores divided into 1,91,50,00,000 equity shares of ₹ 1 each. In discharge of the consideration, the Company has allotted 10,83,008 equity shares to the erstwhile shareholders of Simon on May 03, 2023. The fair value of consideration amounts to ₹ 26.84 crores.

Note 49: Fair values

(i) Classification of financial assets at amortised cost

The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise trade receivables, loans and security deposits.

See note 2.2 (k) for other accounting policies relevant to financial assets.

(ii) Classification of financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss (FVTPL):

- debt investments (preference shares and mutual funds) that do not qualify for measurement at either amortised cost or FVOCI, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 49: Fair values (Contd..)

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Crores)

Particulars	Carrying value		Fair value	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Financial assets at FVTPL				
Other investments	80.52	100.53	80.52	100.53
Financial assets at amortised cost				
Loans	3.90	2.00	3.90	2.00
Cash and cash equivalents and other bank balances	31.16	36.31	31.16	36.31
Other financial assets	20.20	18.95	20.20	18.95
Trade receivables	513.53	553.58	513.53	553.58
Total	**649.31**	**711.37**	**649.31**	**711.37**
Financial liabilities at amortised cost				
Borrowings	10.81	291.03	10.81	291.03
Other financial liabilities	137.91	104.93	137.91	104.93
Trade payables	636.46	483.99	636.46	483.99
Total	**785.18**	**879.95**	**785.18**	**879.95**

The management assessed that fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables / advances given are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

Current investments pertains to investments in mutual funds which are mandatorily classified as fair value through statement of profit and loss. The fair value of investments in mutual funds units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at balance sheet date. NAV represents the price at which the issuer will issue further units of mutual funds and the price at which issuers will redeem such units from the investors.

The fair value of other investments has been determined using discounted cash flow method. Refer Note 50 (iv).

The fair value of loans and borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate. There are no unobservable inputs that impact fair value.

Note 50: Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities, measured at fair value on the balance sheet date:

(₹ in Crores)

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets carried at cost for which fair value are disclosed					
Investment property (Refer Note 4)	31-Mar-25	0.28	-	-	0.28
	31-Mar-24	0.28	-	-	0.28
Fair value of financial assets disclosed					
FVTPL - Other investments	31-Mar-25	80.52	-	10.00	70.52
	31-Mar-24	100.53	-	30.04	70.49

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 50: Fair value hierarchy (Contd..)

(₹ in Crores)

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets carried at amortised cost					
Cash and bank balances	31-Mar-25	31.16	-	-	31.16
	31-Mar-24	36.31	-	-	36.31
Other financial assets	31-Mar-25	20.20	-	-	20.20
	31-Mar-24	18.95	-	-	18.95
Loans	31-Mar-25	3.90	-	-	3.90
	31-Mar-24	2.00	-	-	2.00
Trade receivables	31-Mar-25	513.53	-	-	513.53
	31-Mar-24	553.58	-	-	553.58
Liabilities carried at amortised cost					
Trade payables	31-Mar-25	636.46	-	-	636.46
	31-Mar-24	483.99	-	-	483.99
Borrowings	31-Mar-25	10.81	-	-	10.81
	31-Mar-24	291.03	-	-	291.03
Other financial liabilities	31-Mar-25	137.91	-	-	137.91
	31-Mar-24	104.93	-	-	104.93

Notes:

(i) There have been no transfers between Level 1, Level 2 and Level 3 during the year. Also refer Note 49.

(ii) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iv) The significant unobservable inputs used in the fair value measurement of investment categorised within Level 3 of the fair value hierarchy together with sensitivity analysis are as shown below:

Description of significant unobservable inputs to valuation:

As at March 31, 2025

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
FVTPL Investments	Discounted cash flow method	Earnings multiple at 7.5x	0.5x increase in earnings multiple will result in a ₹ 9.32 crores increase in fair value and 0.5x decrease in earnings multiple will result in a ₹ 9.14 crores decrease in fair value.
		Weighted average cost of capital (WACC) at 40%	2% increase in WACC will result in a ₹ 14.13 crores decrease in fair value and 2% decrease in WACC will result in a ₹ 1.60 crores increase in fair value.

As at March 31, 2024

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
FVTPL Investments	Precedent transaction analysis method	Premium for Management, product / technology, size of opportunity, competition etc. (Premium of 40%-60%)	10% increase in premium will have a significant impact on the fair value of the investments.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 51: Financial risk management objectives and policies

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

A. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities.

The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2025 and March 31, 2024. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable investments, such as mutual funds, with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

As at March 31, 2025, the Company had ₹ 495.40 crores (March 31, 2024: ₹ 523.22 crores) of undrawn committed borrowing / credit facilities including non fund based facilities.

The table below summarises the maturity profile of Company's financial liabilities:

(₹ in Crores)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2025				
a) Borrowings	10.81	-	-	10.81
b) Lease liabilities	22.81	44.16	14.58	81.55
c) Trade payables	636.46	-	-	636.46
d) Other financial liabilities	137.91	-	-	137.91
Total	**807.99**	**44.16**	**14.58**	**866.73**
As at March 31, 2024				
a) Borrowings	171.63	142.63	-	314.26
b) Lease liabilities	21.39	42.94	19.06	83.39
c) Trade payables	483.99	-	-	483.99
d) Other financial liabilities	104.93	-	-	104.93
Total	**781.94**	**185.57**	**19.06**	**986.57**

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of following: interest rate risk, foreign currency risk and commodity price risk. Financial instruments affected by market risk include loans, borrowings, trade payables and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's term loans which are at floating interest rates.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 51: Financial risk management objectives and policies (Contd..)

The exposure of the Company's borrowings to interest rate changes at the end of the year are included in the table below :

(₹ in Crores)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
March 31, 2025	-	-
March 31, 2024	2.74	(2.74)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risks arising from exposures to US Dollars and Chinese Yuan from the Company's import of goods. The Company manages this foreign currency risk by using foreign currency forward contracts to hedge its import liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities net of amounts hedged is as follows:

(₹ in Crores)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
March 31, 2025	3.00	(3.00)
March 31, 2024	(6.29)	6.29

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of domestic cable and other electronic items and therefore require a continuous supply of copper, being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the copper, the Company has entered into various purchase contracts for this material for which there is an active market. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price for each month.

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and certain customers are covered under credit insurance. An impairment analysis is performed at each reporting date by grouping a large number of minor receivables into homogenous groups and assess them for impairment collectively. The Company creates allowance based on lifetime expected credit loss based on a provision matrix after considering adjustment under credit insurance. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13. The Company does not hold any collateral as security except for the deposits and bank guarantees received from customers in certain instances. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several locations and operate in largely independent markets.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 51: Financial risk management objectives and policies (Contd..)

The movement for change in allowance for expected credit loss is as follows:

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	29.96	24.98
Change in allowance for expected credit loss during the year	1.83	5.28
Bad debts written off	(0.65)	(0.30)
Balance as at the end of the year	**31.14**	**29.96**

The Company follow the following provision matrix as on the reporting date:

Particulars	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due
Default rate	0.02%	2%	2.50%	5%	10%	30%	35%	70%	100%

Other financial assets

Credit risk from balances with banks and financial institutions and in respect of loans and deposits are managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only in highly marketable liquid fund instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Note 52: Capital management

For the purpose of the Company capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company monitors capital using Gearing ratio, which is net debt divided by total capital plus net debt.

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings	10.81	291.03
Less: Cash and cash equivalents and other bank balances	30.49	35.63
Borrowings (A)	-	**255.40**
Equity	1,998.34	1,768.07
Capital and Net debt (B)	-	**2,023.47**
Gearing ratio (A/B)	-	**0.13**

Note : In the current year, cash and cash equivalents along with other bank balances exceed net debt; hence, the gearing ratio is not applicable.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 53: Ratios

Ratio	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	% change
Current ratio (times)	Current assets	Current liabilities	1.59	1.58	1%
Debt - Equity ratio (times) (Refer note below)	Total debt	Shareholder's equity	0.01	0.16	-94%
Debt service coverage ratio (times)	Earnings available for debt service = Net profit after taxes + depreciation and amortization expenses + finance costs + other non-cash operating expenses	Debt service = Interest and lease payments + principal repayments	1.12	1.32	-15%
Return on equity ratio (%)	Net profit after tax	Average shareholder's equity	14%	14%	0%
Inventory turnover ratio (times)	Cost of goods sold	Average inventory	4.55	4.47	2%
Trade receivable turnover ratio (times)	Net sales	Average trade receivables	9.95	8.50	17%
Trade payable turnover ratio (times)	Net purchases	Average trade payables	6.39	6.82	-6%
Net capital turnover ratio (times)	Net sales	Working capital = Current assets - Current liabilities	9.25	8.56	8%
Net profit ratio (%)	Net profit after tax	Net sales	5%	5%	0%
Return on capital employed (%)	Earnings before interest and tax	Capital employed = Net worth + Total borrowings	18%	16%	2%
Return on investment (%)	Earnings before interest and tax	Average total assets	12%	12%	0%

Note: Variance in the aforementioned ratios is attributable to the full repayment of borrowings during the current year.

Note 54 : Audit Trail

As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility that has operated throughout the financial year for all relevant transactions except:

(i) for changes to certain tables where audit trail is not activated as part of default settings of the ERP vendor. In this regard, the Company has prospectively enabled audit trail post year end March 31, 2025.

(ii) for transactions by certain users having specific access used for debugging and troubleshooting and

(iii) for direct database changes to the ERP database, where adequate technical documentation is not available to enable audit trail. The Company has however put in place controls to ensure that changes to database are only through the ERP application where audit trail is enabled. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 55: Other statutory information

(i) Details of Benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has borrowings from banks and financial institution on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company during the year with banks and financial institution are in agreement with the books of account.

(iii) Willful defaulter

The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

(vi) Compliance with approved scheme of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

A. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of property, plant and equipment, right of use assets, intangible assets and investment property

The Company has not revalued its property, plant and equipment (including right of use assets), intangible assets and investment property during the current or previous year.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 55: Other statutory information (Contd..)

(xi) Core Investment Company

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. It does not have any CICs, which are part of the Company.

(xii) Title deeds of immovable properties

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 3 and 4, are held in the name of the Company.

(xiii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiv) Utilisation of borrowings availed from banks and financial institution

The borrowings obtained by the Company from banks and financial institution have been applied for the purposes for which such loans were taken.

Note 56: Disclosure required under Section 186 (4) of the Companies Act, 2013

(i) Details of Investments as per Section 186 (4) of Companies Act, 2013

(₹ in Crores)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Investment made	Outstanding balance	Investment made	Outstanding balance
Investment in Subsidiaries				
Guts Electro-Mech Limited	-	8.85	-	8.85
V-Guard Consumer Products Limited	-	121.09	-	121.09
Sunflame Enterprises Private Limited	-	688.04	-	688.04
Investment in Associate				
Gegadyne Energy Labs Private Limited	-	70.57	21.01	70.57
Investment Others				
Kinfra Electronic Park Private Limited	0.03	0.03	-	-

(ii) Details of loans (gross) as per Section 186 (4) of Companies Act, 2013

(₹ in Crores)

Name of Borrower	Relationship	Purpose	Rate of Interest	Term / Repayment schedule	As at March 31, 2025	As at March 31, 2024
Gegadyne Energy Labs Private Limited	Associate	Working capital	9%	Principal and interest to be repaid on or before October 31, 2025.	1.60	-

(a) The Company has given a secured loan of ₹2.30 crores to Gegadyne Energy Labs Private Limited during the previous year which was secured against guarantee given by promoters of associate company. This was fully repaid during the previous year itself. Refer Note 45(b).

(b) During the current year Company has given secured loan of ₹ 1.60 crores to Gegadyne Energy Labs Private Limited which is secured against the current and fixed assets of the associate company.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2025

Note 57: During the year, the Company was required to transfer 48,179 equity shares to IEPFA as dividend has not been encashed or claimed on the above shares during the seven consecutive years from the Financial Year 2017-18 to 2023-24. However, the Company could transfer only 46,899 equity shares, as 1,280 equity shares could not be transferred due to regulatory restrictions.

Note 58: Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No: 064311

Place : Kochi
Date : May 14, 2025

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Radha Unni
Chairperson
DIN: 03242769

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 14, 2025

Independent Auditor's Report

To the Members of V-Guard Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **V-Guard Industries Limited** (hereinafter referred to as the "Holding Company"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate company (refer Note 1 to the Consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2025 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate company as at March 31, 2025, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Revenue from sale of products (as described in note 30 of the consolidated financial statements) The Holding Company's revenue principally comprises sale of goods. The revenue from sale of goods is recognised in accordance with the accounting principles under Ind AS 115, "Revenue from contracts with customers" and is measured at the transaction price net of trade discounts and volume rebates as per trade schemes and taxes or duties collected on behalf of government authorities and is recognised at a point in time when the entity satisfies the performance obligation by transferring control of promised goods to customers. The control in respect of sale of goods is generally transferred when the products are delivered to customers in accordance with the terms of contract with customers.	Our audit procedures among others, included the following: • Understanding and evaluating the design and testing the operating effectiveness of Holding Company's controls around revenue recognition including accounting for trade discounts and volume rebates. • Assessing the Holding Company's accounting policy for revenue recognition including the policy for recording trade discounts and volume rebates in accordance with Ind AS 115 "Revenue from Contracts with Customers". • Selecting samples of revenue transactions during the year and inspecting underlying documents which include invoices, shipping documents/ customers' acceptance, as applicable, to determine that the revenue is recognised in accordance with the agreed terms.

Key audit matter	How our audit addressed the key audit matter
We have considered revenue recognition as a key audit matter due to significant audit risk around revenue recognition requiring greater audit effort and attention on account of the risk of revenue being recorded in incorrect period and due to estimates involved in calculation of liability for trade schemes.	• Testing selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in accordance with agreed terms, in the appropriate financial period. • Testing on a sample basis the calculation of the liability for trade discounts and volume rebates at year end with approved trade schemes and underlying sales data, including testing of completeness and arithmetical accuracy of the data used by the Holding Company's Management. • Testing on a sample basis credit notes issued to customers/ payments made for incentives as per the approved trade schemes.
Assessment of impairment of goodwill and intangible assets with indefinite useful life (Refer Note 5 to the consolidated financial statements) As at March 31, 2025, the consolidated financial statements include goodwill of Rs. 249.14 crores and intangible assets with indefinite useful life of Rs. 366.00 crores pertaining to acquisition of Sunflame Enterprises Private Limited ("Sunflame") in the prior year. In accordance with the requirements of Ind AS 36 'Impairment of Assets', the management has allocated the said goodwill and intangible assets to the underlying Cash Generating Unit (CGU) and tested the same for impairment using a Discounted Cash Flow (DCF) model. Based on such testing, the recoverable amount of the CGU is higher than the carrying amount of the said CGU and accordingly no adjustment for impairment is considered necessary by the Company. The DCF model requires the Group to make significant assumptions such as discount rate, projected revenue growth and margins over the estimation period and terminal revenue growth rate which involves high estimation uncertainty affected by future market and economic conditions and hence, are inherently uncertain. We considered this as a key audit matter because of the significant level of judgments used in assumptions that can lead to changes in the assessment of the recoverable amount.	Our audit procedures among others, included the following: • Understanding and evaluating the design and testing the operating effectiveness of the controls on the impairment assessment process, including preparation of the DCF model; • Evaluating the Company's accounting policy in respect of impairment assessment of goodwill and intangible assets with indefinite useful life; • Understanding the cash flow projections and assumptions used in the DCF model, evaluating the mathematical accuracy and reading the report of the management's expert; • Together with auditor's valuation experts, testing the appropriateness of the DCF model and key assumptions therein and performing sensitivity analysis over key assumptions to corroborate that the recoverable amount of the CGU is within a reasonable range; and • Evaluating the related presentation and disclosures in the consolidated financial statements.

Other Information

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

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position,

consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate company are responsible for assessing the ability of the Group and of its associate company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for overseeing the financial reporting process of the Group and of its associate company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

(a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

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

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate company 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 and its associate company to cease to continue as a going concern.

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

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company 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.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

14. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. 0.00 crores for the year ended March 31, 2025 as considered in the consolidated financial statements, in respect of an associate company, whose financial information have not been audited by us. The financial information of this associate company are unaudited and have been furnished to us by the management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of Section 143(3) of the Act including report on Other Information insofar as it relates to the aforesaid associate company, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

15. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of Section 143(11) of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

    The statutory audit report of Gegadyne Energy Labs Private Limited, an associate of the Holding Company has not been issued until the date of this report. Accordingly, comments, if any, for the said associate have not been included under this clause.

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

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

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

    (e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, none of the directors of the Group companies is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above on reporting under Section 143(3)(b) of the Act and paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

(g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure A".**

(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, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group - Refer Note 40B to the consolidated financial statements.

ii. The Group was not required to recognise a provision as at March 31, 2025 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract (including derivative contacts).

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

iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note 52(vii)(A) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 52(vii)(B) to the financial statements, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 20 to the consolidated financial statements, the Board of Directors of the Holding Company and its subsidiary company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination, which included test checks, the Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by users with specific access and changes made to certain records. During the course of performing our procedures, except the aforesaid instances, we did not notice any instance of audit trail feature being tampered with. With respect to direct database changes, in the absence of adequate documentation, we are unable to comment on the audit trail feature and, accordingly, the question of our commenting on whether the audit trail feature was tampered with, does not arise. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Group as per the statutory requirements for record retention.

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

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

Sd/-
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 25064311BMOFLK1733

Place: Kochi
Date: May 14, 2025

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of V-Guard Industries Limited on the consolidated financial statements as of and for the year ended March 31, 2025

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of V-Guard Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiaries, to whom reporting under Section 143(3)(i) of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to 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 consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Sd/-
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 25064311BMOFLK1733

Place: Kochi
Date: May 14, 2025

Consolidated Balance Sheet

as at March 31, 2025

(₹ in crores)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
A. ASSETS			
1. Non-current assets			
Property, plant and equipment	3	529.42	511.43
Capital work-in-progress	3	48.62	24.75
Investment property	4	0.28	1.68
Goodwill	5	252.80	252.80
Other intangible assets	5	450.53	435.03
Intangible assets under development	5	0.50	12.37
Right of use assets	3	140.83	133.23
Financial assets			
(a) Investments	6	70.60	70.57
(b) Loans	7	1.05	0.85
(c) Other financial assets	8	19.71	19.20
Current tax assets (net)	9	35.71	31.20
Deferred tax assets (net)	10A	9.08	9.76
Other non-current assets	11	26.59	20.97
		1,585.72	**1,523.84**
2. Current assets			
Inventories	12	997.29	811.83
Financial assets			
(a) Investments	6	10.14	30.17
(b) Trade receivables	13	542.31	595.82
(c) Cash and cash equivalents	14A	49.98	47.45
(d) Other bank balances	14B	14.52	9.92
(e) Loans	15	2.87	1.17
(f) Other financial assets	16	1.83	1.30
Other current assets	17	133.55	139.78
		1,752.49	**1,637.44**
TOTAL ASSETS		**3,338.21**	**3,161.28**
B. EQUITY AND LIABILITIES			
1. Equity			
Equity share capital	18	43.58	43.44
Other equity	19	2,054.25	1,770.78
TOTAL EQUITY		**2,097.83**	**1,814.22**
2. Non-current liabilities			
Financial liabilities			
(a) Borrowings	21	-	137.26
(b) Lease liabilities	22	98.35	89.92
Deferred tax liabilities (net)	10B	99.65	101.70
Provisions	23	19.43	16.14
		217.43	**345.02**
3. Current liabilities			
Financial liabilities			
(a) Borrowings	24	10.81	153.77
(b) Lease liabilities	22	24.36	20.34
(c) Trade payables	25		
(i) Total outstanding dues of micro enterprises and small enterprises		56.77	87.83
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		600.18	462.19
(d) Other financial liabilities	26	145.77	109.57
Other current liabilities	27	83.64	79.39
Provisions	28	100.52	85.44
Current tax liabilities (net)	29	0.90	3.51
		1,022.95	**1,002.04**
TOTAL LIABILITIES		**1,240.38**	**1,347.06**
TOTAL EQUITY AND LIABILITIES		**3,338.21**	**3,161.28**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No: 064311

Place : Kochi
Date : May 14, 2025

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Radha Unni
Chairperson
DIN: 03242769

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 14, 2025

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(₹ in crores)

	Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
1	**Income**			
	(a) Revenue from operations	30	5,577.82	4,856.67
	(b) Other income	31	20.89	34.03
	Total income		**5,598.71**	**4,890.70**
2	**Expenses**			
	(a) Cost of raw materials consumed		1,993.48	1,693.38
	(b) Purchase of stock-in-trade		1,710.32	1,567.38
	(c) (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	32	(148.05)	(47.80)
	(d) Employee benefits expense	33	518.78	402.85
	(e) Depreciation and amortization expenses	34	95.66	80.88
	(f) Finance costs	35	24.51	39.54
	(g) Other expenses	36	990.06	814.15
	Total expenses		**5,184.76**	**4,550.38**
3	**Profit before tax (1 - 2)**		**413.95**	**340.32**
4	**Income tax expenses**	38		
	(a) Current tax expenses		100.59	85.00
	(b) Deferred tax (credit) / expense		(0.36)	(2.26)
	Total income tax		**100.23**	**82.74**
5	**Profit for the year before share of profit / (loss) of associate (net) (3-4)**		**313.72**	**257.58**
6	**Share of (loss) of associate (net)**		**(0.00)**	**(0.00)**
7	**Profit for the year (5+6)**		**313.72**	**257.58**
8	**Other comprehensive income**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	(a) Re-measurement (losses) / gains on defined benefit plans	43	(4.15)	(3.63)
	(b) Income tax effect		1.01	0.86
	Other comprehensive income for the year, net of tax		**(3.14)**	**(2.77)**
9	**Total comprehensive income for the year, net of tax (7 + 8)**		**310.58**	**254.81**
10	**Profit for the year, net of tax attributable to:**			
	Equity holders of the parent company		313.72	257.58
	Non controlling interests		-	-
11	**Total comprehensive income for the year, net of tax attributable to:**			
	Equity holders of the parent company		310.58	254.81
	Non controlling interests		-	-
12	**Earnings per equity share (basic and diluted) (₹) :**	46		
	(Nominal value of equity share - ₹ 1 each)			
	Basic earnings per share		7.17	5.89
	Diluted earnings per share		7.14	5.88

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No: 064311

Place : Kochi
Date : May 14, 2025

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Radha Unni
Chairperson
DIN: 03242769

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 14, 2025

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

A) Equity share capital

Particulars	No. of shares	₹ in crores
As at April 1, 2023	**43,21,74,432**	**43.22**
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	11,28,540	0.11
Add : Equity shares issued as consideration for business combination (Refer Note 19)	10,83,008	0.11
As at March 31, 2024	**43,43,85,980**	**43.44**
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	13,93,053	0.14
As at March 31, 2025	**43,57,79,033**	**43.58**

B) Other equity

(₹ in crores)

Particulars	Attributable to the equity holders							Non controlling interests	Total
	Securities premium	General reserve	Retained earnings	Capital reserve	Share based payments reserve	Shares pending issuance	Total		
As at April 1, 2023	**141.92**	**64.89**	**1,267.45**	**20.46**	**42.84**	**26.84**	**1,564.40**	**-**	**1,564.40**
Net profit for the year	-	-	257.58	-	-	-	257.58	-	257.58
Other comprehensive income for the year									
Remeasurement (losses) / gains on defined benefit plans (net of taxes)	-	-	(2.77)	-	-	-	(2.77)	-	(2.77)
Total comprehensive income	**-**	**-**	**254.81**	**-**	**-**	**-**	**254.81**	**-**	**254.81**
Equity shares issued under ESOS 2013	6.01	-	-	-	-	-	6.01	-	6.01
Final dividend (Refer Note 20)	-	-	(56.36)	-	-	-	(56.36)	-	(56.36)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	10.19	-	-	-	(10.19)	-	-	-	-
Compensation cost on stock options granted (net) (Refer Note 33)	-	-	-	-	2.03	-	2.03	-	2.03
Shares issued as consideration for business combination (Refer Note 19)	26.73	-	-	-	-	(26.84)	(0.11)	-	(0.11)
As at March 31, 2024	**184.85**	**64.89**	**1,465.90**	**20.46**	**34.68**	**-**	**1,770.78**	**-**	**1,770.78**
Net profit for the year	-	-	313.72	-	-	-	313.72	-	313.72
Other comprehensive income for the year									
Remeasurement (losses) / gains on defined benefit plans (net of taxes)	-	-	(3.14)	-	-	-	(3.14)	-	(3.14)
Total comprehensive income	**-**	**-**	**310.58**	**-**	**-**	**-**	**310.58**	**-**	**310.58**
Equity shares issued under ESOS 2013	7.90	-	-	-	-	-	7.90	-	7.90
Final dividend (Refer Note 20)	-	-	(60.91)	-	-	-	(60.91)	-	(60.91)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	13.59	-	-	-	(13.59)	-	-	-	-
Compensation cost on stock options granted (net) (Refer Note 33)	-	-	-	-	25.90	-	25.90	-	25.90
As at March 31, 2025	**206.34**	**64.89**	**1,715.57**	**20.46**	**46.99**	**-**	**2,054.25**	**-**	**2,054.25**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No: 064311

Place : Kochi
Date : May 14, 2025

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Radha Unni
Chairperson
DIN: 03242769

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 14, 2025

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

(₹ in crores)

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
A. Cash flow from operating activities				
Profit before tax		413.95		340.32
Adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortization expenses	95.66		80.88	
Loss on property, plant and equipment sold / scrapped / written off (net)	0.67		0.86	
Loss on sale of Investment property	0.22		-	
Finance costs	24.51		39.54	
Finance income	(2.28)		(2.75)	
Fair value gain on investment	-		(17.14)	
Net gain on sale of investments	(5.86)		(1.89)	
(Gain) / loss on lease modifications / termination	-		(1.35)	
Liabilities / provisions no longer required written back	(1.20)		(0.42)	
Loss allowance for trade receivables (net)	1.03		5.91	
Impairment allowance for doubtful advances (net)	(0.65)		(0.80)	
Unrealised loss / (gain) on foreign currency transaction	0.24		-	
Share based payments expense	25.90		2.03	
		138.24		**104.87**
Operating profit before working capital changes		552.19		**445.19**
Movement in working capital				
Decrease / (increase) in inventories	(185.46)		(44.39)	
Decrease / (increase) in trade receivables	52.48		(44.74)	
Decrease / (increase) in loans	(0.30)		4.72	
Decrease / (increase) in other financial assets	(0.86)		3.27	
Decrease / (increase) in other assets	6.32		(33.09)	
Increase / (decrease) in trade payables	107.89		62.09	
Increase / (decrease) in other financial liabilities	33.94		41.07	
Increase / (decrease) in provisions	14.22		20.27	
Increase / (decrease) in other liabilities	4.25		21.60	
		32.48		**30.80**
Cash generated from operations		584.67		**475.99**
Income tax paid (net of refunds)		(107.71)		(83.25)
Net cash flow from / (used in) operating activities (A)		476.96		**392.74**
B. Cash flow from investing activities				
Purchase of property, plant and equipment, intangible assets including capital work-in-progress, intangible assets under development and capital advances	(120.66)		(128.23)	
Proceeds from sale of property, plant and equipment	0.87		0.83	
Purchase of non current investment	(0.03)		-	
Investment in associate	-		(20.01)	
Sale / (purchase) of current investments (net)	25.89		(28.16)	
Proceeds from sale of Investment property	1.11		-	
(Investment in) / redemption of fixed deposits with maturity more than 3 months (net)	(4.72)		20.11	
Loan granted to associate	(1.60)		(2.30)	
Loan repaid by associate	-		2.30	
Finance income	2.22		2.85	
Net cash flow (used in) / from investing activities (B)		(96.92)		**(152.61)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

(₹ in crores)

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
C. Cash flow from financing activities				
Proceeds from exercise of share options (including share application money)	8.04		6.12	
Payment of principal portion of lease liabilities	(18.60)		(15.95)	
(Repayment of) / proceeds from short term borrowings (net)	(6.27)		(129.62)	
(Repayment of) / proceeds from long term borrowings	(273.95)		-	
Finance costs paid	(25.68)		(36.52)	
Dividends paid on equity shares	(61.05)		(56.25)	
Net cash flow (used in) / from financing activities (C)		**(377.51)**		**(232.22)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**2.53**		**7.91**
Cash and cash equivalents at the beginning of the year		47.45		39.54
Cash and cash equivalents at the end of the year		**49.98**		**47.45**
Components of cash and cash equivalents: (Refer Note 14A)				
(a) Cash on hand		0.03		0.09
(b) Balances with banks:				
In current accounts		40.22		42.37
In fixed deposits with original maturity of less than 3 months		9.73		4.99
		49.98		**47.45**
Non cash investing activities				
Acquisition of right of use assets		31.36		55.38
Disposal of right of use assets		(4.35)		(17.16)

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

sd/-
Amit Kumar Agrawal
Partner
Membership No: 064311

Place : Kochi
Date : May 14, 2025

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

sd/-
Radha Unni
Chairperson
DIN: 03242769

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

sd/-
Sudarshan Kasturi
Chief Financial Officer

sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 14, 2025

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of V-Guard Industries Limited ('V-Guard' or 'the Company' or 'the Holding Company' or 'the Parent Company') and its subsidiaries, Guts Electro-Mech Limited ('Guts'), V-Guard Consumer Products Limited ('VCPL') and Sunflame Enterprises Private Limited ('Sunflame') (collectively, the 'Group') and its interests in associate company (Gegadyne Energy Labs Private Limited) for the year ended March 31, 2025. The Company is a public company domiciled in India with its registered office at Vennala High School Road, Kochi, Kerala. The Group is engaged in the manufacturing, trading and selling of a wide range of products as given below:

Segment	Products
Electronics	Stabilizers, Digital UPS and Solar Inverters
Electricals	PVC Insulated Cables, Switch Gears, Pumps and Modular Switches
Consumer Durables	Fans, Water Heaters, Kitchen Appliances and Air Coolers
Sunflame	Products sold under trademark Sunflame and Superflame

The Group's manufacturing facilities are located at K.G. Chavady, Coimbatore, Tamil Nadu; at Kashipur, Roorkee, Haridwar and Pantnagar, Uttarakhand; at Kala Amb, Himachal Pradesh; at SIPCOT Industrial growth center, Perundurai, Tamil Nadu; Hyderabad, Telangana; at Majitar, Rangpo and Mamring in Sikkim; at IMT, Faridabad; at Vapi, Gujarat and at Mahabubnagar, Hyderabad in Telengana. The Holding Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The consolidated financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on May 14, 2025.

2. ACCOUNTING POLICIES

This note provides a list of the accounting policies and basis of preparation adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

2.1 Basis of preparation

a) Compliance with Ind AS

The consolidated financial statements of the Group comply in all material aspects with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as applicable to the consolidated financial statements.

b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) certain financial assets and liabilities (including derivative instruments) measured at fair value.

(ii) defined benefit plans – plan assets measured at fair value.

(iii) share-based payments.

The financial statements are presented in Indian Rupees ('₹) and all values are rounded to nearest crores upto two decimal places (₹00,00,000), except when otherwise indicated.

(c) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments, do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

d) New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated September 9, 2024 and September 28, 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2024 :

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 11

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future period.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate as at March 31, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Other Accounting Policies

This note provides a list of other accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Government Grants

Government Grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

b) Interest and dividend income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Dividend income is recognised when the right to receive payment is established.

c) Retirement and other employee benefits

Defined contribution schemes

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

the employees. The Group has no obligation, other than the contribution payable to the fund towards such schemes. The Group recognizes contribution payable as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit scheme

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund maintained with Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, as the Group believes that it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

d) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Share based payments reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

e) Property, plant and equipment

The Group's accounting policy for land is explained in note 3. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

f) Investment Property

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable, borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. Investment property comprise of land as at March 31, 2025 and land and building as at March 31, 2024.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

g) Other Intangible Assets

The Group's accounting policy for intangibles is explained in note 5. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually,

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets are disposed.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Leases

The Group's accounting policy for leases is explained in note 22.

As a Lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. 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.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

As a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Financial Assets

The Group's accounting policy for financial assets is explained in note 48. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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 amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to loans, deposits, trade and other receivables.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Financial assets at fair value through other comprehensive income (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments. Investments in other entity and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss. Fair value of mutual funds is determined based on the net asset value of the funds.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e, removed from the Group's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies the expected credit losses (ECL) model for measurement and recognition of impairment loss.

The Group follows "simplified approach" for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a

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portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. For financial assets measured as at amortised cost and contractual revenue receivables ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Put Option on the Non-Controlling Interest ("NCI") of subsidiary is initially measured at the present value of the amount payable on exercise of the option.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, put option liability and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially

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different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

k) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

l) Income Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the uncertainty.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when

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the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

m) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

n) Cash dividend and non-cash distribution

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders in case of final dividend and by the board of directors in case of interim dividend. A corresponding amount is recognised directly in equity.

o) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Group (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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p) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of an entity comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If consideration transferred is less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

q) Segment accounting

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products. Further:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under un-allocable expenditure.
- Income which relates to the Group as a whole and not allocable to segments is included in un-allocable income.
- Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.
- Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

r) Provisions

A provision is recognised 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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provision

Provision for assurance type warranty-related costs are recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to four years.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

s) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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t) Foreign currencies

The Group's financial statements are presented in INR which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses a monthly average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

u) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1 -** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

The Group has a team comprising of members of senior management that determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale/distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted investments and financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The team decides, after discussions

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with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Revenue from sale of products

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. In determining the transaction price for the sale of products, the Group considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return also.

In estimating the variable considerations, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with trade schemes, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could effect the reported fair value of financial instruments.

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c) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These mainly include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligation are given in Note 43.

d) Taxes

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

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Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress

Accounting Policy

Freehold land is carried at historical cost. All other property, plant and equipment is recognised at cost, less accumulated depreciation and impairment loss, if any. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. For Leases Refer Note 42.

Depreciation Methods, estimated useful lives and residual value

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation.

The estimated useful lives are as mentioned below:

Asset Category	Useful life estimated by the management (in years)
Factory buildings	30
Other buildings	60
Plant and equipment*	5 to 20
Computers	3 to 6
Office equipment*	6
Furniture & fixtures	10
Vehicles	8 to 10

Leased assets are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

* For these classes of assets, where the estimated useful lives are different from lives prescribed under Schedule II of the Companies Act 2013, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience and the risk of technological obsolescence.

See note 2.3 (e) for the other accounting policies relevant to property, plant and equipment.

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Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress (Contd..)

(₹ in Crores)

	Property, plant and equipment								Right of use assets				Capital work- in-progress
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Leasehold land	Leasehold buildings	Leased vehicles	Total	
Gross block													
As at April 1, 2023	**59.83**	**189.18**	**325.24**	**17.00**	**2.01**	**17.69**	**25.67**	**636.62**	**42.69**	**89.81**	**9.71**	**142.21**	**23.70**
Additions	-	6.46	77.71	6.21	0.81	4.37	7.00	102.56	-	54.28	1.10	55.38	14.84
Disposals	-	(0.22)	(3.42)	(0.22)	(0.54)	(0.49)	(0.96)	(5.85)	-	(16.97)	(0.19)	(17.16)	-
Capitalised during the year													(13.79)
As at March 31, 2024	**59.83**	**195.42**	**399.53**	**22.99**	**2.28**	**21.57**	**31.71**	**733.33**	**42.69**	**127.12**	**10.62**	**180.43**	**24.75**
Additions	-	8.44	47.57	4.16	-	6.39	8.72	75.28	-	20.80	10.56	31.36	37.71
Disposals	-	-	(5.80)	(0.12)	-	(0.62)	(2.91)	(9.45)	-	(0.61)	(3.74)	(4.35)	-
Capitalised during the year													(13.84)
As at March 31, 2025	**59.83**	**203.86**	**441.30**	**27.03**	**2.28**	**27.34**	**37.52**	**799.16**	**42.69**	**147.31**	**17.44**	**207.44**	**48.62**
Accumulated depreciation													
As at April 1, 2023	**-**	**26.71**	**113.73**	**7.99**	**0.67**	**10.93**	**17.35**	**177.38**	**3.60**	**27.69**	**3.63**	**34.92**	**-**
Charge for the year	-	7.11	32.69	2.47	0.29	2.31	3.83	48.70	1.25	16.67	2.49	20.41	-
Disposals	-	(0.22)	(2.05)	(0.18)	(0.31)	(0.46)	(0.96)	(4.18)	-	(8.00)	(0.13)	(8.13)	-
As at March 31, 2024	**-**	**33.60**	**144.37**	**10.28**	**0.65**	**12.78**	**20.22**	**221.90**	**4.85**	**36.36**	**5.99**	**47.20**	**-**
Charge for the year	-	7.58	36.06	2.26	0.36	3.47	6.02	55.75	1.12	19.18	3.44	23.74	-
Disposals	-	-	(4.34)	(0.10)	-	(0.58)	(2.89)	(7.91)	-	(0.61)	(3.72)	(4.33)	-
As at March 31, 2025	**-**	**41.18**	**176.09**	**12.44**	**1.01**	**15.67**	**23.35**	**269.74**	**5.97**	**54.93**	**5.71**	**66.61**	**-**
Net block													
As at March 31, 2024	**59.83**	**161.82**	**255.16**	**12.71**	**1.63**	**8.79**	**11.49**	**511.43**	**37.84**	**90.76**	**4.63**	**133.23**	**24.75**
As at March 31, 2025	**59.83**	**162.68**	**265.21**	**14.59**	**1.27**	**11.67**	**14.17**	**529.42**	**36.72**	**92.38**	**11.73**	**140.83**	**48.62**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress (Contd..)

Notes:

(i) Capital work-in-progress (CWIP) as at March 31, 2025 represents property, plant and equipment under construction at various plants, warehouses and office buildings.

(ii) Capital work-in-progress ageing schedule

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	37.71	8.97	1.94	-	48.62
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	14.85	9.38	0.52	-	24.75
Projects temporarily suspended	-	-	-	-	-

(iii) There are no projects under capital work-in-progress where the completion is overdue as at March 31, 2025.

Capital work-in-progress completion schedule whose expected completion date is overdue as at March 31, 2024:

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Vitreous enamel coated solar water heater project at Perundurai	1.95	8.19	-	-	10.14

(iv) The Group has capitalised borrowing cost of ₹2.95 crores (March 31, 2024 : Nil).

(v) Right of use asset includes:-

(a) Leasehold land which represents land obtained on long term lease from Government authorities and others.

(b) Leasehold building which represents properties taken on lease for its factories, offices and warehouses, accounted for in accordance with principle of Ind AS 116 ‘Leases’. Refer Note 42.

(c) Leased vehicles which represent cars taken on lease for use by employees.

(vi) During the year, the Group has capitalized the following expenses to the cost of property, plant and equipment / capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

(₹ in Crores)

Particulars	FY 2024-25	FY 2023-24
Employee benefits expense	-	1.35
Legal and Professional fees	-	1.00
Others	0.07	2.52
Total	**0.07**	**4.87**

(vii) Refer Note 40.A on capital commitments.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 4 : Investment property (at cost)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Land	0.28	0.28
(ii) Building		
Gross Block		
Gross Block at the beginning of the year	1.50	**1.50**
Additions	-	-
Disposals	(1.50)	-
Gross Block at the end of the year	-	**1.50**
Accumulated Depreciation		
Accumulated Depreciation at the beginning of the year	0.10	**-**
Charge for the year	0.07	
Disposals	(0.17)	0.10
Accumulated Depreciation at the end of the year	-	**0.10**
Net balance as at the end of the year	0.28	**1.68**

Note: Investment Property represents land at Coimbatore and commercial property acquired by the Group in earlier years. The carrying amount of the investment property is a reasonable approximation of fair value

Note 5 : Goodwill; Other intangible assets and Intangible assets under development

Accounting Policy

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Asset Category	Useful life (in years)
Software	5 years
Trademark	Indefinite/10 years
Technical knowhow	10 years
Customer relationships / Distribution network	5 to 10 years
Non Compete	10 years

See note 2.3 (g) for the other accounting policies relevant to other intangible assets and note 2.3 (s) for the group's policy regarding impairment.

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 reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 5 : Goodwill; Other intangible assets and Intangible assets under development (Contd..)

A cash generating unit to which goodwill has been allocated is tested for impairment annually or earlier, when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(₹ in Crores)

Particulars	Other intangible assets						Goodwill	Intangible assets under development
	Technical knowhow	Computer software	Trademark	Customer relationship	Non compete	Total		
Gross block (Cost)								
As at April 1, 2023	**-**	**33.88**	**371.05**	**39.54**	**0.91**	**445.38**	**252.80**	**3.65**
Purchase / additions	10.01	10.90	-	-	-	20.91	-	12.37
Capitalised during the year	-	-	-	-	-	-	-	(3.65)
As at March 31, 2024	**10.01**	**44.78**	**371.05**	**39.54**	**0.91**	**466.29**	**252.80**	**12.37**
Purchase / additions	-	31.61	-	-	-	31.61	-	0.50
Disposals	-	(0.72)	-	-	-	(0.72)	-	-
Capitalised during the year	-	-	-	-	-	-	-	(12.37)
As at March 31, 2025	**10.01**	**75.67**	**371.05**	**39.54**	**0.91**	**497.18**	**252.80**	**0.50**
Accumulated amortization								
As at April 1, 2023	**-**	**16.47**	**0.16**	**2.12**	**0.84**	**19.59**	**-**	**-**
Charge for the year	0.84	6.47	0.51	3.85	-	11.67	-	-
As at March 31, 2024	**0.84**	**22.94**	**0.67**	**5.97**	**0.84**	**31.26**	**-**	**-**
Charge for the year	1.00	10.75	0.51	3.84	-	16.10	-	-
Disposals	-	(0.71)	-	-	-	(0.71)	-	-
As at March 31, 2025	**1.84**	**32.98**	**1.18**	**9.81**	**0.84**	**46.65**	**-**	**-**
Net block								
As at March 31, 2024	**9.17**	**21.84**	**370.38**	**33.57**	**0.07**	**435.03**	**252.80**	**12.37**
As at March 31, 2025	**8.17**	**42.69**	**369.87**	**29.73**	**0.07**	**450.53**	**252.80**	**0.50**

Notes:

(i) Intangible assets under development (IAUD) ageing schedule

(₹ in Crores)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.50	-	-	-	0.50
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	12.37	-	-	-	12.37
Projects temporarily suspended	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

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Note 5 : Goodwill; Other intangible assets and Intangible assets under development (Contd..)

(ii) There are no projects under intangible assets under development where the completion is overdue or has exceeded its cost compared to its original plan.

(iii) Refer Note 40.A on capital commitments.

(iv) Impairment testing of goodwill and intangible assets with indefinite useful lives

Goodwill and Trademark acquired on acquisition of Sunflame having indefinite useful lives have been allocated to a separate single cash generating unit (CGU) i.e Sunflame. The Group has performed an annual impairment test to ascertain the recoverable amount of such goodwill and trademark. The recoverable amount is determined based on value in use calculation. These calculations use management assumptions and post tax cash flow projections based on budgets approved by management covering a 5 years period. Cash flow projection beyond 5 years time period are extrapolated using the estimated long term growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. Management has used following assumptions for impairment testing of CGU:

Assumption	As at March 31, 2025	As at March 31, 2024	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	13.50%	14.81%	It has been determined basis risk free rate of return adjusted for equity risk premium
Long Term Growth Rate	5.00%	5.00%	Long term growth rate has been taken basis on overall economic growth rate, industry trend & expected long-term inflation in India.

Management determined budgeted gross margin based on past performance and its expectations of productivity and price increase. The weighted average growth rates used for next 5 years are consistent with management plans which considers expansion in new markets. 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 reasonable possible change in any of above assumption would not cause any material possible change in carrying value of CGU.

(v) Remaining useful life of intangible assets ranges from 1 to 9 years (March 31, 2024 : 1 to 10 years) as at the year end.

Note 6: Investments

Non-Current

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Investments carried at cost /deemed cost		
(a) Equity investments in associate company		
Unquoted		
Gegadyne Energy Labs Private Limited		
7 (March 31, 2024 : 7) equity shares of ₹ 10 each fully paid up	0.08	0.08
	0.08	**0.08**
Investments carried at fair value through profit and loss		
(a) Investments in Preference shares of associate company		
Unquoted		
Gegadyne Energy Labs Private Limited		
1,151 (March 31, 2024 : 1,151) Optionally Convertible Cumulative Preference Shares ("OCCPS") of ₹ 500 each fully paid up and 2,900 (March 31, 2024 : 2900) Compulsorily Convertible Cumulative Preference Shares ("OCCPS") of ₹ 500 each fully paid up (Refer Note (i) below)	70.49	70.49
	70.49	**70.49**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 6: Investments (Contd..)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(b) Equity investments Others		
Unquoted		
Kinfra Electronic Park Private Limited		
2500 (March 31, 2024 : Nil) equity shares of ₹ 100 each fully paid up (Refer Note (ii) below)	0.03	-
	0.03	-
Investments (at amortised cost) (unquoted):		
Investments in National Savings certificate	-	0.00
Total	**70.60**	**70.57**

Notes:

(i) During the year ended March 31, 2024, the Group has invested an amount of ₹20.01 crores in Gegadyne Energy Labs Private Limited (GEL). Post investment, the Group holds 24.32% shareholding (on a fully diluted basis) in GEL. GEL has accordingly become an associate company of the Group with effect from November 21, 2023. Gegadyne is a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions.

(ii) During the year ended March 31, 2025 the company has invested an amount of ₹ 0.03 crores in Kinfra Electronics Park Private Limited which is a Special Purpose Vehicle (SPV) constituted for facility management and infrastructure development for Electronics Manufacturing Cluster (EMC) park where the company has leased land for development of an in-house innovation center.

Current

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Investments carried at fair value through profit and loss:		
(a) ICICI Prudential Overnight Funds- Direct Growth	5.00	-
36,365.60 [March 31, 2024 : Nil] units		
(b) SBI MF Overnight Funds - Direct Growth	5.00	-
12,047.30 [March 31, 2024 : Nil] units		
(c) ABSL Liquid Direct Growth Fund	-	10.02
Nil [March 31, 2024 : 2,57,258.40] units		
(d) HDFC Liquid Direct Growth Fund	-	10.01
Nil [March 31, 2024 : 21,132.45] units		
(e) SBI Liquid Direct Growth Fund	-	10.01
Nil [March 31, 2024 : 26,495.29] units		
(f) SBI Liquid Direct Growth Fund	0.14	0.13
347 [March 31, 2024: 347] units		
Total	**10.14**	**30.17**

Notes:

(i) Carrying value of unquoted investments are as below:

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Investments in Associate Company:		
Aggregate carrying value of unquoted investments	70.57	70.57
(b) Investments in Others:		
Aggregate carrying value of unquoted investments	10.17	30.17

(ii) There is no impairment in the value of investments during the years ended March 31, 2025 and March 31, 2024.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 7: Loans (Non-current)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	1.05	0.85
Total	**1.05**	**0.85**

Notes:

(i) There are no loans as at March 31, 2025 and March 31, 2024 which have significant increase in credit risk or which are credit impaired.

(ii) Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Group. The carrying value may be affected by the changes in the credit risk of the counter parties.

Note 8: Other non-current financial assets

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	19.04	18.51
(b) Non-current bank balance (Refer Note 14B)	0.67	0.69
Total	**19.71**	**19.20**

Note: There are no financial assets as at March 31, 2025 and March 31, 2024 which have significant increase in credit risk or which are credit impaired.

Note 9: Current tax assets (net)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance income tax (net of provisions)	35.71	31.20
Total	**35.71**	**31.20**

Note 10: Deferred tax assets / (liabilities)

10A: Deferred tax assets (net)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Tax effect of items constituting deferred tax assets		
Impairment allowance for doubtful trade receivables, loans and advances	9.73	9.36
Disallowances under Section 43B of the Income Tax Act, 1961	11.35	11.27
Others including lease liabilities	22.93	22.14
	44.01	**42.77**
Set-off of deferred tax liabilities pursuant to set-off provisions		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of property, plant and equipment and Right of use assets	(32.48)	(30.28)
Financial Assets at Fair Value through Profit or Loss	(2.45)	(2.73)
	(34.93)	**(33.01)**
Net deferred tax assets [Refer Note 38(f)]	**9.08**	**9.76**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 10: Deferred tax assets / (liabilities) (Contd..)

10B: Deferred tax (liabilities) (net)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of property, plant and equipment and right of use assets	(10.94)	(9.16)
On difference between book balance and tax balance of intangible assets	(102.95)	(102.94)
	(113.89)	**(112.10)**
Set-off of deferred tax assets pursuant to set-off provisions		
Impairment allowance for doubtful trade receivables, loans and advances	0.17	-
Disallowances under Section 43B of the Income Tax Act, 1961	0.60	0.17
Others including lease liabilities	13.47	10.23
	14.24	**10.40**
Net deferred tax (liabilities) [Refer Note 38(g)]	**(99.65)**	**(101.70)**

Note 11: Other non-current assets

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
(a) Capital advances	22.46	17.41
(b) Deposits with statutory / Government authorities	3.26	2.63
(c) Prepaid expenses	0.87	0.93
Total	**26.59**	**20.97**

Note 12: Inventories

Accounting Policy

Inventories are valued at lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, packing materials, consumables and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Raw materials	201.51	165.80
(b) Work-in-progress	66.29	55.30
(c) Finished goods	326.02	245.25
(d) Stock-in-trade	383.86	327.57
(e) Packing materials and consumables	19.61	17.91
Total	**997.29**	**811.83**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 12: Inventories (Contd..)

Notes:

(a) The above includes goods in transit as under:

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	5.88	3.69
Stock-in-trade	8.64	16.30
Packing materials and consumables	0.00	0.03
Total	**14.52**	**20.02**

(b) During the year ended March 31, 2025, ₹ (0.59) crores (March 31, 2024: ₹ 5.92 crores) was recognised as an expense for inventories carried at net realisable value.

(c) Inventories amounting to ₹ 949.79 crores as at March 31, 2025 (₹ 766.11 crores as at March 31, 2024) are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Note 13: Trade receivables

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables and contract assets, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables		
Secured, considered good	31.41	21.12
Unsecured, considered good	542.83	605.60
	574.24	**626.72**
Less: Impairment allowance (allowance for bad and doubtful debts) (Refer Note 50C)		
Unsecured, considered good based on expected credit loss provisioning	31.93	30.90
	31.93	**30.90**
Total	**542.31**	**595.82**

Notes:

(i) Trade receivables are generally on terms of 7 to 90 days and are non-interest bearing except in case of overdue payments.

(ii) Trade receivables amounting to ₹ 570.13 crores as at March 31, 2025 (₹ 565.34 crores as at March 31, 2024) are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

(iii) Offsetting financial assets and financial liabilities: The Group provides certain incentives to selected customers, the amounts payable by the Group as at March 31, 2025 of ₹ 144.24 crores (March 31, 2024: ₹ 98.03 crores) are offset against receivables from the customers and only the net amounts are settled.

(iv) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person; nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(v) The secured portion of trade receivables is supported by security deposits received from customers, as disclosed in Note 26(b).

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 13: Trade receivables (Contd..)

Trade receivables ageing schedule

(₹ in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total as at March 31, 2025
		Less than 6 months	6 months -1 year	1-2years	2-3 years	More than 3 years	
i) Undisputed trade receivables – considered good	422.77	118.38	4.91	3.12	1.07	1.15	551.40
ii) Disputed trade receivables – considered good	-	-	-	0.60	3.77	18.47	22.84
Total	422.77	118.38	4.91	3.72	4.84	19.62	574.24

(₹ in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total as at March 31, 2024
		Less than 6 months	6 months -1 year	1-2years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	468.17	122.35	6.37	2.70	0.55	1.52	601.66
ii) Disputed trade receivables - considered good	-	-	-	3.92	0.55	20.59	25.06
Total	468.17	122.35	6.37	6.62	1.10	22.11	626.72

Note 14: Cash and cash equivalents and Other bank balances

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
A. Cash and cash equivalents		
(a) Cash on hand	0.03	0.09
(b) Balances with banks		
On current accounts	40.22	42.37
In fixed deposits with original maturity of less than 3 months	9.73	4.99
Total	49.98	47.45
B. Other bank balances		
(a) Unpaid dividend accounts	0.42	0.56
(b) Fixed deposits (Refer note below)	14.77	10.05
Total	15.19	10.61
Less: Amount disclosed under other non-current financial assets (Refer Note 8)	(0.67)	(0.69)
Total	14.52	9.92

Note: Fixed deposits of ₹ 10.35 crores (March 31, 2024: ₹ 10.05 crores) has been lien marked with banks towards various guarantees in favour of vendors, statutory authorities and others.

Note 15: Loans (Current)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured, considered good (carried at amortised cost)		
(a) Loan given to Associate (refer note (ii) below)	1.60	-
Unsecured, considered good (carried at amortised cost)		
(b) Loans to employees	1.27	1.17
Total	2.87	1.17

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 15: Loans (Current) (Contd..)

(i) There are no loans as at March 31, 2025 and March 31, 2024 which have significant increase in credit risk or which are credit impaired. Also refer Note 7 (ii).

(ii) Details of loans (gross) is shown below

(₹ in Crores)

Name of Borrower	Relationship	Purpose	Rate of Interest	Term / Repayment schedule	As at March 31, 2025	As at March 31, 2024
Gegadyne Energy Labs Private Limited	Associate	Working capital	9%	Principal and interest to be repaid on or before October 31, 2025.	1.60	-

(a) The Company has given a secured loan of ₹2.30 crores to Gegadyne Energy Labs Private Limited during the previous year which was secured against guarantee given by promoters of associate company. This was fully repaid during the previous year itself. Refer Note 45(b).

(b) During the current year, company has given secured loan of ₹ 1.60 crores to Gegadyne Energy Labs Private Limited which is secured against the current and fixed assets of the associate company.

Note 16: Other current financial assets

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	0.35	0.30
(b) Other receivables	1.21	0.79
(c) Interest accrued	0.27	0.21
Total	**1.83**	**1.30**

Note: There are no current financial assets as at March 31, 2025 and March 31, 2024 which have significant increase in credit risk or which are credit impaired.

Note 17: Other current assets

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good unless other wise stated		
(a) Advance to suppliers		
Considered good	60.74	49.11
Considered doubtful	6.50	7.16
	67.24	**56.27**
Less: Provision for doubtful advances	(6.50)	(7.16)
	60.74	**49.11**
(b) Balances with Government authorities	53.06	62.74
(c) Prepaid expenses	13.21	18.56
(d) Right to return asset	5.11	7.82
(e) Others	1.43	1.55
Total	**133.55**	**139.78**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 18: Share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	₹ in crores	Number of shares	₹ in crores
(a) Authorised:				
Equity shares of ₹1/- (March 31, 2024: ₹1/-) each with voting rights	1,91,50,00,000	191.50	1,91,50,00,000	191.50
(b) Issued, subscribed and fully paid-up:				
Equity shares of ₹1/- (March 31, 2024: ₹1/-) each with voting rights	43,57,79,033	43.58	43,43,85,980	43.44

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹ in crores	Number of shares	₹ in crores
At the beginning of the year	43,43,85,980	43.44	43,21,74,432	43.22
Issued during the year	13,93,053	0.14	22,11,548	0.22
Outstanding at the end of the year	**43,57,79,033**	**43.58**	**43,43,85,980**	**43.44**

(b) Terms / rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹1 per share (March 31, 2024: ₹1 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity share holders will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Class of shares / name of shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Mr. Kochouseph Chittilappilly	4,09,05,394	9.39%	4,09,05,394	9.42%
Mr. Arun K Chittilappilly	3,77,77,828	8.67%	3,77,77,828	8.70%
Mr. Mithun K. Chittilappilly	8,63,89,878	19.82%	8,63,89,878	19.89%
Kotak Mahindra Mutual Fund	2,57,84,216	5.92%	2,82,18,086	6.50%
SBI Mutual Fund	3,27,55,487	7.52%	3,94,35,567	9.08%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

(i) The Company has issued 6,408,490 shares of face value of ₹ 1 each (March 31, 2024: 6,368,878 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(ii) The Company has issued 1,083,008 shares to the erstwhile share holders of Simon Electric Private Limited as part of the merger during the year ended March 31, 2023, refer Note 19.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 18: Share capital (Contd..)

(e) Shares reserved for issue under options and contracts

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer Note 47.

(f) Details of shares held by promoters:

As at March 31, 2025

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	4,09,05,394	-	4,09,05,394	9.39%	(0.03%)
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.51%	(0.01%)
Promoter group					
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.67%	(0.03%)
Mr. Mithun K. Chittilappilly	8,63,89,878	-	8,63,89,878	19.82%	(0.06%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.77%	(0.02%)
Mr. Mithun K. Chittilappilly, Trustee of Anekha Chittilappilly Trust	2,13,00,000	-	2,13,00,000	4.89%	(0.02%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.25%	(0.02%)

As at March 31, 2024

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	4,54,05,394	(45,00,000)	4,09,05,394	9.42%	(1.09%)
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.52%	(0.01%)
Promoter group					
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.70%	(0.04%)
Mr. Mithun K. Chittilappilly	8,63,89,878	-	8,63,89,878	19.89%	(0.10%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.79%	(0.02%)
Mr. Mithun K. Chittilappilly, Trustee of Anekha Chittilappilly Trust	2,13,00,000	-	2,13,00,000	4.90%	(0.03%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.26%	(0.03%)

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 19: Other Equity

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Securities Premium		
Opening Balance	184.85	141.92
Exercise of Options under ESOS 2013	7.90	6.01
Transfer from Share based payments reserve on exercise of options under ESOS 2013	13.59	10.19
Shares issued as consideration for business combination (Refer note below)	-	26.73
Closing Balance	**206.34**	**184.85**
General Reserve		
Opening Balance	64.89	64.89
Change during the year(net)	-	-
Closing Balance	**64.89**	**64.89**
Retained Earnings		
Opening Balance	1,465.90	1,267.45
Net profit for the year	313.72	257.58
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement (loss) / gain on defined benefit plans (net of taxes)	(3.14)	(2.77)
Final dividend	(60.91)	(56.36)
Closing Balance	**1,715.57**	**1,465.90**
Capital Reserve		
Opening Balance	20.46	20.46
Change during the year(net) (Refer note below)	-	-
Closing Balance	**20.46**	**20.46**
Share based payments reserve		
Opening Balance	34.68	42.84
Transfer from Share based payments reserve on exercise of options under ESOS 2013	(13.59)	(10.19)
Compensation cost on stock options granted (net) (Refer Note 33)	25.90	2.03
Closing Balance	**46.99**	**34.68**
Shares pending issuance		
Opening Balance	-	26.84
Shares issued as consideration for business combination (Refer note below)	-	(26.84)
Closing Balance	**-**	**-**
Total	**2,054.25**	**1,770.78**

Nature and purpose of reserves:

Securities premium: The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: Represents the amounts transferred from the retained earnings in accordance with the Companies (Transfer of Profits to Reserves) Rules 1975, as per the requirements of the erstwhile Companies Act, 1956.

Retained earnings: Represents the profits / (losses) of the Group earned till date, net of appropriations. Further, remeasurement gains / (losses) of defined benefit plans are presented as part of retained earnings.

Capital reserve: The excess of fair value of net assets acquired over consideration paid in business combination is recognised as capital reserve.

Share based payments reserve: The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to share based payments reserve. The outstanding balance represents the cumulative compensation cost of stock options granted but not yet vested / exercised.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 19: Other Equity (Contd..)

Shares pending issuance : In accordance with the Scheme of Amalgamation (Scheme) between the Company and Simon Electric Private Limited (Simon) as approved by Hon'ble National Company Law Tribunal, Simon was merged with business of the Company with effect from March 25, 2023 (appointed date), in consideration of 0.76646 equity shares of the Company of ₹ 1 each fully paid up for every 100 equity shares held in Simon of ₹ 10 each fully paid up. Pursuant to the Scheme, the authorised share capital of the Company was increased to ₹ 191.50 crores divided into 1,91,50,00,000 equity shares of ₹ 1 each. In discharge of the consideration, the Company has allotted 1,083,008 equity shares to the erstwhile shareholders of Simon on May 03, 2023. The fair value of consideration amounts to ₹ 26.84 crores.

Note 20: Distribution made and proposed

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividends on equity shares declared and paid:		
Final dividend for the year ended March 31, 2025 - ₹ 1.40 per share of face value of ₹ 1 each (March 31, 2024 - ₹ 1.30 per share of face value of ₹ 1 each)	60.91	56.36
Total	**60.91**	56.36
Proposed dividends on equity shares:		
Proposed dividend for the year ended March 31, 2025 - ₹ 1.50 per share of face value of ₹ 1 each (March 31, 2024 - ₹ 1.40 per share of face value of ₹ 1 each) (Refer note below)	65.37	60.81
Total	**65.37**	60.81

Note: Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at the balance sheet date. Sunflame Enterprises Private Limited, the subsidiary of V-Guard Industries Limited has proposed a dividend of ₹90 per equity share of face value of ₹ 1 each, subject to approval at the Annual General Meeting.

Note 21: Non-current borrowings

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(carried at amortised cost)		
Secured		
(a) Term loans from a bank	-	89.65
(b) Term loans from a financial institution	-	184.30
Less : Current Maturities of Long term-debt (included in current borrowings) (Refer Note 24)		
(a) Term loan from a bank	-	44.73
(b) Term loan from a financial institution	-	91.96
Total	**-**	**137.26**

Notes:

(i) Terms of loans are listed below:

(₹ in Crores)

Particulars	Terms of repayment	Interest rate	Balance as at 31 March 2025	Balance as at 31 March 2024
Term loan of ₹ 90.00 crores from a bank	Maturity : January, 2026 Terms : 8 equal quarterly instalments starting from April 2024	Repo rate + 200 bps	-	89.65
Term loan of ₹ 185.00 crores from a financial institution	Maturity : January, 2026 Terms : 8 equal quarterly instalments starting from April 2024	91 day T-Bill rate + 239 bps	-	184.30

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 21: Non-current borrowings (Contd..)

(ii) Security of term loans is detailed below:

(a) Term loan from bank : Mortgage on certain immovable properties and charge on all existing and future plant, machinery and equipment of the company.

(b) Term loan from financial institution : Mortgage on certain immovable properties and charge on all existing and future plant, machinery and equipment of the company.

(iii) The parent company was afforded the option to prepay the term loan prior to its maturity and exercised this option accordingly.

(iv) Change in liabilities arising from financing activities are as follows:

(₹ in Crores)

Particulars	Lease liabilities		Borrowings	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Balance outstanding as at beginning of the year	110.26	83.37	291.03	419.61
Addition on account of new leases during the year	31.07	54.44	-	-
Deletion on account of termination of leases during the year	(0.02)	(10.36)	-	-
Cash inflow from borrowings	-	-	-	77.59
Finance costs	10.35	8.33	13.40	27.95
Cash outflows	(28.95)	(25.52)	(293.62)	(234.12)
Balance outstanding as at end of the year	**122.71**	**110.26**	**10.81**	**291.03**
Disclosed as:				
Current borrowings (Refer Note 24)	-	-	10.81	153.77
Non-current borrowings (Refer Note 21)	-	-	-	137.26
Current portion of lease liabilities (Refer Note 22)	24.36	20.34	-	-
Non-current portion of lease liabilities (Refer Note 22)	98.35	89.92	-	-
Total	**122.71**	**110.26**	**10.81**	**291.03**

Note 22: Lease liabilities

Accounting Policy

The Group's lease primarily comprises of land, building and vehicles. Lease contracts are typically made for fixed period of 11 months to 3 years for building and vehicle and upto 99 years for land, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset’s useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less, without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

See note 2.3 (i) for the other accounting policies relevant to leases.

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(carried at amortised cost)		
(a) Non-current portion of lease liabilities (Refer Note 21 (iv) and 42)	98.35	89.92
(b) Current portion of lease liabilities (Refer Note 21 (iv) and 42)	24.36	20.34
Total	**122.71**	**110.26**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 23: Provisions (Non-current)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Provision for employee benefits		
(i) Provision for gratuity (Refer Note 43)	0.64	0.56
(b) Other provisions		
(i) Provision for warranty (Refer Note 28)	18.60	15.41
(ii) De-commissioning liability (Refer Note 28)	0.19	0.17
Total	**19.43**	**16.14**

Note 24: Current Borrowings

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(carried at amortised cost)		
Secured		
Current maturities of long term debt		
(a) Term loan from a bank (Refer Note 21)	-	44.73
(b) Term loan from a financial institution (Refer Note 21)	-	91.96
Unsecured		
(a) Channel financing facility from bank - Unsecured (Refer note (i) below)	10.81	17.08
Total	**10.81**	**153.77**

Notes:

(i) Channel financing facility from bank represents financing arrangement with limited recourse to the Group. The Group therefore continues to recognise receivables in their entirety in its balance sheet with corresponding liability presented as borrowings.

(ii) The Group has not made any defaults in the repayment of loans availed during the year.

(iii) Also refer Note 21 (iv).

Note 25: Trade payables

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(carried at amortised cost)		
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	56.77	87.83
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	600.18	462.19
Total	**656.95**	**550.02**

Trade payables ageing schedule

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2025
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	55.08	1.68	0.00	0.01	-	56.77
ii) Others	526.29	66.78	2.21	1.93	2.97	600.18
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 25: Trade payables (Contd..)

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2024
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	62.01	25.82	-	-	-	87.83
ii) Others	335.07	107.37	6.80	4.57	8.38	462.19
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

Notes:

(i) Trade payables are non interest bearing and are normally settled in 7 days to 120 days. For explanations on the Group's risk management process, refer Note 50.

(ii) Trade payables are unsecured.

Note 26: Other current financial liabilities

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(carried at amortised cost)		
(a) Unpaid dividends (Refer note below)	0.42	0.56
(b) Trade / Security deposits received	13.21	13.73
(c) Capital creditors	3.32	2.70
(d) Employee benefits payable (Refer Note 45 for related party balances)	95.60	63.08
(e) Deferred consideration payable	29.16	27.38
(f) Other payables	4.06	2.12
Total	**145.77**	**109.57**

Note: Unpaid dividend represents unpresented dividend warrants and does not include amount due and outstanding to be credited to Investor Education and Protection Fund.

Note 27: Other current liabilities

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Statutory dues*	47.97	42.49
(b) Contract liabilities (Refer Note 30 (iv))	22.25	23.71
(c) Refund liabilities arising from right to return assets	8.44	11.73
(d) Others	4.98	1.46
Total	**83.64**	**79.39**

*Represents contributions to Goods and Services tax, Provident Fund, Employee State Insurance, withholding taxes etc.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 28: Provisions (Current)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Provision for employee benefits		
(i) Provision for compensated absences (Refer note (i) below)	27.54	23.69
(ii) Provision for gratuity (Refer Note 43)	13.29	12.61
(b) Other provisions		
(i) Provision for warranty (Refer note (ii) below)	59.69	49.14
Total	**100.52**	**85.44**

Notes:

(i) Provision for compensated absences:

The obligations for compensated absences cover the Group's liability for paid leaves. The entire amount of the provision is presented as current as the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The current portion of provision as per the actuarial valuation report, included in total obligation for compensated absences, is ₹ 3.65 crores (March 31, 2024 – ₹3.26 crores).

(ii) Provision for warranty:

A provision is recognized for expected warranty claims and after sales services on products sold during the year, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within five years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current information available about defective returns based on the warranty period for the respective products sold.

(iii) Provision for de-commissioning liability:

A provision has been recognized for decommissioning costs associated with a factory of Guts Electro Mech Limited.

The table below gives information about movement in provisions for warranty and de-commissioning liability:

(₹ in Crores)

Particulars	Warranty		De-commissioning liability	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	64.55	49.67	0.17	0.15
Additional provision recognized	85.18	76.26	0.02	0.02
Amounts used during the year	(71.44)	(61.38)	-	-
Balance as at the end of the year	**78.29**	**64.55**	**0.19**	**0.17**
Disclosed as:				
Non-current (Refer Note 23)	18.60	15.41	0.19	0.17
Current	59.69	49.14	-	-

Note 29: Current tax liabilities (net)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for income tax (net of advance tax)	0.90	3.51
Total	**0.90**	**3.51**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 30: Revenue from operations

Accounting Policies

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group manufactures and sells a range of electronic, electrical and consumer durables. Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. The performance obligation for revenue from sale of services is satisfied over time and payment is generally due upon completion of service and acceptance of the customer. Revenue is thus recognized as the service is performed and there are no unsatisfied performance obligations.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

(a) Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The 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 volume discount, gifts, other schemes etc. Revenue from contract with customer is presented after deducting cost of all these schemes.

(b) Right to return assets and refund liability

A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of good sold) is also recognised for the right to recover the goods from the customer.

(c) Financing Components

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(d) Contract Liabilities

Contract liability is recognised when there are billings in excess of revenues and 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.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 30: Revenue from operations (Contd..)

(e) Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Revenue from contracts with customers		
Sale of products	5,535.64	4,820.95
Sale of services	1.35	0.86
Sale of scrap*	28.96	27.68
	5,565.95	4,849.49
(b) Government budgetary support (Refer Note (i) below)*	11.87	7.18
Total	**5,577.82**	**4,856.67**

* Represents other operating revenues.

Notes:

(i) Government budgetary support represents benefits provided by the Central Government of India to the Group in respect of its manufacturing units in the state of Sikkim in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 5, 2017 which were earlier eligible for excise duty exemption.

(ii) Refer Note 44 for Disaggregated revenue information.

(iii) Timing of revenue recognition is as below:

(₹ in Crores)

Particulars	For the year ended March 31, 2025				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
Timing of revenue recognition					
Goods transferred at a point in time	1,502.50	2,169.77	1,637.95	254.38	5,564.60
Services transferred over time	0.11	0.17	1.07	-	1.35
Total revenue from contracts with customers	**1,502.61**	**2,169.94**	**1,639.02**	**254.38**	**5,565.95**

(₹ in Crores)

Particulars	For the year ended March 31, 2024				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
Timing of revenue recognition					
Goods transferred at a point in time	1,160.34	1,972.69	1,441.48	274.12	4,848.63
Services transferred over time	0.22	0.37	0.27	-	0.86
Total revenue from contracts with customers	**1,160.56**	**1,973.06**	**1,441.75**	**274.12**	**4,849.49**

Notes forming part of the Consolidated Financial Statements

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Note 30: Revenue from operations (Contd..)

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 44):

(₹ in Crores)

Particulars	For the year ended March 31, 2025				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
External customers	1,509.63	2,169.94	1,643.87	254.38	5,577.82
Government budgetary support	(7.01)	-	(4.86)	-	(11.87)
Total revenue from contracts with customers	**1,502.62**	**2,169.94**	**1,639.01**	**254.38**	**5,565.95**

(₹ in Crores)

Particulars	For the year ended March 31, 2024				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
External customers	1,165.20	1,973.07	1,444.28	274.12	4,856.67
Government budgetary support	(4.64)	-	(2.54)	-	(7.18)
Total revenue from contracts with customers	**1,160.56**	**1,973.07**	**1,441.74**	**274.12**	**4,849.49**

(iv) Contract balances

The following are the contract balances:

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables (Current) (Refer Note 13)	542.31	595.82
Contract liabilities (Current) (Refer Note 27)	22.25	23.71

During the year ended March 31, 2025, revenue recognised from amount included in contract liability at the beginning of year is ₹ 21.99 crores (March 31, 2024: ₹ 14.74 crores).

(v) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contract price	5,975.38	5,215.96
Adjustments:		
Discounts, rebates and trade incentives	(400.99)	(354.74)
Refund liabilities	(8.44)	(11.73)
Total revenue from contracts with customers	**5,565.95**	**4,849.49**

(vi) Performance obligation

The performance obligation for sale of products and scrap are satisfied upon delivery / despatch of goods depending upon terms with customers and payment is generally due within 15 to 90 days from delivery. Some contracts provide customers with a right of return, volume based discounts, rebates and other promotion incentive schemes, which give rise to variable consideration subject to constraint. The contracts do not have a significant financing component. The Group offers standard warranty on selected products. The Group makes provision for same as per the principles laid down under Ind AS 37. The performance obligation for services is satisfied over-time and payment is generally due upon completion of service and acceptance of the customer. There are no unsatisfied performance obligations as at March 31, 2025 and March 31, 2024.

Notes forming part of the Consolidated Financial Statements

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Note 31: Other income

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on sale of investments	5.86	1.89
Fair value gain on Investment	-	17.14
Interest income from financial assets at amortised cost:		
(i) Interest income on overdue trade receivables	4.99	5.93
(ii) Interest income from banks on deposits	1.10	2.27
(iii) Interest income on loans	1.18	0.48
Mould hire charges	0.12	0.11
Liabilities / provisions no longer required written back	1.20	0.42
Miscellaneous income	6.44	5.79
Total	**20.89**	**34.03**

Note 32: Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the end of the year:		
Finished goods	326.02	245.25
Work-in-progress	66.29	55.30
Stock-in-trade	383.86	327.57
Total (A)	**776.17**	**628.12**
Inventories at the beginning of the year:		
Finished goods	245.25	258.51
Work-in-progress	55.30	43.27
Stock-in-trade	327.57	278.54
Total (B)	**628.12**	**580.32**
(Increase) / decrease in inventories		
Finished goods	(80.77)	13.26
Work-in-progress	(10.99)	(12.03)
Stock-in-trade	(56.29)	(49.03)
Net (increase) / decrease (B - A)	**(148.05)**	**(47.80)**

Note 33: Employee benefits expense

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Salaries, wages and bonus	440.91	360.41
(b) Contributions to provident and other funds	19.68	16.99
(c) Share based payment expense (Refer Note 47)	25.90	2.03
(d) Gratuity expense (Refer Note 43)	7.09	5.80
(e) Staff welfare expenses	25.20	17.62
Total	**518.78**	**402.85**

Note: Also refer Note 39.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 34 : Depreciation and amortization expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Depreciation of property, plant and equipment (Refer Note 3)	55.75	48.70
(ii) Depreciation of right of use assets (Refer Note 3)	23.74	20.41
(iii) Amortization of intangible assets (Refer Note 5)	16.10	11.67
(iv) Depreciation on Investment Property (Refer Note 4)	0.07	0.10
Total	**95.66**	**80.88**

Note 35 : Finance costs

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on income tax	0.16	0.19
Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss:		
(i) Interest on borrowings	13.40	27.95
(ii) Interest on lease liabilities (Refer Note 42)	10.35	8.33
(iii) Interest - others	3.56	3.07
	27.47	39.54
Less: Capitalised with property, plant and equipment (Refer Note 3)	2.96	-
Total	**24.51**	**39.54**

Note 36: Other expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of packing materials and consumables	86.75	79.42
Power and fuel	32.75	24.55
Job work and service charges	24.28	20.10
Rent (Refer Note 42)	12.86	15.19
Repairs and maintenance		
Plant and machinery	5.58	5.50
Building	2.88	2.30
Others	54.78	38.00
Rates and taxes	5.79	5.08
Travelling and conveyance	63.38	53.46
Freight and forwarding charges	146.99	112.57
Advertisement and business promotion expenses	163.85	126.85
Donations and contributions	0.09	0.02
CSR expenditure (Refer Note 37)	6.51	6.42
Legal and professional fees	52.60	45.98
Directors' sitting fees	0.62	0.86
Commission / emolument (Refer Note 45)	1.01	0.94
Payments to statutory auditors (Refer note (i) below)	2.02	1.47
Loss on foreign currency transactions and translation (net)	2.91	3.02
Loss on property, plant and equipment sold / scrapped / written off (net)	0.67	0.86
Loss on investment property sold	0.22	-
Loss allowance for trade receivables (net) (Refer Note 50C)	1.03	5.91
Impairment allowance for doubtful advances (net)	(0.65)	(0.80)
Outsourced manpower cost	146.79	122.16
Warranty expenses	85.18	76.26
Miscellaneous expenses	91.17	68.03
Total	**990.06**	**814.15**

Notes forming part of the Consolidated Financial Statements

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Note 36: Other expenses (Contd..)

Notes:

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Payments to statutory auditors comprises:		
Statutory audit fees	1.38	0.97
Tax audit fees	0.08	0.03
Limited review fees	0.24	0.27
Fees for other services (certifications)	0.02	0.02
Other assurance related service	0.14	-
Reimbursement of expenses	0.16	0.18
Total	**2.02**	**1.47**

(ii) Also Refer Note 39

Note 37: Details of CSR expenditure

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Gross amount required to be spent during the year	6.36	6.37
b) Amount spent during the year:		
(i) In cash		
- Construction/ acquisition of any asset	-	-
- On purposes other than (i) above	6.54	6.42
(ii) Yet to be paid in cash		
- Construction/ acquisition of any asset	-	-
- On purposes other than (i) above	-	-
c) Details related to spent / unspent obligations:		
(i) Contribution to public trust	-	-
(ii) Contribution to charitable trust	-	-
(iii) Contribution to Section 8 Company (Refer Note 45)	6.41	5.39
(iv) Others	0.13	1.03
(v) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-

d) Details of CSR expenditure under Section 135(5) of the Companies Act, 2013 in respect of other than ongoing projects

(₹ in Crores)

Opening Balance as on April 1, 2024	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent
-	-	6.36	6.54	0.18

(₹ in Crores)

Opening Balance as on April 1, 2023	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent
-	-	6.37	6.42	0.05

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 38: Income taxes

The major components of income tax expense for the year ended March 31, 2025 and March 31, 2024 are:

(a) Statement of profit and loss

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current income tax		
Current income tax charge	100.59	85.00
Deferred tax		
Relating to origination and reversal of temporary differences	(0.36)	(2.26)
Income tax expense reported in the Statement of profit and loss	**100.23**	**82.74**

(b) OCI section

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Re-measurement (losses) / gains on defined benefit plans	(4.15)	(3.63)
Income tax related to items recognised in OCI during the year	1.01	0.86

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024:

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Accounting profit before income tax	413.95	340.32
Applicable tax rate	25.168%	25.168%
Computed tax expense at statutory rate	104.18	85.65
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Corporate Social Responsibility Expenditure	1.67	1.62
Other items	(5.62)	(4.53)
Income tax expense reported in to the Statement of profit and loss	**100.23**	**82.74**

(d) Reconciliation of deferred tax assets (net):

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance as at beginning of the year	9.76	8.20
Tax income / (expense) during the year recognised in Statement of profit and loss	(1.66)	0.70
Tax income / (expense) during the year recognised in other comprehensive income	0.98	0.86
Closing balance as at end of the year	**9.08**	**9.76**

(e) Reconciliation of deferred tax (liabilities) (net):

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance as at beginning of the year	(101.70)	(103.26)
Tax income / (expense) during the year recognised in Statement of profit and loss	2.02	1.56
Tax income / (expense) during the year recognised in other comprehensive income	0.03	-
Closing balance as at end of the year	**(99.65)**	**(101.70)**

Notes forming part of the Consolidated Financial Statements

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Note 38: Income taxes (Contd..)

(f) Movement of deferred tax assets (net) for the year ended March 31, 2025 and March 31, 2024:

(₹ in Crores)

Particulars	On difference between book balance and tax balance of property, plant and equipment and Right of use assets	Financial Assets at Fair Value through Profit or Loss	Impairment allowance for doubtful trade receivables, loans and advances	Disallowances under Section 43B of the Income Tax Act, 1961	Others including lease liabilities	Net Deferred Tax Balance
As at April 1, 2023	**(33.43)**	**-**	**8.10**	**6.95**	**26.58**	**8.20**
(Charged) or credited:						
- to profit or loss	3.15	(2.73)	1.26	3.46	(4.44)	0.70
- to other comprehensive income	-	-	-	0.86	-	0.86
As at March 31, 2024	**(30.28)**	**(2.73)**	**9.36**	**11.27**	**22.14**	**9.76**
(Charged) or credited:						
- to profit or loss	(2.20)	0.28	0.37	(0.90)	0.79	(1.66)
- to other comprehensive income	-	-	-	0.98	-	0.98
As at March 31, 2025	**(32.48)**	**(2.45)**	**9.73**	**11.35**	**22.93**	**9.08**

(g) Movement of deferred tax (liabilities) (net) for the year ended March 31, 2025 and March 31, 2024:

(₹ in Crores)

Particulars	On difference between book balance and tax balance of property, plant and equipment and Right of use assets	Difference between book balance and tax balance of intangible assets	Impairment allowance for doubtful trade receivables, loans and advances	Others	Disallowances under Section 43B of the Income Tax Act, 1961	Others including lease liabilities	Net Deferred Tax Balance
As at April 1, 2023	**(0.79)**	**(102.71)**	**-**	**(0.03)**	**0.06**	**0.21**	**(103.26)**
(Charged) or credited:							-
- to profit or loss	(8.37)	(0.23)	-	0.03	0.11	10.02	1.56
- to other comprehensive income	-	-	-	-	-	-	-
As at March 31, 2024	**(9.16)**	**(102.94)**	**-**	**-**	**0.17**	**10.23**	**(101.70)**
(Charged) or credited:							
- to profit or loss	(1.78)	(0.01)	0.17	-	0.40	3.24	2.02
- to other comprehensive income	-	-	-	-	0.03	-	0.03
As at March 31, 2025	**(10.94)**	**(102.95)**	**0.17**	**-**	**0.60**	**13.47**	**(99.65)**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 39: Details of research and development expenditure

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employee benefits expense	21.68	18.23
Travelling and conveyance	1.65	1.09
Other expenses	5.18	4.47
Total	**28.51**	**23.79**

Note 40: Commitments and contingencies

A) Capital commitments (Net of advances)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for	74.03	60.62

B) Contingent liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Claims against the Group not acknowledged as debt	0.44	0.18
(b Direct tax matters under dispute / pending before Income Tax Authorities	55.80	55.77
(c) Indirect tax matters for demands raised by goods and services tax / sales tax / VAT department pending before various appellate authorities	13.59	8.47
(d) Others	0.14	0.31
Total	**69.97**	**64.73**

Notes:

(i) The Group is involved in taxation and other disputes, lawsuits, proceedings etc. including commercial matters and claims relating to Group's products that arise from time to time in the ordinary course of business. Management is of the view that such claims are not tenable and will not have any material adverse effect on the Group's financial position and results of operations. It is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.

(ii) The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals or similar demand for subsequent assessment years.

(iii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

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Note 41: Interest in other entities

The Holding Company's investments in subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Ownership interest held by the Group		Ownership interest held by Non controlling interests		Principal business activity
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
Guts Electro-Mech Limited	India	100%	100%	Nil	Nil	Manufacture of electrical goods
V-Guard Consumer Products Limited	India	100%	100%	Nil	Nil	Manufacture of electronics goods
Sunflame Enterprises Private Limited	India	100%	100%	Nil	Nil	Manufacture of consumer durables

Note 42: Leases

(i) The Group's lease asset primarily consist of leases for vehicles, land and buildings for factories, branch offices and warehouses having the various lease terms. Certain real estate leases have renewal and / or termination options, which are assessed to determine if those options would affect the duration of the lease term. Renewal and termination options in real estate leases create flexibility in the Group's real estate portfolio, allowing the Group to readily adapt to changing business needs. The Group also has lease for vehicles, which have an average lease term 4 years. The Group also has certain leases with lease terms of 12 months or less. The Group applies the short term lease recognition exemptions for these leases.

(ii) Refer Note 3 for carrying amount and movements of right of use assets during the years ended March 31, 2025 and March 31, 2024.

(iii) Refer Note 21 (iv) for carrying amount and movements of lease liabilities during the years ended March 31, 2025 and March 31, 2024.

(iv) Amounts recognised in statement of profit and loss during the year:

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on Right of use assets (Refer Note 34)	23.74	20.41
Finance cost accrued during the year (included in finance costs) (Refer Note 35)	10.35	8.33
Expense related to short term leases (included in other expenses) (Refer Note 36)	12.86	15.19
(Gain) / loss on lease modifications (Refer Note 31)	(0.00)	(1.34)
Total	**46.95**	**42.59**

(v) The maturity analysis of lease liabilities are disclosed in Note 50A.

(vi) The weighted average incremental borrowing rate applied to lease liabilities is 9% (March 31, 2024 : 9%).

(vii) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(viii) The Group had total cash outflows for leases of ₹ 41.81 crores during the year ended March 31, 2025 (March 31, 2024 ₹ 40.71 crores).

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Note 43: Employee Benefit Plans

Defined Benefit Plan - Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the consolidated balance sheet for gratuity benefit:

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Components of employer expense:		
Current service cost	6.52	5.34
Net interest expense / (income) on net defined benefit obligation	0.57	0.46
Total expense recognised in the Statement of Profit and Loss	**7.09**	**5.80**
Actual contribution and benefit payments for year:		
Actual benefit payments	2.00	2.12
Actual contributions	10.46	5.01
Net (liability) / asset recognised in the Balance Sheet:		
Present value of defined benefit obligation	(67.28)	(54.39)
Fair value of plan assets	53.35	41.22
Net (liability) / asset recognised in the Balance Sheet (Refer Note 28(a)(ii))	**(13.93)**	**(13.17)**
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	54.39	44.29
Current service cost	6.52	5.34
Interest cost on DBO	3.74	3.07
Actuarial losses / (gains)	4.63	3.81
Benefits paid	(2.00)	(2.12)
Present value of DBO at the end of the year	**67.28**	**54.39**
Change in fair value of assets during the year:		
Plan assets at beginning of the year	41.22	35.46
Return on plan assets greater / (lesser) than discount rate	0.50	0.21
Actual company contributions	10.46	5.01
Interest income on plan assets	3.17	2.58
Benefits paid	(2.00)	(2.04)
Plan assets at the end of the year	**53.35**	**41.22**
Composition of the plan assets is as follows:		
Insurer managed assets	100%	100%
Remeasurement (losses) / gains in other comprehensive income		
Return on plan assets greater / (lesser) than discount rate	0.50	0.21
Actuarial (loss) / gain on obligations arising from changes in experience adjustments	(2.37)	(3.45)
Actuarial gain / (loss) on obligations arising from changes in financial assumptions	(2.28)	(0.39)
Total amount recognised in OCI	**(4.15)**	**(3.63)**

Notes forming part of the Consolidated Financial Statements

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Note 43: Employee Benefit Plans (Contd..)

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The below sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Defined Benefit Obligation	67.28	54.39

(₹ in Crores)

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Impact on defined benefit obligation (increase / (decrease)) due to change in discount rate	4.83	(4.27)	5.76	(5.03)
Impact on defined benefit obligation (increase / (decrease)) due to change in salary escalation rate	(4.23)	4.67	(5.03)	5.75

Asset Liability Matching Strategies

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Funding arrangements and Funding policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

Maturity profile of Defined Benefit Obligation

(₹ in Crores)

Expected Cash Flows (value on undiscounted basis)	As at March 31, 2025	As at March 31, 2024
Within 1 year	8.17	6.12
Within 2 years	7.21	6.53
Within 3 years	7.71	6.43
Within 4 years	8.66	6.90
Within 5 years	9.90	7.89
Within 6 to 10 years	55.44	47.20

Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2024: 7 years).

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 43: Employee Benefit Plans (Contd..)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Actuarial assumptions:		
Discount rate	6.50%	7.00%
Salary escalation rate	9.00%	9.00%
Attrition	Marketing - 16% & Non-Marketing - 8%	Marketing - 16% & Non-Marketing - 8%
Mortality Table	Indian Assured Lives Mortality (2006-08) modified Ultimate	Indian Assured Lives Mortality (2006-08) modified Ultimate
Estimate of amount of contribution/payout in the immediate next year (₹ in crores)	13.29	12.61

Notes:

i) Plan assets are fully represented by balance with the Life Insurance Corporation of India.

ii) The long term estimate of the expected rate of return on fund assets has been arrived at based on the prevailing yields on these assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

iii) The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iv) Plan Characteristics and Associated Risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. Interest rate risk : The defined benefit obligation calculated uses a discount rate based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. If bond yields fall, the defined benefit obligation will tend to increase.

b. Salary Inflation risk : The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors. Higher than expected increases in salary will increase the defined benefit obligation.

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Note 44: Segment Reporting

The segment reporting of the Group has been prepared in accordance with Ind AS-108, “Operating Segment”. Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and segment information is presented accordingly. Accordingly, the management has identified, based on its products, four reportable segments namely, Electronics, Electricals, Consumer Durables and Sunflame as follows:

(i) Electronics Segment includes Stabilizers, Digital UPS and Solar Inverters;

(ii) Electricals Segment includes PVC Insulated Cables, Switch Gears, Pumps and Modular Switches;

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 44: Segment Reporting (Contd..)

(iii) Consumer Durables Segment includes Fans, Water Heaters, Kitchen Appliances, Air Coolers and

(iv) Sunflame includes products sold under trademark Sunflame and Superflame.

The Management Committee of the Group monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product and have been identified as per the quantitative criteria specified in the Ind AS. The management has complied with the aggregation criteria as specified in Ind AS 108 and the same has been applied based on the nature of products, considering their end users and as considered relevant and appropriate for the industry the Group operates in.

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and property, plant and equipment. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liability.

Current taxes, deferred taxes, other investments, cash and bank balances and certain other financial assets and liabilities are not allocated to segments as they are also managed on Group basis.

Capital expenditure consists of addition of property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development and capital advances.

Transfer pricing between operating segments if any, are on an arm length basis in a manner similar to transaction with third parties.

Based on changes in internal reporting of segment results, certain costs pertaining to corporate functions which were previously allocated to various segments are now presented under unallocable expense. Accordingly, segment information including comparatives for previous year have been restated.

Year ended March 31, 2025

(₹ in Crores)

Particulars	Electronics	Electricals	Consumer Durables	Sunflame	Eliminations	Total
Revenue						
External customers	1,509.63	2,169.94	1,643.87	254.38	-	5,577.82
Inter-segment	-	-	-	-	-	-
Total revenue	**1,509.63**	**2,169.94**	**1,643.87**	**254.38**	**-**	**5,577.82**
Income / (Expenses)						
Depreciation and amortisation	(12.57)	(13.51)	(17.05)	(7.61)	-	(50.74)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(0.16)	(0.27)	(0.16)	0.21	-	(0.38)
Segment profit	**296.91**	**218.16**	**69.38**	**6.40**	**-**	**590.85**
Total assets	**708.15**	**569.44**	**770.45**	**808.25**	**-**	**2,856.29**
Total liabilities	**270.01**	**288.96**	**290.46**	**132.58**	**-**	**982.01**
Other disclosure: Capital expenditure	17.01	20.85	25.59	3.49	-	66.94

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 44: Segment Reporting (Contd..)

Year ended March 31, 2024

(₹ in Crores)

Particulars	Electronics	Electricals	Consumer Durables	Sunflame	Eliminations	Total
Revenue						
External customers	1165.20	1,973.07	1,444.28	274.12	-	4,856.67
Inter-segment	-	-	-	-	-	-
Total revenue	**1,165.20**	**1,973.07**	**1,444.28**	**274.12**	**-**	**4,856.67**
Income / (Expenses)						
Depreciation and amortization	(7.12)	(13.06)	(14.62)	(6.99)	-	(41.79)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(1.20)	(1.99)	(1.42)	(0.50)	-	(5.11)
Segment profit	**192.31**	**212.63**	**48.47**	**26.45**	**-**	**479.86**
Total assets	**605.53**	**580.15**	**713.96**	**810.31**	**-**	**2709.95**
Total liabilities	**216.56**	**233.32**	**242.74**	**134.60**	**-**	**827.22**
Other disclosure: Capital expenditure	96.98	24.05	7.31	0.96	-	129.30

Reconciliation of amount reflected in the financial statements

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Reconciliation of profit		
Segment profit	590.85	479.86
Other unallocable income	19.86	26.49
Other unallocable expenses	(172.25)	(126.49)
Finance cost	(24.51)	(39.54)
Profit before tax	**413.95**	**340.32**

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(b) Reconciliation of assets		
Segment operating assets	2,856.29	2,709.95
Investments - Current & Non-Current	80.60	100.61
Investment property	0.28	0.28
Deferred tax asset	8.48	8.83
Cash and cash equivalents	49.98	47.45
Other bank balances	14.52	9.92
Current tax assets (net)	33.96	30.96
Property, plant and equipment, Capital work-in-progress, Intangible assets, Intangible assets under development and Right of use assets	238.88	188.42
Other unallocable assets	55.22	64.86
Total assets	**3,338.21**	**3,161.28**
(c) Reconciliation of liabilities		
Segment operating liabilities	982.01	827.22
Borrowings	-	273.95
Current tax liabilities	-	2.27
Lease liabilities	38.15	33.90
Provision for leave benefits	26.34	22.83
Provision for gratuity	13.16	12.53
Other unallocable liabilities	180.72	174.36
Total liabilities	**1,240.38**	**1,347.06**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 44: Segment Reporting (Contd..)

Revenue from external customer

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
India	5,564.46	4,844.41
Outside India	13.36	12.26

The revenue information above is based on the location of the customers. All non current operating assets of the Group are located in India and for this purpose consists of property, plant and equipment, capital work-in-progress, investment property, intangible assets, intangible assets under development and capital advances. No individual customer contributes to more than 10% of the revenue.

Note 45: Related Party Transactions

(a) Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. Mithun K. Chittilappilly - Managing Director
	Mr. Ramachandran V - Director and Chief Operating Officer
	Mr. Sudarshan Kasturi - Chief Financial Officer (Refer Note 2 below)
	Mr. Vikas Kumar Tak - Company Secretary (Refer Note 2 below)
	Mr. Antony Sebastian - Executive Director (w.e.f May 30, 2023)
Relatives of KMP with whom transactions have taken place during the year	Mr. Kochouseph Chittilappilly - Father of Mr. Mithun K. Chittilapilly
	Ms. Sheela Kochouseph - Mother of Mr. Mithun K. Chittilapilly
	Mr. Arun K. Chittilappilly - Brother of Mr. Mithun K. Chittilapilly
	Ms. Vidyavathi Vaidyanathan - Wife of Mr. Ramachandran V
	Ms. Radhika Ramachandran - Daughter of Mr. Ramachandran V
Non - Executive Directors	Mr. Cherian N Punnoose (ceases to be Non - Executive Director w.e.f July 28, 2024)
	Mr. Ullas K Kamath (ceases to be Non - Executive Director w.e.f July 28, 2024)
	Mr. C J George (ceases to be Non - Executive Director w.e.f July 28, 2024)
	Mr. George Jacob Muthoot
	Prof. Biju Varkey
	Mr. Ishwar Subramanian (w.e.f May 30, 2023)
	Ms. Radha Unni
Associate	Gegadyne Energy Labs Private Limited (w.e.f November 21, 2023)
Entities in which KMP / relatives of KMP can exercise significant influence	K Chittilappilly Trust
	Arav Chittilappilly Trust
	Anekha Chittilapilly Trust
	V-Guard Foundation (Refer Note 3 below)

The Group has not entered in to any transactions with companies in which KMP / relatives of KMP can exercise significant influence.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 45: Related Party Transactions (Contd..)

(b) Transactions with related parties during the year

(₹ in Crores)

Name of the related party	Nature of transactions	For the year ended March 31, 2025		For the year ended March 31, 2024	
Mr. Kochouseph Chittilappilly	Dividends paid		5.73		5.90
	Emoluments		0.94		0.74
Mr. Mithun K Chittilappilly	Dividends paid		12.09		11.23
	Remuneration:		10.56		8.12
	Salaries and allowances	4.57		3.37	
	Company contribution to provident fund	0.35		0.28	
	Commission	5.64		4.47	
Mr. Ramachandran V	Dividends paid		0.31		0.22
	Remuneration:		33.24		19.73
	Salaries and allowances	3.79		4.06	
	Company contribution to provident fund	0.32		0.30	
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	29.13		15.37	
	Issue of Equity shares including premium		8.00		5.94
Mr. Sudarshan Kasturi	Dividends paid		0.00		0.00
	Remuneration:		5.55		4.38
	Salaries and allowances	3.58		2.93	
	Company contribution to provident fund	0.17		0.15	
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	1.80		1.30	
	Issue of Equity shares including premium		0.01		0.01
Mr. Vikas Kumar Tak	Dividends paid		0.00		0.00
	Remuneration:		0.82		0.52
	Salaries and allowances	0.58		0.50	
	Company contribution to provident fund	0.02		0.02	
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	0.22		-	
	Issue of Equity shares including premium		0.00		-
Mr. Antony Sebastian	Dividend Paid		0.06		0.06
	Remuneration:		1.36		1.01
	Salaries and allowances	1.29		0.96	
	Company contribution to provident fund	0.07		0.05	
Relatives of KMP (Excluding Mr. Kochouseph Chittilappilly)	Dividends paid		6.91		6.42
Entities in which KMP/ relatives of KMP can exercise significant influence	Dividends paid		8.49		7.88
Non - Executive Directors	Sitting fees		0.62		0.86
	Commission		0.07		0.20
Gegadyne Energy Labs Private Limited	Investment in Preference shares		-		20.01
	Loan Given		1.60		2.30
	Interest on Loan		-		0.03
	Loan Repayment		-		2.30

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 45: Related Party Transactions (Contd..)

(c) Related party balances

(₹ in Crores)

Name of the related party	Nature of transactions	As at March 31, 2025	As at March 31, 2024
Mr. Kochouseph Chittilappilly	Emoluments payable	0.94	0.74
Mr. Mithun K Chittilappilly	Commission payable	5.64	4.47
Non - Executive Director	Commission payable	0.07	0.20
Mr. Ramachandran V	Remuneration payable	0.95	1.12
Mr. Sudarshan Kasturi	Remuneration payable	0.46	0.22
Mr. Vikas Kumar Tak	Remuneration payable	0.09	0.05
Mr. Antony Sebastian	Remuneration payable	0.27	0.23
Gegadyne Energy Labs Private Limited	Loan Outstanding	1.60	-

Notes:

1. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Group as a whole. These are included as part of managerial remuneration on payment basis. Further, share based payments are disclosed when the stock options are exercised by the KMP as per the perquisite valuation rule. The details of KMP compensation is as below:

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term employee benefits	19.44	16.29
Post-employment benefits	0.93	0.81
Share based payment expense	31.15	16.67

2. Represents additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year.

3. The Holding Company has formed V-Guard Foundation, a company incorporated under Section 8 of the Companies Act, 2013, as its principal arm for implementing the group's CSR programs / projects in compliance with Section 135 of the Companies Act, 2013. Two directors of the Holding Company are the directors of V-Guard Foundation. During the year ended March 31, 2025, the Group has contributed ₹ 6.41 crores (March 31, 2024: ₹ 5.39 crores) towards expenditure for CSR activities. V-Guard Foundation has undertaken various CSR projects like V-Guard Educare and Skill Development, V-Guard Build India, V-Guard Health Care and V-Guard Women Empowerment.

Note 46: Earnings Per Share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit for the year attributable to equity holders of the parent (₹ in crores)	313.72	257.58
Weighted average number of equity shares outstanding*	43,76,94,778	43,69,74,476
Basic earnings per share (₹)	**7.17**	**5.89**
Net Profit for the year attributable to equity holders of the parent (₹ in crores)	313.72	257.58
Weighted average number of equity shares outstanding	43,95,12,234	43,83,27,754
Diluted earnings per share (₹)	**7.14**	**5.88**
Weighted average number of equity shares in calculating basic EPS	43,76,94,778	43,69,74,476
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	18,17,456	13,53,278
Weighted average number of equity shares in calculating diluted EPS	**43,95,12,234**	**43,83,27,754**

*Includes effect of vested employee stock options, considered as 'in-substance' issued equity shares.

Notes forming part of the Consolidated Financial Statements

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Note 47: Share based payments

The members of the Company by way of a special resolution under Section 81(1)(A) of the Companies Act, 1956, passed on 14th May, 2013 through postal ballot procedure, approved Employees Stock Option Scheme, 2013 (ESOS 2013) for grant of stock options to eligible employees of the Group. According to the Scheme, the eligible employees will be entitled to options as given below subject to satisfaction of prescribed vesting conditions. All options granted under ESOS 2013 can be exercised within 6 years from the date of vesting. The number of shares allocated for allotment under the ESOS 2013 is 2,23,61,109 equity shares of ₹ 1/- each. The schemes are monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time. Refer table below for details of grants yet to be exercised as at the year end.

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting conditions
Grant III	2016-17	04-May-16	4,20,000	1.00	Over 4 years	60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			37,80,000	68.75		
Grant V	2016-17	08-Aug-16	12,61,246	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
			49,280	1.00		100% of the entitlements are time based grants which will vest over 4 years.
			2,80,000	1.00		60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			11,20,000	121.79		
Grant X	2017-18	22-Jan-18	2,50,768	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant XV	2020-21	22-May-20	12,59,200	172.05	Over 4 years	100% of the entitlements are time based grants which will vest over 4 years.
			2,60,000	1.00	Over 4 years	100% of the entitlements based on the Company's performance at the end of 4 years.
Grant XVI	2020-21	27-Aug-20	10,62,635	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Group.
Grant XVII	2020-21	03-Feb-21	3,16,325	1.00	Over 4 years	
Grant XVIII	2020-21	19-Mar-21	24,907	1.00	Over 4 years	
Grant XIX	2021-22	30-Jul-21	1,47,685	1.00	Over 4 years	
Grant XX	2021-22	28-Oct-21	1,14,365	1.00	Over 4 years	
Grant XXI	2021-22	02-Feb-22	2,51,143	1.00	Over 4 years	
Grant XXII	2021-22	25-Mar-22	59,980	1.00	Over 4 years	
Grant XXIII	2022-23	19-May-22	91,407	1.00	Over 4 years	
Grant XXIV	2022-23	27-Jul-22	86,868	1.00	Over 4 years	
Grant XXV	2022-23	02-Feb-23	1,23,651	1.00	Over 4 years	
Grant XXVI	2023-24	29-May-23	27,657	1.00	Over 4 years	
Grant XXVII	2023-24	27-Jul-23	1,40,326	1.00	Over 4 years	
Grant XXVIII	2023-24	29-Oct-23	65,415	1.00	Over 4 years	
Grant XXIX	2023-24	31-Jan-24	36,915	1.00	Over 4 years	
Grant XXX	2024-25	15-May-24	12,59,200	354.55	Over 4 years	

Notes forming part of the Consolidated Financial Statements

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Note 47: Share based payments (Contd..)

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting conditions
Grant XXXI	2024-25	31-Aug-24	8,07,159	1.00	Over 4 years	
Grant XXXII	2024-25	28-Oct-24	35,721	1.00	Over 4 years	
Grant XXXIII	2024-25	27-Jan-25	1,81,801	1.00	Over 3 years	75% of the total entitlements are time based grants which will vest over 3 years and the balance 25% will vest at the end of third year based on the performance of the Group.
			14,536	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Group.
Grant XXXIV	2024-25	19-Mar-25	15,669	1.00	Over 4 years	

The details of the activity under the Scheme are summarized below:

Weighted average Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited / expired during the year	Exercised during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life (in years)
1.00	19,64,650	13,14,886	5,06,946	4,90,053	22,82,537	2,44,559	7.66
	(20,94,470)	(2,70,313)	(26,181)	(3,73,952)	(19,64,650)	(2,46,010)	(6.88)
71.36	-	-	-	-	-	-	-
	(19,588)	-	-	(19,588)	-	-	-
68.75	11,34,000	-	-	5,67,000	5,67,000	5,67,000	0.67
	(17,01,000)	-	-	(5,67,000)	(11,34,000)	(11,34,000)	(1.19)
121.79	5,04,000	-	-	3,36,000	1,68,000	1,68,000	1.27
	(6,72,000)	-	-	(1,68,000)	(5,04,000)	(5,04,000)	(1.27)
172.05	12,59,200	-	-	-	12,59,200	12,59,200	3.64
	(12,59,200)	-	-	-	(12,59,200)	(9,44,400)	(4.64)
354.55	-	12,59,200	-	-	12,59,200	-	7.62
	-	-	-	-	-	-	-

Note: The numbers in parenthesis pertains to the previous year ended March 31, 2024.

Weighted average fair value of the options granted during the year was ₹283.68 (March 31, 2024: ₹ 281.98).

Weighted average equity share price at the date of exercise of options during the year was ₹ 390.45 (March 31, 2024: ₹ 291.78).

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Binomial model:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Risk-free interest rate (%)	6.48 % to 6.96 %	6.80 % to 7.32 %
Expected life of options (years)	4.01 to 7.01	4.01 to 7.01
Expected volatility (%)	27.89% to 32.00%	27.57% to 30.02%
Dividend yield (%)	0.32 % to 0.40 %	0.44 % to 0.52 %

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 47: Share based payments (Contd..)

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date, indicative of future trends, which may not necessarily be the actual outcome. Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefits expense is ₹ 25.90 crores (March 31, 2024: ₹ 2.03 crores)

Note 48: Fair Values

Accounting Policy

(i) Classification of financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise trade receivables, loans and security deposits.

See note 2.3 (k) for other accounting policies relevant to financial assets.

(ii) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVTPL):

- debt investments (preference shares and mutual funds) that do not qualify for measurement at either amortised cost or FVOCI, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

(₹ in Crores)

Particulars	Carrying value		Fair value	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Financial assets at FVTPL				
Other investments	80.66	100.66	80.66	100.66
Financial assets at amortised cost				
Trade receivables	542.31	595.82	542.31	595.82
Cash and bank balances	65.17	58.06	65.17	58.06
Loans	3.92	2.02	3.92	2.02
Other financial assets	20.87	19.81	20.87	19.81
Total	**712.93**	**776.37**	**712.93**	**776.37**
Financial liabilities at amortised cost				
Borrowings	10.81	291.03	10.81	291.03
Trade payables	656.95	550.02	656.95	550.02
Other financial liabilities	145.77	109.57	145.77	109.57
Total	**813.53**	**950.62**	**813.53**	**950.62**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 48: Fair Values (Contd..)

The management assessed that fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables / advances given are evaluated by the Group based on parameters such as interest rates and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

Current investments pertains to Investments in mutual funds which are mandatorily classified as fair value through statement of profit and loss. The fair value of investments in mutual funds units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at balance sheet date. NAV represents the price at which the issuer will issue further units of mutual funds and the price at which issuers will redeem such units from the investors.

The fair value of other investments has been determined using discounted cash flow method. Refer Note 49 (v).

The fair value of loans and borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate. There are no unobservable inputs that impact fair value.

Note 49: Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities, measured at fair value on the balance sheet date:

(₹ in Crores)

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets carried at cost for which fair value are disclosed					
Investment property (Refer Note 4)	31-Mar-25	0.28	-	-	0.28
	31-Mar-24	1.68	-	-	1.68
Fair value of financial assets disclosed					
FVTPL - Other investments	31-Mar-25	80.66	-	10.14	70.52
	31-Mar-24	100.66	-	30.17	70.49
Assets carried at amortised cost for which fair value are disclosed					
Trade receivables	31-Mar-25	542.31	-	-	542.31
	31-Mar-24	595.82	-	-	595.82
Cash and bank balances	31-Mar-25	65.17	-	-	65.17
	31-Mar-24	58.06	-	-	58.06
Loans	31-Mar-25	3.92	-	-	3.92
	31-Mar-24	2.02	-	-	2.02
Other financial assets	31-Mar-25	20.87	-	-	20.87
	31-Mar-24	19.81	-	-	19.81
Liabilities carried at amortised cost for which fair value are disclosed					
Borrowings	31-Mar-25	10.81	-	-	10.81
	31-Mar-24	291.03	-	-	291.03
Trade payables	31-Mar-25	656.95	-	-	656.95
	31-Mar-24	550.02	-	-	550.02
Other financial liabilities	31-Mar-25	145.77	-	-	145.77
	31-Mar-24	109.57	-	-	109.57

Notes:

(i) There have been no transfers between Level 1, Level 2 and Level 3 during the year. Also refer Note 48.

(ii) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 49: Fair Value Hierarchy (Contd..)

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iv) Fair value of mutual funds is determined based on the net asset value of the funds.

(v) The significant unobservable inputs used in the fair value measurement of investment categorised within Level 3 of the fair value hierarchy together with sensitivity analysis are as shown below:

Description of significant unobservable inputs to valuation:

As at March 31, 2025

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
FVTPL Investments	Discounted cash flow method	Earnings multiple at 7.5x	0.5x increase in earnings multiple will result in a ₹ 9.32 crores increase in fair value and 0.5x decrease in earnings multiple will result in a ₹ 9.14 crores decrease in fair value.
		Weighted average cost of capital (WACC) at 40%	2% increase in WACC will result in a ₹ 14.13 crores decrease in fair value and 2% decrease in WACC will result in a ₹ 1.60 crores increase in fair value

As at March 31, 2024

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
FVTPL Investments	Precedent transaction analysis method	Premium for Management, product / technology, size of opportunity, competition etc. (Premium of 40%-60%)	10% increase in premium will have a significant impact on the fair value of the investments.

Note 50: Financial risk management objectives and policies

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Group.

A. Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities.

The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2025 and March 31, 2024. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an ongoing basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents(to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable investments, such as mutual funds, with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 50: Financial risk management objectives and policies (Contd..)

As at March 31, 2025, the Group had ₹ 581.4 crores (March 31, 2024: ₹ 553.22 crores) of undrawn committed borrowing / credit facilities including non fund based facilities.

The table below summarises the maturity profile of Group's financial liabilities:

(₹ in Crores)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2025				
a) Borrowings	10.81	-	-	10.81
b) Lease liabilities	28.45	65.39	38.90	132.74
c) Trade payables	656.95	-	-	656.95
d) Other financial liabilities	145.77	-	-	145.77
Total	**841.98**	**65.39**	**38.90**	**946.27**
As at March 31, 2024				
a) Borrowings	171.63	142.63	-	314.26
b) Lease liabilities	24.94	58.68	111.57	195.19
c) Trade payables	550.02	-	-	550.02
d) Other financial liabilities	109.57	-	-	109.57
Total	**856.16**	**201.31**	**111.57**	**1,169.04**

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of following: interest rate risk, foreign currency risk and commodity price risk. Financial instruments affected by market risk include loans, borrowings, trade payables and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings which are at floating interest rates.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are included in the table below :

(₹ in Crores)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
March 31, 2025	-	-
March 31, 2024	2.74	(2.74)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risks arising from exposures to US Dollars and Chinese Yuan from the Group's import of goods. The Group manages this foreign currency risk by using foreign currency forward contracts to hedge certain of its import liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities net of amounts hedged is as follows:

(₹ in Crores)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
March 31, 2025	2.98	(2.98)
March 31, 2024	(6.30)	6.30

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 50: Financial risk management objectives and policies (Contd..)

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of domestic cable and other electronic items and therefore require a continuous supply of copper, being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the copper, the Group has entered into various purchase contracts for this material for which there is an active market. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price for each month.

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and certain customers are covered under credit insurance. An impairment analysis is performed at each reporting date by grouping a large number of minor receivables into homogenous groups and assess them for impairment collectively. The Group creates allowance based on lifetime expected credit loss based on a provision matrix after considering adjustment under credit insurance. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13. The Group does not hold any collateral as security except for the deposits and bank guarantees received from the customers. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several locations and operate in largely independent markets.

The movement for change in allowance for expected credit loss and credit impairment is as follows:

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	30.90	25.38
Change in allowance for expected credit loss and credit impairment during the year	1.68	5.60
Bad debts written off	(0.65)	(0.08)
Balance as at the end of the year	**31.93**	**30.90**

The Group follow the following provision matrix as on the reporting date:

Particulars	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due
Default rate	0.02%	2%	2.50%	5%	10%	30%	35%	70%	100%

Other financial assets

Credit risk from balances with banks and financial institutions and in respect of loans and deposits are managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only in highly marketable liquid fund instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 50: Financial risk management objectives and policies (Contd..)

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Note 51: Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Group monitors capital using Gearing ratio, which is net debt divided by total capital plus net debt.

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings	10.81	291.03
Less: Cash and cash equivalents and other bank balances	64.50	57.37
Borrowings (A)	-	**233.66**
Equity	2,097.83	1,814.22
Capital and Net debt (B)	-	**2,047.88**
Gearing ratio (A/B)	-	**0.11**

Note : In the current year, cash and cash equivalents along with other bank balances exceed net debt; hence, the gearing ratio is not applicable.

Note 52: Other statutory information

(i) Details of Benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Group has borrowings from banks and financial institution on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group during the year with banks and financial institution are in agreement with the books of account.

(iii) Willful defaulter

The Group has not been declared willful defaulter by any bank or financial institution or other lender.

(iv) Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

(vi) Compliance with approved scheme of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

(vii) Utilisation of borrowed funds and share premium

A. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of property, plant and equipment, right of use assets, intangible assets and investment property

The Group has not revalued its property, plant and equipment (including right of use assets), intangible assets and investment property during the current or previous year.

(xi) Core Investment Company

The Group is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. It does not have any CICs, which are part of the Company.

(xii) Utilisation of borrowings availed from banks and financial institution

The borrowings obtained by the Group from banks and financial institution have been applied for the purposes for which such loans were taken.

Note 53 : Audit Trail

As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

(a) Holding company and subsidiary companies have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility that has operated throughout the financial year for all relevant transactions except:

(i) For changes to certain tables where audit trail is not activated as part of default settings of the ERP vendor. In this regard, the Companies have prospectively enabled audit trail post year end March 31, 2025.

(ii) For transactions by certain users having specific access used for debugging and troubleshooting.

(b) In case of the company and its subsidiaries, with respect to direct database changes, adequate technical documentation is not available to enable audit trail. The Company and its subsidiaries have however put in place controls to ensure that changes to database are only through the ERP application where audit trail is enabled.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2025

Note 54: Statutory Group Information

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crores	As % of consolidated net profit	₹ in crores	As % of consolidated other comprehensive Income	₹ in crores	As % of consolidated total comprehensive income	₹ in crores
Parent Company								
V-Guard Industries Limited								
Balance as at March 31, 2025	56.26%	1,180.34	82.93%	260.20	95.38%	(3.00)	82.82%	257.20
Balance as at March 31, 2024	51.92%	941.89	81.46%	209.82	94.84%	(2.63)	81.31%	207.19
Subsidiaries								
Guts Electro-Mech Limited								
Balance as at March 31, 2025	1.92%	40.22	2.34%	7.33	0.72%	(0.02)	2.35%	7.31
Balance as at March 31, 2024	1.88%	34.16	2.55%	6.57	-0.01%	0.00	2.58%	6.57
V-Guard Consumer Products Limited								
Balance as at March 31, 2025	9.24%	193.89	14.72%	46.17	2.55%	(0.08)	14.84%	46.09
Balance as at March 31, 2024	8.53%	154.79	8.92%	22.97	1.92%	(0.05)	8.99%	22.92
Sunflame Enterprises Private Limited								
Balance as at March 31, 2025	32.58%	683.38	0.01%	0.02	1.35%	(0.04)	-0.01%	(0.02)
Balance as at March 31, 2024	37.67%	683.38	7.07%	18.22	3.25%	(0.09)	7.12%	18.13
Non-controlling interest in subsidiary								
Balance as at March 31, 2025	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at March 31, 2024	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associate - Gegadyne Energy Labs Private Limited (refer Note 6)								
Balance as at March 31, 2025	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Balance as at March 31, 2024	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00

Note: Amounts disclosed above are net of inter company elimination for the purpose of consolidation.

Note 55: During the year, the Company was required to transfer 48,179 equity shares to IEPFA as dividend has not been encashed or claimed on the above shares during the seven consecutive years from the Financial Year 2017-18 to 2023-24. However, the Company could transfer only 46,899 equity shares, as 1,280 equity shares could not be transferred due to regulatory restrictions.

Note 56: Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Group.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No: 064311

Place : Kochi
Date : May 14, 2025

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Radha Unni
Chairperson
DIN: 03242769

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 14, 2025

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A" Subsidiaries

Name of the subsidiary	Guts Electro-Mech Ltd	V-Guard Consumer Products Limited	Sunflame Enterprises Private Limited
The date since when subsidiary was acquired	August 31, 2017	July 19, 2021	January 12, 2023
Reporting period for the subsidiary concerned	March 31, 2025	March 31, 2025	March 31, 2025
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	₹	₹	₹

Sl. No.	Particulars	₹ in crores	₹ in crores	₹ in crores
1	Share capital	1.97	121.09	0.16
2	Other equity	32.28	82.42	116.22
3	Total assets	43.39	339.73	151.14
4	Total liabilities	9.14	136.22	34.76
5	Investments	Nil	0.14	Nil
6	Turnover	96.65	676.23	254.39
7	Profit before taxation	9.83	61.54	4.75
8	Provision for taxation	2.79	10.98	1.46
9	Profit after taxation	7.04	50.56	3.29

Other information			
Proposed dividend	Nil	Nil	₹ 90 per equity share of face value of ₹ 1 each
Extent of shareholding (in percentage)	100%	100%	100%
Names of subsidiaries which are yet to commence operations	Nil		
Names of subsidiaries which have been liquidated or sold during the year	Nil		

Part "B" Associates and Joint ventures

Name of Associates or Joint Ventures		Gegadyne Energy Labs Private Limited
1	Latest audited Balance Sheet Date	31-Mar-2024
2	Date on which the Associate or Joint Venture was associated or acquired	November 21, 2023
3	Shares of Associate or Joint Ventures held by the company on the year end	
	Number	7 Equity shares, 2900 Compulsarily Convertible Cumulative Preference Shares and 1151 Optionally Convertible Cumulative Preference Shares
	Amount of Investment in Associates or Joint Venture	70.57 crores
	Extent of Holding (in percentage)	24.32%
4	Description of how there is significant influence	Associate
5	Reason why the associate/Joint venture is not consolidated.	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet	-0.08
7	Profit or Loss for the year	
	i. Considered in Consolidation	(0.00)
	ii. Not Considered in Consolidation	(12.07)

Note - The amount shown as investment in associate is inclusive of the fair valuation gain

For and on behalf of the Board of Directors of
V-Guard Industries Limited

Radha Unni
Chairperson
DIN: 03242769

Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sudarshan Kasturi
Chief Financial Officer

Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 14, 2025

V-Guard Industries Limited
CIN L31200KL1996PLC010010

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

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