V-GUARD

July 14, 2021

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
Ref:- Scrip Code: 532953	Ref:- Symbol: VGUARD

Sub: Filing of Annual Report for the Financial Year 2020-21 – reg.

Dear Sir/Madam,

In pursuance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the copy of Annual Report for the Financial Year 2020-21.

Kindly take the above on record.

Thanking you,

For V-Guard Industries Limited

Jayasree K
Company Secretary
Membership No. A15900

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VENNALA
KOCHI-682028

Encl: as above

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V-GUARD

EMERGING STRONGER

ANNUAL REPORT 2020-21

STORIES INSIDE

Cautionary Statement

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

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

Watching the impact of COVID-19 pandemic unfold, we, at V-Guard, have stayed keenly focussed on what we could do to not only navigate the crisis but also turn it into an opportunity for new learnings and positive change.

Be it progressively scaling up our manufacturing facilities to achieve near-normal operations while strictly adhering to COVID-19 appropriate protocols, launching new products despite the external uncertainty, driving a greater focus on online consumer engagement, using our distribution network more intensively, enhancing our supply chain resilience, enabling all our office-based employees to work in hybrid mode, and reinforcing a disciplined approach to cash flow management, the several steps that we took enabled us to sail through the rough seas and make a fast recovery when the storm subsided.

We also remained undeterred in pursuing our long-term plans. Strategic investments in areas of product development, production infrastructure, brand visibility, marketing, digitalisation and human resources are further strengthening our capabilities.

WE ARE EMERGING STRONGER.

WITH OUR STEADFAST RESOLVE, RENEWED STRENGTH AND RESILIENCE.

ABOUT US

V-Guard Industries Limited (V-Guard) is India's leading manufacturer and marketer of innovative and experiential products in the electronics, electrical, and consumer durables segments. Our relentless passion and perseverance enable us to deliver thoughtfully engineered products to enrich our consumers' lives.

Operating for over four decades, we have established superior brand positioning in a fast-evolving and competitive marketplace. Underpinning our competencies is our diversified product portfolio, world-class manufacturing facilities and a robust distribution network. In addition to in-house manufacturing, we also outsource production, while maintaining strict controls over quality and design.

OUR VISION

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

Our Product Portfolio

ELECTRONICS

Stabilizers

Digital UPS & Batteries

ELECTRICAL

House wiring cables

Switchgears

Modular switches

Pumps

CONSUMER DURABLES

Solar & Electric water heaters

Fans

Air coolers

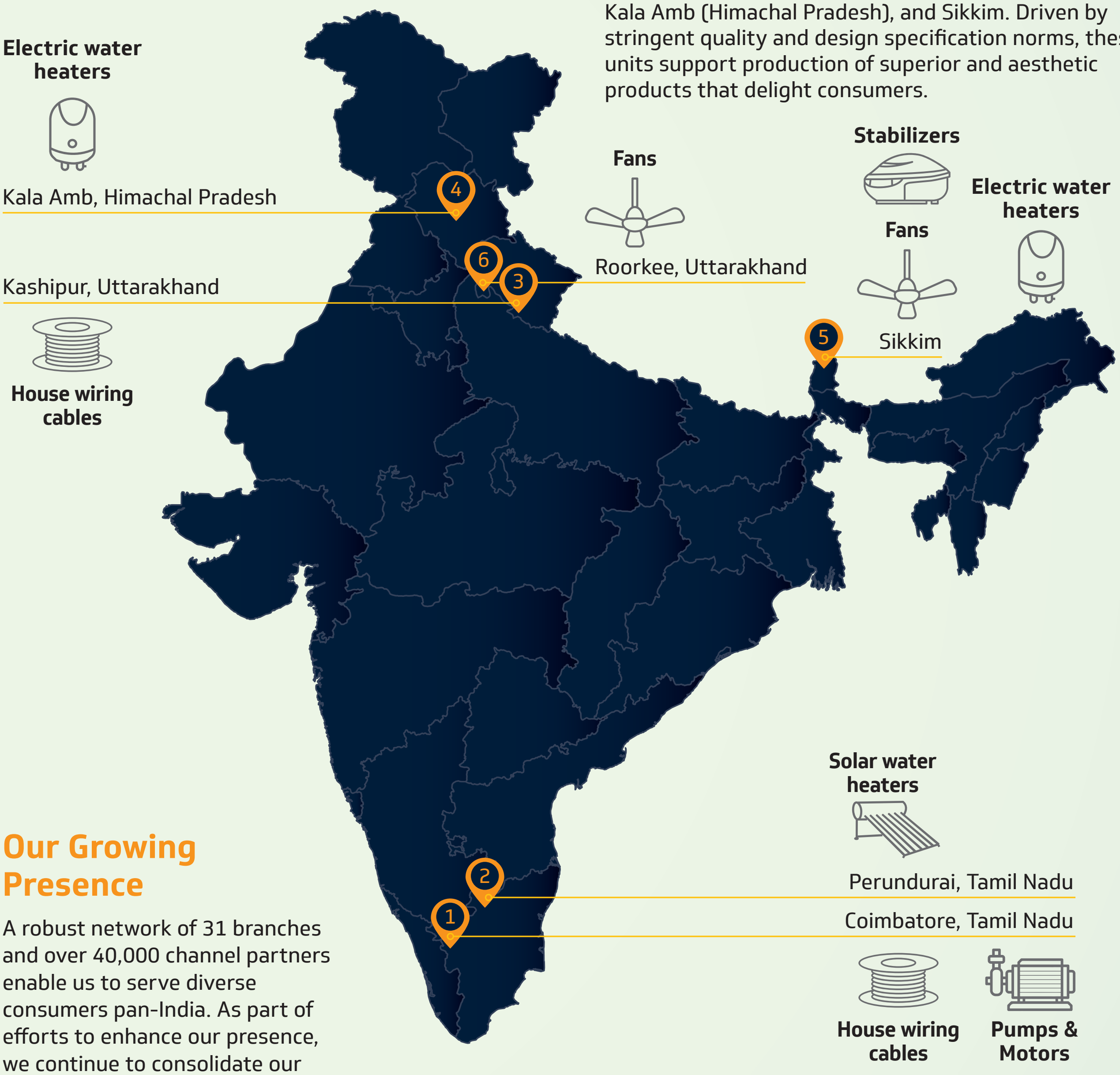
Kitchen appliances

Segment-wise revenue break-up (for the year FY 2021)

ELECTRONICS	ELECTRICAL	CONSUMER DURABLES
28.1%	44.6%	27.3%

Manufacturing Prowess

Our state-of-the-art, highly equipped manufacturing facilities are located in Coimbatore and Perundurai (Tamil Nadu), Kashipur and Roorkee (Uttarakhand), Kala Amb (Himachal Pradesh), and Sikkim. Driven by stringent quality and design specification norms, these units support production of superior and aesthetic products that delight consumers.



Our Growing Presence

A robust network of 31 branches and over 40,000 channel partners enable us to serve diverse consumers pan-India. As part of efforts to enhance our presence, we continue to consolidate our presence in the southern markets while strengthening penetration in the non-southern markets. Our aim is to enter newer markets of high-potential and make our products easily accessible.

Geography-wise revenue break-up (for the year FY 2021)

SOUTH	NON-SOUTH
58%	42%

EMERGING STRONGER WITH OUR CAPABILITIES AND ADAPTABILITY

01
Comprehensive product portfolio
Our diverse and growing product basket enables us to meet evolving consumer needs, stay relevant and respond to new business opportunities.

02
Marketing Transformation
Marketing transformation in alignment with future business growth aimed at geographical expansion and driving business value.

03
Strong brand equity
For over four decades, V-Guard has earned a reputation for solidity and reliability. Today the brand is recognised as a leading consumer appliances brand in India committed to creating products that create meaningful impact in consumer lives.

04
Digitalisation for a better tomorrow
Increased focus towards building a future-ready organisation built on the bedrock of a strong digital enterprise.

05
State-of-the-art manufacturing facilities
Backed by our best-in-class manufacturing capabilities, we are bringing premium offerings to the market that are recognised for their high-quality, futuristic appeal and differentiated features.

06
Mix of in-house and outsourcing production
Our nimble manufacturing model provides flexibility in our operations, enabling us to optimise capex and working capital requirements.

07
Excellent innovation & design capabilities
We are bringing thoughtfully engineered and superior aesthetic products to the market through our excellent R&D and product design capabilities driven by our deep understanding of our consumers' needs.

08
Quality assurance
Strict quality control measures at every stage of the product lifecycle to ensure that we deliver on the promise of quality, safety and performance.

09
Financial stability
Our business is underpinned by a robust financial framework of a healthy balance sheet with minimal debt, strong cash flow generation and high credit ratings.

10
Dynamic management
The organisation is steered by an experienced and visionary leadership team, enabling us to capitalise on growing business opportunities while managing risks effectively.

11
Inspired workforce
We are powered by a skilled and motivated team, enabling the realisation of our organisational goals and powering our future growth.

Financial Highlights FY 2020-21

₹ 2,699 crores net revenue

8.7% revenue growth

₹ 306.5 crores EBITDA

7.5% increase in PAT to
₹ 199 crores

₹ 271.1 crores cash balance

Cash flow from operations at
₹ 221.8 crores

Recommended final dividend of
120% per equity share

MESSAGE FROM THE CHAIRMAN

DURING THE YEAR, DESPITE THE UNPRECEDENTED CHALLENGES CAUSED BY THE ONGOING COVID-19 PANDEMIC, WE STAYED FOCUSSED ON OUR STRATEGIC INITIATIVES TO PROVIDE AN IMPETUS TO OUR COMPETITIVENESS AND TO MAKE US A BETTER DIGITALLY INTEGRATED ENTERPRISE.

DEAR SHAREHOLDERS,

As I write to you during these unprecedented trying times, my heart goes out to all the families who have suffered tremendous loss due to the COVID-19 pandemic. The colossal loss of life has been heart-wrenching and painful. These times have also demonstrated the tremendous and salute worthy efforts of our frontline workers and medical professionals. With their unyielding commitment at the risk of their own health and life, they have worked selflessly to keep us safe.

The year in review

At V-Guard, the nationwide lockdown and ensuing period of restrictions presented us with extraordinary challenges in the first half of the year, including the temporary shutdown of our manufacturing facilities. Supply chain disruptions added to a weak consumer demand. It was also the first time in our history that we had to contend with an almost zero-revenue environment for a considerable period. Yet, I am pleased to share with you that our Company has demonstrated a strong resilience to not only overcome these hurdles but to also register a robust recovery as soon as the market environment improved. Our people have responded with great agility and commitment to enable the Company to emerge victorious with strength. Our strong balance sheet also positioned us at a vantage point as we navigated our way through these uncertain times.

And as expected of our Company, we strictly adopted all the appropriate COVID-19 safety protocols across all our locations. We have also put additional measures in place to support the health and well-being of all our people in these uncertain times.

Our strategic priorities

During the year, despite the unprecedented challenges caused by the ongoing COVID-19 pandemic, we stayed focussed on our strategic initiatives to provide an enduring boost to our competitiveness and make us a better digitally integrated enterprise.

First, we continued to advance our product development. We are increasingly shifting towards premiumisation and digitally connected products to meet the evolving consumer aspirations. Our portfolio includes several smart and futuristic products, and we will continue to invest in innovation to roll out differentiated offerings.

Second, as part of strengthening our production infrastructure, considerable progress was made towards our journey of manufacturing excellence. Best-in-class practices have been embedded deeply in our processes, systems and facilities thus enabling us to elevate our manufacturing competency and efficiency. As part of our transformation, we are also putting the thrust on developing in-house manufacturing capabilities to bring premium products at competitive prices to the market.

We remain geared towards the strategically important area of growing our distribution network, particularly in non-south geographies. Expanding our distribution network in these markets, we believe, will provide significant potential for revenue growth. Currently, our non-South business contributes around 42% to our revenues, which we aim to expand over the next four to five years to about 50%.

Our strategic investment in brand visibility is aimed at improving our brand penetration in the non-South markets and consolidating our leadership position in the southern India. The pandemic has accelerated the shift towards branded offerings and adoption of digital channels for product purchases. While we cut back on advertising and marketing spends due to market uncertainty, our focus on enhancing our brand visibility through aggressive marketing remains unchanged. Further, our digital engagement efforts have been stepped up and our products are increasingly being made available on online platforms, in sync with changing times.

Finally, our people are a sustainable source of competitive advantage, and our strategic initiatives in the realm of human resources are directed towards enabling them to bring their best to work. We are building a learning organisation and developing a leadership pipeline to support professional and organisational goals.

OUR PEOPLE ARE A SUSTAINABLE SOURCE OF COMPETITIVE ADVANTAGE, AND OUR STRATEGIC INITIATIVES IN THE REALM OF HUMAN RESOURCES ARE DIRECTED TOWARDS ENABLING THEM TO BRING THEIR BEST TO WORK.

Supporting our communities

Mindful of the fact that businesses must be a force for good, we remain committed to social responsibility. In a pandemic-hit year, several initiatives were undertaken to help local communities overcome the difficulties presented by the COVID-19 outbreak. We also continued our broader CSR programmes focussed on areas of education, skill development, health and the environment. Our overarching endeavour through these efforts is to enrich and empower the lives of those from the weaker sections of our society and make a sustainable difference.

Looking ahead

A positive arising from a hugely difficult year is that the learnings, new ways of working and measures taken to build future resilience have made V-Guard a stronger business. While there may be near-term challenges, the business is well placed to surge ahead and deliver sustained and long-term value to stakeholders in the years ahead.

In closing, I would like to thank all our employees for their relentless efforts. I would also like to express my gratitude to my fellow Directors for their guidance and support. Finally, I offer my thanks to our consumers, business partners, suppliers, shareholders and all other stakeholders for the trust they have placed in V-Guard. On behalf of the V-Guard Board and Management, I wish you all the best in these challenging times.

Best regards,

Cherian N Punnoose
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

BACKED BY THE STRATEGIC INVESTMENTS WE ARE MAKING IN BRAND VISIBILITY, PRODUCT DEVELOPMENT, DISTRIBUTION NETWORK, PRODUCTION INFRASTRUCTURE AND HUMAN RESOURCES, WE ARE WELL PLACED TO GAIN FROM EMERGING OPPORTUNITIES TO DRIVE SUSTAINED VALUE FOR OUR STAKEHOLDERS.

DEAR SHAREHOLDERS,

At the outset, let me take this opportunity to express my heartfelt gratitude to our amazing family at V-Guard for their unyielding dedication in their efforts at keeping the organisation rock solid during this global crisis. For being a strong support system not just internally but for all our partners who have had to go through this unprecedented turmoil that has taken its toll across the country. And it is this very indefatigable spirit and resolve that will see us come out on top as the situation gets more normal.

This pandemic spared no one as it unleashed the largest economic setback across the globe. Our country felt the impact as much, if not more, with the nationwide lockdown and cessation of economic activities which severely impacted our growth. The Gross Domestic Product (GDP) for FY2021 contracted by 7.3%, with the GDP for the first quarter of the year showing a 23.9% decline. Private consumer spending which contributes to more than half of the India's GDP contracted by 27% in this quarter. And to add to the problem, the second growth engine of investment, represented by gross fixed capital formation, contracted by 47% during the same period. Thankfully, with the easing of relaxations, the economy started reviving from the third quarter with strong festive sales and pent-up demand which aided growth.

The economic and social restrictions and widespread uncertainty had a significant bearing on the demand for our products as well as our supply chain during the first half of the year. Another major challenge we had to contend with was that of our Sikkim manufacturing units being in lockdown for an extended period. Towards the end of the year, raw material cost inflation added to the headwinds.

In the face of uncontrollable factors in the operating environment, we stayed focussed on strengthening our business and positioning it for fast recovery. We continued to expand our distribution presence, particularly in the non-South markets, while launching several new products and driving a greater focus on online consumer engagement. Our efforts proved fruitful as in the third quarter when consumer demand resurfaced, we made a sharp climb to recovery. In fact, in the third quarter, we recorded the highest ever quarterly profit in our corporate history. Furthermore, from the third quarter onwards, we recorded growth across all markets and product categories, reaffirming the strength of our business model.

The strong performance in the second half of the year enabled us to close FY2021 with an 8.7% growth in revenues at ₹ 2,699 crores. Our prudence in optimising costs saw us getting more operating leverage, with EBITDA expanding by 21% and Profit after Tax (PAT) increasing by 7.5% to ₹ 199 crores. Also reflecting our growing strength is our robust net cash position, which increased by ₹ 133 crores, improvements in working capital, and a core ROCE of 42%, up from 33.2% in the previous year. A strong focus on collections and credit disciplines helped to improve our working capital levels.

The year was also defined by notable operational highlights across the Company. We continued to enhance our product portfolio with the launch of a new range of kitchen appliances. Aligned with the clear shift in consumer behaviour towards online purchases, with even historically offline shoppers coming online due to convenience and safety, these products were made available exclusively on e-commerce platforms.

Our focus on expanding our in-house manufacturing capabilities saw us open our new unit for the production of premium ceiling fans. Our manufacturing excellence journey continued unabated, led by our commitment to embed world-class practices and processes. This includes building the platform for Industry 4.0 for the digital transformation of our manufacturing operations.

We also acquired a minority stake in Gegadyne Energy Lab (GEL), a start-up developing fast-charging battery technology. This innovative technology holds considerable promise for further strengthening our suite of offerings of digital UPS, stabilizers and other consumer durables.

We responded to the pandemic-related challenges with swift and decisive actions, thus ensuring that V-Guard weathers this unprecedented storm. In addition to implementing health and safety protocols, our COVID-19 response plan included eliminating all non-essential operating expenses, rationalising of our advertising and marketing spends and limiting capital expenditure to critical items. We continue to follow a measured and well-calibrated capital allocation strategy, prioritising investments where there is revenue visibility.

Throughout the year, our foremost priority has remained the health and safety of our people and stakeholders. Our factories have been working towards normal efficiency with strict adherence to COVID-19 protocol. Physical engagement with channel partners was reduced for safety reasons. We also enabled all our office-stationed employees and staff to work in a hybrid mode, which ensured their safety. Several learning programmes were shifted to the online platform, thus enabling people development despite the challenging circumstances.

As I write this, extensive lockdowns have been imposed across several parts of the country to control the second wave of COVID-19 infections. As the situation normalises and the pace of vaccine rollout is accelerated, we are expecting consumer demand to steadily rebound. To ensure business resilience and an agile response to this fluid situation, we have undertaken scenario-based planning for the current year. We are also better prepared to handle the supply chain challenges we faced during the first wave of the pandemic. Our brand position, high-quality offerings, strong consumer proposition, widespread distribution and Omni-channel presence make V-Guard well placed to deliver sustained and profitable growth over the long term.

Further, while the near future may see a subdued demand, the medium and long-term demand prospects for our products will remain robust. India's favourable demographics, growing urbanisation and rising discretionary income will drive the household consumption market to grow at a significant pace. Falling interest rates are also bringing fence-sitting buyers to invest in real estate. Backed by the strategic investments we are making in brand visibility, product development, distribution network, production infrastructure and human resources, we are well placed to gain from these opportunities to drive sustained value for our stakeholders.

Finally, in our 44-year history, we have navigated our way through many a crisis, but never have we been in a situation of almost no-revenue and no-operations environment for a considerable period forcing us to operate through unique disruptions. While that made our path complex and even unpredictable, we have imbibed many learnings from this experience and have made several better practices our new normal. This has enabled us to emerge as a stronger, wiser and more resilient as a company. Primed and totally ready for resurgence.

I would like to thank you all for your continued confidence in our company. With your sustained support, we will continue our purposeful journey of delivering value for all our stakeholders.

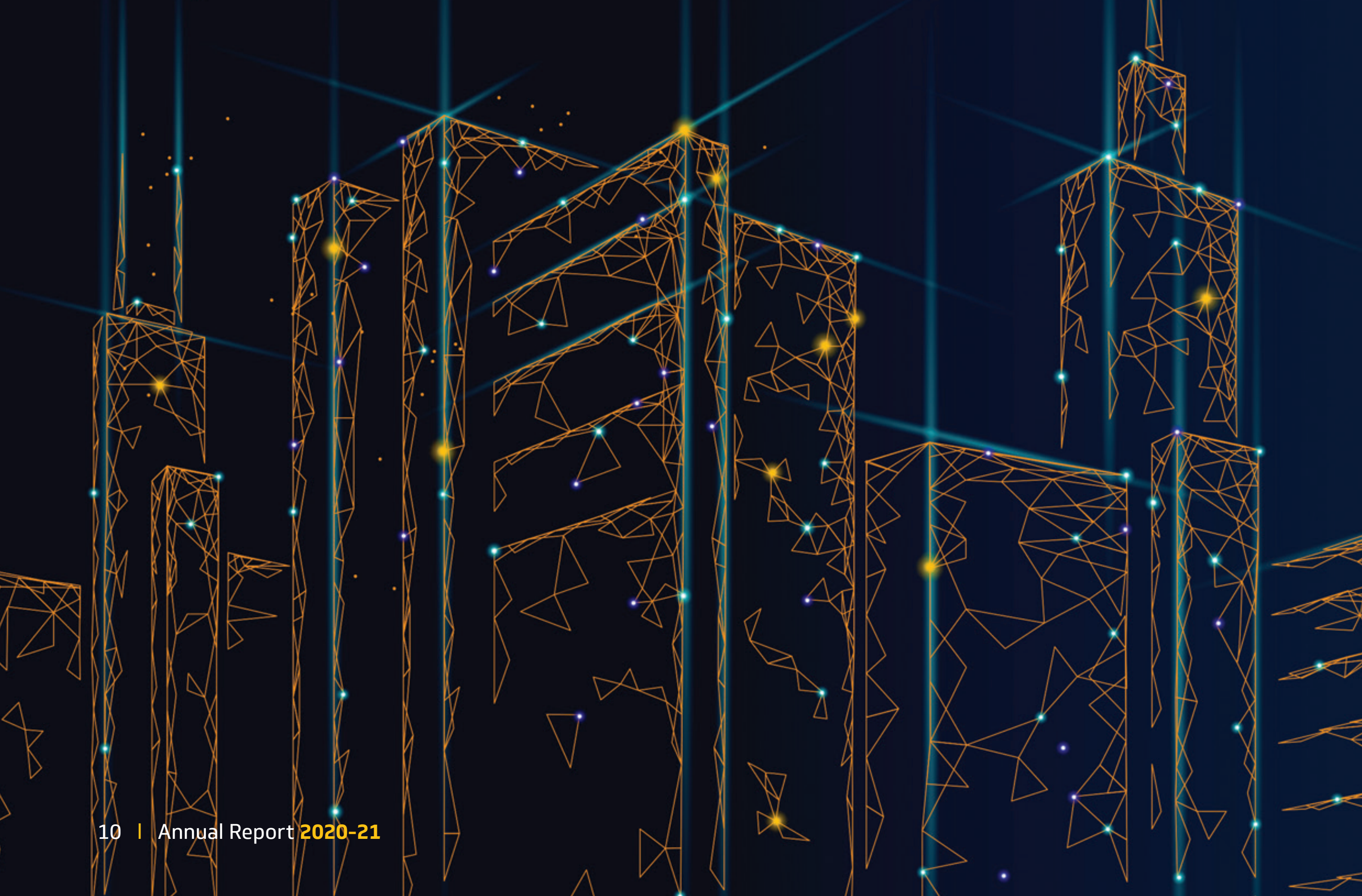
Stay safe, stay healthy.

Warm regards,

Mithun K Chittilappilly
Managing Director

EMERGING STRONGER WITH STRATEGIC FOCUS AND INVESTMENTS

As we now set our sights on the next few years, we have identified strategic investment areas for taking our performance to the next level and making us a dominant pan-India player.



Product Innovation

Led by our relentless focus on consumer experiences and rising aspirations, we continue to make investments to understand evolving needs. Armed with this knowledge, we will drive innovation, creating intuitive and aesthetically superior products that not only delight our consumers but also deliver memorable experiences.

Production Infrastructure

In our endeavour to bring disruptive and premium products to the market, we are also enhancing our manufacturing capabilities. The focus is on driving manufacturing excellence through world-class systems and processes. The strategic shift towards In-house manufacturing will further enhance our competitiveness and efficiency.

Brand Visibility

We are building a deeper connect for our brands in the hearts of consumers. Our investments in advertising and marketing will enable us to enhance our brand visibility and recall, facilitating the penetration of our products pan-India. We are also actively strengthening our presence on digital channels to harness the potential of the fast-growing e-commerce segment.

Marketing Transformation

Our strategic investments in transforming our sales and marketing function and growing our distribution network will enable us to increase the market addressability, reorient our product portfolio in alignment with consumer segment needs, build capability to support these initiatives and will also enable increased engagement with our channel partners and influencers to strengthen relationships and drive business value.

Digitalisation

In our endeavour to stay ahead in an increasingly dynamic business environment, we are focussed on enterprise-wide digitalisation initiatives to build capability and infrastructure to meet the demands and drivers of a future-ready business.

Human Capital

As always, at the core will be our people. We will continue to invest in the well-being of our workforce and attract talent to serve our growing business needs. Continual efforts on skill building, empowerment and engagement will enable to uncover the potential of our workforce. Their collective expertise and skills will enable us to realise our organisational goals.

Market trends providing a strong platform for surging ahead

814 MILLION

Expected urban population in India by 2050

Source: United Nations, Department of Economic and Social Affairs, Population Division. (2014). World Urbanization Prospects: The 2014 Revision, Highlights.

₹ 360–370 TRILLION

Consumption market size by 2030

Source: Boston Consulting Group (BCG) Report

28.43 YEARS

Median age of India's population in 2020

Source: World Population Prospects 2019 Report

900 MILLION

Active internet users in India by 2025

Source: IAMAI-Kantar Cube Report 2021

EMERGING STRONGER BY AUGMENTING PRODUCT INNOVATION

At V-Guard, it will be our endeavour to bring thoughtful products & experiences to enliven homes and enrich lives. Our steadfast focus on continuous innovation enables us to create differentiated offerings that fulfil evolving consumer aspirations.

Today's consumers seek products that deliver more than just functional benefits. They aspire for technologically advanced products and superior aesthetics to help them live better and smarter. Towards this, we strive to deliver meaningful product innovations that are feature-rich, user-friendly and have elegant designs. Our strategic focus will be to establish ourselves as a powerful brand by strengthening product development and meeting emerging needs.

Expanding our offerings

V-Guard stands committed to delight its consumers with a range of thoughtful products and experiences. This year witnessed the foray into new product categories like water purifiers and kitchen chimneys. The year also saw the brand launching a range of innovative products in the existing portfolio of air coolers, gas stoves, water heaters, fans, stabilizers, solar power systems, amongst others.

Our new offerings come with smart features, stylish looks and high performance. For instance, our new water heater series named Calino DG has an ultra-modern digital display, a remote-control option and multiple smart heating modes; our Glado Prime range of fans, manufactured in our state-of-the-art facility, comes with anti-dust features and corrosion-free superior coating; our kitchen chimneys have an intelligent auto-clean feature, touch and hand gesture control option and an easy-to-clean design and have been exclusively launched on e-commerce platforms; and our gas stoves come with a lighter holder for added convenience and an elegant rust-proof body for longer performance.

The Zenora range of water purifiers, made exclusively for Indian water conditions, also amalgamate advanced features and a sophisticated design to be a proud and trusted possession in every consumer home. Similarly, our dishwasher and TV stabilizer ranges have an inbuilt digital display, and our Aikido NXT range of air coolers have a smart remote-control option, along with a host of other features, to make life more convenient for our discerning consumers.

Resonating with the growing preference for smart devices, our solar power system is installed with IoT technology, smart app, voice control and wi-fi enabled, and is fitted with artificial intelligence and machine learning to harness maximum solar power. With all our thoughtful innovations, we seek to bring alive our brand promise of 'Bring home a better tomorrow'.

Strategic investment in Gegadyne Energy Labs Pvt Ltd.

The year saw V-Guard investing in Gegadyne Energy Labs Pvt Ltd., an emerging start-up in quick-charging battery technology. Apart from the applicability of this technology in EV and telecom domain, we foresee this technology having a huge potential for our business with primary application in the digital UPS business and secondary application in other consumer durables. This strategic investment will help us strengthen our product offerings and create differentiated customer value.

Strengthening product development process

Our commitment to offer world-class products to our consumers is built on the foundations of a strong product development process, driven by a deeper understanding of consumer needs. We are one of the pioneers in launching smart products across categories, be it an inverter, fan or water heater. Our capabilities and capacity enhancements further add strength and scale to our product development process, enabling us to bring differentiated offerings faster to the market.

During the year, we reinforced our product development process, imbibing the strategic cost optimisation principles of standardisation, simplification, platformisation and modularisation. This gives us the flexibility to create a platform that will accelerate speed to market, enabling faster response to consumer requirements.

Glado Prime 400 Fan

Aikido NXT Air Cooler

Zenora Water Purifier

Calino DG Water Heater

EMERGING STRONGER BY STRENGTHENING OUR PRODUCTION INFRASTRUCTURE

We remain committed towards strengthening our manufacturing capabilities so as to deliver products of the highest standards of quality while ensuring cost competitiveness and adhering to sustainable practices.

Building in-house capabilities

Over the past few years, we have been consistently investing in setting up in-house manufacturing capabilities. In FY 2020, we commissioned a manufacturing line for backward integration of water heaters, enabling us to source around 97% of our components locally. Moving ahead on our journey of building captive capabilities, we started our own facility for ceiling fans in early FY 2021. This will enable us to cater to the liquid painted fan market which is on the premium end of the spectrum in conjunction with growing consumer aspirations. Our newly set up fan unit will also enable us to ensure greater control over product quality, pivot quickly to suit changing market conditions and optimise our costs.

Going forward, there will be an increased focus towards in-house manufacturing in alignment with business objectives. Business priorities and commercial opportunities are being continually evaluated across the portfolio for potential in-sourcing opportunities and investment.

IN-HOUSE MANUFACTURING ROADMAP

As outsourced product categories mature and reach a reasonable scale, captive production capabilities will be set up over the coming years.

Embracing best practices

As part of our journey in embracing Manufacturing Excellence, we are exploring opportunities in the manufacturing paradigm for deployment of disruptive technologies and globally recognised methodologies. The journey is underway with the implementation of world-class tools and processes such as Six Sigma, Total Productive Maintenance (TPM) and lean manufacturing across our manufacturing plants. The incorporation of these acknowledged best practices is enabling us to drive continuous improvements in key parameters of quality, cycle time, delivery performance, productivity and safety.

De-risking our supply chain

The sourcing challenges that we have faced in this pandemic has renewed our focus on de-risking our supply chain with increased domestic sourcing and in-house manufacturing. We have completely reassessed our supply chain and have identified alternative suppliers and sources for most of our product categories and components. These alternate suppliers are all being put through a vendor certification programme to ensure efficiency and quality in our processes and products. We are also investing in digital tools to develop a more agile and flexible supply chain.

Embedding sustainability into our manufacturing

At V-Guard, we seek to enhance our production efficiency, effectiveness, quality and safety, all the while minimising our impact on the environment. During the year, we launched a new software tool - Suraksha 360 – to govern our Environment, Health and Safety (EHS) performance across manufacturing locations. Suraksha 360 is monitoring 16 EHS metrics across leading and lagging indicators, for making more informed, data-driven decisions in our drive towards sustainable manufacturing practices.

16 EHS Indicators on Suraksha 360

- Severity rate
- Lost time incident rate
- Lost time injury frequency rate
- Show cause notices
- Fire incidents (major)
- Medical treatment case
- First aid injury
- Fire incident (minor)
- Spill incidents
- Violations of permit to work system
- Water consumption per product
- Energy consumption per product
- EHS observations to capture unsafe act, unsafe conditions and near-miss
- EHS committee meeting
- Periodical plant inspections
- EHS trainings

EMERGING STRONGER BY AMPLIFYING OUR BRAND VISIBILITY

Operating in a highly competitive market, we recognise that there is a strategic advantage in growing our brand visibility and salience. Over the years, our investments in advertising and marketing have been stepped up to enhance brand recall and foster meaningful relationships.

SMART INVESTMENTS FOR BRAND BUILDING

With the onset of the pandemic leading to disruption in the business environment, we adopted smarter ways for our brand to reach out to consumers. Our brand-building efforts and communication outreach had a judicious mix of traditional media and emerging digital media. With increased interest in the news genre, we reached out to consumers via TV news channels through laptop branding. This innovative advertising option kept our brand salient during the period.

INCREASED FOCUS ON CONTENT MARKETING

In tandem with changing consumer landscape, we are increasingly focussing on content marketing activities to engage with consumers at different stages of their purchase journey. Our high-quality, immersive content is also helping us to drive meaningful engagement with influencers.

During the year, we created unique content pieces with increased focus on vernacular content for building a stronger relationship with our target audience. Our content marketing efforts straddled multiple platforms, including popular and emerging social media platforms, with an intent to connect with both channel partners and consumers alike.

The year gone by witnessed seasonal, topical campaigns and festival-driven campaigns in our endeavour to build meaningful engagement with our consumers. Our brand-building efforts went beyond product promotion to encompass social messaging in these unprecedented times. We leveraged social media to converse with consumers on the need to reinforce safety precautions and also to seed positivity during these dark times. A deeper focus was initiated in empowering our channel partners with suitable content to communicate effectively with our discerning consumers.

INCREASING SHIFT TOWARDS DIGITAL MARKETING

We are progressively increasing our digital marketing spends in line with the evolving media consumption habits of the new-age consumers. Our brand communication strategy encompasses digital and social media channels to ensure marketing effectiveness.

Online product launch

During the year, two new major product categories, kitchen chimneys and water purifiers, were launched on e-commerce channels. We also added several new variants and models to strengthen existing product categories. Keeping pace with changing times, our brand building and consumer acquisition efforts were stepped up on digital channels to establish these new introductions and scale up our existing portfolio.

Data-centric marketing approach

Our digital marketing campaigns were sharpened through intense data mining and scientific planning, resulting in precise targeting and cost-effective visibility.

Online influencer engagement

Our advertising efforts expanded beyond the marketplace to initiate engagements with social media influencers. This approach helped us drive brand/product awareness with the right set of audiences.

Post-sales customer engagement

Our digital marketing strategy also seeks to maintain and strengthen our relationship with consumers post-sales by providing advice, recommendations, and other essential information to consumers to improve the product experience. Our sustained focus on consumer response management and quick grievance addressal through digital channels has helped us increase our online positive ratings year on year.

EMERGING STRONGER BY REIMAGINING OUR MARKETING & SALES CAPABILITY

We had embarked upon a Marketing Transformation journey to strengthen all elements of our Marketing and Go-to-Market (GTM) model. Our marketing transformation agenda gathered momentum during the year with the roll out of multiple programmes. These focussed efforts are not only enabling us to reimagine our entire sales & marketing function but also preparing us for a digitalised world.

To meet our growing business needs and to keep pace with the changing business environment, V-Guard had embarked on a marketing transformation exercise. This year saw the introduction of project NEEV aimed at strengthening some of the fundamental pillars of the sales & marketing function.

During the year four key areas were identified through the following programmes:

RISHTA PROGRAMME

Loyalty programme launched for our electricians and plumbers, thereby deepening our connect with our influencer community.

PRAGATI PROGRAMME

A comprehensive programme introduced to build visibility over our secondary sales across all product categories. The programme has received encouraging feedback from all our covered channel partners since its launch in the fourth quarter of the fiscal.

VIP - V-GUARD INSTORE PROMOTER PROGRAMME

The V-Guard Instore Promoter (VIP) intervention was initiated as part of building our capabilities on sell-out programmes across Modern Trade (MT) channel. This initiative is primarily built to enhance as well as to track end consumer offtake.

RETAIL UNIVERSE MAPPING

The Retailer Universe Mapping (RUM), a multi-year programme, taken up to aid our sales and distribution planning and apart from our micro marketing efforts.

ALTERNATE CHANNELS DEVELOPMENT

We continue to invest and build capability across alternate channels encompassing E-Commerce, Modern Trade (MT) and Regional Specialty Stores (RSS). Our focus on alternate channels is also driving us to strengthen our retailing in defence canteens. We remain focussed on exploring new emerging channels for market expansion and extraction.

Recognising the potential of digital channels to enhance our consumer connect, several of our products have been launched on leading e-commerce platforms, with some of them being 'online exclusive' launches. In alignment with channel dynamics, a pilot has been initiated wherein trained professionals are sent from Company-owned dedicated service centres to instal these products at the consumers' homes. The initial response has been very encouraging, reinforcing that our approach of working with premier online partners is a step in the right direction. We shall extend the presence of these products to offline channels at an appropriate time in the future.

Online revenues, although small in proportion to total revenues, grew rapidly by 41% year-on-year. This is the trend we expect to be maintained, even beyond the pandemic period, over the next few years. Aided by growing internet penetration, changing consumer behaviour and enhanced smartphone usage, e-commerce is becoming more mainstream even in the smaller cities & towns.

FOCUSSED STP-GTM EFFORTS

At V-Guard, we have been enhancing the retail possibilities for our products through our Segmentation, Targeting-Positioning and Go-to-Market (STP-GTM) interventions. During the year, we implemented STP-GTM action plan for two more selected product categories along with a sales extraction programme.

BEING A PREFERRED PARTNER

As a Company committed to delivering value for all our stakeholders, our partners' success is important to us. We continued to place strong focus on ensuring that our dealers and retailers earn optimal profits from our association and that we are a preferred partner to them in every way. Keeping our channel partners engaged, incentivised and motivated remained central to how we work with them.

DISTRIBUTION EXPANSION

We remain focussed on progressive expansion of our retail coverage across the country. During FY 2021, the pandemic year, our focus was largely on to keep the health and safety of our frontline staff and channel partners as our first priority, while certain limited efforts to increase our physical distribution touchpoints were also taken up as appropriate. The vaccination of our frontline team is underway and once a significant number of our team members are protected, efforts to augment our distribution network will be stepped up.

EXPANSION INTO NON-SOUTH MARKETS

To emerge stronger as a pan-India player, we continued to enhance our presence in geographies where our reach is limited. We are also focussing on smaller towns to increase the penetration of our products. Currently, around two-thirds of our distribution network has been established in the non-South region. This provides significant potential for revenue growth and operating leverage to expand on existing investments.

EMERGING STRONGER BY EMBEDDING DIGITALISATION

With an eye into the future, V-Guard has embarked upon an enterprise wide Digitalisation initiative enabling us to become more agile with our data driven decision making and technology driven practices to drive better efficiency and purposeful business outcomes.

In an endeavour to build a resilient enterprise well prepared for future market disruptions, we are accelerating the adoption of new age digital technologies across our business processes. Built on the understanding of developments across the digital landscape and their potential to disrupt consumer businesses, V-Guard is focused on digital priorities consistent with consumer business value chain.

The year witnessed successful roll out of multiple initiatives driven by the agenda of digitalisation across the functions of Finance, Supply Chain and Marketing to start with.

The Finance Transformation process, which got underway, helped in building an insight-driven organisation using digital technologies and analytics platform for driving business insights and driving financial leadership, giving strategic business direction and long -term strategies vital to the future performance of the Company.

To meet our growing business needs and to keep pace with the rapid changes in the market, we embarked upon a series of digital-driven programmes under the marketing transformation project 'NEEV'. During the year, we focused on the digitalisation of four key pillars.

01 The IMP (Influencer Management Program) saw the enrolment of influencers in the ecosystem with a technology-driven system, enabling better engagement with the community as well as driving business value from these partners.

02 The Secondary Tracking System implemented a robust and effective Distribution Management Software to connect with our customers, including distributors, dealers and direct dealers, and allowing them to directly interact and interchange data with V-Guard. All useful information is being shared with customers through this portal, creating a single-window mechanism for smoother operations.

03 An In-store Promoter System, a mobile-only platform enabling in-store promoter staff to interact with V-Guard's systems was also introduced helping in streamlining our sell out efforts.

04 Digital mapping of our potential markets for better sales coverage was undertaken to drive better business outcomes.

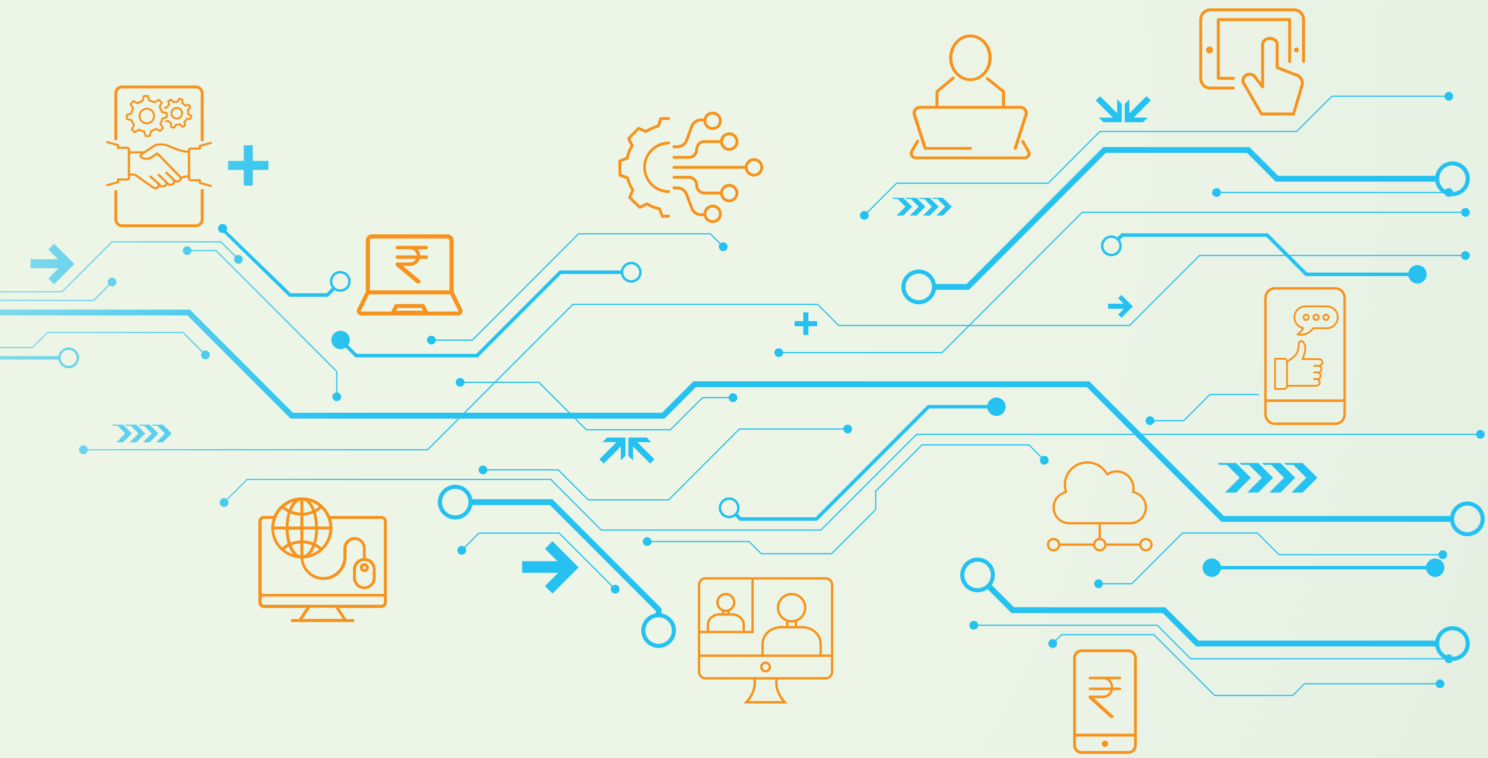
During FY 2020-21, as part of our Supply Chain Transformation, we implemented technology-backed processes for accelerated interface with our vendor partners and seamless integration with our internal systems.

The ‘Track and Trace’ project driven under Supply Chain transformation implemented QR code-based tracking of V-Guard products across the complete supply chain process.

This aided in integrating V-Guard’s system with various financing chains and e-commerce channels, giving a comprehensive visibility of the product line in the value chain.

We are also constantly upgrading our digital capabilities, including further strengthening our e-commerce play enabling us to meet our consumers’ needs more quickly and efficiently. A nimble product development process enables the brand to respond to increasingly technology-empowered consumers with a wide array of smart products catering to their discerning needs.

V-Guard stands committed towards creating a more digitally enabled enterprise, driving consumer-centric innovations, instilling excellence across our business processes and creating a deeper engagement with all the stakeholders in the value chain.



EMERGING STRONGER BY SUPPORTING OUR WORKFORCE

As an organisation, we believe that our employees are our most valuable asset. In these unprecedented times, our foremost priority was to ensure their safety, health and well-being, so as to emerge on the other side of the pandemic stronger than ever.

Safeguarding Our workforce

Comprehensive measures were undertaken to protect the physical, mental and financial well-being of our employees. In light of the severe second wave of the pandemic in the country, we further stepped up these efforts.

PANDEMIC RESPONSE TEAM AND COVID WARRIORS

Appropriate COVID-19 protocols have been established across all our locations. A Pandemic Response Team (PRT) has been set up to ensure a structured method while dealing with COVID-19 cases across our operations. A three-layered approach has been deployed at our manufacturing units for better monitoring & compliance. This approach has ensured a well defined and timely response mechanism enabling a safe work environment.

HEALTH & SAFETY PROTOCOLS

Adhering to health & safety protocols, issued by the government authorities, multiple practices were introduced including temperature screening for entry into office premises, staggered start & shift arrangements & maintaining social distancing norms etc. Work from home etiquette was introduced in an endeavour to encourage minimal social interaction & remote working. Many of these practices have stabilized over a period of time and have become the new norm.

VACCINATION DRIVE

Our various branches and manufacturing locations have tied up with prominent hospitals to offer vaccination facilities to our employees. Vaccine costs for employees and their dependents are being borne by the organisation. Additionally, we initiated a campaign called V-Safe to create mass awareness of the vaccination programme and set up help desks in each unit to assist with online vaccine registration and slot booking.

MENTAL HEALTH SUPPORT

Taking mental well-being very seriously, we supported our employees to manage the stress and anxiety in wake of the pandemic. Professional online counselling sessions were made available across all locations free of cost. Wellness webinars were conducted regularly. As part of these webinars, wellness motivation speakers were invited to help employees on the subject of managing work and personal life and on how to stay healthy in the pandemic situation. We also provided online guidance for exercise and meditation.

COVID-19 TASK FORCE

To support employees and their families in the second wave of COVID-19 infections, we set up a COVID-19 Task Force, available 24x7, to facilitate the supply of critical resources such as medicines, ventilators, oxygen concentrators and cylinders. Oxygen concentrators were provided at all our locations to meet urgent requirements.

SPECIAL LEAVE POLICY

A 'Special Leave Policy' was introduced to enable employees to request a reasonable time off for pandemic-related reasons – either testing positive and/or home quarantine. This policy ensures a safe working environment and encourages self-isolation in case of exposure to the coronavirus.

COMPREHENSIVE MEDICAL INSURANCE

Medical insurance coverage limits were rechecked, and the scope of coverage was enhanced. Care was also taken to ensure that health care assistance is provided wherever and whenever necessary.

Engaging our People

This year, initiatives were focussed towards skill development, reinforcing a sense of belonging to V-Guard and maintaining a positive spirit among our people.

SEAMLESS WORK-FROM-HOME FACILITY

With work-from-home becoming the new normal, utmost care was taken in ensuring that our employees enjoy a seamless work environment while working remotely. Our virtual systems were integrated with digital platforms such as Microsoft Teams. Flexible benefits, namely enhancement of modem allowance and special billing rates for uninterruptible power supply (UPS), were extended to support remote working.

LEARNING & DEVELOPMENT

A combination of our e-learning platform and live webinars continued to help our workforce to be in touch as well as to enable skill development. We invested in Degreed, a comprehensive learning platform, which can be used for both Company-created content and external paid content. A series of contests and creative e-learning initiatives kept our employees engaged & updated.

2X

Increase in manhour training (online and live) in FY 2020-21 from the previous year

HELPING OUR COMMUNITIES EMERGE STRONGER

As a responsible corporate citizen, we strive to make a meaningful difference in the communities in which we operate. Our wide-ranging social endeavours are undertaken after understanding local needs with the aim to build stronger communities.

Healthcare, Education and Skill Development, Build India & Relief Programme formed our Corporate Social Responsibility (CSR) focus areas for the year. Numerous welfare activities were undertaken, in collaboration with renowned NGOs and social organisations, for making a positive contribution to our communities.

V-Guard Health Care

COVID-19 RELIEF AND REHABILITATION ACTIVITIES

To combat the prevailing pandemic, it is imperative to strengthen the healthcare facilities in the country. As part of our COVID-19 relief programme, we are supporting infrastructure upgrades at government hospitals by providing biomedical equipment and protective equipment for frontline workers. We also provided medicines at the hospitals and distributed food kits for daily labourers.

HEALTH INSTITUTION STRENGTHENING PROJECT

We supported government hospitals and primary health centres by providing oxygen lines, medical equipment, furniture and wheelchairs.

BLIND-FREE INDIA

We associated with Akhand Jyoti Eye Hospital, Bihar and HelpAge India, Telangana to provide free cataract surgeries to poor people, guided by our vision of Blind-free India.

FREE DIALYSIS FOR POOR PATIENTS

We associated with CHAI designed ‘Free Dialysis for Poor Patients’ programme. Under the project, free dialysis was extended to needy patients.

HEALTH AWARENESS AND MEDICAL CAMPS

We conducted health awareness programmes and medical camps in 15 villages near Vijayawada. Through this project, we sensitised the needy, providing information, education and communication (IEC) materials and provided symptomatic health care service to the families by organising multi-speciality health camps in association with super-speciality doctors and hospitals.

V-Guard Education Care & Skill Development

NAVDHARSHAN

Under this project, we seek to enhance the quality of life of special needs children by providing quality school education, therapeutic support and vocational training. Over 1,200 children benefited from this project during the year.

TARANG

Tarang is a residential skill development programme providing classroom training and on-the-job training to unemployed youth in the electrical and electromechanical sectors. The training, along with a government and industry-recognised certificate, helps them to find meaningful employment as a technician.

SCHOOL SUPPORT PROJECT

Under this project, we are improving the infrastructure in schools to enhance the learning experience. We are renovating classrooms, revamping the sanitation facilities, distributing new sets of desks and benches, and providing access to safe drinking water. During the year, we upgraded the infrastructure in schools situated in Kerala, Tamil Nadu, Karnataka, Rajasthan, Uttarakhand and Sikkim.

V-Guard Build India & Relief

FLOOD RELIEF AND REHABILITATION

Around 97 villages across four districts in Karnataka were impacted owing to rains and floods and support was extended in helping many affected families rebuild their lives by providing household materials.

PERSONAL PROTECTIVE GEAR TO SANITATION WORKERS

We provided protective gear to 4,000 sanitary workers under Bhubaneswar Municipal Corporation to ensure their health and safety.

REVIVAL OF WATER BODIES

As part of our water body revival project, we rejuvenated a water body in Missrwala village in Kashipur, Uttarakhand. Comprehensive improvement and restoration of the water body, including storage capacity and groundwater recharge, has increased the availability of drinking water.

EMERGING STRONGER WITH STRONG LEADERSHIP

Mr. Kochouseph Chittilappilly
Chairman Emeritus

BOARD OF DIRECTORS

INDEPENDENT DIRECTORS

Mr. Cherian N Punnoose
Chairman

Mr. Ullas K Kamath
Director

Mr. C J George
Director

Ms. Radha Unni
Director

Mr. George Muthoot Jacob
Director

Prof. Biju Varkkey
Director

EXECUTIVE DIRECTORS

Mr. Mithun K Chittilappilly
Managing Director

Mr. Ramachandran V
Director & Chief Operating Officer

NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

Mr. B Jayaraj
Director

CORPORATE INFORMATION

CHAIRMAN EMERITUS

Mr. Kochouseph Chittilappilly

BOARD OF DIRECTORS

Mr. Cherian N Punnoose
Chairman

Mr. Mithun K Chittilappilly
Managing Director

Mr. Ramachandran V
Director & Chief Operating Officer

Mr. C J George
Independent Director

Mr. Ullas K Kamath
Independent Director

Ms. Radha Unni
Independent Director

Mr. George Muthoot Jacob
Independent Director

Prof. Biju Varkkey
Independent Director

Mr. B Jayaraj
Non-Executive Non-Independent Director

BOARD COMMITTEES

Audit Committee

Mr. Cherian N Punnoose
Chairman

Mr. Mithun K Chittilappilly
Member

Mr. C J George
Member

Mr. Ullas K Kamath
Member

Ms. Radha Unni
Member

Nomination and Remuneration Committee

Mr. C J George
Chairman

Mr. Cherian N Punnoose
Member

Mr. Ullas K Kamath
Member

Ms. Radha Unni
Member

Prof. Biju Varkkey
Independent Director

Stakeholders' Relationship Committee

Mr. Cherian N Punnoose
Chairman

Mr. C J George
Member

Mr. Mithun K Chittilappilly
Member

Corporate Social Responsibility Committee

Mr. B Jayaraj
Chairman

Mr. Cherian N Punnoose
Member

Mr. Mithun K Chittilappilly
Member

CHIEF FINANCIAL OFFICER

Mr. Sudarshan Kasturi

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Jayasree K

STATUTORY AUDITORS

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

LISTED AT

National Stock Exchange of India Limited

BSE Limited

REGISTERED OFFICE

42/962, Vennala High School Road,
Vennala, Ernakulam - 682028.
Phone : +91 484 433 5000
E-mail: mail@vguard.in
www.vguard.in

BANKERS

HDFC Bank Limited
ICICI Bank Limited
Federal Bank Limited
Yes Bank Limited
State Bank of India
Citi Bank
HSBC Bank

REGISTRAR & TRANSFER AGENT

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

PLANT LOCATIONS

Wires & Cable Division

KG Chavadi, Palakkad Main Road
Coimbatore - 641105

Pump Division

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

Solar Inverter

KG Chavadi, Palakkad Main Road
Coimbatore - 641105

Wires & Cable Division

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

Water Heater & Fan Division

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

Stabilizer

UNIT 1

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

UNIT 2

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

Water Heater

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

Solar Water Heater

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

Fans Division

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

Management Discussion & Analysis

1. Economic Review & Outlook

The last financial year has been a period of turmoil and hardship for all of humanity, with very significant impact on people's health and economic condition due to several months of pandemic. The year witnessed rising loss of lives worldwide and major disruption to business activity, both on the demand as well as on the supply side, causing strain on countries, governments, families and citizens. However, dedicated efforts of research scientists worldwide have created the path forward in the form of several vaccines, developed within record timelines, clearly driving widespread immunity. At present, while the impact of this crisis continues to take a heavy toll in several parts of the world, there is a ray of hope emerging from the implementation of fast-tracked vaccination programs. Also, human resilience and economic support by governments have combined to bring about quick adaptation to the new normal, creating a rebound in global economies within the framework of limited physical mobility. The net result of these factors is that after contracting 3.3% in 2020, the global economy is now projected to grow at 6% in 2021 and 4.4% in 2022 (IMF World Economic Outlook, April 2021). However, prospects in individual countries and regions may be divergent – dependent on the constitution of their economies and response to the pandemic.

The Indian economy saw a decline of 8% in 2020, driven lower by the widespread impact of the pandemic on various segments of the economic framework. Even prior to this, India had seen a slowdown as the country's economy re-aligned with the new normal following several structural reforms instituted by the government. The resultant increase in unemployment and reduced spending across various sectors had a bearing on the economy, limiting India's capacity to deal with a new crisis. However, as the country comes to terms with the situation and the healthcare response as well as the economic stimulus gets absorbed, it is expected that economic rebound could be sharp with GDP expanding by 12% in 2021 and 6.9% in 2022.

2. Sector Overview

Based on industry estimates, India's home electronics, consumer electricals and domestic appliances segments are positioned for several years of demand growth. This is driven by:

- Proliferation of work from home culture in the urban/organized part of the economy that creates demand for goods that enhance personal convenience

- Rising incomes and government initiatives in the rural economy, including widespread electrification, could be expected to sustainably expand demand from the hinterland.

While the business and economic environment was severely impacted during 2020 due to the spread of the pandemic, it also provided the opportunity for fast-tracking innovation and other progressive initiatives across the industry. Having negotiated the initial part of the lockdown period by making significant adjustments in the business ecosystem, innovative companies have derived the benefit in the subsequent period by evolving from the market realities by adapting quickly to the new normal. With product and market innovations expanding demand, industry size for home appliances and consumer electronics (excluding mobile handsets) in the country is estimated to expand from ₹ 1 lakh crore to ₹ 1.5 lakh crore by 2025. With such a substantial growth opportunity before them, industry players need to keep a close watch on evolving consumer needs to thrive in the post-pandemic world.

At the same time, India's structural drivers of macro, lifestyle and demographic shifts continue to augment the consumption of consumer electricals, electronics and home appliances. Expanding urbanization, increasing housing demand, lifestyle improvements, higher disposable incomes, improved power availability, wider product distribution, credit availability and policy reforms such as GST are driving per capita consumption across categories. In addition, the shift of demand towards higher quality, branded products manufactured by organized players has been another visible trend.

The key differentiation is imbibing innovation in the core of organizations and embracing change to align with demand trends. Some of these trends are:

- Greater degree of product automation: With consumers looking to appliances as life-enhancing accessories, they are willing to invest in automated, technologically superior products that make them more self-reliant while saving time and bringing in efficiencies. This trend has been visible in the developed world over the years and India is also likely to follow in the same direction as conveniences gain further importance.

- Preference for energy efficient products: Consumers have an eye on energy efficiency of the products they use, as the work from home trend brings with it increased power consumption and associated costs that goes with it

- Focus on affordability: Brands have to focus on cost innovation, driving R&D initiatives to develop high-quality, price-competitive products. With the mainstreaming of appliance usage, consumers look for value-for-money products that are need-based, not necessarily aspirational.

- Preference for indigenous brands: With the scale up of capabilities displayed by leading Indian players, there is growing acceptance of Indian brands/products that stand for quality, convenience and customer service. The government's "Make in India" program has given further impetus to this trend, with self-reliance being embraced by Indian consumers buying homegrown products.

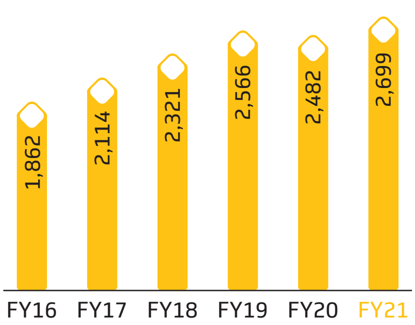
- Online buying behavior: Social distancing has resulted in a larger proportion of buyers preferring to transact online. As the buying process evolves, consumers make greater use of the internet, social media, online searches and mobile apps to choose their preferences. However, traditional outlets are likely to remain core to electronics/electricals markets; while brands focus on building digital presence, omni channel strategies are gaining ground.

While these factors are likely to sustain over the longer term, recent trends have indicated weaknesses based on slowdown in economic growth and consumption. More recently, the initial spread and the current surge of the second wave of the pandemic continues to cause disruption in demand as well supply chains. However, the expected rebound in economic growth expected over this year and in the foreseeable future bodes well for the sector.

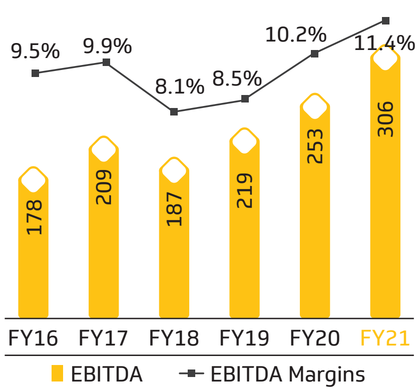
3. Review of Operations

Financial Performance (FY16-21) (₹ in crores)

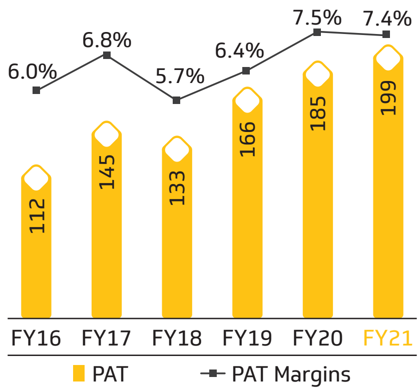
Revenue



EBITDA and Margins (excluding other income)

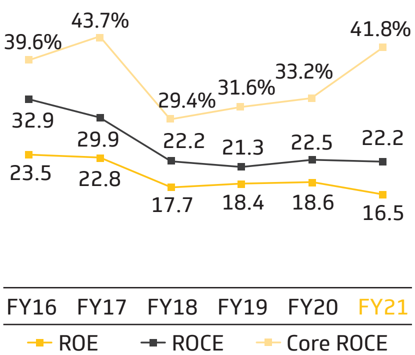


PAT and Margins

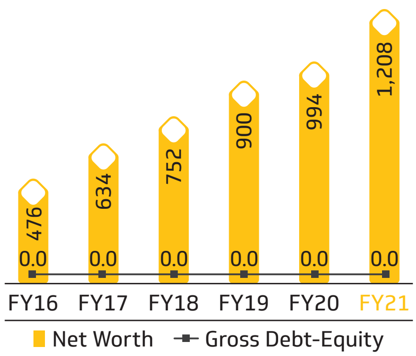


Note 1: Please note that that consequent to the introduction of Goods and Service Tax (GST) with effect from July 01, 2017, Central Excise, Value Added Tax (VAT), etc. have been subsumed into GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT, etc. are not part of Revenue. Hence, the revenue and growth calculations for FY18, are not strictly comparable with FY17 and prior periods.

ROE, ROCE and Core ROCE#



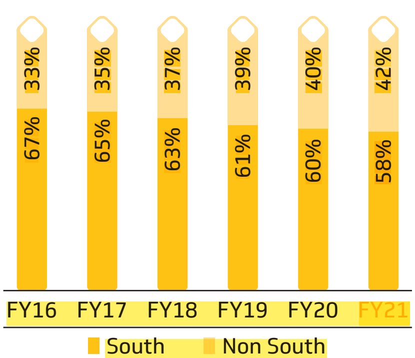
Net Worth & Debt-Equity Ratios



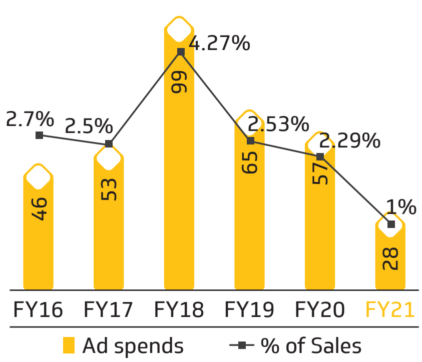
#Core ROCE is calculated on the basis of capital employed excluding cash

Operational Performance (FY 16 - 21)

Expanding Geographic Presence



Ad Spends and as a % of Sales



Key ratios (%)	FY21	FY20
Gross Margin	31.5%	33.2%
EBITDA Margin	11.4%	10.2%
Net Margin	7.4%	7.5%
Ad Expenditure (excl. promotions)/Total Revenues	1.0%	2.3%
Employee Cost/ Total Operating Income	8.3%	8.3%
Other Expenditure/ Total Operating Income	11.8%	14.7%
Tax rate	30.1%	24.6%
Diluted EPS (₹)	4.61	4.28

Balance Sheet Snapshot (₹ cr)	31 Mar 2021	31 Mar 2020
Net worth	1207.8	993.8
Gross debt	10.0	10.0
Current Investments	0.0	36.0
Net Cash/Bank including Investments	271.1	137.5
Fixed Assets	373.3	334.4

Balance Sheet Snapshot	31 Mar 2021	31 Mar 2020
Debtor (days)	52	47
Inventory (days)	124	105
Creditor (days)	93	66
Working Capital Turnover (days)	83	86
RoE	16.5%	18.6%
Core RoCE	41.8%	33.2%

4. Dividend

The Company's Board has recommended final dividend of ₹ 1.20 per share. This translates to a payout for the financial year 2020-21 of ₹ 51.62 crores (₹ 46.45 crores in 2019-20). The dividend payout for the year under review is 26%. As per the Company's policy, the Board endeavours to maintain a dividend pay-out in the range of 15-25% of the Company's profit after tax.

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

5. Segment-wise Review

Products	FY21 (₹ Cr)	Contribution (%)	FY20 (₹ Cr)	Contribution (%)	YoY growth (%)
Electronics	758.9	28.1%	754.5	30.4%	0.6%
Electricals	1,203.5	44.6%	1,053.0	42.4%	14.3%
Consumer Durables	736.7	27.3%	674.5	27.2%	9.2%
Grand Total	**2,699.0**	**100.0%**	**2,482.0**	**100.0%**	**8.7%**

Electronics

The Company's electronics segment comprises voltage stabilizers, digital UPS systems and solar inverters. This segment grew by 0.60% and contributed 28% to the total revenues. Sales in the electronics segment are largely dependent on the power situation in the country, both in terms of availability and quality of power supply to users. There is a close linkage between the demand for these products with that of consumer electronics such as air conditioners, refrigerators and televisions.

This business segment was impacted in the early part of the financial year on account of lockdowns/ disruptions and saw a sharper decline than other categories due to the linkage with air conditioners, where demand is skewed to the summer season. Demand picked up subsequently across products as the markets opened up.

V-Guard is the market leader in the voltage stabilizer category in many regions across the country. Competitors are largely regional players with limited presence. The range of stabilizers manufactured extends across products that support a large variety of home appliances, including air conditioners, LED TVs, refrigerators, treadmills and washing machines. In this category, stabilizers used for air-conditioners have the largest contribution while there is rising demand linked to LED TV proliferation. As the usage of white goods and televisions remains under-penetrated, it is expected that this product category will continue to grow over the next few years. Though the availability of power has improved over the years, the quality of power and fluctuations continue to be a major issue in many parts of the country. To augment demand trends, the Company has maintained a pipeline of new launches in line with the evolution of products that are supported by stabilizers.

In the Digital UPS category, the Company has undertaken several initiatives with focus on growing the premium segment, which has enabled deeper customer connect, better pricing power and higher margins. The Company is looking at this segment as a key growth driver as the brand expands into several under-penetrated regions that continue to be power deficient with regular outages.

In January '21, the Company announced the acquisition of minority stake in Gegadyne Energy Labs Pvt Ltd (GEL) for a consideration of ₹ 33.4 crores constituting 18.77% of the total shareholding. GEL is developing innovative battery technology, focused on achieving superior performance on various parameters leading to reduced total cost of ownership. This technology can be applied in digital UPS, stabilizers and certain other products. This association is expected to strengthen product offerings, bring new customer value, grow the inverter battery business and also help GEL to achieve its full potential.

Electricals

The Company's electricals segment comprises house wiring cables, pumps, switchgears and modular switches. Drivers for growth are home construction activity, weather conditions and consumption spending. This segment grew by 14.30% during FY21 and contributed 44.60% to total revenue. While demand for products in this segment was impacted due to pandemic, the growth rebounded faster once the markets opened up.

House wiring cables is the largest product category for the Company. The Company focuses mostly on the retail segment of this market. This market in India is primarily driven by growth of real estate including residential and commercial, industries, utilities, and infrastructure. Based on considerations of durability, safety and reliability, the market is increasingly driven towards high-quality, branded products. Changes in compliance and taxation structures are also driving the market to the organized sector manufacturers. In addition, to drive differentiation in a largely commoditized market, the Company undertakes branding initiatives and launches products with incremental improvements. The nationwide distribution network, comprising hardware and electrical stores, ensures timely supply of the product. This is supported by the Company's manufacturing facilities located at Coimbatore (Tamil Nadu) and Kashipur (Uttarakhand).

During the year, there were significant increase in the prices of key raw materials like copper, aluminium, steel, ABS etc. which has duly reflected in product pricing.

Sale of residential pumps is linked to seasonality and their bearing on the level of water table. The Company manufactures a range of residential/single phase pumps.

The switchgears and modular switches are one of the key growth categories for V-Guard. The domestic switchgears market has strong synergies with the electrical distribution network, with customer adjacency to wires and fans that allow leverage of resources to drive growth. Following the synergistic acquisition of a subsidiary in Hyderabad in 2018, the Company has established a strong manufacturing base in this segment that supports the strong growth prospects available.

Consumer Durables

The consumer durables segment includes fans, water heaters, kitchen appliances and air coolers. Revenue from this segment grew by 9.2% during FY21. The segment accounted for 27.3% of total revenue in FY21.

The Company is an established player in water heater category, marketing both electric as well as solar water heaters. The Company has two manufacturing locations for water heaters – in Himachal Pradesh and Sikkim, providing scale-driven cost advantages as well as a wider range of high quality products. Focusing on a wider range of premium products, the Company has scaled up technologically and aesthetically superior models of water heaters.

During the early part of the year, water heater sales were impacted on account of supply chain disruptions and the water heater plant located in Sikkim saw prolonged closure due to local lockdowns. This resulted in a temporary loss in market share, which thereafter recovered during the second half as production operations normalized.

In the solar water heater category, the Company is focused on rooftop residential solar water heaters which are sold to both individual consumers as well as institutional buyers. Production is completely in-house in a market that has lower competition and scope for long-term expansion based on technology improvements that are reducing payback period for buyers. Growing environmental concerns also drive demand growth, as the market slowly shifts from electric water heaters.

The Company's product range in fans includes ceiling fans as well as table, pedestal and wall fans. Driving innovation in the product mix, the Company has consistently launched new models with improved design, aesthetics and decorative elements. At the same time, presence in entry level segments has been consistently reduced. Premium ranges include Imagina range of futuristic ceiling fans that add to modern smart living options backed by technology. App-controlled features, cleverly programmed LED lights and stunning looks are distinctive features on these fans that can be easily controlled using a remote or through the V-Guard Smart app.

The Company has delivered strong growth in the fans category, driven by growing acceptance of the product range as well as higher penetration in the non-south markets. Margins have improved over the past few years due to premiumisation and cost efficiencies. This category, which rides on distribution of the Company's electrical products, also stands higher in terms of consumers' needs and warmer weather conditions have been supporting demand. During the year the Company launched a range of premium fans from the new fan factory in Roorkee.

In kitchen appliances, the Company's range of products includes induction cooktops, mixer-grinders, gas cooktops and rice cookers apart from several recently-introduced offerings focused on a stress-free kitchen experience. Many of these categories are highly scalable and the Company has the opportunity to derive broad based growth by expanding the portfolio and distribution within appliance stores, vessel stores, modern trade and online channels. Also, there are synergistic distribution overlaps with durables, electrical and hardware stores on the network. Typically, product introductions are made in the Kerala market followed by the other southern states. Rest of India expansion is likely in certain kitchen categories after a certain level of scale is achieved.

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

During FY21, the Company launched several new products such as water purifiers, breakfast appliances, kitchen hobs and chimneys through online channels that saw an encouraging response from customers. The categories of hoods & hobs and breakfast appliances are completely outsourced at present; the Company will consider investing in manufacturing capabilities once revenues expand to more substantial levels.

Revenues from e-commerce registered good growth of 41% from a smaller base and would be expected to remain a strong driver of growth over the next few years as it continue to gain mainstream traction. For some of these product categories, e-commerce and organized retail are expected to drive 30-40% of the business going forward.

Future acquisitions would be largely centered on categories that the Company has recently entered into – consumer durables and small appliances. Overall, the trend is of greater balance in contribution from each of the Company's three product segments.

6. Financial Performance

During the year, the Company recorded an encouraging financial performance despite the disruptions caused due to the pandemic. The nationwide and the localized lockdowns during the large part of the year created uncertainty with significant bearing on consumer demand as well as supply chains. In this backdrop, the Company has achieved broad based growth across product categories and geographical regions.

The Company continued to expand distribution presence, while launching several new products and driving greater focus on online engagement with customers. The Company's work force have shown a lot of deep resolve to keep the wheels turning throughout this period to deliver the best-possible outcomes.

FY21 closed with 8.7% growth in revenues at ₹ 2,699 crores. Raw material cost inflation has remained a challenge and sharp increases in input prices have had some impact on gross margins. The Company has taken pricing actions to mitigate this to a large extent but some near term pressures are likely to continue.

Focus on tight cost control throughout this period resulted in operating leverage despite rising raw material pressures. The learning from such cost-related implementations may be expected to drive longer-term benefits as the situation returns to normal over time. During FY21, EBITDA margin expanded by 120 basis points to 11.4% of revenues.

Profit before tax was higher by 16% during FY21. However, profit after tax was lower compared to the previous year due to the higher effective tax rate, which is linked to lower profits from the Sikkim manufacturing plant that enjoys certain ongoing tax advantages. This plant was under lockdown for an extended period, during pandemic which resulted in disruption in operations.

The Company's net cash position improved from ₹ 138 crores to ₹ 271 crores based on higher profitability on a stable capital base. Core ROCE rose to 41.8% in FY21. Strong focus on collections and credit discipline helped reduce working capital intensity in the business. In the near term, the Company has taken a strategic call to hold 15 days of additional inventory as the management anticipates demand coming back fast once lockdown come to a close. Also, many of the Company's Tier-II and Tier-III vendors may face extended disruptions due to labour and raw material shortages and holding slightly higher inventory helps mitigate supply-related risks.

While operating and financial performance scaled up in the second half of FY21, the second wave of the pandemic has once again impacted the economy. The Company remains confident that its business, built on the edifice of a strong brand, high quality products, widespread distribution and deep consumer relationships, has the resilience to come back strongly when the situation normalizes Q2 onwards.

7. Outlook

FY21 was a challenging year for businesses worldwide, with the widespread impact of the pandemic on normal human activity, both social and economic. This had significant bearing on consumer demand as well as product supply chains and overall business visibility remained uncertain for most of the year. The tough environment closely followed a period of cyclical weakness as the country's economy had slowed down due to tight liquidity conditions and low discretionary spending by consumers.

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

The Company has continued to expand its market visibility and has grown its retailer base to over 40,000 touch points. The Company is looking to add 3,000-5,000 retailers across the country every year in the medium term with more additions in the non-South region.

These physical locations are now increasingly augmented by online channels. The distribution channel is also supported by the ongoing focus on brand building, advertising and promotions that increase visibility for an increasing number of products in the portfolio, across categories. The Company thus sees revenue contribution from Non-South markets to exceed 50% over the next 4 to 5 years, thereby diversifying the business and improving its risk profile.

Another focus area is the transition to in-house manufacturing based on investments in building world-class manufacturing assets. The Company has historically followed the policy of outsourcing its supply chain requirements in the initial phase of the product cycle and thereafter establishing in-house production once volumes cross a certain threshold as any new launch gains traction. Also inhouse manufacturing helps improve product quality, margins and support product developement. Currently, in-house manufacturing stands at 47% expected to reach a threshold of 60% over the next 3-5 years.

Going forward, the Company remains confident that with the turnaround in economic activity, it is well-positioned to regain its growth momentum that could sustain at 15% over the next few years. This is likely to be driven by further expansion in non-South markets, increasing turnover contribution from our growth & emerging categories and increasing our footprint in organized trade.

8. Strengths and Opportunities

Strengths

- The Company has invested significantly in building its brand equity over the past decade, which has led to high brand recall and enabled entry into new product categories

- Consumer centric organisation with emphasis on after-sales service, quality, innovaton, R&D and new product development

- Strong pan-India footprint with investments in a well-entrenched distribution network spread across 40,000+ retail touch points

- Comprehensive and diversified product portfolio across fast growing categories in the consumer electricals, electronics and durables space, catering to the mass consumption market in India

- Strong execution track record and demonstrated ability to grow competitively and profitably

- Experienced management team with strong understanding of the business complexities

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 governments push for housing for all, increasing availability of electricity and GST rate reduction augur well for long term growth prospects of the sector.

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

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

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

Reduction in interest rates: Low interest rate environemnt will help stimulate demand for household electricals.

9. Enterprise Risk Management

a) Slower economic growth

Slower GDP growth recovery in the medium term (post-Covid years) can impact our growth plans. A downward trend in real estate demand might also adversely influence the growth of a few product categories.

Mitigation

The Company constantly monitor market trends to cope with the volatilities and initiated various projects for margin improvement & cost-effectiveness. There has been an increase in the participation in the emerging channels, which tend to be less affected by the slowdown.

b) Exposure to commodity price volatility

Commodity price volatilities can lead to an increase in the cost of our products and can further impact margins and cashflows.

Mitigation

Timely pricing actions based on continuous monitoring of commodity and market price trends. The Company carry out margin projections to sustain long-term profitability growth.

c) Hyper-competition in the marketplace

Potential impact on market-share due to new entrants and aggressive pricing and other trade practices by competitors.

Mitigation

The Company has a strong innovation pipeline of differentiated products, which gives an edge over the competitors. The Company continuously endeavor to enhance its distribution and focus on emerging channels.

d) Cyber security

Cyber threats may lead to increased risk of IT downtime and data loss, globally such risk has seen an increasing trend in the pandemic situation.

Mitigation

The Company practices robust administrative, physical & technical solutions along with Disaster Recovery (DR) protocols. Cyber Threats are further mitigated by creating awareness among users, timely updating the security patches, End-Point protection measures, access management, secured network connectivity, and effective password management. The Company continuously invest in vulnerability assessments to assess the security profile of the information systems as it undergo fast-paced digital adoption. The Company constantly evaluate the maturity level of its security framework and benchmark the same with industry standards to enhance process and technology.

e) Pandemic

Widespread increase in Covid 19 cases can cause significant disruption to business including demand, supply chain, logistics and manpower.

Mitigation

Early assessments and deploying necessary resources on a timely basis have helped building resilience in the business. Key measures included strengthening the supply chain and building up additional inventory to overcome intermittent disruptions in supply. Further, as the consumer spends shift to online, measures to increase the visibility in digital channels have reaped benefits. Adequate awareness and safety arrangements are in place to minimize risk to employees.

f) Counterfeit Products

Threat to the Company's Intellectual Properties (IP) and brands due to spurious and counterfeit products.

Mitigation

To safeguard the IP and brands, trademarks, logo, packaging design and brands etc are registered. etc. with the respective authorities on a timely basis. Apart from internal capabilities, the Company has engaged external consultants to identify counterfeit products in the marketplace, and complaints are lodged with appropriate authorities. Further, the Company has developed adequate packaging strategies to identify and overcome counterfeits in the market.

g) Impact of digitization

The advent of digitization may bring about very significant changes to business models and products.

Mitigation

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

h) Regulatory Compliance

Continuously changing regulatory requirements and associated compliances.

Mitigation

The Company has a robust compliance management process, managed through a digital tool for continuous monitoring. Compliance database is periodically updated with the help of domain experts.

9. Audit & Internal Control System

The Company has Internal Control Systems commensurate with the nature of its business, size and complexities. Every quarter, Audit Committee reviews the adequacy and effectiveness of internal control system and monitors the implementation of audit recommendations. During the year under review, the Internal Audit division of the Company conducted detailed review of control processes in key areas and identified design gaps, process automation opportunities and management check points which will help in strengthening the processes and monitoring mechanisms. Key controls in operational, financial and IT processes were tested to provide assurance regarding compliance with the existing policies and significant operating procedures etc; and no significant weaknesses/deviations were noted in effectiveness of controls.

Further, the Statutory Auditors of the Company also carried out audit of the Internal Financial Controls over Financial Reporting of the Company as on March 31, 2021 and issued their report which forms part of the Independent Auditor's report.

Directors' Report

Your Directors take pleasure in presenting their 25th Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the year ended March 31, 2021.

1. FINANCIAL SUMMARY

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

(₹ in crores)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Revenue from Operations	2699.00	2,481.96	2,721.24	2,502.94
Other Income	2.92	10.01	2.55	11.15
Finance Income	18.18	13.98	18.18	13.98
Total Income	**2720.10**	**2,505.95**	**2,741.97**	**2,528.07**
Operating Expenditure	2392.51	2,228.69	2,409.14	2,244.95
Operating Profit before Depreciation, Interest & Tax	**327.59**	**277.26**	**332.83**	**283.12**
Finance Cost	5.60	3.73	6.10	4.16
Depreciation and Amortization Expense	37.32	28.09	38.63	29.38
Profit Before Tax	**284.67**	**245.44**	**288.10**	**249.58**
Tax Expense:				
a) Current Tax	86.30	64.75	87.73	66.40
b) Deferred Tax	(0.61)	(4.47)	(1.52)	(5.07)
Profit After Tax	**198.98**	**185.16**	**201.89**	**188.25**
Basic EPS (₹)	4.64	4.33	4.68	4.38
Diluted EPS (₹)	4.61	4.28	4.65	4.32

2. COMPANY PERFORMANCE

Your Company recorded Net Revenue from Operations of ₹ 2,699.00 crs on standalone basis, for the Financial Year ended March 31, 2021. Revenue grew by 8.74% compared to ₹ 2,481.96 crs recorded during the previous Financial Year. The Profit After Tax for the year grew by 7.46% to ₹ 198.98 crs from ₹ 185.16 crs recorded in the previous Financial Year. The segment wise performance of the Company is detailed under the section Management Discussion and Analysis Report which forms part of this Annual Report.

The year started with nation-wide lockdown imposed to combat COVID-19 pandemic and it impacted the revenue growth of the first quarter. Economic activity was partially resumed by mid of May 2020, with relaxation in lockdown and consumer demand improved towards the end of Second quarter of the fiscal. Your Company was able to recommence the operations partially in May 2020 and scaled up the activities by end of first quarter by strictly adhering to COVID-19 protocols. Consumer demand and market environment rebounded sharply during second half of the year and broad-based growth was achieved across product categories and geographical regions during the remaining period of the year. Cash from operations remined strong throughout the year. Gross margin was impacted due to material cost inflation and pricing actions were initiated considering market dynamics.

During the year, the Company focused on launching new products, enhancing supply chain resilience, boosting sales through e-commerce channels, greater virtual consumer engagement, managing cash flow, strengthening distribution network and all these activities enabled to combat the uncertain market environment and comeback strongly.

The consolidated net revenue from operations for the Financial Year under review was ₹ 2,721.24 crs, with a growth of 8.72% over ₹ 2,502.94 crs for the previous Financial Year. On consolidated basis, the Company earned a Profit After Tax of ₹ 201.89 crs for the Financial Year 2020-21, against ₹ 188.25 crs recorded during the previous Financial Year. The consolidated numbers included the financial performance of Guts Electro-Mech Limited, subsidiary Company.

Economic activity remains uncertain and challenging, with the hit of second wave of COVID-19, and consequent lockdown declared in many parts of the Country. Your Company will be closely monitoring the external environment and shall manage the emerging scenarios by becoming stronger in the consumer electrical space.

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

As on March 31, 2021, the Company's equity investment in Guts Electro-Mech Ltd., which is engaged in the business of manufacture and supply of MCB & RCCB, continues at 74%. Presently, the Company does not have any material subsidiary.

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

4. CHANGES TO THE SHARE CAPITAL

During the year under review, the Company has allotted 5,86,815, 13,10,458 and 3,650 number of equity shares of ₹ 1/-, ₹ 34.64 and ₹ 71.36 respectively under ESOS 2013. The Paid-up Capital of the Company, as at March 31, 2021 was ₹ 43,01,88,458/-

5. DIVIDEND

Your Directors are pleased to recommend a Dividend of ₹ 1.20 (One Rupee twenty Paise) per equity share of ₹ 1/- each (120% per equity share of ₹ 1/- each) for the financial year 2020-21. The dividend, if declared as recommended, in the ensuing Annual General Meeting of the Company, would involve an outflow of ₹ 51.62 crs. Dividend would be payable to all the shareholders/ Beneficial Owners whose names appear in the Register of Members / Register of Beneficial Owners respectively as on July 29, 2021.

The Registers of Members and Beneficial Owners will remain closed from July 30, 2021 to August 5, 2021 (both days inclusive).

6. INVESTOR EDUCATION AND PROTECTION FUND

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

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 ("the Act") unclaimed/ unpaid dividend of ₹ 3,82,557 which was lying in the Unpaid Dividend Account for the Financial Year 2012-13 was transferred during the year under review to IEPF.

Reminders are sent regularly to the Shareholders who have not claimed the dividend amount, to claim the same from the Company failing which, the unclaimed dividend lying in the unpaid account for seven years shall be transferred to IEPF within thirty days from the due date for transfer of unpaid dividend. Unclaimed dividend in respect of the financial year 2013-14 is due for transfer to IEPF on August 28, 2021.

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

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

During the year under review, the Company was required to transfer 18,748 equity shares, which were held by 33 shareholders to IEPFA, as dividend had not been encashed or claimed on the above shares during the seven consecutive years from the Financial Year 2012-13. The Company was able to transfer only 15,468 equity shares to IEPFA, as 3,280 equity shares were pledged by one of the shareholders in favour of a financial institution and lien was marked on the said shares. The Company filed form IEPF – 3 for furnishing details of shares which could not be transferred to IEPFA.

Details of Nodal Officer

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

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

7. FIXED DEPOSIT

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

8. MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

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

9. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the Financial Year 2020-21.

10. POSTAL BALLOT

During the year under review, the Board of Directors sought approval of the shareholders of the Company through Postal Ballot process pursuant to the provisions of Sections 108 & 110 of the Act read with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations, vide Postal Ballot notice dated September 5, 2020, for appointment of Mr. George Muthoot Jacob, as an Independent Director. The resolution was passed with requisite majority of the members. Details of voting results are given under the head 'Postal Ballot' in 'Report on Corporate Governance' Section which forms part of this Annual Report.

11. 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.

12. CREDIT RATING

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

13. BUSINESS RESPONSIBILITY REPORT

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

14. BOARD OF DIRECTORS AND ITS COMMITTEES

A. Composition of the Board of Directors

As on March 31, 2021, the Board of Directors of the Company comprised of nine Directors, with two Executive and seven Non-Executive Directors, which included, five Independent Directors. The composition of the Board of Directors is in compliance with the provisions of Regulation 17 of the Listing Regulations and Section 149 of the Act.

B. Change in office of Directors and Key Managerial Personnel of the Company during the year under review and details of Directors seeking Re-appointment at the 25th Annual General Meeting

The members of the Company in their 24th Annual General Meeting held on August 12, 2020, re-appointed Mr. Mithun K Chittilappilly, Managing Director, who retired by rotation. The members also re-appointed Mr. Ramachandran V, as Whole-time Director of the Company, under the designation Director and Chief Operating Officer, for a period of four years with effective from June 1, 2020 and appointed Mr. B Jayaraj, as a Director liable to retire by rotation.

Ms. Joshna Johnson Thomas, Non-Executive Director resigned from the Board effective from April 1, 2021.

As per the provisions of Section 152 of the Act, Mr. Ramachandran V, Director and Chief Operating Officer, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors in their meeting held on March 19, 2021, re-appointed Mr. Mithun K Chittilappilly, Managing Director of the Company, for a period of five years, effective from April 1, 2021 and proposed re-appointment of Ms. Radha Unni, Independent Director, for a second term of five consecutive years, effective from September 27, 2021. Further, the Board of Directors appointed Prof. Biju Varkkey, as an Additional Director, under Independent category, effective from May 26, 2021, for a tenure of 5 years. These appointment and re-appointments are subject to the approval of the members in the ensuing Annual General Meeting.

In terms of 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, Ms. Radha Unni and Prof. Biju Varkkey, to the office of Managing Director and Independent Directors respectively.

The Notice of the ensuing Annual General Meeting include the proposals for appointment and / or re-appointment of Directors and their brief resume, specific information about the nature of expertise, the names of the Companies in which they hold directorship and membership/ chairmanship of the Board Committees as stipulated in the Act and the Listing Regulations.

C. Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

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

D. Declaration by Independent Directors

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

E. Certificate from Practicing Company Secretary

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations, M/s. Keyul M Dedhia & Associates, Company Secretary in Practice, Mumbai, has certified that none of the Directors on the Board of the

Company has been debarred or disqualified from being appointed or continuing as Directors of companies 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, eight Board meetings were held, and meetings of Sub-committees were also held. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations. The details of the meetings are given in the Report on Corporate Governance which forms part of this Report. The Company provides all the Board members the facility to participate the meetings of Board and Sub-committees through Video Conferencing / Other Audio Visual Means.

Pursuant to the requirements of Schedule IV to the Act and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on March 19, 2021, and the Directors reviewed and assessed 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 meeting.

G. Statutory Committees of the Board

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

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

The CSR Committee of the Company as of March 31, 2021 comprised of three members, Mr. B Jayaraj, Mr. Cherian N Punnoose and Mr. Mithun K Chittilappilly. Mr. B Jayaraj, Director is the Chairman of the CSR Committee.

The Committee met three times during the year under review, on June 1, 2020, July 27, 2020 and February 3, 2021. The Committee recommended the amount of CSR spent for the financial year and the various CSR programs/activities to be carried out by the Company to the Board, for its consideration and approval.

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

H. Performance Evaluation

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

The Nomination and Remuneration Committee of the Company has carried out evaluation of performance of each individual Director. Performance evaluation was carried out based on a structured questionnaire, formulated taking into consideration the indicative criteria prescribed in the Nomination, Remuneration and Evaluation Policy of the Company read with SEBI Guidance Note on Board Evaluation.

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

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

I. Directors' Responsibility Statement

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

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

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

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

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

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

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

15. AUDIT RELATED MATTERS

A. Statutory Auditors

M/s. S R Batliboi & Associates LLP, Chartered Accountants with Firm Registration Number - 101049W / E300004 were re-appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Company held on July 31, 2017, to hold office from the conclusion of 21st AGM till the conclusion of 26th AGM to be held in the year 2022, on a remuneration to be fixed by the Board of Directors.

Re-appointment was made subject to ratification by the members at every subsequent AGM held during the tenure of re-appointment. Pursuant to the amendment made to Section 139 of the Act by the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence, the approval for ratification of the members for re-appointment at the ensuing AGM is not being sought.

B. Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors has re-appointed M/s. BBS & Associates, Cost Accountants, as Cost Auditors for financial year 2021-22 to conduct audit of cost records maintained by the Company. The appointment and remuneration payable to the Cost Auditors were approved by the Board, based on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration payable to Cost Auditors by the members of the Company is set out in the Notice of the ensuing AGM. The Cost

Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Act and that they are not disqualified from appointment within the meaning of the said Act.

The Cost Audit Report for the financial year 2019-20, issued by M/s. RA & Co., Cost Auditors, was filed with the Ministry of Corporate Affairs on August 14, 2020. The Cost Audit Report does not contain any qualifications, reservations, or adverse remarks.

The Cost Audit Report for the Financial Year 2020-21 which will be issued by M/s. BBS & Associates, Cost Accountants will be considered by the Board of Directors.

C. Secretarial Auditors

M/s. Keyul M Dedhia & Associates, Company Secretaries, Mumbai, were appointed as Secretarial Auditors of the Company for the financial year 2020-21 pursuant to Section 204 of the Act. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as **Annexure-I** to this report.

16. 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.

17. POLICY MATTERS

A. Nomination, Remuneration and Evaluation Policy

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

B. Vigil Mechanism / Whistle Blower Policy

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

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

C. Corporate Social Responsibility Policy

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

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

D. Risk Management Policy

The Company has developed and implemented risk management framework detailing risks associated with the business, the process of identification of risks and monitoring and mitigation of these risks. Risk Management Committee constituted by the Board identifies entity level risks during the beginning of financial year which are cascaded down to product/ functional risk groups for inclusion in their risk matrices. Product risk group identifies and monitors product specific risks and mitigation measures. The key product risks are discussed by the Risk Management Committee, as part of entity level risks.

Entity level risks consist of risks related to information security, digitization, margin erosion, geographical expansion, channel network, new product development, mergers and acquisition, new market development etc. Entity level risks are updated on annual basis and the details of risks along with mitigation plans are presented to Risk Management Committee and the Board of Directors.

E. Dividend Policy

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

18. OTHER MATTERS

A. Internal Financial Controls

The Company has Internal Control Systems commensurate with the nature of its business, size and complexities. Audit Committee reviews the adequacy and effectiveness of internal control system and monitors the implementation of audit recommendations. During the year under review, the Internal Audit division of the Company conducted detailed review of control processes in key control areas and identified design gaps, improvement opportunities and management check points which helps in strengthening the processes and monitoring mechanisms.

Key controls in operational, financial and IT processes were tested to provide assurance regarding compliance with the existing policies and significant operating procedures and no significant weaknesses/deviations were observed in operational controls. Further, the Statutory Auditors of the Company also reviewed Internal Financial Controls over Financial Reporting of the Company as on March 31, 2021 and issued their report which forms part of the Independent Auditor's report.

B. Particulars of Loans, Guarantees and Investments

During the year under review, the Company has not given any loan or provided any guarantee falling under the provisions of Section 186 of the Act.

The Company has acquired securities of Gegadyne Energy Labs Private Limited (GEL), having its registered office at Pushpanjali R H 32, Ovala Naka, Opp. Puranik City, Thane- 400615, constituting 18.77% of equity share capital of GEL on a fully diluted basis. The Company has made investment in equity and convertible preference shares of GEL for a cash consideration of ₹ 33.4 crs.

GEL is an alternate battery technology start up developing innovative energy storage (battery) solutions, which deliver better battery performance on key parameters like total cost of ownership (TCO), life cycle, recharge time, safety profile and maintenance costs, compared to the prevalent battery Technologies.

C. Financial Position and Performance of Subsidiaries, Joint Ventures and Associates

Guts Electro-Mech Ltd., Subsidiary Company reported Revenue from Operations of ₹ 5,528.18 lakhs for the FY 2021. The financial summary of Subsidiary company is as under:

(₹ in lakhs)

Particulars	2020-21	2019-20
Revenue from Operations	5,528.18	5,265.05
Profit Before Tax	529.78	612.41
Profit After Tax	413.01	438.39

Consolidated Financial Statements of the Company 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 Subsidiary, for the Financial Year 2020-21 is given in Form AOC-1 which forms an integral part of this Annual Report.

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

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

D. Any Revision Made in Financial Statements or Board's Report

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

E. Employee Stock Option Scheme 2013

During the year under review, 63,000 no. of options of ₹ 1/- each and 5,67,000 no. of options of ₹ 68.75 each, being the options for time based vesting for the fourth year were vested in respect of the grant made on May 4, 2016. Options to the extent of 48,655 of ₹ 1/- each were vested on time basis due for the fourth year of vesting, in respect of grant made on June 16, 2016. 2,29,054 no. of options of ₹ 1/- each were vested on time basis pertaining to the fourth year in respect of grant made on August 8, 2016.

Further, 42,000 no. of options of ₹ 1/- each and 1,68,000 no. of options of ₹ 121.80 each were also vested during the year under review, on time basis, for the fourth year, in respect of the grant made on August 8, 2016. Options to the extent of 22,036 of ₹ 1/- each were vested on time basis for the fourth year, in respect of grant made on October 21, 2016.

In respect of grant made on January 30, 2017 options to the extent of 15,462 of ₹ 1/- each were vested on time basis for the fourth year. Options to the extent of 37,706 and 17,688 of ₹ 1/- each were vested on time basis towards the third year in respect of grants made on May 19, 2017 and July 31, 2017 respectively.

Options to the extent of 47,023 of ₹ 1/- each were vested on time basis for the third year in respect of grant made on January 22, 2018. In respect of grant made on May 30, 2018, options to the extent of 8,691 were vested, for the second year of vesting. Further, 18,648 no. of options were vested during the year in respect of the grant made on July 31, 2018, for the second year. 14,286 no. of options were vested during the year in respect of grant made on January 31, 2019 being the options for the second year of vesting. Also, 5,895 no. of options were vested on time basis being the options for the first year of vesting, during the year in respect of grant made on November 5, 2019.

The Nomination and Remuneration Committee granted 2,60,000 no. of options at ₹ 1/- each and 12,59,200 no. of options at ₹ 172.05 each under ESOS 2013, on May 22, 2020 and made a further grant of 10,62,635, 3,16,325 and 24,907 no. of options at ₹ 1/- each under ESOS 2013 on August 27, 2020, February 3, 2021 and March 19, 2021 respectively and it will be vested over a period of four years from the date of grant, based on time and performance basis.

During the year, 1,88,014 no. of options granted at ₹ 1/- each were cancelled due to separation of some of the option grantees and non-achievement of performance parameters. The options cancelled were made available in the Scheme for considering future grant.

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

F. Code of Conduct

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

All members of the Board and Senior Management personnel have affirmed the compliance with the Code as on March 31, 2021. A declaration to this effect, signed by the Managing Director in terms of the Listing Regulations is given in the Report of Corporate Governance forming part of this Annual Report. The Code is made available on the Company's website www.vguard.in.

G. Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 is enclosed as **Annexure-VI**.

Further, a copy of the Annual Return of the Company containing the particulars prescribed under section 92 of the Act, in Form MGT-7, as on March 31, 2020, is made available on the Company's website www.vguard.in.

H. Management Discussion and Analysis Report

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

I. Related Party Transactions

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

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

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

J. Corporate Governance

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

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

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

L. Particulars of Remuneration details of Directors, Key Managerial Personnel and Employees

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

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

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

19. COMPLIANCE WITH SECRETARIAL STANDARDS

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

20. LISTING OF SHARES

The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Ltd. (BSE). The listing fee for the Financial Year 2021-22 was paid to both the Stock Exchanges.

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

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

22. PREVENTION OF INSIDER TRADING

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

23. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Date : May 26, 2021	Chairman	Managing Director
Place : Ernakulam	(DIN : 00061030)	(DIN : 00027610)

Annexure - I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

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

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

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

Based on our limited verification of the Company's Books, Papers, Minute Books, Forms and Returns filed with applicable regulatory authority(ies) and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2021 ('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, Minute 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, 2021, as per the provisions of:

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

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

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

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

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

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

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

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

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

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

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(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 Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have not found material observation or instance of non compliance in respect of the same.

We further report that, during the review period, one of the designated employees of the Company had dealt in equity shares of the Company by executing contra trade in contravention of the Company's Prevention of Insider Trading Code. The Company took necessary action in this regard.

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, majority decisions were carried through while dissenting member's views, if any, were captured and recorded as part of the Minutes.

Based on the representation made by the Company and its Officers and explanation provided 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: F007756C000373440
PR No.: 876/2020
May 26, 2021, 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: F007756C000373440
PR No.: 876/2020
May 26, 2021, Mumbai

Annexure - II

Nomination, Remuneration & Evaluation Policy

I. PREAMBLE

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

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

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

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

II. DEFINITIONS

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

b) Board means Board of Directors of the Company.

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

d) Key Managerial Personnel (KMP) means

(i) Managing Director

(ii) Whole-time Directors

(iii) Chief Financial Officer

(iv) Company Secretary and

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

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

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

III. OBJECTIVES OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is responsible for:

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

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

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

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

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

f) Assessing the independence of Independent Directors.

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

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

i) Devising a policy on Board diversity.

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

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

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

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

A) Appointment criteria and qualifications

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

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

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

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

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

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

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

B) Term / Tenure

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

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

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

C) Removal

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

D) Retirement

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

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

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

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

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

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

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

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

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

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

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

B) Remuneration for Key Managerial Personnel and Other Employees

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

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

VI. PERFORMANCE EVALUATION OF BOARD

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

iii) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

C) Criteria for evaluation of the performance of the Board

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

i. Analysing the operational activities and financial indicators of the Company.

ii. Understanding the enterprise risk and suggesting mitigation procedures for the risks identified.

iii. Analysis of the budgets and strategic proposals of the Company and its periodical review.

iv. Ability to take appropriate decisions for the proposals placed before the Board.

v. Reviewing the future roadmap of the Company and giving suggestive measures.

vi. Awareness about the industry in which the Company operates

vii. Monitoring of all statutory compliance.

viii. Implementation of various policies approved by the Board.

ix. Preparedness in dealing with unforeseen crisis.

x. Planning for top management succession.

xi. Contribution to Board deliberations with regard to important policy matters and strategic proposals.

D) EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

A. Personal Traits

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

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

iii. Contribution to Board deliberations.

B. Other Criteria

i. Willingness to devote sufficient time to carry out the duties and responsibilities effectively, including attendance at meetings.

ii. To act in the best interest of minority shareholders of the Company.

iii. Absence of personal and business relationships that would pose a conflict of interest with the best interests of the Company.

iv. Compliance with the definition of Independent Director as provided in the Act and Listing Regulations.

v. Monitoring the implementation of Corporate Governance guidelines and conflict of interest in any of the policies adopted by the Company.

E. EVALUATION CRITERIA FOR INDIVIDUAL DIRECTORS

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

i. Active participation in the Board deliberations and attendance in meetings.

ii. Contribution in practice of Corporate Governance by the Company.

iii. Leadership through vision and values.

iv. Strategic thinking and decision making.

v. Providing guidance to the Management.

vi. Contribution to resolution of divergent views.

F. EVALUATION CRITERIA FOR CHAIRMAN

i. Ensuring effectiveness in conduct of Board meetings & Shareholder meetings.

ii. Ensuring that matters are discussed at the Board meetings in a structured way in order to achieve a balanced decision.

iii. Proactive role in the Board & Committee Evaluation.

iv. Acting as a facilitator of the Agenda for the Board meetings and monitoring finalisation of Minutes.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Date : May 26, 2021	Chairman	Managing Director
Place : Ernakulam	(DIN : 00061030)	(DIN : 00027610)

Annexure - III

Annual Report on Corporate Social Responsibility (CSR) Activities

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

   The CSR Policy of the Company has been formulated 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 is in line with the Schedule VII to the Act. Activities are predominantly carried out in the areas where the Company's offices or units are located. The Company has formed a Section 8 Company, V-Guard Foundation, which is the principal arm in implementing various CSR programs / projects.

   During the Financial Year 2020-21, the Company's CSR activities are carried under three broad program heads i.e., Edu-care and Skill Development Programs, Health Care Programs and Build India & Relief. Projects executed consisted of COVID-19 relief and rehabilitation activities, providing health care services, improving the quality of life of socially and economically backward people, promotion of education and skill development, undertaking livelihood enhancement projects, providing support to intellectually challenged children, activities to minimize environmental impacts, providing drinking water and sanitation facilities at schools etc.

2. **Composition of CSR Committee:**

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

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

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

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

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

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

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

6. **Average net profit of the Company as per section 135(5):** ₹ 423.00 Lakhs

7.

Sl No.	Particulars	Amount (₹ in Lakhs)
a	Two percent of average net profit of the company as per section 135(5)	423.00
b	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	2.31
c	Amount required to be set off for the financial year, if any	NIL
d	Total CSR obligation for the financial year (7a+7b-7c)	425.31

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

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

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

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

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

<table>
<tr><th>(1)</th><th>(2)</th><th>(3)</th><th>(4)</th><th colspan="2">(5)</th><th>(6)</th><th>(7)</th><th colspan="2">(8)</th></tr>
<tr><th rowspan="2">Sl No.</th><th rowspan="2">Name of the Project</th><th rowspan="2">Item from the list of activities in Schedule VII to the Act</th><th rowspan="2">Local area (Yes/ No)</th><th colspan="2">Location of the project</th><th rowspan="2">Amount spent for the project (in ₹)</th><th rowspan="2">Mode of Implementation - Direct (Yes/No)</th><th colspan="2">Mode of Implementation - Through Implementing Agency</th></tr>
<tr><th>State</th><th>District</th><th>Name</th><th>CSR Registration Number</th></tr>
<tr><td>1.</td><td>V-Guard Edu-care and Skill Development Programs
Projects executed include:
1. Infrastructure facilities at Government schools;
2. School education, therapeutic support and vocational training to enhance the quality of life of intellectually challenged children;
3. Skill development programs, vocational training etc., to improve the livelihood of unemployed youth.</td><td>Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.</td><td>Yes</td><td>Kerala
Tamil Nadu
Karnataka
Rajasthan
Himachal Pradesh
Uttarakhand
U P
Sikkim</td><td>Wayanad, Kottayam, Palakkad, Ernakulam, Malapuram, Alappuzha, Thrissur, Coimbatore, Bangalore, Daksina Kannada, Jaipur, Kangra, Haridwar, Ghaziabad, East Sikkim, West Sikkim</td><td>81,49,654</td><td>Direct/ V-Guard Foundation
Direct: 39,09,754
Agency: 42,39,900</td><td>V-Guard Foundation
Kottayam rubber town round table, Kottayam
Rotary Cochin International, Kochi
Indraprastha Academy, New Delhi
Welfare Service Society, Ernakulam</td><td>CSR00002896

CSR00003167</td></tr>
</table>

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
	V-Guard Health Care Projects executed include: 1. Support extended to combat COVID-19 pandemic by distribution of ventilators, personnel protection equipment, food kits etc. 2. Programs for accessibility of healthcare for economically backward classes	Promoting health care including preventive health care, sanitation programs and organizing medical camps	Yes	Kerala Tamil Nadu Karnataka Telangana Andhra Pradesh Maharashtra Gujarat Madhya Pradesh Chattisgarh Orrissa Bihar Bengal UP Rajasthan Uttarakhand Haryana Punjab H P Jammu Sikkim Assam Mizoram Delhi	Kottayam, Kozhikode, Kasaragod, Ernakulam, Palakkad, Chennai, Coimbatore, Erode, Madurai, Bangalore, Dharwad, Hyderabad, Mahabub Nagar, Vijayawada, Krishna, Mumbai, Pune, Mehsana, Indore, Raigarh, Khordha, Kendrapara, Puri, Cuttack, Angul, Jagatsinghpur, Patna, Paschim Medinipur, Murshidabad Lucknow, Kanpur, Ghaziabad, Moradabad, Jaipur, Kashipur, Haridwar, Dehradun, Gurugram Pathankot, Sirmaur Srinagar, South Sikkim, East Sikkim, Guwahati	2,89,44,691	Direct/ V-Guard Foundation: 2,67,49,191 Agency: 21,95,500	V-Guard Foundation Indian Cancer Society, Mumbai Yugrishi Shriram Sharma Acharya Charitable Trust, Saran Social Service Centre, Vijayawada Help Age India, New Delhi Catholic Health Association of India, Secunderabad	CSR00002896

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implemen-tation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
	V-Guard Build India & Relief Projects executed include: 1. Support to disaster relief & rehabilitation and old age home. 2. Execution of drinking water projects in rural areas and initiatives for revival of water bodies. 3. Plantation of tree saplings in the vicinity of highway sides.	1) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water. 2) Measures reducing inequalities faced by socially and economically backward groups. 3. Disaster Management Activities	Yes	Kerala Tamil Nadu Karnataka Uttarakhand H P Odisha Sikkim Delhi	Ernakulam, Thrissur, Coimbatore, Dharwad, Kashipur, Haridwar, Sirmaur, Khordha, South Sikkim	49,29,695	Direct/ V-Guard Foundation 45,54,695 Agency: 3,75,000	V-Guard Foundation Kochi Bypass Beautification Society, Ernakulam Sisters of the Destitute Manav Seva Society, Gurgaon Snehagiri Society, Thrissur	CSR00002896
	Total					**4,20,24,040**			

d. Amount spent in Administrative Overheads: ₹ 5,60,130

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

f. Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 4,25,84,170

g. Excess amount for set off, if any: NIL

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

*Total CSR spent for the Financial Year 2020-21 is ₹ 425.84 Lakhs which is in excess of the amount required to be spent as per the provisions of the Companies Act, 2013. During the year under review, an additional amount of ₹ 88,000 was transferred to V-Guard Foundation which will be carried forward to the Financial Year 2021-22.

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

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing
Nil								

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

Date of creation or acquisition of the capital asset	Amount of CSR spent for creation or acquisition of capital asset (₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address	Provide details of the capital asset(s) created or acquired
02-04-2020	22,51,200	Medical College Hospital, Gandhi Nagar, Kottayam, Kerala	10 BiPAP Machine
07-04-2020	6,33,920	Government General Hospital, Kozhikode, Kerala	3 BiPAP Machine
16-04-2020	6,73,120	District Medical Officer, Kanhangad, Kasargode, Kerala	3 BiPAP Machine
23-04-2020	2,43,040	The Government Erode Medical College, Kunnathur Road, Perundurai, Erode, Tamilnadu	1 BiPAP Machine
23-04-2020	2,43,040	The Government Medical College & ESI Hospital Coimbatore, Tamilnadu	1 BiPAP Machine
03-07-2020	4,07,680	Gadag Institute of Medicial Science, Gadag, Karnataka	2 BiPAP Machine
03-07-2020	4,07,680	Hassan Institute of Medical Science, Hassan,Karnataka	2 BiPAP Machine
10-07-2020	4,07,680	NRI Medical College, Chinakakani, Guntur District, A.P	2 BiPAP Machine
16-07-2020	2,03,840	Dr. Y S Parmar Medical College, Nahan District Sirmaur, Himachal Pradesh	1 BiPAP Machine
23-07-2020	4,07,680	Goverment General Hospital, Mahabubnagar, Telangana	2 BiPAP Machine
24-07-2020	2,03,840	General Hospital, Mehsan, Gujarat	1 BiPAP Machine
24-07-2020	2,03,840	GMERS General Hospital, Vadnagar, Gujarat	1 BiPAP Machine
03-08-2020	2,03,840	I/c Civil Hospital, Pathankot, Punjab	1 BiPAP Machine
04-08-2020	8,15,360	Goverment Corona Hospital, Guindy, Chennai, Tamil Nadu	4 BiPAP Machine
10-08-2020	4,47,680	MGM Medical College, Indore, M.P	2 BiPAP Machine
14-08-2020	4,07,680	Chief Medical Officer, Kanpur Nagar, Kanpur, UP	2 BiPAP Machine
18-08-2020	2,03,840	Chief Medical Officer, Gazhiyabad, UP	1 BiPAP Machine
25-08-2020	2,03,840	Central Medical Store, Thane Municipal Corporation, Maharashtra	1 BiPAP Machine

Date of creation or acquisition of the capital asset	Amount of CSR spent for creation or acquisition of capital asset (₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address	Provide details of the capital asset(s) created or acquired
10-09-2020	2,03,840	Murshidabad Medical college & Hospital, Murshidabad, West Bengal	1 BiPAP Machine
10-09-2020	2,03,840	Contai Sub-Divisional Hospital, Purba, Medinipur, West Bengal	1 BiPAP Machine
10-09-2020	2,03,840	P.H.C, Chanapora, Srinagar, Jammu & Kashmir	1 BiPAP Machine
21-09-2020	2,03,840	SMS Medical College, Jaipur, Rajastan	1 BiPAP Machine
23-09-2020	2,03,840	Jorhat Medical College, Jorhat, Assam	1 BiPAP Machine
15-10-2020	2,03,840	Zoram Medical College, Falkawn, Mizoram	1 BiPAP Machine
05-11-2020	4,47,680	Covid cell, Bhubaneswar Municipal Corporation, Bhubaneswar, Orrissa	2 BiPAP Machine
09-11-2020	2,03,840	Navncet Hi-Tec Hosital, Manav Kalyan Kendra Chowk, S.V. Road, Dahisar (E), Mumbai, Maharshtra	1 BiPAP Machine
09-11-2020	2,03,840	Evangeline Booth Hospital, Ahamad Nagar, Maharashtra	1 BiPAP Machine
09-11-2020	2,03,840	Central Medical Store, Thane Municipal Corporation, Maharashtra	1 BiPAP Machine
19-12-2020	4,07,680	Guru Teg Bahadur Hospital, Shahdara, Delhi	2 BiPAP Machine
07-01-2021	2,03,840	Nalanda Medical College & Hospital, Patna, Bihar	1 BiPAP Machine
28-07-2020	13,500	Parakadavu Grama Panchayath, Angamaly, Kerala	Disinfection machine
12-01-2021	6,90,000	Government Hospital Kashipur, Uttarakhand	Computerized X ray Machine
19-12-2020	1,44,639	Government Hospital Thakurdwara, Kashipur, Uttarakhand	Drinking water facility
12-01-2021	2,01,093	Government Hospital Kashipur and Thakurdwara, Kashipur, Uttarakhand	Oxygen line
30-01-2021	1,50,000	Trustee, Idhayangal Charitable Trust, Green Field housing, ERA Mohan Nagar, Coimbatore, Tamil Nadu	Insulin Pump
16-03-2021	30,680	Government Primary Hospital, Namthang, Sikkim	Refrigerator
24-03-2021	1,00,124	Medical Officer, Government Primary Hospital, Namthang, Sikkim	5 ECG Machine
30-03-2021	29,500	Medical Officer, Government Primary Hospital, Namthang, Sikkim	1 Labour Table
31-03-2021	4,82,315	Government Primary Hospital, Thirumalayampalayam, Coimbatore, Tamil Nadu	Compound wall
31-03-2021	10,54,200	Chief District Medical & Public Health officer, Kendrapara, Puri, Cuttack, Jagatsinghpur, Khordha & Angul, Odisha	200 Wheel chair
31-03-2021	1,51,358	General Hospital, Ernakualam, Kerala	15 Folding Wheel Chair & 3 Stretcher Trolley
15-06-2020	45,000	Forest Department, Chedleth Range, Wayanad, Kerala	Television
04-12-2020	33,200	Sub-division Magesitrte, Indora , Kangra, Himachal Pradesh	Computer
15-10-2020	17,499	Government Primary School, Pewthang, West Sikkim	Water purifier

Date of creation or acquisition of the capital asset	Amount of CSR spent for creation or acquisition of capital asset (₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address	Provide details of the capital asset(s) created or acquired
07-01-2021	1,47,500	Government Higher Primary School Bendekere, Arasikere Tq, Hassan Dt., Karnataka	Water purifier
09-02-2021	1,47,500	Govt P.U College, Uppinanagdy, Daksina kannada, Karnataka	Water purifier
11-02-2021	2,25,000	Grama panchayath Pradhan, Kalam amb panchayath, Bankewada, Kalam amb, Himachal Pradesh	Community Center Building
29-03-2021	3,69,670	Gram Pradhan, Sikandarpur Bhaiswal, Bhagwanpur, Uttarakhand	Hand Pump
29-03-2021	2,10,000	Bhagwanpur, Police station, Haridwar, Uttarakhand	CC TV
24-03-2021	8,88,042	Primary School Sikandarpur, Roorkee	Compound wall
09-03-2021	1,94,582	Elemantry School, Karayampalayamm, Coimbatore, Tamil Nadu	Compound wall
29-03-2021	6,65,153	Government Secondary School, Majhitar, East Sikkim	Compound wall
17-03-2021	16,435	Ajkiya Prathmik Vidhyala, Deshwalo ki Dhani, Sanganer, Jaipur	Bench

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

Not Applicable.

For and on behalf of CSR Committee

	Sd/- **B Jayaraj** Chairman (DIN: 00027479)	Sd/- **Cherian N Punnoose** Member (DIN: 00061030)	Sd/- **Mithun K Chittilappilly** Member (DIN: 00027610)

Date: May 26, 2021
Place: Ernakulam

For and on behalf of the Board of Directors

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

Date : May 26, 2021
Place : Ernakulam

Annexure - IV

DIVIDEND POLICY

Preamble

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

Objective of the Policy

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

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

Final Dividend

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

Process for approval of payment of Final Dividend

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

Interim Dividend

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

Process of approval of payment of Interim Dividend

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

Declaration of Dividend

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

i) Current Financial Year's profit:

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

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

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

    b) remaining undistributed; or

iii) out of i) & ii) both.

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

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

Factors to be considered while declaring or recommending Dividend

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

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

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

Dividend Range

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

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

Review

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

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Date : May 26, 2021	Chairman	Managing Director
Place : Ernakulam	(DIN : 00061030)	(DIN : 00027610)

Annexure - V

DISCLOSURES IN COMPLIANCE WITH REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 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 2020-21 which forms the part of this Annual Report.

2 Material Changes in the Scheme

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

3 Diluted EPS on issue of shares pursuant to ESOS: ₹ 4.61

4 (i) Details related to ESOS

<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>ESOS 2013</th></tr>
<tr><td>1</td><td>Details of the Shareholders Approval</td><td>May 14, 2013, July 26, 2016, April 30, 2017, December 09, 2017 and August 12, 2020</td></tr>
<tr><td rowspan="2">2</td><td>Total number of Options approved under the scheme</td><td>1,61,50,000 no. of options</td></tr>
<tr><td>Additional options granted on account of Corporate Action of Bonus Issue</td><td>33,66,710 no. of options</td></tr>
<tr><td>3</td><td>Vesting requirements</td><td>Options are granted with a vesting period of 4 years and vesting shall be on time and performance basis subject to the fulfillment of terms and conditions attached to the Grant.</td></tr>
<tr><td>4</td><td>Exercise Price / Pricing Formula</td><td>The Company has granted options both at Market price and face value, as detailed below:
<table>
<tr><th>No. of options</th><th>Particulars</th></tr>
<tr><td>1,24,55,510</td><td>At Market Price</td></tr>
<tr><td>66,70,409</td><td>At Face Value</td></tr>
</table></td></tr>
<tr><td>5</td><td>Maximum Term of Options granted</td><td>As per the terms attached to each of the grants, the total term of the options for the grants 1 & 2 is 9 years and for the grants 3 to 18 is 10 years. (Exercise period will be for a period of 6 years from each year of vesting)</td></tr>
<tr><td>6</td><td>Source of Shares</td><td>Primary</td></tr>
<tr><td>7</td><td>Variation in terms of options</td><td>No Variation</td></tr>
<tr><td>8</td><td>Method used for accounting of ESOS</td><td>Fair Value Method</td></tr>
<tr><td>9</td><td colspan="2">For Options granted during the year weighted average exercise prices and weighted average fair value of the options shall be disclosed seperately for options whose exercise price either equals or is less than the market price of the stock.</td></tr>
</table>

Sl No.	Particulars	ESOS 2013
	Weighted average exercise price of Options whose	₹
	Exercise price equals market price	172.05
	Exercise price is greater than market price	Nil
	Exercise price is less than market price	1/-
	Weighted average fair value of options whose	₹
	Exercise price equals market price	62.66
	Exercise price is greater than market price	Nil
	Exercise price is less than market price	183.57

4 **(ii) Employee-wise details of options granted during the financial year 2020-21 to:**

(i)	**Senior Managerial Personnel**		
	Name of employee & designation	**Total Number of Options**	**Exercise Price per Option (in ₹)**
a	Ramachandran V, Director and Chief Operating Officer	12,59,200 2,60,000	172.05 1/-
b	Sudharshan Kasturi, Senior Vice President & Chief Financial Officer	2,95,940	1/-
c	Deepak Augustine, Vice President - Marketing	38,865	1/-
d	Abie Abraham, Vice President - EMD	34,185	1/-
e	Sreekumar A, Vice President- WCD	35,059	1/-
f	Biju Pramod P, Vice President- MED	32,764	1/-
g	Suryaprasad V J, Vice President - Marketing	32,533	1/-
h	Nandagopal Nair, Vice President - Brand & Communications	31,633	1/-
i	Robin Joy Antony- Vice President & CIO	33,587	1/-
j	Narender Singh Negi - Vice President -R&D (Electronics)	33,607	1/-
k	Bijoy Panakkat - Vice President - Electronics	26,276	1/-
l	Jayasree K, General Manager and Company Secretary	26,402	1/-
(ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year		
	Name of employee & designation	**Total Number of Options**	**Exercise price per option (in ₹)**
a	Ramachandran V Director and Chief Operating Officer	12,59,200 2,60,000	172.05 1/-
b	Sudharshan Kasturi, Senior Vice President & Chief Financial Officer	2,95,940	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		

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

a)	The fair value has been calculated using the Binomial Method. The assumptions used in the model are as follows	Weighted Average Assumptions
	Price of the underlying shares in market at the time of Option granted (₹)	193.27
	Expected Volatility %	30.72% to 32.87%
	Risk free Rate %	4.84 % to 6.16%
	Exercise Price (₹)	74.68
	Expected Life (In Years)	4.01 to 7.01
	Expected Dividend %	0.1% to 0.24%
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 option
c)	The method used and the assumptions made to incorporate the effects of expected early exercise;	It is assumed that the options will be exercised within the exercise period
d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No other features incorporated

5. Options movement during the year

Sl No.	Particulars	ESOS 2013 Grant I	ESOS 2013 Grant II	ESOS 2013 Grant III	ESOS 2013 Grant IV	ESOS 2013 Grant VA	ESOS 2013 Grant V B
1	Number of options outstanding at the beginning of the period	18,53,039 number of options of ₹ 34.64 each and 68,495 number of options of ₹ 1/- each	1,17,375 number of options of ₹ 71.36 each.	22,68,000 number of options of ₹ 68.75 each and 63,000 number of options of ₹ 1/- each	63,793 number of options of ₹ 1/- each	3,74,144 number of options of ₹ 1/- each	6,72,000 number of options of ₹ 121.8 each and 42,000 number of options of ₹ 1/- each
2	Options exercisable at the beginning of the year	18,53,039 number of options of ₹ 34.64 each and 68,495 number of options of ₹ 1/- each	1,17,361 number of options of ₹ 71.36 each	17,01,000 number of options of ₹ 68.75 each	15,138 number of options of ₹ 1/- each	1,45,090 number of options of ₹ 1/- each	5,04,000 number of options of ₹ 121.8 each
3	Number of options Granted during the year	NA	NA	NA	NA	NA	NA
4	Number of options vested during the year	NA	NA	5,67,000 number of options of ₹ 68.75 each and 63,000 number of options of ₹ 1/- each	48,655 number of options of ₹ 1/- each	2,29,054 number of options of ₹ 1/- each	1,68,000 number of options of ₹ 121.8 each and 42,000 number of options of ₹ 1/- each
5	Number of options exercised during the year	13,10,458 number of options were exercised of ₹ 34.64 and 29,553 number of options were exercised of ₹1/- each	3,650 number of options were exercised of ₹ 71.36 each	63,000 number of options were exercised of ₹1/-each	44,048 number of options were exercised of ₹1/- each	2,16,734 number of options were exercised of ₹1/- each	42,000 number of options were exercised of ₹1/- each
6	Number of shares arised as a result of exercise of options	13,40,011	3,650	63,000	44,048	2,16,734	42,000
7	Number of options lapsed during the year	Nil	Nil	Nil	Nil	Nil	Nil

Sl No.	Particulars	ESOS 2013 Grant VI	ESOS 2013 Grant VII	ESOS 2013 Grant VIII	ESOS 2013 Grant IX	ESOS 2013 Grant X	ESOS 2013 Grant XI	ESOS 2013 Grant XII
1	Number of options outstanding at the beginning of the period	34,693 number of options of ₹ 1/- each	36,076 number of options of ₹ 1/- each	1,25,687 number of options of ₹1/- each	58,959 number of options of ₹1/- each	1,83,958 number of options of ₹1/- each	41,854 number of options of ₹1/- each	80,808 number of options of ₹1/- each
2	Options exercisable at the beginning of the year	12,657 number of options of ₹ 1/- each	Nil	Nil	Nil	27,220 number of options of ₹1/- each	4,191 number of options of ₹1/- each	Nil
3	Number of options Granted during the year	NA	NA	NA	NA	NA	NA	NA
4	Number of options vested during the year	22,036 number of options of ₹ 1/- each	15,462 number of options of ₹ 1/- each	37,706 number of options of ₹1/- each	17,688 number of options of ₹1/- each	47,023 number of options of ₹ 1/- each	8,691 number of options of ₹1/- each	18,648 number of options of ₹1/- each
5	Number of options exercised during the year	26,573 number of options were exercised of ₹1/- each	15,462 number of options were exercised of ₹1/- each	37,706 number of options were exercised of ₹ 1/- each	17,688 number of options were exercised of ₹ 1/- each	53,326 number of options were exercised of ₹ 1/- each	7,791 number of options were exercised of ₹ 1/- each	18,648 number of options were exercised of ₹ 1/- each
6	Number of shares arised as a result of exercise of options	26,573	15,462	37,706	17,688	53,326	7,791	18,648
7	Number of options lapsed during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Sl No.	Particulars	ESOS 2013 Grant XIII	ESOS 2013 Grant XIV	ESOS 2013 Grant XV	ESOS 2013 Grant XVI	ESOS 2013 Grant XVII	ESOS 2013 Grant XVIII
1	Number of options outstanding at the beginning of the period	61,904 number of options of ₹1/- each	31,444 number of options of ₹1/- each	NA	NA	NA	NA
2	Options exercisable at the beginning of the year	Nil	NA	NA	NA	NA	NA
3	Number of options Granted during the year	NA	NA	2,60,000 number of options of ₹1/- each and 12,59,200 number of options of ₹172.05 each	10,62,635 number of options of ₹1/- each	3,16,325 number of options of ₹1/- each	24,907 number of options of ₹1/- each
4	Number of options vested during the year	14,286 number of options of ₹1/- each	5,895 number of options of ₹1/- each	NA	NA	NA	NA
5	Number of options exercised during the year	14,286 number of options were exercised of ₹ 1/- each	Nil	NA	NA	NA	NA
6	Number of shares arised as a result of exercise of options	14,286	NA	NA	NA	NA	NA
7	Number of options lapsed during the year	Nil	Nil	Nil	Nil	Nil	Nil

Sl No.	Particulars	ESOS 2013 Grant I	ESOS 2013 Grant II	ESOS 2013 Grant III	ESOS 2013 Grant IV	ESOS 2013 Grant VA	ESOS 2013 Grant V B	ESOS 2013 Grant VI	ESOS 2013 Grant VII	ESOS 2013 Grant VIII	ESOS 2013 Grant IX	ESOS 2013 Grant X	ESOS 2013 Grant XI	ESOS 2013 Grant XII	ESOS 2013 Grant XIII	ESOS 2013 Grant XIV	ESOS 2013 Grant XV	ESOS 2013 Grant XVI	ESOS 2013 Grant XVII	ESOS 2013 Grant XVIII
8	Number of options cancelled during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	20,614 number of options granted at ₹1/- each	50,275 number of options granted at ₹1/- each	23,583 number of options granted at ₹1/- each	62,692 number of options granted at ₹1/- each	Nil	10,744 number of options granted at ₹1/- each	Nil	Nil	Nil	20,105 number of options granted at ₹1/- each	Nil	Nil
9	Money realised by exercise of options (INR)	4,54,23,818.12	2,60,464	63,000	44,048	2,16,734	42,000	26,573	15,462	37,706	17,688	53,326	7,791	18,648	14,286	NA	NA	NA	NA	NA
10	Number of options outstanding at the end of the year	5,42,581 number of options of ₹ 34.64 each and 38,942 number of options of ₹ 1/- each	1,13,725 number of options of ₹ 71.36 each.	22,68,000 number of options of ₹ 68.75 each	19,745 number of options of ₹ 1/- each	1,57,410 number of options of ₹ 1/- each	6,72,000 number of options of ₹ 121.8 each	8,120 number of options of ₹ 1/- each	Nil	37,706 number of options of ₹1/- each	17,688 number of options of ₹1/- each	67,940 number of options of ₹1/- each	34,063 number of options of ₹1/- each	51,416 number of options of ₹1/- each	47,618 number of options of ₹1/- each	31,444 number of options of ₹1/- each	2,60,000 number of options of ₹1/- each and 12,59,200 number of options of ₹172.05 each	10,42,530 number of options of ₹1/- each	3,16,325 number of options of ₹1/- each	24907 number of options of ₹1/- each
11	Number of options exercisable at the end of the year	5,42,581 number of options of ₹ 34.64 each and 38,942 number of options of ₹ 1/- each	1,13,711 number of options of ₹ 71.36	22,68,000 number of options of ₹ 68.75 each	19,745 number of options of ₹ 1/- each	1,57,410 number of options of ₹ 1/- each	6,72,000 number of options of ₹ 121.8 each	8,120 number of options of ₹ 1/- each	Nil	Nil	Nil	20,917 number of options of ₹1/- each	5,091 number of options of ₹1/- each	Nil	Nil	5,895 number of options as of ₹1/- each	NA	NA	NA	NA
12	Loan repaid by the trust during the year from the exercise price received	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

For and on behalf of the Board of Directors

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

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

Date : May 26, 2021
Place : Ernakulam

Annexure - VI

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on March 31, 2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1)
of the Companies (Management & Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS:

i)	CIN	L31200KL1996PLC010010
ii)	Registration Date	12.02.1996
iii)	Name of the Company	V-Guard Industries Limited
iv)	Category/Sub-category of the Company	Company Limited by Shares
v)	Address of the Registered office & contact details	42/962, Vennala High School Road, Vennala, Ernakulam - 682028 Ph: 0484-433 5000; e-mail: mail@vguard.in
vi)	Whether listed company	Listed at BSE Ltd., and National Stock Exchange of India Ltd.
vii)	Name , Address & contact details of the Registrar & Transfer Agent, if any	Link Intime India Pvt Ltd. Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028 Ph: 0422 - 2314792; e-mail: coimbatore@linkintime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company

Sl No	Name & Description of main products / services	NIC Code of the product /service	% to total turnover of the Company
1	Electronics	2710	28%
2	Electricals	2710, 2732, 2733, 2750, 2812	45%
3	Consumer Durables	2750, 2790, 2815	27%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Guts Electro-Mech Limited 163C/ 164E, Phase II, IDA, Cherlapally, Hyderabad, Telangana-500051	U52520TG1987PLC007245	Subsidiary	74	Section 2(87) of the Companies Act, 2013

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS A PERCENTAGE OF TOTAL EQUITY)

(i) Category- Wise Shareholding

Category Code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change
		Number of shares held in dematerialised form	Number of shares held in physical form	Total number of shares	% of the total number of shares	Number of shares held in dematerialised form	Number of shares held in physical form	Total number of shares	% of the total number of shares	% Change during the year
(A)	**Promoter**									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	8,45,89,166	-	8,45,89,166	19.75	6,13,36,596	-	6,13,36,596	14.26	-5.49
(b)	Central Government / State Government(s)	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Financial Institutions / Banks	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Any Other - Promoter Group									
	Individuals	14,47,36,786	-	14,47,36,786	33.79	14,54,65,106	-	14,54,65,106	33.81	0.02
	Trust	3,93,33,250	-	3,93,33,250	9.18	3,93,33,250	-	3,93,33,250	9.14	-0.04
	Sub Total (A)(1)	**26,86,59,202**	**-**	**26,86,59,202**	**62.73**	**24,61,34,952**	**-**	**24,61,34,952**	**57.22**	**-5.51**
[2]	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	0.00	-	-	-	0.00	0.00
(b)	Government	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Institutions	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Foreign Portfolio Investor	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Any Other (Specify)									
	Sub Total (A)(2)	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group(A) =(A)(1)+(A)(2)	**26,86,59,202**	**-**	**26,86,59,202**	**62.73**	**24,61,34,952**	**-**	**24,61,34,952**	**57.22**	**-5.51**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	4,74,23,313	-	4,74,23,313	11.07	4,46,90,992	-	4,46,90,992	10.39	-0.68
(b)	Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Alternate Investment Funds	36,92,705	-	36,92,705	0.86	55,08,458	-	55,08,458	1.28	0.42
(d)	Foreign Venture Capital Investors	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Foreign Portfolio Investor	5,73,47,604	-	5,73,47,604	13.39	6,39,89,833	-	6,39,89,833	14.87	1.48
(f)	Financial Institutions / Banks	1,29,277	-	1,29,277	0.03	91	-	91	0.00	-0.03
(g)	Insurance Companies	63,37,433	-	63,37,433	1.48	94,43,846	-	94,43,846	2.20	0.72
(h)	Provident Funds/ Pension Funds	-	-	-	0.00	-	-	-	0.00	0.00
(i)	Any Other (Specify)	-	-	-	0.00	-	-	-	0.00	0.00
	Sub Total (B)(1)	**11,49,30,332**	**-**	**11,49,30,332**	**26.83**	**12,36,33,220**	**-**	**12,36,33,220**	**28.74**	**1.90**

Category Code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change
		Number of shares held in dematerialised form	Number of shares held in physical form	Total number of shares	% of the total number of shares	Number of shares held in dematerialised form	Number of shares held in physical form	Total number of shares	% of the total number of shares	% Change during the year
[2]	Central Government/ State Government(s)/ President of India	-	-	-	0.00	-	-	-	0.00	0.00
	Sub Total (B)(2)	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**0.00**
[3]	**Non-Institutions**									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	3,05,59,476	8,12,254	3,13,71,730	7.33	2,92,66,649	8,04,914	3,00,71,563	6.99	-0.34
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	86,80,636	-	86,80,636	2.03	2,51,37,106	-	2,51,37,106	5.84	3.82
(b)	NBFCs registered with RBI	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Employee Trusts		-	-	0.00	-	-	-	0.00	0.00
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Any Other (Specify)									
	IEPF	99,863	-	99,863	0.02	1,13,901	-	1,13,901	0.03	0.01
	Trusts	7,213	-	7,213	0.00	10,213	-	10,213	0.00	0.00
	Hindu Undivided Family	3,78,086	-	3,78,086	0.09	3,88,360	-	3,88,360	0.09	0.00
	Non Resident Indians (Non Repat)	5,89,295	-	5,89,295	0.14	4,99,946	-	4,99,946	0.12	-0.02
	Non Resident Indians (Repat)	25,86,758	-	25,86,758	0.60	22,06,766	-	22,06,766	0.51	-0.09
	Foreign Portfolio Investor (Individual)	2,646	-	2,646	0.00	3,534	-	3,534	0.00	0.00
	Clearing Member	2,58,079	-	2,58,079	0.06	10,79,576	-	10,79,576	0.25	0.19
	Bodies Corporate	7,11,095	12,600	7,23,695	0.17	8,96,721	12,600	9,09,321	0.21	0.04
	Sub Total (B)(3)	**4,38,73,147**	**8,24,854**	**4,46,98,001**	**10.44**	**5,96,02,772**	**8,17,514**	**6,04,20,286**	**14.05**	**3.61**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**15,88,03,479**	**8,24,854**	**15,96,28,333**	**37.27**	**18,32,35,992**	**8,17,514**	**18,40,53,506**	**42.78**	**5.51**
	Total (A)+(B)	**42,74,62,681**	**8,24,854**	**42,82,87,535**	**100.00**	**42,93,70,944**	**8,17,514**	**43,01,88,458**	**100.00**	**0.00**
(C)	**Non Promoter - Non Public**									
[1]	Custodian/DR Holder	-	-	-	0.00	-	-	-	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	0.00	-	-	-	0.00	0.00
	Total (A)+(B)+(C)	**42,74,62,681**	**8,24,854**	**42,82,87,535**	**100.00**	**42,93,70,944**	**8,17,514**	**43,01,88,458**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl No	Shareholders Name	No. of shares held at the beginning of the year			No. of shares held at the end of the year			
		Number of shares	% of total number of shares	% of Shares pledged / encumbered to total shares	Number of shares	% of total number of shares	% of Shares pledged / encumbered to total shares	% change in shareholding during the year
1	Kochouseph Chittilappilly	7,36,57,964	17.20%	0.00%	5,04,05,394	11.72%	0.00%	-5.48%
2	Sheela Kochouseph	1,09,31,202	2.55%	0.00%	1,09,31,202	2.54%	0.00%	-0.01%
3	Mithun K Chittilappilly*	10,76,86,278	25.14%	0.00%	10,76,87,278	25.03%	0.00%	-0.11%
4	Arun K Chittilappilly*	3,70,50,508	8.65%	0.00%	3,77,77,828	8.78%	0.00%	0.13%
5	Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust*	2,08,08,000	4.86%	0.00%	2,08,08,000	4.84%	0.00%	-0.02%
6	Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust*	1,85,25,250	4.33%	0.00%	1,85,25,250	4.31%	0.00%	-0.02%
	Total	**26,86,59,202**	**62.73%**	**0.00%**	**24,61,34,952**	**57.22%**	**0.00%**	**-5.51%**

* Member of Promoter Group as defined under SEBI (ICDR) Regulations, 2009, which is amended from time to time.

(iii) Change in Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
1	**Kochouseph Chittilappilly**				
	At the beginning of the year	7,36,57,964	17.20%	7,36,57,964	17.20%
	Decrease on 15.01.2021 (Disposition by way of gift to Mr. Arun K Chittilappilly - Off Market Transfer)	(1,92,52,570)	-4.48%	5,44,05,394	12.67%
	Decrease on 19.02.2021 /Market Sale	(40,00,000)	-0.93%	5,04,05,394	11.74%
	At the end of the year			5,04,05,394	11.72%
2	**Sheela Kochouseph**				
	At the beginning of the year	1,09,31,202	2.55%	1,09,31,202	2.55%
	At the end of the year			1,09,31,202	2.54%
3	**Mithun K Chittilappilly**				
	At the beginning of the year	10,76,86,278	25.14%	10,76,86,278	25.14%
	Increase on 21.08.2020/Market Purchase	500	0.00%	10,76,86,778	25.13%
	Increase on 28.08.2020/Market Purchase	500	0.00%	10,76,87,278	25.13%
	At the end of the year			10,76,87,278	25.03%
4	**Arun K Chittilappilly**				
	At the beginning of the year	3,70,50,508	8.65%	3,70,50,508	8.65%
	Increase on 15.01.2021 (Acquisition by way of gift from Mr. Kochouseph Chittilappilly - Off Market Transfer)	1,92,52,570	4.48%	5,63,03,078	13.11%
	Decrease on 22.01.2021 (Disposition by way of gift to Ms. Priya Sarah Cheeran Joseph - Off Market Transfer)	(1,85,25,250)	-4.31%	3,77,77,828	8.80%
	At the end of the year			3,77,77,828	8.78%
5	**Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust**				
	At the beginning of the year	2,08,08,000	4.86%	2,08,08,000	4.86%
	At the end of the year			2,08,08,000	4.84%
6	**Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust**				
	At the beginning of the year	1,85,25,250	4.33%	1,85,25,250	4.33%
	At the end of the year			1,85,25,250	4.31%

iv. Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters and Holders of GDR and ADRs)

Sl No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
1	**Priya Sarah Cheeran Joseph**				
	At the beginning of the year	39,96,338	0.93%	39,96,338	0.93%
	Increase on 31.03.2021 / Purchase@	8,000	0.00%	40,04,338	0.93%
	Decrease on 20.11.2020 / Sale	(1,14,000)	-0.03%	38,90,338	0.91%
	Decrease on 27.11.2020 / Sale	(63,866)	-0.01%	38,26,472	0.89%
	Decrease on 04.12.2020 / Sale	(29,357)	-0.01%	37,97,115	0.89%
	Decrease on 18.12.2020 / Sale	(2,91,115)	-0.07%	35,06,000	0.82%
	Decrease on 25.12.2020 / Sale	(8,421)	0.00%	34,97,579	0.81%
	Decrease on 31.12.2020 / Sale	(60,000)	-0.01%	34,37,579	0.80%
	Increase on 22.01.2021 (Acquisition by way of gift from Mr. Arun K Chittilappilly - Off Market Transfer)	1,85,25,250	4.31%	2,19,62,829	5.13%
	Decrease on 12.02.2021 / Sale	(21,335)	0.00%	2,19,41,494	5.11%
	Decrease on 19.02.2021 / Sale	(23,91,543)	-0.56%	1,95,49,951	4.55%
	At the end of the year			1,95,49,951	4.54%
2	**Nalanda India Equity Fund Limited**				
	At the beginning of the year	1,82,62,790	4.26%	1,82,62,790	4.26%
	At the end of the year			1,82,62,790	4.25%
3	**SBI Small Cap Fund #**				
	At the beginning of the year	-	0.00%	-	0.00%
	Increase on 28.08.2020 / Purchase	1,02,00,000	2.38%	1,02,00,000	2.38%
	Increase on 30.10.2020 / Purchase	28,000	0.01%	1,02,28,000	2.38%
	Increase on 06.11.2020 / Purchase	1,02,000	0.02%	1,03,30,000	2.41%
	Increase on 20.11.2020 / Purchase	42,00,000	0.98%	1,45,30,000	3.39%
	Decrease on 11.12.2020 / Sale	(50,000)	-0.01%	1,44,80,000	3.38%
	Decrease on 01.01.2021 / Sale	(20,000)	0.00%	1,44,60,000	3.37%
	Decrease on 15.01.2021 / Sale	(50,000)	-0.01%	1,44,10,000	3.36%
	Decrease on 05.02.2021 / Sale	(80,000)	-0.02%	1,43,30,000	3.34%
	Increase on 19.02.2021 / Purchase	42,444	0.01%	1,43,72,444	3.35%
	Decrease on 05.03.2021 / Sale	(51,363)	-0.01%	1,43,21,081	3.33%
	Increase on 12.03.2021 / Purchase	76,784	0.02%	1,43,97,865	3.35%
	At the end of the year			1,43,97,865	3.35%
4	**DSP Midcap Fund**				
	At the beginning of the year	1,05,96,335	2.47%	1,05,96,335	2.47%
	Decrease on 10.04.2020 / Sale	(31,830)	-0.01%	1,05,64,505	2.47%
	Increase on 17.04.2020 / Purchase	58,120	0.01%	1,06,22,625	2.48%
	Increase on 24.04.2020 / Purchase	3,15,514	0.07%	1,09,38,139	2.55%
	Decrease on 01.05.2020 / Sale	(51,627)	-0.01%	1,08,86,512	2.54%
	Increase on 08.05.2020 / Purchase	2,15,354	0.05%	1,11,01,866	2.59%
	Increase on 21.08.2020 / Purchase	3,33,303	0.08%	1,14,35,169	2.67%
	Increase on 18.09.2020 / Purchase	4,35,497	0.10%	1,18,70,666	2.77%
	Increase on 04.12.2020 / Purchase	2,28,239	0.05%	1,20,98,905	2.82%
	Decrease on 11.12.2020 / Sale	(2,00,648)	-0.05%	1,18,98,257	2.77%
	Decrease on 05.03.2021 / Sale	(1,37,636)	-0.03%	1,17,60,621	2.74%
	Decrease on 12.03.2021 / Sale	(1,47,763)	-0.03%	1,16,12,858	2.70%
	At the end of the year			1,16,12,858	2.70%

Sl No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
5	**Nalanda India Fund Limited**				
	At the beginning of the year	83,49,796	1.95%	83,49,796	1.95%
	At the end of the year			83,49,796	1.94%
6	**HDFC Life Insurance Co. Ltd**				
	At the beginning of the year	58,59,500	1.37%	58,59,500	1.37%
	Increase on 10.04.2020 / Purchase	500	0.00%	58,60,000	1.37%
	Increase on 17.04.2020 / Purchase	500	0.00%	58,60,500	1.37%
	Increase on 05.06.2020 / Purchase	1,500	0.00%	58,62,000	1.37%
	Increase on 19.06.2020 / Purchase	3,50,000	0.08%	62,12,000	1.45%
	Increase on 26.06.2020 / Purchase	2,00,500	0.05%	64,12,500	1.50%
	Increase on 03.07.2020 / Purchase	500	0.00%	64,13,000	1.50%
	Increase on 10.07.2020 / Purchase	47,206	0.01%	64,60,206	1.51%
	Increase on 24.07.2020 / Purchase	500	0.00%	64,60,706	1.51%
	Increase on 31.07.2020 / Purchase	1,500	0.00%	64,62,206	1.51%
	Increase on 07.08.2020 / Purchase	7,812	0.00%	64,70,018	1.51%
	Increase on 14.08.2020 / Purchase	6,00,000	0.14%	70,70,018	1.65%
	Decrease on 04.09.2020 / Sale	(7,509)	0.00%	70,62,509	1.65%
	Increase on 11.09.2020 / Purchase	400	0.00%	70,62,909	1.65%
	Decrease on 09.10.2020 / Sale	(17,275)	0.00%	70,45,634	1.64%
	Increase on 16.10.2020 / Purchase	3,498	0.00%	70,49,132	1.64%
	Increase on 06.11.2020 / Purchase	700	0.00%	70,49,832	1.64%
	Increase on 13.11.2020 / Purchase	428	0.00%	70,50,260	1.64%
	Increase on 04.12.2020 / Purchase	1,413	0.00%	70,51,673	1.64%
	Increase on 18.12.2020 / Purchase	500	0.00%	70,52,173	1.64%
	Increase on 31.12.2020 / Purchase	1,700	0.00%	70,53,873	1.64%
	Increase on 08.01.2021 / Purchase	1,421	0.00%	70,55,294	1.64%
	Increase on 29.01.2021 / Purchase	2,01,000	0.05%	72,56,294	1.69%
	Decrease on 05.02.2021 / Sale	(596)	0.00%	72,55,698	1.69%
	Increase on 26.02.2021 / Purchase	2,000	0.00%	72,57,698	1.69%
	Increase on 05.03.2021 / Purchase	3,500	0.00%	72,61,198	1.69%
	Increase on 12.03.2021 / Purchase	4,51,000	0.11%	77,12,198	1.80%
	Decrease on 19.03.2021 / Sale	(12,965)	0.00%	76,99,233	1.79%
	Increase on 26.03.2021 / Purchase	494	0.00%	76,99,727	1.79%
	Decrease on 31.03.2021 / Sale	(9,256)	0.00%	76,90,471	1.79%
	At the end of the year			76,90,471	1.79%
7	**Kotak Emerging Equity Scheme**				
	At the beginning of the year	47,52,367	1.11%	47,52,367	1.11%
	Increase on 03.04.2020 / Purchase	66,146	0.02%	48,18,513	1.13%
	Increase on 24.04.2020 / Purchase	1,00,000	0.02%	49,18,513	1.15%
	Increase on 01.05.2020 / Purchase	1,30,861	0.03%	50,49,374	1.18%
	Increase on 15.05.2020 / Purchase	50,000	0.01%	50,99,374	1.19%
	Increase on 22.05.2020 / Purchase	60,000	0.01%	51,59,374	1.20%
	Increase on 03.07.2020 / Purchase	1,00,000	0.02%	52,59,374	1.23%
	Increase on 10.07.2020 / Purchase	1,92,780	0.05%	54,52,154	1.27%

Sl No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
	Increase on 17.07.2020 / Purchase	2,00,528	0.05%	56,52,682	1.32%
	Increase on 24.07.2020 / Purchase	1,49,472	0.03%	58,02,154	1.35%
	Increase on 21.08.2020 / Purchase	18,518	0.00%	58,20,672	1.36%
	Increase on 25.09.2020 / Purchase	2,13,492	0.05%	60,34,164	1.41%
	Increase on 30.09.2020 / Purchase	56,508	0.01%	60,90,672	1.42%
	Increase on 09.10.2020 / Purchase	8,690	0.00%	60,99,362	1.42%
	Increase on 23.10.2020 / Purchase	50,000	0.01%	61,49,362	1.43%
	Increase on 25.12.2020 / Purchase	90,195	0.02%	62,39,557	1.45%
	Increase on 31.12.2020 / Purchase	1,00,000	0.02%	63,39,557	1.48%
	Increase on 01.01.2021 / Purchase	50,000	0.01%	63,89,557	1.49%
	Increase on 29.01.2021 / Purchase	48,998	0.01%	64,38,555	1.50%
	Increase on 05.03.2021 / Purchase	28,392	0.01%	64,66,947	1.51%
	Increase on 12.03.2021 / Purchase	1,00,000	0.02%	65,66,947	1.53%
	At the end of the year			65,66,947	1.53%
8	**Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Advantage Fund**				
	At the beginning of the year	52,68,384	1.23%	52,68,384	1.23%
	Decrease on 08.05.2020 / Sale	(38,525)	-0.01%	52,29,859	1.22%
	Decrease on 05.06.2020 / Sale	(1,61,412)	-0.04%	50,68,447	1.18%
	Decrease on 13.11.2020 / Sale	(35,000)	-0.01%	50,33,447	1.17%
	Decrease on 04.12.2020 / Sale	(27,176)	-0.01%	50,06,271	1.17%
	Increase on 29.01.2021 / Purchase	1,11,738	0.03%	51,18,009	1.19%
	Increase on 26.02.2021 / Purchase	13,29,485	0.31%	64,47,494	1.50%
	Decrease on 05.03.2021 / Sale	(36,932)	-0.01%	64,10,562	1.49%
	At the end of the year			64,10,562	1.49%
9	**India Midcap (Mauritius) Ltd.**				
	At the beginning of the year	52,30,000	1.22%	52,30,000	1.22%
	Decrease on 22.01.2021 / Sale	(2,00,000)	-0.05%	50,30,000	1.17%
	At the end of the year			50,30,000	1.17%
10	**Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Midcap Fund**				
	At the beginning of the year	1,80,76,959	4.22%	1,80,76,959	4.22%
	Decrease on 10.04.2020 / Sale	(1,18,936)	-0.03%	1,79,58,023	4.19%
	Decrease on 17.04.2020 / Sale	(65,757)	-0.02%	1,78,92,266	4.18%
	Decrease on 24.04.2020 / Sale	(7,10,708)	-0.17%	1,71,81,558	4.01%
	Decrease on 01.05.2020 / Sale	(1,13,262)	-0.03%	1,70,68,296	3.99%
	Increase on 22.05.2020 / Purchase	3,47,423	0.08%	1,74,15,719	4.07%
	Decrease on 05.06.2020 / Sale	(1,11,938)	-0.03%	1,73,03,781	4.04%
	Decrease on 30.06.2020 / Sale	(1,76,275)	-0.04%	1,71,27,506	4.00%
	Decrease on 03.07.2020 / Sale	(1,93,239)	-0.05%	1,69,34,267	3.95%
	Increase on 10.07.2020 / Purchase	38,010	0.01%	1,69,72,277	3.96%
	Decrease on 31.07.2020 / Sale	(71,698)	-0.02%	1,69,00,579	3.94%
	Decrease on 14.08.2020 / Sale	(6,64,433)	-0.16%	1,62,36,146	3.79%
	Decrease on 21.08.2020 / Sale	(1,21,81,469)	-2.84%	40,54,677	0.95%
	Decrease on 04.09.2020 / Sale	(7,770)	0.00%	40,46,907	0.94%
	Decrease on 25.09.2020 / Sale	(1,86,498)	-0.04%	38,60,409	0.90%

Sl No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
	Decrease on 09.10.2020 / Sale	(10,000)	0.00%	38,50,409	0.90%
	Decrease on 16.10.2020 / Sale	(26,523)	-0.01%	38,23,886	0.89%
	Decrease on 23.10.2020 / Sale	(50,084)	-0.01%	37,73,802	0.88%
	Decrease on 27.11.2020 / Sale	(54,902)	-0.01%	37,18,900	0.87%
	Decrease on 04.12.2020 / Sale	(32,914)	-0.01%	36,85,986	0.86%
	Decrease on 11.12.2020 / Sale	(48,550)	-0.01%	36,37,436	0.85%
	Decrease on 18.12.2020 / Sale	(39,846)	-0.01%	35,97,590	0.84%
	Decrease on 25.12.2020 / Sale	(35,347)	-0.01%	35,62,243	0.83%
	Increase on 31.12.2020 / Purchase	1,84,100	0.04%	37,46,343	0.87%
	Increase on 15.01.2021 / Purchase	2,06,422	0.05%	39,52,765	0.92%
	Increase on 29.01.2021 / Purchase	3,94,866	0.09%	43,47,631	1.01%
	At the end of the year			43,47,631	1.01%
11	**Sundaram Mutual Fund A/C Sundaram Rural and Consumption Fund ***				
	At the beginning of the year	83,80,412	1.96%	83,80,412	1.96%
	Decrease on 12.06.2020 / Sale	(1,57,361)	-0.04%	82,23,051	1.92%
	Decrease on 10.07.2020 / Sale	(1,81,822)	-0.04%	80,41,229	1.88%
	Decrease on 14.08.2020 / Sale	(31,873)	-0.01%	80,09,356	1.87%
	Decrease on 21.08.2020 / Sale	(1,12,000)	-0.03%	78,97,356	1.84%
	Decrease on 28.08.2020 / Sale	(8,000)	0.00%	78,89,356	1.84%
	Decrease on 04.09.2020 / Sale	(3,000)	0.00%	78,86,356	1.84%
	Decrease on 11.09.2020 / Sale	(35,141)	-0.01%	78,51,215	1.83%
	Decrease on 18.09.2020 / Sale	(8,456)	0.00%	78,42,759	1.83%
	Decrease on 30.09.2020 / Sale	(18,000)	0.00%	78,24,759	1.82%
	Decrease on 02.10.2020 / Sale	(24,000)	-0.01%	78,00,759	1.82%
	Decrease on 09.10.2020 / Sale	(85,000)	-0.02%	77,15,759	1.80%
	Decrease on 16.10.2020 / Sale	(2,00,000)	-0.05%	75,15,759	1.75%
	Decrease on 23.10.2020 / Sale	(25,000)	-0.01%	74,90,759	1.75%
	Decrease on 30.10.2020 / Sale	(1,12,621)	-0.03%	73,78,138	1.72%
	Decrease on 06.11.2020 / Sale	(25,000)	-0.01%	73,53,138	1.71%
	Decrease on 13.11.2020 / Sale	(38,27,584)	-0.89%	35,25,554	0.82%
	Decrease on 20.11.2020 / Sale	(7,69,542)	-0.18%	27,56,012	0.64%
	Decrease on 27.11.2020 / Sale	(1,76,399)	-0.04%	25,79,613	0.60%
	Decrease on 04.12.2020 / Sale	(25,000)	-0.01%	25,54,613	0.60%
	Decrease on 11.12.2020 / Sale	(10,49,418)	-0.24%	15,05,195	0.35%
	Decrease on 25.12.2020 / Sale	(1,75,000)	-0.04%	13,30,195	0.31%
	Decrease on 31.12.2020 / Sale	(75,000)	-0.02%	12,55,195	0.29%
	Decrease on 01.01.2021 / Sale	(50,000)	-0.01%	12,05,195	0.28%
	Decrease on 29.01.2021 / Sale	(1,00,000)	-0.02%	11,05,195	0.26%
	Decrease on 26.02.2021 / Sale	(25,000)	-0.01%	10,80,195	0.25%
	Decrease on 05.03.2021 / Sale	(50,000)	-0.01%	10,30,195	0.24%
	Decrease on 12.03.2021 / Sale	(1,00,000)	-0.02%	9,30,195	0.22%
	Decrease on 19.03.2021 / Sale	(25,000)	-0.01%	9,05,195	0.21%
	At the end of the year			9,05,195	0.21%

Not in the list of Top 10 shareholders as on 01.04.2020. Details are shown above, since the shareholder is one of the Top 10 shareholder as on 31.03.2021.

* Ceased to be in the list of Top 10 shareholders as on 31.03.2021. Details are shown above, since the shareholder was in the list of Top 10 shareholders as on 01.04.2020.

@ Purchase of shares executed on March 31, 2021 and the change captured on the beneficiary position dated April 10, 2021.

Movement in the shares shown above are based on the beneficiary position

V. Shareholding of Directors and KMP

Sl No.	Name of Director / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
1	**Mithun K Chittilappilly (Managing Director)**				
	At the beginning of the year	10,76,86,278	25.14%	10,76,86,278	25.14%
	21.08.2020 - Market Purchase	500	0.00%	10,76,86,778	25.13%
	28.08.2020 - Market Purchase	500	0.00%	10,76,87,278	25.13%
	At the end of the year			10,76,87,278	25.03%
2	**Ramachandran V (Director & Chief Operating Officer)**				
	At the beginning of the year	4,22,662	0.10%	4,22,662	0.10%
	22.09.2020 - ESOP Allotment	2,50,000	0.06%	6,72,662	0.16%
	22.12.2020 - ESOP Allotment	3,50,184	0.08%	10,22,846	0.24%
	26.02.2021 - Market Sale	(38,069)	-0.01%	9,84,777	0.23%
	01.03.2021 - Market Sale	(10,750)	0.00%	9,74,027	0.23%
	02.03.2021 - Market Sale	(23,081)	-0.01%	9,50,946	0.22%
	03.03.2021 - Market Sale	(28,100)	-0.01%	9,22,846	0.21%
	05.03.2021 - Market Sale	(3,308)	0.00%	9,19,538	0.21%
	08.03.2021 - Market Sale	(36,692)	-0.01%	8,82,846	0.21%
	19.03.2021 - ESOP Allotment	5,05,000	0.12%	13,87,846	0.32%
	At the end of the year			13,87,846	0.32%
3	**B Jayaraj (Non-Executive Director)**				
	At the beginning of the year	1,50,000	0.04%	1,50,000	0.04%
	18.11.2020 - Market Purchase	200	0.00%	1,50,200	0.04%
	At the end of the year			1,50,200	0.03%
4	**Sudarshan Kasturi (Chief Financial Officer)**				
	At the beginning of the year	29,297	0.01%	29,297	0.01%
	08.06.2020 - Market Sale	(13,192)	0.00%	16,105	0.00%
	17.06.2020 - Market Sale	(5,000)	0.00%	11,105	0.00%
	22.06.2020 - Market Sale	(10,000)	0.00%	1,105	0.00%
	27.07.2020 - ESOP Allotment	37,706	0.01%	38,811	0.01%
	09.02.2021 - Market Sale	(10,000)	0.00%	28,811	0.01%
	11.02.2021 - Market Sale	(5,000)	0.00%	23,811	0.01%
	16.02.2021 - Market Sale	(10,000)	0.00%	13,811	0.00%
	12.03.2021 - Market Sale	(13,000)	0.00%	811	0.00%
	19.03.2021 - ESOP Allotment	15,462	0.00%	16,273	0.00%
	30.03.2021 - Market Sale	(15,000)	0.00%	1,273	0.00%
	At the end of the year			1,273	0.00%
5	**Jayasree K (Company Secretary)**				
	At the beginning of the year	67,742	0.02%	67,742	0.02%
	22.09.2020 - ESOP Allotment	7,532	0.00%	75,274	0.02%
	08.02.2021 - Market Sale	(10,000)	0.00%	65,274	0.02%
	16.02.2021 - Market Sale	(10,000)	0.00%	55,274	0.01%
	19.02.2021 - Market Sale	(5,000)	0.00%	50,274	0.01%
	31.03.2021 - Market Sale	(2,093)	0.00%	48,181	0.01%
	At the end of the year			48,181	0.01%

VI. Indebtedness (₹ In lakhs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	-	1000.00	-	1,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**1,000.00**	**-**	**1,000.00**
Change in Indebtedness during the financial year				
Additions	-	-	-	-
Reduction		-	-	-
Net Change	**-**	**-**	**-**	**-**
Indebtedness at the end of the financial year				
i) Principal Amount	-	1,000.00	-	1,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**1,000.00**	**-**	**1,000.00**

VII. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Director and/or Manager: (Amount in ₹)

Sl No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Mithun K Chittilappilly Managing Director	Ramachandran V Director & Chief Operating Officer	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,53,16,800	2,88,18,556	4,41,35,356
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4,05,425	5,72,240	9,77,665
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	18,22,72,057	18,22,72,057
3	Sweat Equity	-	-	-
4	Commission as % of profit	3,67,22,152	-	3,67,22,152
5	Others (Specify)	-	-	-
	Total (A)	5,24,44,377	21,16,62,853	26,41,07,230
	Ceiling as per the Act	13% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 is ₹ 40,59,32,886/-		

B. Remuneration to other Directors: (Amount in ₹)

Sl No	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Directors	**Cherian N Punnoose**	**C J George**	**Ullas K Kamath**	**Radha Unni**	**George M Jacob**	
	(a) Fee for attending Board / Committee meetings	6,50,000	5,55,000	5,90,000	5,90,000	2,15,000	26,00,000
	(b) Commission	15,00,000	-	-	-	-	15,00,000
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	**21,50,000**	**5,55,000**	**5,90,000**	**5,90,000**	**2,15,000**	**41,00,000**
2	Other Non-Executive Directors	**B Jayaraj**	**Joshna Johnson Thomas**				
	(a) Fee for attending Board / Committee meetings	4,45,000	50,000				4,95,000
	(b) Commission		73,44,430				73,44,430
	(c) Others, please specify.	-	-				-
	Total (2)	**4,45,000**	**73,94,430**				**78,39,430**
	Total (B)=(1+2)						**1,19,39,430**
	Total Managerial Remuneration (A+B)						**27,60,46,660**
	Overall Ceiling as per the Act.	Overall Managerial Remuneration: 15%of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 i.e., ₹ 46,83,84,099/- 2% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 i.e., ₹ 6,24,51,213/- (Limit for remuneration to Non-Executive Directors)					

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

Sl No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Sudarshan Kasturi Chief Financial Officer	**Jayasree K Company Secretary**	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2,02,64,392	23,81,784	2,26,46,176
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	39,600	28,800	68,400
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	1,03,75,869	12,23,423	1,15,99,292
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others, specify	-	-	-
	Total	**3,06,79,861**	**36,34,007**	**3,43,13,868**

VIII Penalties/Punishment/Compounding of Offences

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

For and on behalf of the Board of Directors

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

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

Date : May 26, 2021
Place : Ernakulam

Annexure - VII

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

A. Conservation of Energy:

i. Steps taken or impact on Conservation of Energy;

The Company has framed a structured approach for conservation of energy and resources at its various plants with deeper engagement of employees and cost saving initiatives are encouraged for optimal / reduced usage of energy. The following measures were taken during the financial year 2020-21 at various plants of the Company for conservation of energy and the same has resulted in considerable reduction in energy consumption:

	Description of the projects	Energy saved in FY 2020-21
A.	**Energy Saved (in kWh):**	
	Energy conservation through process capability improvement and optimization of RM	18,260
	Introduction of energy efficient air wipers at extruder	5,186
	Introduction of VFD in process machineries to reduce power consumption	14,983
	Energy savings through packing line design modification	3,256
	DC to AC Motors conversion	3,380
	Introduction of alternate pump for coolant circulation at drawing machine	1,692
	Energy efficient compressor & Process optimisation with add on accessories	67,975
	Chiller tank water level optimization and fins cleaning	26,301
	Energy Savings through machines exhaust fans, panel blower's stoppage during preventive maintenance and non- operation	12,326
	Energy Savings through DG to EB power changeover audio indication alarm installation for changeover time reduction.	3,624
	Power factor improvement through capacitor bank optimization and fine tuning.	4,422
	Energy savings through Steam generator insulation thickness increase.	3,152
	Motion sensors installation at various locations.	1,690
	SWMS: Smart Water Monitoring System - Use of smart water meters to monitor and control the water consumptions inside the plant.	3,000
	SmartComm: Smart Energy Management system – Monitoring section wise electrical energy consumption and it helps run the plant in an optimized way for energy utilization.	2,120
	Variable Frequency Drive with sensors installed in suction motors of plant exhaust system to avoid excess usage.	1,122
	To regulate the water flow, pre-programmable automatic timer valve installed in main water line. This avoids wastage of water after plant running hours.	534
	Reduced RO wastage by introducing improved filter units.	206
	Energy conservation through implementation of energy efficient lamps instead of conventional lights.	6,68,040
	Usage of common compressor air conditioner.	61,824
	Energy savings through implementation of premium efficiency motors.	98,066
	Energy saving through the replacement of CFL/SV/MV lamps with LED lamps, lights on/off sensors.	16,236
	Total	**10,17,395 kWh**
	Mitigation of CO2 Emission	**8,64,562 Kg**
	Water Conservation	**17,27,346 ltrs**

ii. Steps taken for utilizing alternate energy sources;

The Company's Wires & Cables Division (WCD) is utilising renewable energy in the form of Wind & Solar to reduce its carbon footprint and environmental impact due to usage of conventional fuel-based electricity. The Company has two wind turbines of capacity 0.23MW each situated in Tamil Nadu and utilising outsourced solar energy. The Green power consumption of the division for the FY 2020-21 was 62.25%, with an increase of 115.39% compared to the FY 2019-20 and the same has resulted in mitigation of 25,81,302 Kg of CO_2 through utilizing alternate energy sources. Similar reduction in energy consumption through implementation of photovoltaic energy source was achieved at other plants as well.

iii. Capital investment on Energy Conservation Equipment

The Company always focus on making capital investment for conservation of energy. During the year under review, total capital invested in energy conservation projects at various plants was ₹ 32.79 Lakhs.

B. Technology Absorption:

i. Efforts made towards Technology absorption;

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

1. In-house PVC development to meet the technology requirement of Termite Resistant house wiring cables.
2. Performed cost innovation activities in current SKUs by:
    - Better air flow management
    - Synchronized relay switching technology.
    - Cost effective micro controller
    - PCB standardization
3. Transformer design optimization.
4. Developed projects by concentrating on DFM & DFA parameters.
5. R&D Product Data Management (PDM) through Product Life cycle Management (PLM) system.
6. Design and development of customer interactive pumps.
7. Adopted super-efficient motor technologies for pumps.
8. Design and development of improved and optimised motor platform for mini monobloc pumps.
9. Research towards improving life of pump motors.
10. Exploring better alternative material for different pump components.
11. Performance and durability improvement in shallow well pump.
12. Development of energy efficient motors for ceiling fans.
13. Research of brush less DC motors for improving the energy efficiency
14. Study online temperature recording methods in high temperature environments
15. Adoption of computer aided testing facilities.
16. Study of antimicrobial coatings.
17. Research on eco-friendly packaging solutions, capacitor life improvement and noise reduction in ceiling fans.

18. Study on air purification methods.
19. Development of Blades for TPW models.
20. Research on advanced engineering materials
21. Research on product features which will improve comfort, hygiene and convenience of consumers.
22. Research on painting process and controlling rejection
23. Research on improving the coating finishes in liquid painting and powder coating process.
24. Design and development of new range of products in Switchgears.
25. Developed IoT modules for products.
26. Anti-corrosive coating with Glass line technology has been introduced in Electric Geysers.
27. Eco friendly packaging has been developed in instant water heater & will be extended to storage water heater shortly.
28. Developed "Roll Form technology" for the support structure of solar water heater, which will impart better aesthetics & quality to the product.
29. Developed solar water heater models with copper heat exchangers for sub-zero temperature areas, which imparts better efficiency and reliability of the product.
30. Introduced automatic machine for cutting 7 shrinking of heat shrinkable sleeves in transformer assembly line.
31. Crimping machine modified with automatic cutting for terminals.

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

1. Customer Satisfaction through product diversification. Enhanced business growth by reducing the COGS.
2. Productivity enhancement.
3. Centralized product data bank, reduced development cycle, reduced costs, decreased compliance risks, drive innovation, enhanced product quality, Increased productivity, improved customer loyalty.
4. Quality improvement and increased productivity.
5. Better ergonomics, quality, and productivity.
6. Superior product with best quality and on time delivery.
7. Designed and developed a super-efficient motor for domestic pump application.
8. Developed 2 new designs to achieve 5 star rated efficiency in Submersible pump category.
9. Enhanced performance and durability in Shallow well pump by design improvement.
10. Stainless Steel impeller (instead of CI) implemented for high-head open well submersible pump delivered superior performance and efficiency.
11. Improved winding wire for submersible pumps to enable reduced leakage of current and for enhanced motor life.
12. Adopted testing methodologies in computerised fluid dynamics to test the air delivery and sound level of fans under development, which helps reduce physical validations and hence reducing the development lead time.
13. Successfully indigenised the development of TPW blades and developed first mould from domestic supplier.

14. Initiated development of technologies which can improve hygiene, comfort and convenience of the consumer.

15. Launched new products like MCCB, SFU, Economy Distribution Boards.

16. Developed new models in MCBs and RCCBs with IoT modules.

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;
Flir E95 Thermal imager	2018	Yes	NA
Motor testing Equipment	2020	Yes	NA

iv. the expenditure incurred on Research and Development:

a. Capital : ₹ 40.75 Lakhs

b. Recurring : ₹ 1,421.91 Lakhs

c. Total : ₹ 1,462.66 Lakhs

d. % of R&D expenditure to total sales : 0.54%

C. Foreign Exchange Earnings and outgo:

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

Foreign Exchange earned : ₹ 527.23 Lakhs

Foreign Exchange outgo : ₹ 20,262.66 Lakhs

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Date : May 26, 2021	Chairman	Managing Director
Place : Ernakulam	(DIN : 00061030)	(DIN : 00027610)

Annexure - VIII

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	91.48
		Mr. Ramachandran V	369.14
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	**Name**	
		Mr. Mithun K Chittilappilly	9.1%
		Mr. Ramachandran V	86.4%
		Mr. Sudarshan Kasturi	-5.5%
		Ms. Jayasree K	-4.2%
(iii)	Percentage increase in the median remuneration of employees in the Financial Year	12.70%	
(iv)	Number of permanent employees on the rolls of the Company.	2313 (As on March 31, 2021)	
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentage increase in the salary of employees other than managerial cadre in the Financial Year was "6.5%" Average percentage increase in the salary of managerial personnel in the Financial Year was "11.4%"	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration is as per the Nomination Remuneration and Evaluation Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Date : May 26, 2021	Chairman	Managing Director
Place : Ernakulam	(DIN : 00061030)	(DIN : 00027610)

Report on Corporate Governance

Report on Corporate Governance of V-Guard Industries Limited (the Company) for the Financial Year ended March 31, 2021, 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

Corporate Governance is essential for the growth, profitability and stability of any business. The Corporate Governance philosophy of the Company is driven by the interest of stakeholders and business needs of the organization. It practices the highest standards of corporate behaviour towards everyone it works with, be it the communities or the environment. The philosophy adopted by the Company has supported to emerge stronger over the years and maximise stakeholders' value.

The practices followed by the Company are detailed herein below.

II. BOARD OF DIRECTORS

a) Composition of the Board

The present composition of the Board is in compliance with the requirements of Regulation 17(1) of the Listing Regulations. The Board of Directors (the 'Board') of the Company comprises of optimum mix of Executive and Non-Executive Directors, with more than fifty percent of the Board as Independent Directors. The Board periodically reviews its composition to ensure compliance with the regulatory requirements.

As on March 31, 2021, the Board of the Company consists of nine Directors, out of which two are Executive Directors and seven are Non-Executive Directors. The Board has five Independent Directors, in compliance with the requirements of proviso to Regulation 17(1)(b) of the Listing Regulations. Total number of women Directors on the Board is two and one of them is in Independent category. Out of the two Executive Directors, one Director is from promoter category and the other is in the professional category. Mr. Kochouseph Chittilappilly was appointed as Chairman Emeritus effective from April 1, 2020. The Board was expanded by induction of Mr. B Jayaraj, as an Additional Director effective from April 1, 2020 and Mr. George Muthoot Jacob, as an Independent Director, for a period of five years, effective from October 5, 2020. The members of the Company at their 24th Annual General Meeting held on August 12, 2020, appointed Mr. B Jayaraj, as Non-Executive Director and also re-appointed Mr. Ramachandran Venkataraman, as Whole-time Director of the Company, for a period of four years effective from June 1, 2020. The offices of Directorship of Mr. B Jayaraj and Mr. Ramachandran V are liable to retire by rotation.

All the Independent Directors have declared that they meet the criteria of 'Independence' as required under the provisions of Section 149 of the Companies Act, 2013 (the 'Act') read with the provisions of Regulation 16 of the Listing Regulations. As per the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, all the Independent Directors of the Company have registered with the Indian Institute of Corporate Affairs (IICA) for inclusion of their names in the comprehensive repository maintained by the Ministry of Corporate Affairs and are exempted from online proficiency self-assessment test.

Details of name, position and category of Directors as on March 31, 2021 are as follows:

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

As per the declaration received from the Directors, none of the Directors is disqualified under section 164 (2) of the Act.

Ms. Joshna Johnson Thomas, Non-Executive Non-Independent Director, resigned from the Board effective from April 1, 2021. The Board in their meeting held on March 19, 2021, re-appointed Mr. Mithun K Chittilappilly, as Managing Director of the Company for a period of 5 years, effective from April 1, 2021 and proposed re-appointment of Ms. Radha Unni, Independent Director, in Board Meeting held on May 26, 2021 for a period of five years, effective from September 27, 2021. Further, the Board of Directors appointed Prof. Biju Varkkey, as an Additional Director on the Board under Independent category w.e.f May 26, 2021, for a tenure of 5 years. The appointment and re-appointment are subject to the approval of members in the ensuing Annual General Meeting (AGM).

b) Attendance of each Director at the meeting of the Board and General Meeting

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

Name of the Director	Attendance at	
	Board Meetings	AGM (held on August 12, 2020)
Mr. Cherian N Punnoose	8	Yes
Mr. Mithun K Chittilappilly	8	Yes
Mr. Ramachandran V	8	Yes
Mr. C J George	7	Yes
Mr. Ullas K Kamath	8	Yes
Ms. Joshna Johnson Thomas*	1	No
Ms. Radha Unni	8	Yes
Mr. B Jayaraj	8	Yes
Mr. George Muthoot Jacob**	4	NA

*Ms. Joshna Johnson Thomas, Non-Executive Director, resigned from the Board effective from April 1, 2021.

**Mr. George Muthoot Jacob was appointed as an Independent Director effective from October 5, 2020.

c) **No. of directorship, membership and Chairmanship held by the Directors in the Board and Committees of other companies:**

Name & Position of the Director	Category	Directorship on Board and Membership/ Chairmanship of Board Committees in other companies as on March 31, 2021		
		Director	Committee Member	Committee Chairperson
Mr. Cherian N Punnoose **Chairman**	Non-Executive Independent	Nil	Nil	Nil
Mr. Mithun K Chittilappilly **Managing Director**	Promoter and Executive	Nil	Nil	Nil
Mr. Ramachandran V **Director & Chief Operating Officer**	Executive	1	Nil	Nil
Mr. C J George **Director**	Non-Executive Independent	4	2	Nil
Mr. Ullas K Kamath **Director**	Non-Executive Independent	2	1	Nil
Ms. Joshna Johnson Thomas **Director**	Non-Executive Non-Independent	Nil	Nil	Nil
Ms. Radha Unni **Director**	Non-Executive Independent	7	6	1
Mr. B Jayaraj **Director**	Non-Executive Non-Independent	Nil	Nil	Nil
Mr. George Muthoot Jacob **Director**	Non-Executive Independent	6	2	Nil

Directorship, Membership and Chairmanship in other companies shown above do not include alternate directorship, Private Limited Companies that are neither a subsidiary nor a Holding Company of a Public Company, Companies incorporated under Section 8 of the Act and Companies incorporated outside India.

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

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

d) Details of Directorship held by the Directors in other Listed Companies as on March 31, 2021

Name of the Director	Name of the Company	Category of Directorship	Position
Mr. Cherian N Punnoose	Nil	Nil	Nil
Mr. Mithun K Chittilappilly	Nil	Nil	Nil
Mr. Ramachandran V	Nil	Nil	Nil
Mr. C J George	Geojit Financial Services Limited	Promoter -Executive	Managing Director
	Aster DM Healthcare Limited	Non-Executive Independent	Director
Mr. Ullas K Kamath	Jyothy Labs Limited	Promoter – Executive	Joint Managing Director
Ms. Joshna Johnson Thomas	Nil	Nil	Nil
Ms. Radha Unni	Nitta Gelatin India Limited	Non-Executive Independent	Director
	Muthoot Capital Services Limited	Non-Executive Independent	Director
	Western India Plywoods Limited	Non-Executive Independent	Director
Mr. B Jayaraj	Nil	Nil	Nil
Mr. George Muthoot Jacob	Nil	Nil	Nil

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

e) Number and dates of Meeting of Board of Directors

Details of meetings of Board of Directors of the Company held during the Financial Year 2020-21 are given below:

Number of Meetings held	Date of Meetings
8	May 22, 2020, June 1, 2020, July 27, 2020, August 27, 2020, October 28, 2020, January 15, 2021, February 03, 2021, March 19, 2021

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

During the year under review, a separate meeting of the Independent Directors of the Company was held on March 19, 2021 and the members discussed the matters enumerated in the Schedule IV to the Act and Regulation 25(3) of the Listing Regulations. The members reviewed the performance of:

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

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

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

f) Disclosure of relationship between Directors Inter-se

Ms. Joshna Johnson Thomas, spouse of Mr. Mithun K Chittilappilly, resigned from the position of Non-Executive Director on April 1, 2021. None of the other Directors have inter-se relationship.

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

Mr. B Jayaraj, Non-Executive Director of the Company, is holding 1,50,200 equity shares of the Company. None of the other Non-Executive Directors of the Company is holding shares or convertible instruments in the Company.

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

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

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

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

Strategy	**Expertise in formulating, managing and reviewing various strategic initiatives**
Innovation & Technology	Understand, evaluate and recommend new technologies and innovations applied to in manufacture of various product categories.
Finance	Evaluating various proposals with respect to its financial viability, review of capital budgets, financial results / statements, risks associated with the business and minimisation procedure
Sales & Marketing	Developing strategies in sales and marketing that promote brand building, build competitive positioning across categories, enhance reach and availability.
Corporate Governance	Inspire and ensure that best in class practices are deployed across various activities to strengthen the governance system.
Digital application to consumer goods value chain	Understand developments across the digital landscape and their potential to disrupt consumer businesses. Evaluate plans and priorities to leverage digital effectively for growth and efficiency. Promote adoption of appropriate digital priorities consistent with consumer business value chain.

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

j) **Confirmation that the Independent Directors fulfill the condition and are independent in the management**

The Independent Directors, appointed in the Board have fulfilled all the necessary condition and criteria as enumerated under Regulation 16(1)(b) of the Listing Regulations and have provided their declaration in relation to their Independence as required under Regulation 25(8) of the Listing Regulations. All the Independent Directors are Independent and are 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.

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

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

l) **Performance Evaluation of Board, Sub-Committees of the Board, Chairman and all other Directors**

The Nomination, Remuneration and Evaluation Policy (the 'Policy') details the evaluation criteria for performance of the Board, its Committees, Chairman of the Board, Independent Directors and all the Individual Directors.

As per the criteria laid down in the Policy and basis the Guidance Note issued by SEBI dated January 5, 2017, on Evaluation of Board, the Nomination and Remuneration Committee of the Board in its meeting held on March 19, 2021, has carried out the evaluation of performance of individual Directors. Further, the Board in its meeting held on March 19, 2021 carried out evaluation of the Board as a whole, its various Sub-Committees, Chairman of the Board and all the individual and Independent Directors on the Board. The evaluation was carried out by framing appropriate questions considering the role played by the Board, Sub-Committees, Chairman and each individual Director.

III. AUDIT COMMITTEE

a) Brief description of terms and reference

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

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

1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2) Recommending to the Board the appointment/ re-appointment, remuneration and terms of appointment of auditors of the Company;
3) Approval of payments to the statutory auditors for any other services rendered by them;
4) Reviewing with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
    a) Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause(c) of sub-section (3) of Section 134 of the Act;
    b) Changes, if any, in accounting policies and practices and reasons for the same;
    c) Major accounting entries involving estimates based on the exercise of judgement by management;
    d) Significant adjustments made in the financial statements arising out of audit findings;
    e) Compliance with listing and other legal requirements relating to financial statements;
    f) Disclosure of any related party transactions;
    g) Modified opinion(s) in the draft audit report;
5) Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;

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

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

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

9) Scrutiny of inter-corporate loans and investments;

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

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

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

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

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

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

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

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

18) Reviewing the functioning of the whistle blower mechanism;

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

20) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments.

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

b) Composition, Name of Members and Chairperson

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

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

The Composition of Audit committee as on March 31, 2021 is as under:

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

c) Meetings and Attendance during the year

During the Financial Year 2020-21, the Committee members met four times, i.e. June 1, 2020, July 27, 2020, October 28, 2020 and February 3, 2021 respectively. The gap between two meetings was not more than 120 days and requisite quorum was there for all the meetings. The audited standalone and consolidated financial statements of the Company for the Financial Year ended March 31, 2021, were reviewed by the Committee members at their meeting held on May 26, 2021. Attendance of Committee members at the meetings held during the Financial Year 2020-21 is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. Cherian N Punnoose	4	4
Mr. C J George	4	4
Mr. Mithun K Chittilappilly	4	4
Mr. Ullas K Kamath	4	4
Ms. Radha Unni	4	4

IV. NOMINATION AND REMUERATION COMMITTEE

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

a) Brief description of terms and reference

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

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

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

3) Devising suitable policy on board diversity;

4) 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;

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

6) 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 www.vguard.in in the page 'Investor Relations'. A copy of the said Policy forms part of this Annual Report.

b) Composition, name of members and Chairperson

The Composition of the Committee as on March 31, 2021 was as follows:

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

c) Meetings and attendance during the year

The members of Nomination and Remuneration Committee met five times i.e. on May 22, 2020, June 1, 2020, August 27, 2020, February 3, 2021 and March 19, 2021. Attendance of the members at the meetings held during the Financial Year 2020-21 is as follows:

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

d) Performance evaluation criteria for Independent Directors

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

V. REMUNERATION OF DIRECTORS

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

Mr. Cherian N Punnoose and Ms. Joshna Johnson Thomas, Non-Executive Directors, are entitled for payment of remuneration by way of commission during the Financial Year 2020-21. Commission to all the Non-Executive Directors of the Company is not exceeding 1% of the net profits of the Company.

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

b) Criteria of making payments to Non-Executive Directors

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

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

Commission is paid to two of the Non-Executive Directors with the approval of the members of the Company, considering their contributions in strengthening governance practices, review of strategic proposals, driving new initiatives etc., and the total amount of commission payable for the Financial Year 2020-21 is below 1% of the net profits of the Company.

c) Details of Remuneration paid to the Directors

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

(₹ In Lakhs)

Name	Salary	Retirement Benefits#	Perquisites$	Commission/ Variable Pay	Sitting fees	Total
Mr. Cherian N Punnoose				15.00	6.50	21.50
Mr. Mithun K Chittilappilly	139.92	13.25	4.05	367.22	-	524.44
Mr. Ramachandran V*	205.16	23.02	5.72	60.00	-	293.91
Mr. C J George					5.55	5.55
Ms. Joshna Johnson Thomas				73.44	0.50	73.94
Mr. Ullas K Kamath					5.90	5.90
Ms. Radha Unni					5.90	5.90
Mr. B Jayaraj					4.45	4.45
Mr. George Muthoot Jacob**					2.15	2.15
Total	**345.08**	**36.27**	**9.77**	**515.66**	**30.95**	**937.74**

*As per the terms and reference of re-appointment, no notice of severance fee is payable to Mr. Ramachandran V.

*During the year under review, Mr. Ramachandran V has exercised options to the extent of 1,05,000 & 10,00,184, numbers at an exercise price of ₹ 1/- & ₹ 34.64 respectively.

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

$Perquisite value of options exercised by Mr. Ramachandran V under ESOS 2013 amounting to ₹ 1822.72 Lakhs is not included in the remuneration disclosed above.

**Sitting fee was paid to Mr. George Muthoot Jacob for all the meetings of the Board held after the date of his appointment.

VI. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

a) **Composition and name of members and chairperson**

The Committee consists of two Non–Executive Independent Directors and one Executive Director as members. The composition of the Stakeholders' Relationship Committee as on March 31, 2021 is as follows:

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

b) **Terms of reference**

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

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Approving of dematerialisation and rematerialisation requests and authorize fixation of common seal of the Company on the share certificate(s).

(3) Review of measures taken for effective exercise of voting rights by shareholders.

(4) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Transfer Agent.

(5) Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

c) **Name and designation of the Compliance officer**

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

d) **Meeting and attendance during the year**

During the financial year 2020-21, the Committee met on February 3, 2021. Attendance of the members at the meeting held is as follows :

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

e) **Redressal of Investor Grievances**

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

Sl. No.	Complaints received	Status
1	No. of investor complaints as on April 1, 2020	Nil
2	No. of investor complaints received during the year	
3	No. of investor complaints resolved during the year	
4	No. of investor complaints pending as on March 31, 2021	

VII. GENERAL BODY MEETING

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

Financial Year	Date	Time	Address
2019-20	August 12, 2020	03.30 p.m	The Annual General Meeting was held through VC /OAVM.
2018-19	July 24, 2019	04:30 p.m	The Renai Cochin, Palarivattom P.O, Kochi – 682025
2017-18	July 31, 2018	04:30 p.m	The Renai Cochin, Palarivattom P.O, Kochi – 682025

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

Date of Annual General Meeting	Details of Special Resolutions passed if any;
24th Annual General Meeting held on August 12, 2020.	a) Payment of remuneration by way of commission to Mr. Kochouseph Chittilappilly, Past Chairman and Non-Executive Director for the Financial Year 2019-20, above fifty percent of the total annual remuneration by way of commission payable to all the Non-Executive Directors of the Company. b) Creating further number of options for grant under the existing Employee Stock Option Scheme of the Company. c) To increase the managerial remuneration payable to Mr. Ramachandran V, Whole-time Director in excess of 5% of the net profit of the Company.
23rd Annual General Meeting held on July 24, 2019.	a) Re-appointment of Mr. Cherian N Punnoose as Independent Director of the Company, to hold office for five consecutive years with effect from July 29, 2019 to July 28, 2024 and for continuation of his office of directorship who may attain the age of 75 years during this term. b) Re-appointment of Mr. C J George as Independent Director of the Company, to hold office for five consecutive years with effect from July 29, 2019 to July 28, 2024. c) Re-appointment of Mr. Ullas K Kamath as Independent Director of the Company, to hold office for five consecutive years with effect from July 29, 2019 to July 28, 2024. d) Payment of remuneration by way of commission to Mr. Kochouseph Chittilappilly, Chairman (Non-Executive Director) for the financial year 2019, above fifty percent of the total annual remuneration by way of commission payable to all the Non-Executive Directors of the Company. e) Payment of remuneration to Non-Executive Directors of the Company, by way of commission or otherwise, not exceeding 2% (two percent) of the net profits of the Company effective from April 1, 2019.
22nd Annual General Meeting held on July 31, 2018.	a) To continue the directorship of Mr. A K Nair, Non-Executive Independent Director who attained the age of 75 years as per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2018.

c) Postal Ballot:

During the year under review, the Company has moved an ordinary resolution through postal ballot process vide notice dated September 5, 2020, to appoint Mr. George Muthoot Jacob, as an Independent Director.

The Board of Directors had appointed Mr. Mithun K Chittilappilly, Managing Director and Ms. Jayasree K, Company Secretary, of the Company as the persons responsible for the entire Postal Ballot process.

In compliance with Sections 108 and 110 of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 44 of the Listing Regulations, the Company provided e-voting facility to all the shareholders.

Considering the outbreak of COVID-19, the Ministry of Corporate Affairs pursuant to the general circular no. 14/2020 dated April 8, 2020, general circular no. 17/2020 dated April 13, 2020 and general circular no. 22/2020 dated June 15, 2020, directed that notice of general meetings / postal ballot shall be sent only in electronic mode to all those shareholders who have registered their e-mail addresses with the Company or Depository Participant / Depository / the Company's Registrar & Transfer Agent (RTA).

The members were entitled to exercise their voting rights only trough remote e-voting. The Company authorised the National Securities Depositories Limited (NSDL), for providing e-voting facilities to the shareholders through their e-voting platform www.evoting.nsdl.com. The postal ballot notice along with statement of material facts was sent to the shareholders, whose name appeared in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date. The postal ballot notices were sent to members in electronic form to their e-mail addresses which were registered with the Company or Depositories or the Company's RTA. Voting rights were reckoned on the paid-up value of the equity shares registered in the names of the members as on the cut-off date.

The Board of Directors had appointed Mr. M. D Selvaraj, MDS & Associates, Company Secretaries in Practice, Coimbatore as "Scrutinizer" for scrutinizing the e-voting process in respect of the resolution passed through postal ballot process vide notice dated September 5, 2020. The scrutinizer submitted his report to the Managing Director, after completion of scrutiny and the e-voting results were announced by the Managing Director. The results were displayed on the Company website www.vguard.in, in the page 'Investor Relations' and communicated to the stock exchanges.

The details of the voting done by the shareholders in respect of the resolution passed through postal ballot process during the year under review are given below:

1. **Date of postal ballot notice** : September 5, 2020.
2. **Date of declaration of results** : October 6, 2020.
3. **Voting period** : September 6, 2020 to October 5, 2020.

Sl. no.	Particulars of Resolution	Type of Resolution	No. of Votes polled	Votes cast in favour		Votes cast against	
				No. of Votes	%	No. of Votes	%
1.	To appoint Mr. George Muthoot Jacob (DIN: 00018955), as an Independent Director	Ordinary Resolution	35,05,48,681	35,05,15,363	99.99	33,318	0.01

None of the promoters were interested in the resolution.

No special resolution is proposed to be conducted through Postal Ballot process as on the date of this Report.

VIII. MEANS OF COMMUNICATION

a) Quarterly Results

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

b) Newspaper wherein results are normally published

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

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

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

IX. GENERAL SHAREHOLDER INFORMATION

a) Date, Venue and Time of the 25th Annual General Meeting

Date	August 5, 2021
Time	3.30 p.m.
Mode & Venue	AGM will be convened through Video Conferencing / other audio-visual means. The Company's Registered Office i.e., 42/962, Vennala High School Road, Vennala, Ernakulam – 682028, shall be deemed to be the venue of AGM.

b) Board Meeting and Financial calendar

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

Calendar of Board Meeting to adopt the accounts (tentative and subject to change) for the Financial Year 2021-22 is as follows:

For the quarter ended	Proposed Dates
June 30, 2021	July 30, 2021
September 30, 2021	October 28, 2021
December 31, 2021	January 27, 2022
March 31, 2022	May 19, 2022

c) Dividend for the Financial Year 2020-21

Considering the improved profits, the Board has recommended final dividend of ₹ 1.20 (120%) per equity share of ₹ 1/- each which is subject to the approval of the shareholders at the ensuing Annual General Meeting, and if approved, will be paid after August 5, 2021, but before August 27, 2021. The Company has formulated a policy on distribution of dividend and the same is available on the website of the Company www.vguard.in in the page 'Investor Relations' and forms part of this Annual Report.

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

d) Date of Book Closure

The Register of Members will remain closed from July 30, 2021 to August 5, 2021 (both days inclusive) and dividend will be paid to the members whose name(s) appear in the Register of Members / Register of Beneficial Owners as on July 29, 2021.

e) Unpaid dividend Amount

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

The Company has transferred an amount of ₹ 3,82,557/- which was lying in Unpaid Dividend Account for the Financial Year 2012-13 to IEPF. The Unclaimed dividend in respect of the Financial Year 2013-14 is due for transfer to IEPF on August 28, 2021 in terms of section 124(6) of the Act. Claims against Unpaid/Unclaimed dividend pertaining to Financial Year 2013-14 may be lodged at the Registered Office or at the Office of Registrar and Transfer Agent of the Company on or before August 10, 2021.

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

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

Financial Year	Dividend per Share (Amt in ₹)	Nature	Date of Declaration of Dividend	Due date of transfer to IEPF	Account balance as on March 31, 2021 (Amount in ₹)
2013-14	4.50	Final	July 29, 2014	August 28, 2021	3,71,614.50
2014-15	4.50	Final	August 3, 2015	September 2, 2022	3,79,638.00
2015-16	4.50	Interim	March 9, 2016	April 8, 2023	4,21,848.00
2015-16	2.50	Final	July 26, 2016	August 25, 2023	2,20,050.00
2016-17	0.70	Final	July 31, 2017	August 30, 2024	7,16,959.20
2017-18	0.70	Final	July 31, 2018	August 30,2025	6,43,099.10
2018-19	0.80	Final	July 24, 2019	August 30, 2026	5,82,442.40
2019-20	0.90	Interim	February 14, 2020	March 22, 2027	7,93,665.00

Further the aforesaid provisions will also be followed for the balance unclaimed amount of ₹ 23,406.59 on account of sale proceeds of the fractional shares with respect to the Bonus Issue made on March 17, 2017. The said amount will become due to transfer for IEPF by May 26, 2024.

As per the provisions of Section 124(6) of the Act and Investor Education and Protection Fund Authority Rules, 2016 (the 'Rules'), if dividend on any shares have not been encashed or claimed during seven consecutive years or more, such shares are to be transferred to Investor Education and Protection Fund Authority (IEPFA).The Company has given intimation to all shareholders who has not claimed dividend for seven consecutive years from the Financial Year 2013-14, indicating that such shares shall be transferred to IEPFA. The shareholders can claim dividend till August 10, 2021, failing which the shares will be transferred to IEPFA at appropriate date. The said intimation has been published in newspapers and made available on the website of the Company www.vguard.in in the page 'Investor Relations'.

f) Details of shares transferred to Investor Education and Protection Fund Authority (IEPFA)

During the year under review, the Company was required to transfer 18,748 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 2012-13 to 2018-19. However, the Company could transfer only 15,468 equity shares to IEPFA, as 3,280 equity shares were pledged by a shareholder in favour of a bank against loan. The Company had intimated IEPFA the details of such shares by filing e-form IEPF-3. The voting rights on the shares transferred to IEPFA shall remain frozen till the shareholder claim those shares from IEPFA, by filing e-Form IEPF-5, as prescribed under the Rules. The details of shares transferred to IEPFA is available in the website of the Company at www.vguard.in, in the page 'Investor Relations'.

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

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

Shares of the Company are quoted on National Stock Exchange of India Limited (NSE) and BSE Limited since March 13, 2008. Listing fees for the Financial Year 2021-22 have been paid to both the Stock Exchanges. Address of the Stock Exchanges are as follows:

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

h) Custodial Fees

The Company has paid the custodial fees to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the year 2021-22.

i) Details of Stock code

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

BSE Limited : Scrip code: 532953

National Stock Exchange of India Limited : Symbol VGUARD/Series: EQ

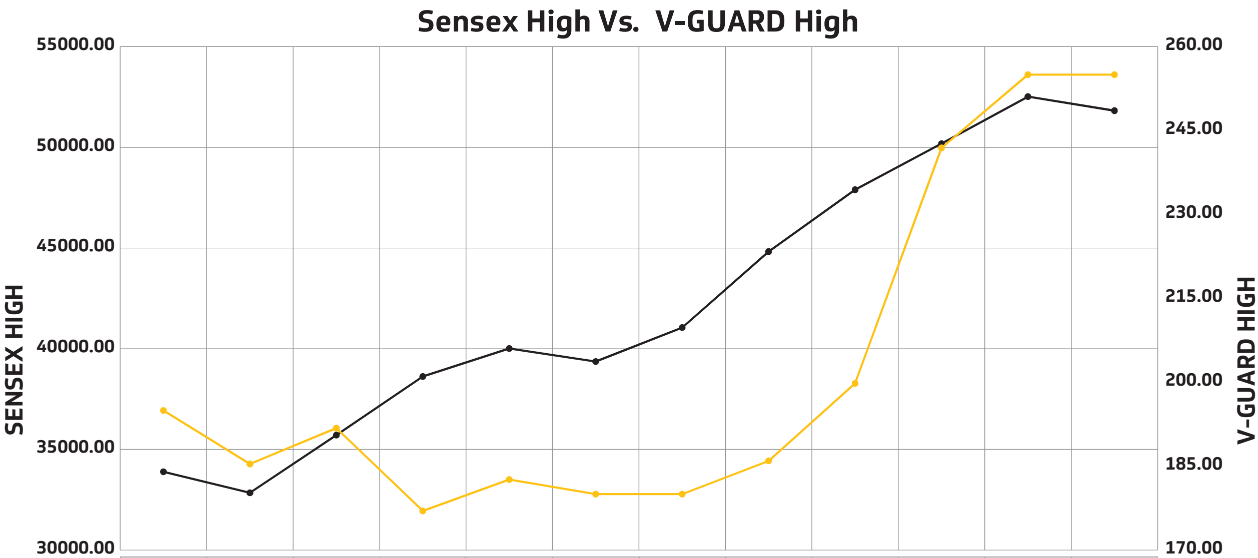
Company's ISIN : INE951I01027

j) Market price data-high, low during each month in the Financial Year 2020-21

Monthly high and low quotations during each month during the Financial Year 2020-21 as well as the volume of shares traded at National Stock Exchange of India Limited and BSE Limited are as follows:

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (in Numbers)	High (₹)	Low (₹)	Volume (in Numbers)
April-20	195.00	152.05	1,19,89,846	194.95	149.00	5,44,464
May-20	185.60	166.15	62,32,505	185.40	166.30	9,86,395
June-20	192.00	169.15	1,09,04,907	191.80	169.25	6,96,105
July-20	176.90	162.00	79,79,757	177.00	162.05	4,44,780
August-20	182.60	159.35	3,01,53,117	182.60	159.55	18,63,188
September-20	180.00	162.60	1,10,59,725	180.00	162.00	5,95,785
October -20	173.90	163.30	91,02,923	180.00	163.30	4,52,770
November -20	186.00	163.85	1,50,98,498	185.95	164.00	29,39,451
December -20	199.85	177.95	1,57,15,353	199.80	175.00	10,28,929
January – 21	242.00	186.25	2,79,17,389	241.90	185.05	16,71,535
February -21	255.00	219.00	2,20,67,622	255.00	219.00	77,84,260
March -21	255.00	217.55	1,89,08,187	255.00	217.70	19,57,869

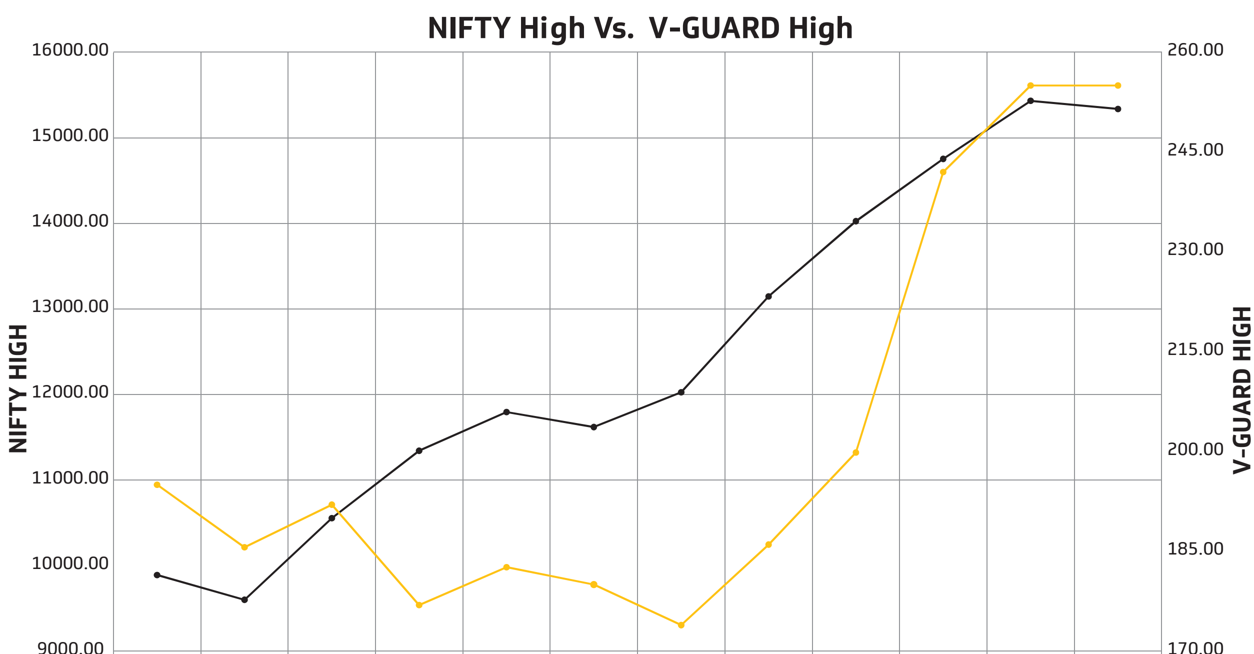
k) Performance in comparison to broad based indices such as BSE- Sensex, NSE – Nifty 50 etc.



	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Sensex High	33887.25	32845.48	35706.55	38617.03	40010.17	39359.51	41048.05	44825.37	47896.97	50184.01	52516.76	51821.84
V-Guard High	194.95	185.40	191.80	177.00	182.60	180.00	180.00	185.95	199.80	241.90	255.00	255.00

Month

Sensex high V-Guard High



	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Nifty High	9889.05	9598.85	10553.15	11341.40	11794.25	11618.10	12025.45	13145.85	14024.85	14753.55	15431.75	15336.30
V-Guard High	195.00	185.60	192.00	176.90	182.60	180.00	173.90	186.00	199.85	242.00	255.00	255.00

Month

NIFTY high V-Guard High

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

m) Registrar and transfer agent

Link Intime India Private Limited
Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028
Phone No.: 0422-2314792, E-mail: coimbatore@linkintime.co.in

n) Share transfer

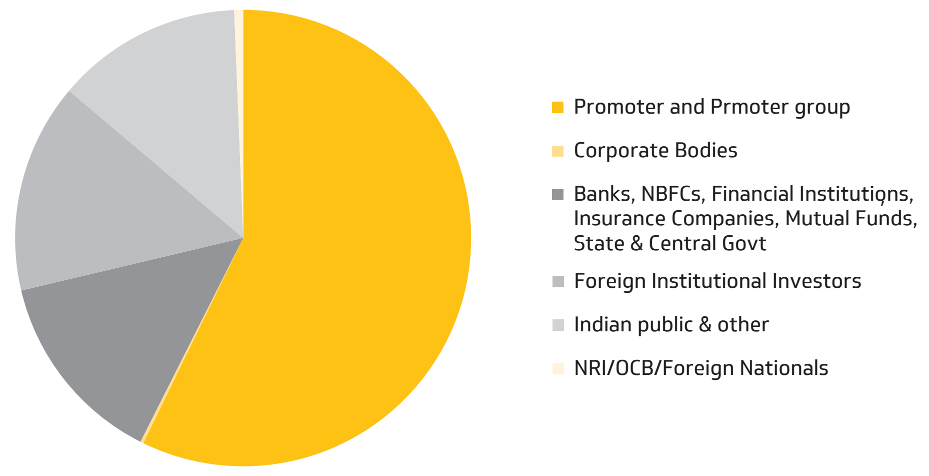
SEBI Vide Press Release No. 12/2019 dated March 27, 2019, effective from April 1, 2019, has discontinued transfer of shares in physical mode and hence, the Company is not required to process any transfer request on or after April 1, 2019. The Company holds Stakeholders' Relationship Committee Meetings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

o) Distribution of shareholding as on March 31, 2021

Sl. no.	Shareholding of Nominal shares		Number of shareholders	% of Shareholders	Number of Shares	% of Shares
	From	To				
1.	1	5000	92,760	98.961	2,12,49,352	4.940
2	5001	10000	418	0.446	29,52,561	0.686
3	10001	20000	228	0.243	31,70,394	0.737
4	20001	30000	84	0.089	20,57,014	0.478
5	30001	40000	36	0.038	12,66,894	0.295
6	40001	50000	27	0.029	12,07,866	0.280
7	50001	100000	69	0.074	46,76,373	1.087
8	100001	Above	112	0.120	39,36,08,004	91.497
Total			**93,734**	**100.00**	**43,01,88,458**	**100.00**

Category of shareholder as on March 31, 2021

Category	No. of shares	% of the total no. of shares
Promoters and Promoter Group	24,61,34,952	57.22
Corporate Bodies	9,09,321	0.21
Banks, NBFCs, Financial Institutions, Insurance Companies, Mutual Funds, State & Central Govt.	5,96,43,387	13.87
Foreign Institutional Investors	6,39,89,833	14.87
Indian Public & Others	5,68,00,719	13.20
NRIs/OCBs/Foreign Nationals	27,10,246	0.63
Total	**43,01,88,458**	**100.00**



p) Dematerialisation of shares and liquidity

The shares of the Company are in compulsory dematerialisation segment and are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's shares are liquid and actively traded in National Stock Exchange of India Ltd., and BSE Ltd. The status of shares held in dematerialised and physical forms as on March 31, 2021 are given below:

Particulars	No. of shares	Percentage
Shares held in Dematerialised form	42,93,70,944	99.8
Shares held in Physical form	8,17,514	0.2
Total	**43,01,88,458**	**100.00**

q) There were no outstanding GDR/ADR/warrants or any convertible instruments as at and for the year ended March 31, 2021.

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

During the year ended March 31, 2021, 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.

s) Plant Locations

The details of manufacturing/plant locations and registered office are given in Page no. 29 of the Annual Report.

t) Address for investor correspondence is as follows:

The Company Secretary
V-Guard Industries Limited
42/962, Vennala High School Road,
Vennala, Ernakulam – 682028
Phone No.: 0484-433 5000; 200 5000
e-mail : jayasree@vguard.in; secretarial@vguard.in;
investors@vguard.in

u) List of credit rating obtained by the company with revision during the Financial year

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

X. Other disclosures

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

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

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

Also, refer note 45 of the Standalone financial statements as at March 31, 2021 which forms part of this Annual Report for details of related party transactions.

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

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

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

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

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

d) Details of policy for determining material subsidiaries is disclosed

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

e) Governance of Subsidiary Company – GUTS Electro-Mech Limited

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

f) Details of funds raised through preferential allotment or qualified institutions placement as specified under reg 32(7A) of the Listing Regulations

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

g) Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons

During the year under review, the Board has accepted all the recommendation of all the Committees of the Board.

h) Total fees paid to Statutory Auditors

M/s. S R Batliboi & Associates LLP, Chartered Accountants, with Firm Registration No. 101049W/ E30004, were appointed as Statutory Auditors of the Company from the conclusion of 21st Annual General Meeting until the conclusion of 26th Annual General Meeting of the Company to be held in the financial year 2022. The Company has paid or provided a consolidated amount of ₹ 64.50 lakhs to the Auditors for carrying out the audit for the Financial Year 2020-21 and for other certificates issued or to be issued for the said year. The above amount is exclusive of Goods and Services Tax and reimbursement of out-of-pocket expenses.

i) Redressal of Grievances under Sexual Harassment Policy:

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

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

XI. CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

The Company has obtained a certificate from M/s. Keyul M Dedhia & Associates, Company Secretaries (Firm Registration Number: S2009MH120800), Mumbai, in compliance with the provisions of Regulation 34(3) of the Listing Regulations read with Schedule V Para C clause (10)(i) of the Listing Regulations, confirming that none of the Directors of the Company are debarred or disqualified from being appointed or continuing as a Director of any company, by SEBI or Ministry of Corporate Affairs or any other Statutory Authority as on March 31, 2021. Certificate obtained from the Practising Company Secretary, forms part of this Report.

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

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

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

b) With a view to further improve the Corporate Governance practices being followed by the Company, the role of Chairman and Managing Director is being held by different persons.

c) The listed entity 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.

XIII. DISCLOSURE ON COMPLIANCE WITH CORPORTE GOVERNANCE REQUIREMENTS

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

XIV. DETAILS OF OTHER COMPLIANCES

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

a) Code of conduct for Directors and Senior Management

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

b) Notice of interest by Senior Management Personnel

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

c) Prevention of insider trading

The Company has in place a Code of Conduct – Insider Trading to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading (Regulations), 2015. The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the Directors, Designated persons and their immediate relatives, on procedures to be followed and disclosures to be made by them while dealing with the shares of the Company and cautioning them of the consequences of violations. The Code of Conduct for Insider Trading was amended by the Board of Directors in their meeting held on March 19, 2021. The Company has placed the Code as per the Listing Regulations in website of the Company www.vguard.in in the page 'Investor Relations'.

d) **Risk management**

The Board of the Company has adopted Risk Policy of the Company and has framed and implemented risk management plan for the Company and laid down the procedures to inform the members of Audit Committee and Board about the risk assessment and minimization procedures.

The members of the Committee consist of two Executive Directors, an Independent Director and Chief Financial Officer of the Company.

A detailed note on Risk Management is included in the Management Discussion and Analysis Report, which forms part of this Annual Report. The Composition of Risk Management Committee as on March 31, 2021 is as under:

Name	Category/ Designation	Position
Mr. Ullas K Kamath	Non-Executive Independent	Chairman
Mr. Mithun K Chittilappilly	Executive	Member
Mr. Ramachandran V	Executive	Member
Mr. Sudarshan Kasturi	CFO	Member

During the Financial Year 2020-21, the Committee met on March 15, 2021. Attendance of the members at the meeting held is as follows:

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

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

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

f) **Submission of quarterly compliance report on Corporate Governance**

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

g) **Management Discussion and Analysis Report**

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

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

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

XV. CEO/CFO CERTIFICATION

Pursuant to Regulation 17(8) of the Listing Regulations, Mr. Mithun K Chittilappilly, Managing Director and Mr. Sudarshan Kasturi, Chief Financial Officer has given CEO/CFO Certificate as per the format specified in part B to the Schedule II of the Listing Regulations, and said certificate was placed before the meeting of Board of Directors in their meeting held on May 26, 2021.

XVI. DECLARATION OF CODE OF CONDUCT

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

For and on behalf of Board of Directors

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

Date: May 26, 2021
Place : Ernakulam

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of V-Guard Industries Limited having Corporate Identity Number: L31200KL1996PLC010010 and having registered office at 42/962, Vennala High School Road, Vennala, Ernakulam, 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, 2021, 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: F007756C000373594

May 26, 2021, Mumbai.

CEO/CFO CERTIFICATION TO THE BOARD

[Pursuant to Regulation 17(8) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Mithun K Chittilappilly, Managing Director and Sudarshan Kasturi, Chief Financial Officer of V-Guard Industries Limited, hereby certify that:

A. We have reviewed the financial statements and the cash flow statement for the quarter and year ended March 31, 2021 and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   2. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period under review which are fraudulent, illegal and violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   1. That there are no significant changes in internal control over financial reporting during the period under review;

   2. That there are no significant changes in 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 any instances of significant fraud with involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **V-Guard Industries Limited**

	Sd/-	Sd/-
Date: May 26, 2021	**Mithun K Chittilappilly**	**Sudarshan Kasturi**
Place: Ernakulam	Managing Director	Chief Financial Officer

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of
V-Guard Industries Limited
42/962, Vennala High School Road,
Vennala P.O.,
Kochi, Kerala – 682 028

1. The Corporate Governance Report prepared by V-Guard Industries Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

iv. Obtained and read the minutes of the following committee meetings / other meetings held during the period April 1, 2020 to March 31, 2021:
   (a) Board of Directors;
   (b) Audit Committee;
   (c) Nomination and Remuneration Committee;
   (d) Stakeholders Relationship Committee;
   (e) Risk Management Committee
   (f) Annual General Meeting (AGM);

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 21061207AAAADB8468

Place of Signature: Bengaluru
Date: July 09, 2021

Business Responsibility Report

Introduction:

The Securities and Exchange Board of India (SEBI) as per its Listing Obligations and Disclosure Requirements Regulations, 2015 (the Listing Regulations) has mandated inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 1000 listed entities based on market capitalization at the BSE Ltd., (BSE) and National Stock Exchange of India Ltd., (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains nine Principles and Core Elements for each of those nine Principles. The report outlines the organization's performance from the environmental, social and governance perspective and has been prepared as prescribed and in accordance with the Regulation 34 (2)(f) of the Listing Regulations and provides the information as required by SEBI.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identification Number	L31200KL1996PLC010010
2.	Name of the Company	V-Guard Industries Limited
3.	Registered Office Address	42/962, Vennala High School Road, Vennala, Ernakulam, Kerala – 682028
4.	Website	www.vguard.in
5.	Email ID	mail@vguard.in
6.	Financial Year Reported	2020-21
7.	Sector that the Company is engaged in	Consumer Electricals
8	Key products that the Company manufactures/ provides	See table below
9.	Total No. of locations where business activity is undertaken by the Company	a. Registered and Corporate Office at Ernakulam, Kerala, India. b. Own Manufacturing Locations – 9 facilities. spread across Coimbatore, Perundurai, Kashipur, Kala Amb, Sikkim and Haridwar. c. Branch Offices – 31
10.	Markets served by the Company	The Company predominantly serves the Indian Markets with share of exports being negligible.

Product	NIC Code 2008
House wiring cable	2732, 2733
Stabilizers	2710
Water Heaters (Electric & Solar)	2750, 2815
UPS (Digital & Standalone)	2710, 2790
Pump	2812
Fan	2750

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	₹ 43.01 crores
2.	Total Turnover	₹ 2,699.00 crores
3.	Total Profit After Tax	₹ 198.98 crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	a. Average net profit of the Company for last three financial years: ₹ 21,107 Lakhs. b. Total amount spent for the financial year 2020-21: ₹ 425.84 Lakhs
5.	List of activities, in which expenditure in 4 above, has been incurred	a. Edu-care and Skill development programs b. Health care programs c. Build India & Relief

SECTION C: OTHER DETAILS

Subsidiary Information & Details of subsidiary participation or any other entities participation in company's BR Initiatives	Guts Electro-Mech Ltd. is the subsidiary in which the Company is holding 74% equity investment. The subsidiary is engaged in the business of manufacture and supply of MCB & RCCB. Regd. Office address: 163/C, 164/E, Phase II, IDA, Cherlapally, Hyderabad, Telangana – 500051. Subsidiary doesn't participate in the Company's BR initiatives. V-Guard Foundation, a Non-Profit Company, limited by guarantee, registered under Section 8 of the Companies Act, 2013 established in 2017 is the principal arm for implementing the Company's CSR programs. It takes forward the Company's CSR Vision and implement social upliftment programmes in a more collaborative and participative manner.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/ Directors responsible for BR:

a. Details of the Director/ Directors Responsible for implementation of the BR policy/policies

DIN	00027610
Name	Mr. Mithun K Chittilappilly
Designation	Managing Director

b. Details of the BR Head

DIN	06576300
Name	Mr. Ramachandran V
Designation	Director & Chief Operating Officer
Tele No.	0484-4335000
Email ID	mail@vguard.in

2. Principle-wise (as per NVGs) BR Policy / Policies:

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

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3	Businesses should promote the well-being of all employees.
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect, protect and make efforts to restore the environment principle.
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

V-GUARD

a. Details of Compliances (Reply in Y/N):

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	The relevant policies have evolved over a period of time by taking inputs from relevant internal stakeholders. However, the Company engages with key external stakeholders on a regular basis and their concerns are noted and discussed internally which help in shaping our policies.								
3.	Does the policy conform to any national/ international standards? If yes, specify.	Yes. Policies have been developed considering relevant national and international standards and meet national regulatory requirements such as Factories Act,1948, ISO Standards, Companies Act, 2013, the Listing Regulations and various other Statutes.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Yes. The policies are approved by the Board/ Competent Authority to which requisite authority has been delegated by the Board.								
5.	Does the Company have a specified committee of the Board/Directors /official to oversee the implementation of the policy?	Yes. The Internal Audit Division of the Company oversee the functioning of the policies.								
6.	Indicate the link for the policy to be viewed online?	Policies are uploaded in the website of the Company at www.vguard.in and in the Company's intranet portal.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The policies are communicated to internal stakeholders and are available on the Company's internal network. If required, the policies are also shared with our external stakeholders and are published on the Company's website.								
8.	Does the Company have in-house structure to implement the policy /policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes. The policies are evaluated periodically by various divisions of the Company.								

b. If answer to the question at serial number 1 against any principle is 'No', please explain why:

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles	Not Applicable as the Company has formulated policies based on all the nine Principles.								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3.	The Company does not have any financial or manpower resources available for the task									
4.	It is planned to be done within the next 6 months.									
5.	It is planned to be done within the next 1 year.									
6.	Any other reason (please specify)									

3. Governance related to BR:

a.	Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 Year	The Board / Committee of the Company generally meets on a quarterly basis. Further, the frequency of meetings is determined by the Chairman on need basis.
b.	Does the company publish a BRR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BRR forms part of Annual Report of the Company and the same is made available on the website of the Company at www. vguard.in.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs/Others?	The Company has adopted a Code of conduct applicable to the Board of Directors, Senior Management Personnel and employees of the Company as well. The Code requires the Directors, Senior Management Personnel and other employees of the Company to act honestly, ethically and with integrity.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by management? If so, provide details thereof	The Whistle blower policy serves as a mechanism for its Directors and Employees to report any genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct. The complaints received under Whistle blower mechanism were directed to the Ombudsman and corrective actions were taken by the management. No Complaint was outstanding as on March 31, 2021. In addition to this there are no complaints received during the year relating to ethics, bribery or corruption from any stakeholders.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1.	List three products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	None of the products have any potential impact on the environment as the materials used and the process followed strictly comply with prescribed standards. The Company's product folder consists of Solar Water Heater and Solar enabled UPS which promotes usage of renewable source of energy. Through the efforts of continuous Research and Development activities, the Company was able to reduce the lead content in Batteries. Further, the Company was able to produce and roll out products which consume less energy and confirming to various energy standards.
2.	Procedures in place for sustainable sourcing (including transportation) and percentage of inputs sourced sustainably.	The Company's procurement of materials and goods are done by the Centralised Procurement Team. The procedures laid down in this regard endeavours to protect the environment and various stakeholders.

4.	Steps taken to procure goods and services from local and small producers, including communities and capability building initiatives, undertaken for local and small vendors	The Company procures goods and services from various local & small producers.
5.	Mechanism to recycle products and waste and the percentage of recycling of products and waste (separately as 10%)	There are no such products/waste manufactured which can be recycled and hence the Company does not have any mechanism for that.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

<table>
<tr><td>1.</td><td>Total No. of employees</td><td>2313 (as on March 31, 2021)</td></tr>
<tr><td>2.</td><td>Total number of employees hired on temporary/ contractual/casual basis</td><td>Net Additions as on March 31, 2021 is 887.
Total Head Count as on March 31, 2021 is 2910.</td></tr>
<tr><td>3.</td><td>Number of permanent women employees</td><td>152</td></tr>
<tr><td>4.</td><td>Number of permanent employees with disabilities</td><td>Nil</td></tr>
<tr><td>5.</td><td>Employee associations recognised by the management</td><td>Nil</td></tr>
<tr><td>6.</td><td>Percentage of permanent employees that are members of recognised employee associations</td><td>NA</td></tr>
<tr><td>7.</td><td>Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year</td><td>
<table>
<tr><th>Sl No.</th><th>Category</th><th>No. of complaints filed during the financial year</th><th>No. of complaints pending as on end of the financial year</th></tr>
<tr><td>1</td><td>Child labour/ forced labour/ involuntary labour</td><td rowspan="3">Nil</td><td rowspan="3">Nil</td></tr>
<tr><td>2</td><td>Sexual Harassment</td></tr>
<tr><td>3</td><td>Discriminatory Employment</td></tr>
</table>
</td></tr>
<tr><td>8.</td><td>Percentage of employees that were given safety and skill upgradation training in the previous year.</td><td>All employees, both permanent and temporary are given training in the areas of safety measures and skill upgradation.</td></tr>
</table>

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

1.	Has the Company mapped its internal and external stakeholders? Yes/No	Yes. The Company has mapped its key internal and external stakeholders.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?	The Company identifies underprivileged communities around its business locations who are disadvantaged, vulnerable and marginalised stakeholders and continuously engages with all such stakeholders in identifying their needs and priorities to serve their needs.
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	The Company is carrying out various welfare activities for the disadvantaged, vulnerable and marginalised stakeholders through its CSR programmes.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors / NGOs/ Others?	The Company remains committed to respect and protect human rights. The Company's Code of Conduct & Ethics and the HR policies and processes adequately address these aspects. The Company does not hire child /forced or involuntary labour. All the employees are treated in a just, fair and equal manner.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint was received pertaining to human rights violation during the reporting period.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors /NGOs/other	The Company has well-defined policies/principles in place relating to Health, Safety and Environment. These policies foster utmost employee safety and wellbeing which not only takes care of the wellness of employees but also the environment. The policy and principles are communicated to the relevant external stakeholders. At present, these policies are applicable to the permanent and contract employees of the Company.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	The Company's policy requires conduct of operations in such a manner, as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. In line with the Company's commitment towards conservation of energy, all its manufacturing units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption, using solar energy, rain water harvesting etc. During the financial year under review, the Company was able to save energy of 10,17,395 kWh units and mitigated CO2 emission of 34,45,864 kg. The Company was also able to conserve water resources for 17,27,346 ltrs.
3.	Does the company identify and assess potential environmental risks? Y/N	Yes
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?	No, the Company has not undertaken any specific project related to the Clean Development Mechanism as per the Kyoto Protocol. The requirement and standards on environmental concerns are assessed at product development stage.
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company utilises its resources in an optimal and responsible manner. Continuous efforts are made to improve energy efficiency in every sphere of Company's operations. Appropriate measures to check and prevent pollution are undertaken.
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year.	The Company has not received any show cause/ legal notices from CPCB/SPCB during the financial year under review.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Indian Electrical & Electronics Manufacturers' Association (IEEMA) The Confederation of Indian Industry (CII) Kerala Management Association (KMA), Kerala State Productivity Council (KSPC), The Cochin Chamber of Commerce & Industry.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.	Presently, the Company is carrying out activities on advancement or improvement of public good both directly and through various associations.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1.	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company strongly believes in the true spirit of giving back to the society a certain percentage of the profits. To achieve the above objective, it has established V-Guard Foundation, a Non-Profit organization and is carrying out various CSR activities through this Foundation. The Company has a well-defined CSR policy which is in line with the provisions of the Companies Act, 2013. The report on the CSR projects carried by the Company is annexed to the Director's Report which forms part of this Annual Report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO / government structures/any other organization?	Activities are carried out both directly and through various agencies.
3.	Have you done any impact assessment of your initiative?	The Company is not required to conduct impact assessment as per the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014.
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken	The Company has spent ₹ 425.84 lakhs on the CSR Activities during the financial year 2020-21. Please refer the Annual Report on CSR activities forming part of the Annual Report, containing the details on CSR Spent.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Initiatives are identified based on the requirement of the community in such a way that the benefits out of them are of an enduring nature. – Please refer to the Annual Report on CSR activities for the financial year ended March 31, 2021.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	A well-established system is in place for dealing with customer feedback and complaints. All complaints are appropriately addressed and resolved, in most of the cases at the earliest. As at the end of the financial year, there was negligible percentage of unresolved complaints, compared to the size of the Company.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. / Remarks	Yes. Product information is displayed on all product/ goods of the Company in accordance with the Legal Metrology Act, 2011 and the applicable Rules thereunder/other laws. In addition, wherever it is considered relevant and appropriate for it to facilitate better usage of the product/goods by the consumer, additional information about the products/goods, the use and the mode of handling thereof are also provided.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof	There have been no cases relating to unfair trade practices, irresponsible advertising and/or anticompetitive behavior against the Company.
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Conduct of periodical consumer surveys and mapping of customer satisfaction trends are considered and utilised by the Company on a regular basis as effective tools of business strategy to understand the consumers and their needs better.

Independent Auditor's Report

To the Members of V-Guard Industries Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of V-Guard Industries Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue from sale of products (as described in note 2.2(d) and 48 of the standalone Ind AS financial statements)	
Revenue is measured at the fair value of consideration received/receivable from its customers and in determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. We have considered this as a key audit matter on account of significant judgement and estimate involved in calculation of provision for such trade schemes as at the Balance Sheet date.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Assessed the Company's accounting policy for revenue recognition including the policy for recording trade schemes in accordance with Ind AS 115. • Obtained an understanding of the revenue process, the assumptions used by the management in calculation of accrual of trade schemes and design and implementation of controls. • Evaluated management's methodology and assumptions used in the calculations of such accruals for trade schemes. • Tested on sample basis management's calculation of the provisions for trade schemes at year end with approved trade schemes and underlying sales data, including testing of completeness and arithmetical accuracy of the data used. • Tested, on sample basis, credit notes issued to customer/ payments for incentives as per the approved trade schemes. • Performed analytical procedures to identify any unusual trends and items.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

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

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses ;

   iii. As detailed in Note 55 to the standalone Ind AS financial statements, except for 3,280 equity shares required to be transferred to the Investor Education and Protection Fund by September 7, 2020, there has been no other delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 21061207AAAACF7634

Place of Signature: Bengaluru
Date: May 26, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF V-GUARD INDUSTRIES LIMITED

We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us by the management of the Company and audit procedures performed by us, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them to the management as at March 31, 2021 and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us by the management of the Company and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us by the management of the Company, the Company has complied with the provisions of Section 186 of the Act in respect of loans granted, investments made and guarantee given to which section 186 of the Act is applicable. In our opinion and according to the information and explanations given to us by the management of the Company, the Company has not granted any loan to which section 185 of the Act is applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the products manufactured by the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other statutory dues as applicable to the Company have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us and audit procedures performed by us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and other statutory dues as applicable to the Company which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs in lakhs)	Period to which the amount relates	Due Date	Date of Payment
The Jharkhand Tax on Professions, Trades, Callings and Employments Act, 2011	Professional Tax	0.59	October 2018 to June 2020	January 2019 to July 2020	Not paid

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Amount paid under protest (₹ in lakhs)	Forum where dispute is pending
Central Sales Tax Act	Central Sales tax	8.38	2011-12 & 2012-13	0.56	Sales Tax Tribunal
Orissa Entry Tax Act	Entry Tax	155.37	2011-12 & 2012-13	10.36	Sales Tax Tribunal
Orissa Value Added Tax Act	Value added tax	520.13	2007-08 to 2012-13	57.38	Sales Tax Tribunal
Orissa Value Added Tax Act	Value added tax	16.65	2014-15 & 2015-16	0.70	Sales Tax Tribunal
Bihar Entry Tax Act	Entry Tax	39.08	2013-14 & 2015-16	6.04	Joint Commissioner of Commercial Taxes (Appeals)
Bihar Value Added Tax Act	Value added tax	85.50	2015-16 & 2017-18	-	Joint Commissioner of Commercial Taxes (Appeals)
Andhra Pradesh Value Added Tax Act	Value added tax	12.82	April 2006 to June 2010	3.20	Appellate Tribunal (Commercial Taxes), Telangana
Uttarakhand Value Added Tax Act	Value added tax	3.78	2014-15	0.76	Joint Commissioner Commercial Taxes (Appeals)
Income Tax Act, 1961	Income tax	2,720.59	AY 2008-09; AY 2010-11 to AY 2014-15 and AY 2016-17	717.11	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service tax	42.38	2014-15, 2015-16 & 2016-17	1.17	Commissioner (Appeals), GST & Central Excise
Delhi Value Added Tax Act, 2004	Value added tax	469.31	2015-16	-	Special Commissioner Commercial Taxes (Appeals)
West Bengal VAT Act	Value added tax	0.98	2013-14	-	Commissioner Commercial Taxes (Appeals)
Central Goods and Services taxes Act, 2017	Goods and Services tax	31.62	2017-18	1.83	Commissioner of Customs and Central Excise (Appeals)
Central Goods and Services taxes Act, 2017	Goods and Services tax	5.51	2020-21	5.51	Joint Commissioner (Appeals)

(viii) In our opinion and according to the information and explanations given to us by the management of the Company, the Company has not defaulted in repayment of loans or borrowing dues to banks. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given to us by the management of the Company and audit procedures performed by us, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management of the Company, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given to us by the management of the Company and audit procedures performed by us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given to us by the management of the Company and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us by the management of the Company and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given to us by the management of the Company and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us by the management of the Company, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 21061207AAAACF7634

Place of Signature: Bengaluru
Date: May 26, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF V-GUARD INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone Ind AS financial statements of V-Guard Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

A company's internal financial controls with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 21061207AAAACF7634

Place of Signature: Bengaluru
Date: May 26, 2021

Standalone Balance Sheet as at March 31, 2021

(₹ in lakhs)

Particulars			Notes	As at March 31, 2021	As at March 31, 2020
A.	**ASSETS**				
1.	**Non-current assets**				
	Property, plant & equipment (including Right of use assets)		3	34,652.11	26,290.02
	Capital work-in-progress		3	1,955.02	6,686.51
	Investment property		4	27.90	27.90
	Other intangible assets		5	726.44	458.27
	Investment in subsidiary		6	884.95	884.95
	Financial assets				
	(a)	Other investments	7	3,340.00	-
	(b)	Loans	8	219.99	373.89
	(c)	Other financial assets	9	1,452.79	1,146.34
	Income tax assets (net)		10	1,379.94	1,702.92
	Deferred tax assets (net)		23	267.04	223.63
	Other non-current assets		11	1,702.26	851.31
				46,608.44	**38,645.74**
2.	**Current assets**				
	Inventories		12	62,865.91	47,640.18
	Financial assets				
	(a)	Current investments	13	-	3,600.14
	(b)	Trade receivables	14	38,471.76	32,177.23
	(c)	Cash and cash equivalents	15A	28,072.31	2,341.08
	(d)	Other bank balances	15B	41.29	8,812.14
	(e)	Loans	16	145.86	487.96
	(f)	Other financial assets	17	22.84	156.93
	Other current assets		18	9,750.72	10,168.27
				1,39,370.69	**1,05,383.93**
	TOTAL ASSETS			**1,85,979.13**	**1,44,029.67**
B.	**EQUITY AND LIABILITIES**				
1.	**Equity**				
	Equity Share capital		19	4,301.88	4,282.88
	Other Equity *			1,16,475.01	95,094.62
	TOTAL EQUITY			**1,20,776.89**	**99,377.50**
2.	**Non-current liabilities**				
	Financial liabilities (including lease liabilities)		21	5,454.27	3,718.50
	Provisions		22	1,126.68	931.68
				6,580.95	**4,650.18**
3.	**Current liabilities**				
	Financial liabilities				
	(a)	Borrowings	24	1,000.00	1,000.00
	(b)	Trade payables	25		
		(i) Total outstanding dues of micro enterprises and small enterprises		7,645.59	2,769.03
		(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		39,666.99	27,298.52
	(c)	Other financial liabilities (including lease liabilities)	26	3,200.94	3,108.49
	Other current liabilities		27	1,801.62	2,152.79
	Provisions		28	4,244.94	3,673.16
	Current tax liabilities (net)		29	1,061.21	-
				58,621.29	**40,001.99**
	TOTAL EQUITY AND LIABILITIES			**1,85,979.13**	**1,44,029.67**
* Refer Statement of changes in equity					
Summary of significant accounting policies			2		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sd/-
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 26, 2021

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Jayasree K
Company Secretary

Place : Kochi
Date : May 26, 2021

Standalone Statement of Profit and Loss for the year ended March 31, 2021

(₹ in lakhs)

	Particulars		Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Income**				
	(a)	Revenue from operations	30	2,69,900.41	2,48,196.29
	(b)	Other income	31	291.42	1,000.72
	(c)	Finance Income	32	1,818.19	1,398.00
	Total Income			**2,72,010.02**	**2,50,595.01**
2	**Expenses**				
	(a)	Cost of raw materials consumed	33.a	87,292.11	74,881.44
	(b)	Purchase of stock-in-trade		1,04,653.06	1,02,229.60
	(c)	(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	33.b	(7,071.70)	(11,291.36)
	(d)	Employee benefits expenses	34	22,466.80	20,682.50
	(e)	Depreciation and amortisation expenses	35.a	3,732.08	2,808.56
	(f)	Finance costs	35.b	559.72	373.28
	(g)	Other expenses	36	31,910.85	36,367.09
	Total expenses			**2,43,542.92**	**2,26,051.11**
3	**Profit before tax (1 - 2)**			**28,467.10**	**24,543.90**
4	**Tax expenses**		38		
	(a)	Current tax expenses		8,228.11	6,345.72
	(b)	Deferred tax expense/ (credit)		(61.76)	(447.30)
	(c)	Current tax relating to earlier years		402.51	129.14
	Total Income Tax			**8,568.86**	**6,027.56**
5	**Profit for the year (3 - 4)**			**19,898.24**	**18,516.34**
6	**Other Comprehensive income/ (loss)**				
	Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:				
	(a)	Re-measurement gains/ (losses) on defined benefit plans		63.62	(306.13)
	(b)	Income tax effect		(18.35)	80.15
	Other comprehensive income/(loss) for the year, net of tax			**45.27**	**(225.98)**
	Total comprehensive income for the year, net of tax			**19,943.51**	**18,290.36**
7	**Earnings per equity share (basic and diluted) (₹)** (Nominal value of equity share - ₹ 1 each) :		46		
	Basic earnings per share			4.64	4.33
	Diluted earnings per share			4.61	4.28
Summary of significant accounting policies			2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sd/-
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 26, 2021

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Jayasree K
Company Secretary

Place : Kochi
Date : May 26, 2021

Standalone Statement of changes in equity

for the year ended March 31, 2021

A) Equity Share Capital

Particulars	No. of shares	₹ in lakhs
As at April 1, 2019	**42,69,34,094**	**4,269.34**
Add Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	13,53,441	13.54
As at March 31, 2020	**42,82,87,535**	**4,282.88**
Add Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	19,00,923	19.00
As at March 31, 2021	**43,01,88,458**	**4,301.88**

B) Other Equity

(₹ in lakhs)

Particulars	Share Application money	Attributable to the equity holders				Total
		Securities Premium	General Reserve	Retained Earnings	Share based payment reserve	
As at March 31, 2019	**1.05**	**9,410.95**	**6,489.01**	**65,568.67**	**4,227.11**	**85,696.79**
Net profit for the year	-	-	-	18,516.34	-	18,516.34
Other comprehensive income for the year*						
Remeasurement gain/(loss) on defined benefit plans (net of taxes)	-	-	-	(225.98)	-	(225.98)
Total Comprehensive Income	**-**	**-**	**-**	**18,290.36**	**-**	**18,290.36**
Dividends (cash) (Refer Note 20):						
Final	-	-	-	(3,416.65)	-	(3,416.65)
Dividend Distribution Tax on above	-	-	-	(702.29)	-	(702.29)
Interim	-	-	-	(3,853.03)	-	(3,853.03)
Dividend Distribution Tax on above	-	-	-	(792.18)	-	(792.18)
Equity shares issued under ESOS 2013	(1.05)	211.98	-	-	-	210.93
Transfer from Share based payments reserve on exercise of options under ESOS 2013	-	1,012.53	-	-	(1,012.53)	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	-	(339.31)	(339.31)
As at March 31, 2020	**-**	**10,635.46**	**6,489.01**	**75,094.88**	**2,875.27**	**95,094.62**
Net profit for the year	-	-	-	19,898.24	-	19,898.24
Other comprehensive income for the year*						
Remeasurement gain/(loss) on defined benefit plans (net of taxes)	-	-	-	45.27	-	45.27
Total Comprehensive Income	**-**	**-**	**-**	**19,943.51**	**-**	**19,943.51**

Standalone Statement of changes in equity

for the year ended March 31, 2021

B) Other Equity

(₹ in lakhs)

Particulars	Share Application money	Attributable to the equity holders				Total
		Securities Premium	General Reserve	Retained Earnings	Share based payment reserve	
Equity shares issued under ESOS 2013	-	443.40	-	-	-	443.40
Transfer from Share based payments reserve on exercise of options under ESOS 2013	-	862.92	-	-	(862.92)	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	-	993.48	993.48
As at March 31, 2021	**-**	**11,941.78**	**6,489.01**	**95,038.39**	**3,005.83**	**1,16,475.01**

* As required under Ind AS compliant Schedule III, the Company has recognised remeasurement gains/(losses) of defined benefit plans as part of retained earnings.

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.

Share application money : Represents the amounts received from employees in respect of options exercised under ESOS 2013 but not yet allotted.

General Reserve: Represents the amounts transferred from the Retained Earnings in accordance with the Companies (Transfer of Profits to Reserves) Rules 1975, as per the requirements of the erstwhile Companies Act, 1956.

Retained earnings: Represents the profits / losses of the Company earned till date, net of appropriations.

Share based payments reserve: The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Share based payments reserve. The outstanding balance represents the cumulative compensation cost of stock options granted but not yet vested/ exercised.

Refer Note 2 for Summary of significant accounting policies

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sd/-
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 26, 2021

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Jayasree K
Company Secretary

Place : Kochi
Date : May 26, 2021

Standalone Cash Flow Statement for the year ended March 31, 2021

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities		
Profit before tax expenses	28,467.10	24,543.90
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expenses	3,732.08	2,808.56
Loss on property, plant and equipment sold / scrapped / written off (net)	28.99	74.72
Finance costs	475.39	282.85
Finance income	(1,248.79)	(830.52)
Carrying value adjustment of put option liability	68.96	32.75
Dividend income / income on sale of current investments	(3.95)	(588.02)
Liabilities / provisions no longer required written back	(12.23)	(31.53)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	709.83	649.87
Share based payments expense / (reversals)	993.48	(339.31)
	4,743.76	**2,059.37**
Operating profit before working capital changes	**33,210.86**	**26,603.27**
Movement in working capital		
(Increase)/Decrease in inventories	(15,225.73)	(10,551.88)
(Increase)/Decrease in trade receivables	(6,397.35)	12,634.71
(Increase)/Decrease in other financial and non financial assets	(151.06)	(2,195.66)
Increase/(Decrease) in trade payables	17,251.88	(5,295.44)
Increase/(Decrease) in provisions	830.40	56.57
Increase/(Decrease) in other financial and non financial liabilities	(97.10)	305.55
	(3,788.96)	**(5,046.15)**
Cash generated from operations	**29,421.90**	**21,557.12**
Income tax paid (net of refunds)	(7,246.43)	(7,618.36)
Net cash flow from operating activities (A)	**22,175.47**	**13,938.76**
B. Cash flow from investing activities		
Purchase of property, plant and equipment including capital work in progress and capital advances	(6,448.88)	(8,431.40)
Proceeds from sale of property, plant and equipment	12.81	36.81
Purchase of non current investments	(3,340.00)	-
(Purchase)/ sale of current investments (net)	3,600.14	4,712.64
Investment in fixed deposits with maturity more than 3 months (net)	8,513.99	(8,764.00)
Refund of inter corporate loan	396.31	82.10
Finance income	1,382.88	731.04
Dividend income / income on sale of current investments	3.95	588.02
Net cash flow from /(used in) investing activities (B)	**4,121.20**	**(11,044.79)**

Standalone Cash Flow Statement for the year ended March 31, 2021

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash flow from financing activities		
Proceeds from exercise of share options (including share application money)	462.40	224.47
Payment of principal portion of lease liabilities	(545.60)	(165.40)
Proceeds/ (repayment) of short term borrowings (net)	-	(2.23)
Finance costs paid	(475.39)	(282.85)
Dividends paid on equity shares (including dividend distribution tax)	(6.85)	(8,754.16)
Net cash flow used in financing activities (C)	**(565.44)**	**(8,980.17)**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	**25,731.23**	**(6,086.20)**
Cash and cash equivalents at the beginning of the year	**2,341.08**	**8,427.28**
Cash and cash equivalents at the end of the year	**28,072.31**	**2,341.08**
Components of cash and cash equivalents: (Refer Note 15A)		
(a) Cash on hand	0.18	16.64
(b) Balances with bank:		
In current accounts	1,016.63	228.44
In fixed deposits	27,055.50	2,096.00
	28,072.31	**2,341.08**

Refer Note 2 for Summary of significant accounting policies

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sd/-
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 26, 2021

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Jayasree K
Company Secretary

Place : Kochi
Date : May 26, 2021

Notes Forming Part of the Financial Statements

1. CORPORATE INFORMATION

V-Guard Industries Limited ('V-Guard' or 'the Company') is a public company domiciled in India with its registered office at Vennala High School Road, Kochi, Kerala. The Company is engaged in the manufacturing, trading and selling of a wide range of products as given below:

Segment	Products
Electronics	Stabilizers, Digital UPS, UPS and Solar Inverters
Electricals	PVC Insulated Cables, Switch Gears, Single Phase Pumps, Three Phase Pumps and Modular Switches
Consumer Durables	Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Glass top Gas Stoves, Rice Cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers

The Company's manufacturing facilities are located at K.G. Chavady, Coimbatore, Tamil Nadu; at Kashipur and Roorkee, Uttarakhand; at Kala Amb, Himachal Pradesh; at SIPCOT Industrial growth center, Perundurai, Tamil Nadu and at Majitar, Rangpo and Mamring in Sikkim. The Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The standalone financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on May 26, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Derivative financial instruments

(ii) Certain financial assets and liabilities that are measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakhs upto two decimal places (INR 00,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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.

Notes Forming Part of the Financial Statements

Deferred tax assets and liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currencies

The Company's financial statements are presented in INR which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

c) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair 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.

Notes Forming Part of the Financial Statements

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

The Company has a team comprising of members of senior management that determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted investments and financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The team decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d) *Revenue*

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

(i) Sale of products and services

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations. The normal credit term is 15 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provide customers with a right of return, cash discounts and volume rebates/trade incentives. The rights of return, cash discounts and volume rebates /trade incentives give rise to variable consideration.

➢ ***Rights of return***

As a practice, the Company provides a customer with a right to return in case of any defects or on grounds of quality. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

- ***Volume rebates***

  The Company provides retrospective volume rebates/trade incentives to customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The Company estimates the variable consideration for the expected future rebates/trade incentives based on its experience of the expected value. The Company then applies the requirements on constraining estimates of variable consideration.

(ii) Warranty obligations

The Company typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section (n) Provisions.

(iii) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(iv) Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Notes Forming Part of the Financial Statements

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend. Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss. Fair value of mutual funds is determined based on the net asset value of the funds.

e) *Government Grants*

Government Grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

f) *Taxes*

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and

Notes Forming Part of the Financial Statements

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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Sales/ value added/ goods and services taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added/ goods and services taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

Notes Forming Part of the Financial Statements

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

g) *Property, plant and equipment*

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of tax credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The Company has used the following useful lives to provide depreciation on its property, plant and equipment:

Asset Category	Useful life estimated by the management (in years)
Factory buildings	30
Other buildings	60
Plant and equipment*	5 to 20
Computers	3 to 6
Office equipment*	6
Furniture & fixtures	10
Vehicles	8 to 10

* For these classes of assets, where the estimated useful lives are different from lives prescribed under Schedule II of the Companies Act 2013, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience and the risk of technological obsolescence.

h) *Investment Properties*

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable, borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and

Notes Forming Part of the Financial Statements

maintenance cost are expensed when incurred. Investment property as at March 31, 2021 and March 31, 2020 comprise of land.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets are disposed.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

Notes Forming Part of the Financial Statements

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life as follows:

Asset Category	Useful life (in years)
Software	5 years
Trademark	10 years

j) *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) *Leases*

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company's lease asset classes primarily comprise of lease for land, buildings and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets in the nature of buildings are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying asset (i.e. 30 and 60 years). The right-of-use assets comprising of land is depreciated based on the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in financial liabilities (refer Note 21 and 26).

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l) Inventories

Inventories are valued at lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, packing materials, consumables and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. 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.

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m) *Impairment of non-financial assets*

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

n) *Provisions*

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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Warranty provision

Provision for assurance type warranty-related costs are recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to four years.

Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

o) *Retirement and other employee benefits*

Defined contribution schemes

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company has no obligation, other than the contribution payable to the fund towards such schemes. The Company recognizes contribution payable as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the 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.

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Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, as the Company believes that it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

p) *Share-based payments*

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Share based payments reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative 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

Notes Forming Part of the Financial Statements

modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

q) *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

1. Financial assets at amortised cost (debt instruments)
2. Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
3. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
4. Financial assets at fair value through profit or loss

Notes Forming Part of the Financial Statements

Financial assets at amortised cost (debt instruments)

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to loans, deposits, trade and other receivables.

Financial assets at fair value through other comprehensive income (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments. Investments in other entity and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily 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

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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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

Particulars	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due
Default rate	0.02%	2%	2.5%	5%	25%	30%	70%	100%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. For financial assets measured as at amortised cost, contractual revenue receivables and lease

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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.

Put option liability

The subsequent changes in carrying amount of the Put Option on NCI of subsidiary is recognised in the statement of profit and loss. If the put option is exercised, the entity derecognises the financial liability by discharging the put obligation. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to investment.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date.

Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

r) Investment in Subsidiaries, associates and joint ventures

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment in subsidiary, associate and Joint venture are carried at cost as per IND AS 27.

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Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale and Investment carried at cost is tested for impairment as per IND AS 36 . An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee and
- the ability to use its power over the investee to affect the amount of the investor's returns.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

s) *Derivative financial instruments*

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

t) *Segment accounting*

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products. Further:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under un-allocable expenditure.
- Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.
- Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.
- Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

u) *Cash and Cash Equivalents*

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

v) *Cash dividend and non-cash distribution*

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders in case of final dividend and by the board of directors in case of interim dividend. A corresponding amount is recognised directly in equity.

w) *Earnings Per Share*

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.3 Changes in accounting policies and disclosures

New and amended standards

(i) *Amendments to Ind AS 116: Covid-19-Related Rent Concessions.*

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. This amendment had no impact on the standalone financial statements of the Company.

(ii) *Amendments to Ind AS 1 and Ind AS 8: Definition of Material*

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of the Company, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's standalone financial statements.

(iii) *Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform*

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all

Notes Forming Part of the Financial Statements

hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the standalone financial statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the Company's standalone financial statements.

Note 3 : Property, plant & equipment (including Right of use assets)

(₹ in lakhs)

	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Right of use asset			Total	Capital Work in progress
									Leasehold Land	Leasehold Building	Leased vehicles		
Gross block (Cost/Deemed Cost)													
As at April 1, 2019	**1,916.14**	**463.96**	**9,953.02**	**9,981.46**	**799.70**	**100.97**	**973.23**	**1,258.33**	**-**	**-**	**-**	**25,446.81**	**770.71**
Reclassified on adoption of Ind AS 116 "Leases" (refer Note 3 below and Note 42)	-	(463.96)	-	-	-	-	-	-	420.43	-	-	(43.53)	-
Transition impact on adoption of Ind AS 116 (Refer Note 42)	-	-	-	-	-	-	-	-	911.62	2,968.16	-	3,879.78	-
Additions	-	-	1,112.93	2,225.93	136.09	0.48	173.80	435.32	-	-	-	4,084.55	7,491.12
Disposals/adjustments	-	-	-	(69.78)	(1.76)	(46.74)	(11.47)	(70.92)	-	-	-	(200.67)	(1575.32)
As at March 31, 2020	**1,916.14**	**-**	**11,065.95**	**12,137.61**	**934.03**	**54.71**	**1,135.56**	**1,622.73**	**1,332.05**	**2,968.16**	**-**	**33,166.94**	**6,686.51**
Additions	-	-	588.53	7,723.35	201.61	-	151.00	199.23	623.94	2,102.30	354.00	11,943.96	2,414.97
Disposals/adjustments	-	-	-	(161.65)	(8.71)	(19.39)	(12.97)	-	-	-	-	(202.72)	(7,146.46)
As at March 31, 2021	**1,916.14**	**-**	**11,654.48**	**19,699.31**	**1,126.93**	**35.32**	**1,273.59**	**1,821.96**	**1,955.99**	**5,070.46**	**354.00**	**44,908.18**	**1,955.02**
Accumulated depreciation													
As at April 1, 2019	**-**	**43.53**	**740.77**	**2,453.00**	**178.88**	**48.06**	**386.17**	**592.29**	**-**	**-**	**-**	**4,442.70**	**-**
Reclassified on adoption of Ind AS 116 "Leases" (refer Note 3 below and Note 42)	-	(43.53)	-	-	-	-	-	-	-	-	-	(43.53)	-
Charge for the year	-	-	314.33	1,431.02	117.26	11.85	159.05	287.76	77.53	255.55	-	2,654.35	-
Disposals	-	-	-	(53.18)	(1.73)	(39.74)	(11.03)	(70.92)	-	-	-	(176.60)	-
As at March 31, 2020	**-**	**-**	**1,055.10**	**3,830.84**	**294.41**	**20.17**	**534.19**	**809.13**	**77.53**	**255.55**	**-**	**6,876.92**	**-**
Charge for the year	-	-	341.17	1,750.77	159.51	9.03	175.14	309.09	78.69	684.76	37.35	3,545.51	-
Disposals	-	-	-	(127.39)	(7.77)	(19.39)	(11.81)	-	-	-	-	(166.36)	-
As at March 31, 2021	**-**	**-**	**1,396.27**	**5,454.22**	**446.15**	**9.81**	**697.52**	**1,118.22**	**156.22**	**940.31**	**37.35**	**10,256.07**	**-**
Net Block													
As at March 31, 2020	**1,916.14**	**-**	**10,010.85**	**8,306.77**	**639.62**	**34.54**	**601.37**	**813.60**	**1,254.52**	**2,712.61**	**-**	**26,290.02**	**6,686.51**
As at March 31, 2021	**1,916.14**	**-**	**10,258.21**	**14,245.09**	**680.78**	**25.51**	**576.07**	**703.74**	**1,799.77**	**4,130.15**	**316.65**	**34,652.11**	**1,955.02**

Notes Forming Part of the Financial Statements

Note 3 : Property, plant & equipment (Contd...)

Notes:

1. Capital work in progress as at March 31, 2021 represents property, plant and equipment under construction at various plants, warehouses and office buildings. Adjustment in relation to capital work in progress relates to addition in property, plant and equipment during the year.
2. The Company has not capitalised any borrowing cost in the current and previous year.
3. 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.

   During the previous year, the net block of Leasehold land of ₹ 420.43 lakhs (Gross block - ₹ 463.96 lakhs and accumulated depreciation - ₹ 43.53 lakhs) was reclassified to "Right of Use" assets on account of adoption of Ind AS 116 "Leases".
4. During the year, the Company has capitalized the following expenses to the cost of property, plant and equipment/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

(₹ in lakhs)

Particulars	FY 2020-21	FY 2019-20
Employee benefits expenses	58.91	166.92
Cost of raw materials consumed	121.03	101.36
Travelling and conveyance	-	35.81
Power and fuel	9.75	25.67
Others	15.38	81.43
Total	**205.07**	**411.19**

5. The Company, during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Company had availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work in progress has been carried forward at the amount as determined under the previous GAAP as at April 1, 2016.

Note 4 : Investment Property

(At Cost)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	27.90	27.90
Additions (subsequent expenditure)	-	-
Balance as at the end of the year	**27.90**	**27.90**

(i) Investment Property represents land at Coimbatore acquired by the Company at fair market value. The carrying amount of the investment property is a reasonable approximation of fair value and hence fair value disclosure has not been made.

(ii) The Company, during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Company had availed the exemption available under Ind AS 101, wherein the carrying value of investment property has been carried forward at the amount as determined under the previous GAAP as at April 1, 2016.

Notes Forming Part of the Financial Statements

Note 5 : Other intangible assets

(₹ in lakhs)

Particulars	Computer software	Trademark	Total
Gross block (Cost/Deemed Cost)			
As at April 1, 2019	**971.68**	**4.60**	**976.28**
Purchase / additions	265.18	-	265.18
Disposals	-	-	-
As at March 31, 2020	**1,236.86**	**4.60**	**1,241.46**
Purchase / additions	454.74	-	454.74
Disposals	-	-	-
As at March 31, 2021	**1,691.60**	**4.60**	**1,696.20**
Accumulated amortisation			
As at April 1, 2019	**624.38**	**4.60**	**628.98**
Charge for the year	154.21	-	154.21
Disposals	-	-	-
As at March 31, 2020	**778.59**	**4.60**	**783.19**
Charge for the year	186.57	-	186.57
Disposals	-	-	-
As at March 31, 2021	**965.16**	**4.60**	**969.76**
Net block			
As at March 31, 2020	**458.27**	**-**	**458.27**
As at March 31, 2021	**726.44**	**-**	**726.44**

Note:

The Company, during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Company had availed the exemption available under Ind AS 101, wherein the carrying value of other intangible assets has been carried forward at the amount as determined under the previous GAAP as at April 1, 2016.

Note 6: Investment in Subsidiary

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments in Subsidiary (unquoted) (carried at cost):		
Guts Electro-Mech Limited		
1,454,722 (March 31, 2020 : 1,454,722) equity shares of ₹ 10 each fully paid up (Refer Note 41)	884.95	884.95
Total	**884.95**	**884.95**

Notes Forming Part of the Financial Statements

Note 7: Other investments

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments (at fair value through profit or loss) (unquoted):		
Investment in Gegadyne Energy Labs Private Limited		
7 (March 31, 2020 : Nil) equity shares of ₹ 10 each fully paid up	8.04	-
2,900 (March 31, 2020 : Nil) optionally convertible cumulative preference shares ("OCCPS") of ₹ 500 each fully paid up	3,331,96	-
Total	**3,340.00**	**-**

Note: On January 15, 2021, the Company entered into a share subscription and shareholder's agreement to invest in Gegadyne Energy Labs Private Limited ("Gegadyne") for a cash consideration of ₹ 3,340 lakhs in return for 18.77% stake on a fully diluted basis, the right to nominate 1 director on the Board as well as various other rights under the share subscription and shareholder's agreement. Gegadyne is a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions. The management is of the view that they do not have the power to participate in the financial and operating policy decisions of Gegadyne and accordingly have accounted the aforesaid stake as investment at fair value through profit or loss under Ind AS -109 "Financial Instruments". Refer Note 48.

Note 8: Loans

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	26.97	84.56
(b) Other loans (Refer Note (i) below)	193.02	289.33
Total	**219.99**	**373.89**

Notes:

(i) Others represents unsecured loan given to Mr. Gopal Singh, the landlord, for construction of building to be occupied by the Company, at an interest rate of 9% p.a. The loan is repayable by adjustment of monthly rent payable to the landlord pursuant to lease agreement entered for a period of five years. The landlord's son has provided personal guarantee for the repayment of loan.

(ii) There are no loans as at March 31, 2021 and March 31, 2020 which have significant increase in credit risk or which are credit impaired.

(iii) Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Company. The carrying value may be affected by the changes in the credit risk of the counter parties.

Notes Forming Part of the Financial Statements

Note 9: Other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Security deposits (unsecured, considered good) (carried at amortised cost)	1,046.41	989.97
(b) Non-current bank balance (carried at amortised cost) (Refer note 15B)	347.81	97.80
(c) Derivative Instrument - Call option (valued at fair value through profit or loss) (Refer Note 41)	58.57	58.57
Total	**1,452.79**	**1,146.34**

Note: There are no financial assets as at March 31, 2021 and March 31, 2020 which have significant increase in credit risk or which are credit impaired.

Note 10: Income tax assets

(net)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax (net of provisions)	1,379.94	1,702.92
Total	**1,379.94**	**1,702.92**

Note 11: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
(a) Capital advances	1,449.58	610.34
(b) Deposits with statutory/government authorities	239.70	231.77
(c) Prepaid Expenses	12.98	9.20
Total	**1,702.26**	**851.31**

Note 12: Inventories

(Valued at lower of cost and net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Raw Materials	12,377.00	4,778.42
(b) Work-in-Progress	2,718.30	1,430.73
(c) Finished Goods	19,517.72	13,087.83
(d) Stock-in-Trade	25,697.45	26,501.41
(e) Stores and Spares	1,391.42	1,233.22
(f) Packing Materials and Consumables	1,164.02	608.57
Total	**62,865.91**	**47,640.18**

Notes Forming Part of the Financial Statements

Notes:

(a) The above includes goods in transit as under:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials	1,581.92	-
Stock-in-Trade	697.27	2,351.54
Packing Materials and Consumables	113.61	-
Total	**2,392.80**	**2,351.54**

(b) During the year ended March 31, 2021, ₹ 136 lakhs (March 31, 2020: ₹ 242.74 lakhs) was recognised as an expense for inventories carried at net realisable value.

(c) Inventories are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Note 13: Current investments

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments at fair value through profit or loss		
Investments in Mutual Funds (unquoted)		
(a) HDFC Overnight Fund- Direct Plan Growth Option	-	2,000.09
Nil [March 31, 2020 : 0.67 lakhs] units of ₹ 1,000 each fully paid-up		
(b) SBI Overnight Fund Direct Daily Dividend	-	1,500.05
Nil [March 31, 2020 : 1.49 lakhs] units of ₹ 1,000 each fully paid-up		
(c) HDFC Charity Debt Fund	-	100.00
Nil [March 31, 2020 : 10.00 lakhs] units of ₹ 10 each fully paid-up		
Total	**-**	**3,600.14**

Note: The aggregate book value and market value of unquoted investments as on March 31, 2021 amounted to Nil (March 31, 2020: ₹ 3,600.14 lakhs).

Notes Forming Part of the Financial Statements

Note 14: Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
Secured, considered good	1,130.18	1,168.88
Unsecured, considered good	37,836.19	30,254.75
Trade receivables which have significant increase in credit risk	147.04	1,510.83
Trade receivables - credit impaired	2,738.77	2,595.68
	41,852.18	**35,530.14**
Less: Impairment allowance (allowance for bad and doubtful debts) (Refer Note 51C)		
Unsecured, considered good based on expected credit loss provisioning	573.74	174.64
Trade receivables which have significant increase in credit risk	67.91	582.59
Trade receivables - credit impaired	2,738.77	2,595.68
	3,380.42	**3,352.91**
Total	**38,471.76**	**32,177.23**

Notes:

(i) Trade receivables are generally on terms of 15 to 90 days and are non-interest bearing except in case of overdue payments.

(ii) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(iii) Trade receivables are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Note 15: Cash and cash equivalents and Other bank balances

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
15A. Cash and cash equivalents		
(a) Cash on hand	0.18	16.64
(b) Balances with Banks:		
In current accounts	1,016.63	228.44
In fixed deposits with original maturity of less than 3 months	27,055.50	2,096.00
Total	**28,072.31**	**2,341.08**
15B. Other bank balances		
(a) Unpaid dividend accounts	41.29	48.14
(b) Fixed deposits (Refer note (i) below)	347.81	8,861.80
Total	**389.10**	**8,909.94**
Less: Amount disclosed under other non-current financial assets (Refer Note 9)	(347.81)	(97.80)
Total	**41.29**	**8,812.14**

Notes:

(i) A charge of ₹ 347.81 lakhs (March 31, 2020 ₹ 97.80 lakhs) has been created towards various guarantees in favour of vendors, statutory authorities and others.

(ii) As at March 31, 2021, the Company had ₹ 19,824.02 lakhs (March 31, 2020: ₹ 30,699 lakhs) of undrawn committed borrowing / credit facilities including non fund based facilities.

Notes Forming Part of the Financial Statements

(iii) Changes in liabilities arising from financing activities are as follows: (₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Lease Liabilities		Short Term Borrowings	
Balance outstanding as at beginning of the year	3,714.37	-	1,000.00	1,002.23
Transition impact on adoption of Ind AS 116 (Refer Note 42)	-	3,879.78	-	-
Additions made during the year	2,456.30	-	-	-
Finance costs	458.23	264.20	-	-
Cash outflows	(1,003.83)	(429.61)	-	(2.23)
Balance outstanding as at end of the year	5,625.07	3,714.37	1,000.00	1,000.00
Disclosed as:				
Short term borrowings	-	-	1,000.00	1,000.00
Current portion of lease liabilities (Refer Note 26)	636.36	392.46	-	-
Non-current lease liabilities (Refer Note 21)	**4,988.71**	**3,321.91**	**-**	**-**

Note 16: Loans (Current)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good (carried at amortised cost)		
(a) Inter corporate loan (Refer Note (ii) below)	-	300.00
(b) Loans to employees	59.87	101.97
(c) Other loans (Refer Note 8(i))	85.99	85.99
Total	**145.86**	**487.96**

Notes:

(i) There are no loans as at March 31, 2021 and March 31, 2020 which have significant increase in credit risk or which are credit impaired. Also refer Note 8 (iii).

(ii) Inter corporate loan represented unsecured loan given to M/s Sakthi Accumulators Private Limited ('the vendor') for enhancing its manufacturing infrastructure. The loan was to be repaid over a period of three years starting from March 30, 2018 and ending on March 30, 2021. One of the promoter director of the vendor had provided personal guarantee for the repayment of loan. Interest rate of the loan was 10% p.a. The last installment of ₹ 150 lakhs was settled against purchase invoices payable by the Company to the vendor and the loan has been fully settled as at March 31, 2021.

Note 17: Other current financial assets

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good (carried at amortised cost)		
Interest accrued on fixed deposits	22.84	156.93
Total	**22.84**	**156.93**

Note: There are no current financial assets as at March 31, 2021 and March 31, 2020 which have significant increase in credit risk or which are credit impaired.

Notes Forming Part of the Financial Statements

Note 18: Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good unless other wise stated		
(a) Advance to suppliers (Refer Note below)		
Considered good	3,271.65	2,495.10
Considered doubtful	681.35	74.35
	3,953.00	**2,569.45**
Less: Provision for doubtful advances	(681.35)	(74.35)
	3,271.65	**2,495.10**
(b) Balances with government authorities	4,734.95	6,538.11
(c) Prepaid expenses	1,155.92	680.60
(d) Right to return asset (Refer Note 30 (iv))	566.51	361.25
(e) Others	21.69	93.21
Total	**9,750.72**	**10,168.27**

Note: There are no advances as at March 31, 2021 and March 31, 2020 which are considered doubtful, except as disclosed above.

Note 19: Share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Authorised:				
Equity shares of ₹ 1/- (March 31, 2020: ₹ 1/-) each with voting rights	50,00,00,000	5,000.00	50,00,00,000	5,000.00
(b) Issued, subscribed and fully paid-up:				
Equity shares of ₹ 1/- (March 31, 2020: ₹ 1/-) each with voting rights	43,01,88,458	4,301.88	42,82,87,535	4,282.88

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning of the period	42,82,87,535	4,282.88	42,69,34,094	4,269.34
Issued during the period	19,00,923	19.00	13,53,441	13.54
Outstanding at the end of the period	**43,01,88,458**	**4,301.88**	**42,82,87,535**	**4,282.88**

(b) Terms/rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹ 1 per share (March 31, 2020: ₹ 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 Financial Statements

(c) Details of shareholders holding more than 5% shares in the Company:

Class of shares / name of shareholder	As at March 31, 2021		As at March 31, 2020	
	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	5,04,05,394	11.72%	7,36,57,964	17.20%
Mr. Arun K Chittilappilly	3,77,77,828	8.78%	3,70,50,508	8.65%
Mr. Mithun K Chittilappilly	10,76,87,278	25.03%	10,76,86,278	25.14%

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:

Particulars	As at March 31, 2021	As at March 31, 2020
	No. of shares	No. of shares
Equity shares allotted as fully paid bonus shares by capitalization of profits	12,13,29,846	12,13,29,846

In addition, the Company has issued 8,006,172 shares of face value of ₹ 1 each (March 31, 2020: 7,226,279 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note 47.

Note 20: Distribution made and proposed

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash dividend on equity shares declared and paid:		
Final dividend for the year ended March 31, 2020 - Nil (March 31, 2019 - ₹ 0.80 per share of face value of ₹ 1 each)	-	3,416.65
Dividend distribution tax on final dividend	-	702.29
Interim dividend for the year ended March 31, 2021 - Nil (March 31, 2020 - ₹ 0.90 per share of face value of ₹ 1 each)	-	3,853.03
Dividend distribution tax on interim dividend	-	792.18
Total	**-**	**8,764.15**
Proposed dividends on equity shares:		
Final dividend for the year ended March 31, 2021 - ₹ 1.20 per share of face value of ₹ 1 each (March 31, 2020 - Nil)	5,162.26	-
Total	**5,162.26**	**-**

Notes:

(i) Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at the balance sheet date.

(ii) With effect from April 1, 2020, the Dividend Distribution Tax ('DDT') payable by the Company under section 115(O) of Income Tax Act, 1961 was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

Notes Forming Part of the Financial Statements

Note 21: Financial Liabilities (including lease liabilities)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(carried at amortised cost)		
(a) Put Option liability (Refer Note 41)	465.56	396.59
(b) Lease Liability (Refer Note 42)	4,988.71	3,321.91
Total	**5,454.27**	**3,718.50**

Note 22: Provisions

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Provision for warranty (Refer Note 28)	1,126.68	931.68
Total	**1,126.68**	**931.68**

Note 23: Deferred tax (asset)/liability (net)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of property, plant and equipments	2,338.75	1,819.34
	2,338.75	**1,819.34**
Tax effect of items constituting deferred tax assets		
Impairment allowance for doubtful trade receivables, loans and advances	(1,344.12)	(1,130.55)
Disallowances under Section 43B of the Income Tax Act, 1961	(644.71)	(451.05)
Others	(616.96)	(461.37)
	(2,605.79)	**(2,042.97)**
Net deferred tax (asset)/liability [Refer Note 38(d) and 38(e)]	**(267.04)**	**(223.63)**

Note 24: Borrowings

(carried at amortised cost)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Working capital facilities from banks - Unsecured (Refer Note below)	1,000.00	1,000.00
Total	**1,000.00**	**1,000.00**

Notes: The Company has arranged Channel Finance Facilities for its customers from various banks. As per the terms of these facilities, should the customers default in making payment, after exhausting other modes of recovery the bankers have recourse on the Company up to ₹ 1,000 lakhs. The total amount guaranteed by the Company towards such recourses under the Channel Financing Facilities as at March 31, 2021 is ₹ 1,000 lakhs (March 31, 2020: ₹ 1,000 lakhs) and is included under Borrowings.

Notes Forming Part of the Financial Statements

Note 25: Trade payables

(carried at amortised cost)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Total outstanding dues of micro enterprises and small enterprises	7,645.59	2,769.03
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	39,666.99	27,298.52
Total	**47,312.58**	**30,067.55**

(i) Trade payables are non interest bearing and are normally settled in 7 days to 120 days. For explanations on the Company's risk management process, refer Note 51

(ii) Trade payables are unsecured and for amounts due to related parties refer Note 45.

(iii) Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(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	7,645.59	2,769.03
Interest due on above	-	-
	7,645.59	**2,769.03**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with out adding interest specified under the MSMED Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Note 26: Other current financial liabilities (including lease liabilities)

(Carried at amortised cost)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Unpaid dividends (Refer Note below)	41.29	48.14
(b) Trade / Security deposits received	1,353.97	1,402.12
(c) Capital creditors	234.44	633.11
(d) Refund liabilities arising from right to return assets (Refer Note 30 (iv))	795.22	494.86
(e) Current portion of lease liabilities (Refer Note 42)	636.36	392.46
(f) Other payables	139.66	137.80
Total	**3,200.94**	**3,108.49**

Note: Unpaid dividend represents unpresented dividend warrants and does not include amount due and outstanding to be credited to Investor Education and Protection Fund.

Notes Forming Part of the Financial Statements

Note 27: Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Statutory dues*	320.52	535.65
(b) Contract liability (Refer Note 30 (iii))	1,399.50	1,602.12
(c) Others	81.60	15.02
Total	**1,801.62**	**2,152.79**

*Represents contributions to Provident Fund, Employee State Insurance, withholding taxes etc.

Note 28: Provisions

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
(i) Provision for leave benefits	1,317.68	1,296.60
(ii) Provision for gratuity (Refer Note 43)	527.50	223.75
(b) Other provisions		
(i) Provision for warranty (Refer Note below)	2,399.76	2,152.81
Total	**4,244.94**	**3,673.16**

Notes:

Provision for warranty:

A provision is recognized for expected warranty claims and after sales services on products sold during the year, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within five years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current sales growth rate and current information available about defective returns based on the warranty period for the respective products sold.

The table below gives information about movement in Provision for warranty : (₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	3,084.49	3,151.23
Additions	4,388.15	4,264.75
Utilisation/ Reversal/ Payments	(3,946.20)	(4,331.49)
Balance as at the end of the year	**3,526.44**	**3,084.49**
Disclosed as:		
Non-current (Refer Note 22)	1,126.68	931.68
Current	**2,399.76**	**2,152.81**

Note 29: Current tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax (net of advance tax)	1,061.21	-
Total	**1,061.21**	**-**

Notes Forming Part of the Financial Statements

Note 30: Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Revenue from contracts with customers		
Sale of products	2,67,873.80	2,46,226.65
Services of products*	5.73	12.88
Sale of scrap*	1,624.16	1,265.58
	2,69,503.69	**2,47,505.11**
(b) Government budgetary support (Refer note (i) below)*	396.72	691.18
Total	**2,69,900.41**	**2,48,196.29**

* Represents other operating revenues.

Notes:

(i) Government budgetary support represents benefits provided by the Government to the Company in respect of its manufacturing units in the state of Sikkim, Himachal Pradesh and Uttarakhand 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. The exemption in respect of its manufacturing unit at Himachal Pradesh and Uttarakhand has expired on January 7, 2020 and April 12, 2019 respectively.

(ii) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in lakhs)

Particulars	For the year ended March 31, 2021			
	Electronics	Electricals	Consumer Durables	Total
Sale of products	75,060.60	1,19,304.08	73,509.12	2,67,873.80
Services of products	1.31	2.95	1.47	5.73
Sale of scrap	496.47	1,028.93	98.76	1,624.16
Total revenue from contracts with customers	**75,558.38**	**1,20,335.96**	**73,609.35**	**2,69,503.69**
India	74,994.75	1,20,319.20	73,602.29	2,68,916.24
Outside India	563.63	16.76	7.06	587.45
Total revenue from contracts with customers	**75,558.38**	**1,20,335.96**	**73,609.35**	**2,69,503.69**
Timing of Revenue recognition				
Goods transferred at a point in time	75,557.07	1,20,333.01	73,607.88	2,69,497.96
Services transferred over time	1.31	2.95	1.47	5.73
Total revenue from contracts with customers	**75,558.38**	**1,20,335.96**	**73,609.35**	**2,69,503.69**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2020			
	Electronics	Electricals	Consumer Durables	Total
Sale of products	74,651.37	1,04,408.28	67,167.00	2,46,226.65
Services of products	2.72	6.88	3.28	12.88
Sale of scrap	290.21	825.54	149.83	1,265.58
Total revenue from contracts with customers	**74,944.30**	**1,05,240.70**	**67,320.11**	**2,47,505.11**
India	74,279.86	1,05,239.21	67,281.00	2,46,800.07
Outside India	664.44	1.49	39.11	705.04
Total revenue from contracts with customers	**74,944.30**	**1,05,240.70**	**67,320.11**	**2,47,505.11**
Timing of Revenue recognition				
Goods transferred at a point in time	74,941.58	1,05,233.82	67,316.83	2,47,492.23
Services transferred over time	2.72	6.88	3.28	12.88
Total revenue from contracts with customers	**74,944.30**	**1,05,240.70**	**67,320.11**	**2,47,505.11**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 44):

(₹ in lakhs)

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Electronics	Electricals	Consumer Durables	Electronics	Electricals	Consumer Durables
External customers	75,887.51	1,20,346.11	73,666.79	75,451.51	1,05,297.86	67,446.92
Government budgetary support	(329.13)	(10.15)	(57.44)	(507.21)	(57.16)	(126.81)
Total revenue from contracts with customers	**75,558.38**	**1,20,335.96**	**73,609.35**	**74,944.30**	**1,05,240.70**	**67,320.11**

(iii) Contract balances

The following are the contract balances:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables (Current)	38,471.76	32,177.23
Contract liabilities (Current)	1,399.50	1,602.12

Trade receivables are generally on terms of 15 to 90 days and are non-interest bearing except in case of overdue payments. During the year ended March 31, 2021, ₹ 27.51 lakhs (March 31, 2020: ₹ 610.60 lakhs) was recognised as impairment allowance on doubtful trade receivables. Contract liabilities represents advance received from customers for sale of products.

(iv) Right of return assets and refund liabilities arising from right of return assets

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Right of return assets (Current)	566.51	361.25
Refund liabilities arising from rights of return assets (Current)	795.22	494.86

Notes Forming Part of the Financial Statements

(v) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue as per contract price	2,86,136.28	2,65,229.67
Adjustments:		
Discounts, rebates and trade incentives	(15,837.37)	(17,229.70)
Sales return	(795.22)	(494.86)
Total revenue from contracts with customers	**2,69,503.69**	**2,47,505.11**

(vi) Performance obligation

The performance obligation for sale of products and scrap are satisfied upon delivery/despatch of goods depending upon terms with customers and payment is generally due within 15 to 90 days from delivery. Some contracts provide customers with a right of return, volume based discounts, rebates and other promotion incentive schemes, which give rise to variable consideration subject to constraint. The contracts do not have a significant financing component. The Company offers standard warranty on selected products. The Company makes provision for same as per the principles laid down under Ind AS 37. The performance obligation for product repair services is satisfied over-time and payment is generally due upon completion of service and acceptance of the customer. There are no unsatisfied or partially satisfied performance obligations as at March 31, 2021 and March 31, 2020.

During the year ended March 31, 2021, revenue recognised from the amount included in contract liability at the beginning of the year is ₹ 1,602.12 lakhs (March 31, 2020: ₹ 1,023.70 lakhs).

Note 31: Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend income / income on sale of current investments	3.95	588.02
Mould hire charges	1.40	10.90
Liabilities / provisions no longer required written back	12.23	31.53
Miscellaneous income	273.84	370.27
Total	**291.42**	**1,000.72**

Note 32: Finance income

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on overdue trade receivables	569.40	567.48
Interest income from banks on deposits	1,189.15	741.51
Interest income on loans and advances	59.64	89.01
Total	**1,818.19**	**1,398.00**

Notes Forming Part of the Financial Statements

Note 33.a: Cost of raw materials consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory at the beginning of the year	4,778.42	5,545.71
Add: Purchases	94,890.69	74,114.15
	99,669.11	**79,659.86**
Less: Inventory at the end of the year	12,377.00	4,778.42
Total	**87,292.11**	**74,881.44**

Note 33.b (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year:		
Finished goods	19,517.72	13,087.83
Work-in-progress	2,718.30	1,430.73
Traded goods (including stores and spares)	27,088.87	27,734.63
Total (A)	**49,324.89**	**42,253.19**
Inventories at the beginning of the year:		
Finished goods	13,087.83	8,469.57
Work-in-progress	1,430.73	1,124.34
Traded goods (including stores and spares)	27,734.63	21,367.92
Total (B)	**42,253.19**	**30,961.83**
(Increase)/decrease in inventories		
Finished goods	(6,429.89)	(4,618.26)
Work-in-progress	(1,287.57)	(306.39)
Traded goods (including stores and spares)	645.76	(6,366.71)
Net (increase) / decrease (B - A)	**(7,071.70)**	**(11,291.36)**

Notes Forming Part of the Financial Statements

Note 34: Employee benefits expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Salaries, wages and bonus	19,285.66	18,967.50
(b) Contributions to provident and other funds	916.81	939.32
(c) Share based payment expense (Refer Note (i) below and Note 47)	993.48	(339.31)
(d) Gratuity expense (Refer Note 43)	371.65	279.68
(e) Staff welfare expenses	899.20	835.31
Total	**22,466.80**	**20,682.50**

Notes:

(i) The Company had granted stock options under the Employees Stock Option Scheme, 2013 (ESOS 2013) to eligible employees of the Company. According to the scheme, the eligible employees were to be granted stock options subject to satisfaction of prescribed vesting conditions. The Company has been accruing the cost of these options over the vesting period. During the year ended March 31, 2021, management evaluated that the vesting condition for few of its options linked to the achievement of a certain threshold of profit before tax will not be satisfied and accordingly, the Company reversed the cost accrued over the years/periods for such options amounting to ₹ 259.54 lakhs to the statement of profit and loss. The reversal of such costs to the statement of profit and loss for the year ended March 31, 2020 amounted to ₹ 1,012.89 lakhs, resulting in net reversal of share based payment expense.

(ii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(iii) Also refer Note 3 and Note 39.

Note 35.a: Depreciation and amortisation expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Depreciation of property, plant and equipment (Refer Note 3)	2,744.71	2,321.27
(ii) Depreciation of right of use assets (Refer Note 3)	800.80	333.08
(iii) Amortisation of intangible assets (Refer Note 5)	186.57	154.21
Total	**3,732.08**	**2,808.56**

Note 35.b: Finance Costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Interest on borrowings	17.16	18.64
(ii) Interest on deposits from distributors	84.33	90.44
(iii) Interest on lease liability (Refer Note 42)	458.23	264.20
Total	**559.72**	**373.28**

Notes Forming Part of the Financial Statements

Note 36: Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of packing materials	2,645.97	2,867.25
Power and fuel	1,609.91	1,453.62
Rent	1,145.62	1,592.16
Repairs and maintenance	2,133.51	2,119.30
Rates and taxes	180.79	322.29
Travelling and conveyance	1,195.36	2,857.26
Freight and forwarding charges	3,576.33	3,195.50
Advertisement and business promotion expenses	2,822.76	5,681.90
Donations and contributions	2.77	9.70
CSR expenditure (Refer Note 37)	424.41	399.60
Legal and professional fees	977.05	2,495.29
Directors' sitting fees	30.95	24.60
Payments to statutory auditors (Refer note (i) below)	68.83	72.45
Trade and other receivables, loans and advances written off	75.31	9.28
Loss on foreign currency transactions and translation (net)	225.80	425.31
Loss on property, plant and equipment sold / scrapped / written off (net)	28.99	74.72
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	634.52	640.59
Outsourced manpower cost	4,369.80	3,519.33
Warranty expenses	4,388.15	4,264.75
Contributions to political parties (Refer note (ii) below)	1.72	5.86
Miscellaneous expenses	5,372.30	4,336.33
Total	**31,910.85**	**36,367.09**

Notes Forming Part of the Financial Statements

Notes:

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Payments to Statutory Auditors comprises:		
Statutory audit fees	39.00	39.00
Tax audit fees	3.50	3.50
Limited review fees	18.00	18.00
Fees for other services (certifications)	4.00	4.00
Reimbursement of expenses	4.33	7.95
Total	**68.83**	**72.45**
(ii) Contribution to political parties		
National Democratic Alliance	1.07	3.08
United Democratic Front	0.25	2.67
Left Democratic Front	0.40	0.11
Total	**1.72**	**5.86**

Note 37: Details of CSR expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Gross amount required to be spend during the year	422.13	396.23
b) Amount approved by the Board to be spent during the year	423.00	396.23
c) Amount spent during the year:		
(i) In cash		
- Construction/ acquisition of any asset	-	-
- On purposes other than (i) above	424.41	399.60
(ii) Yet to be paid in cash		
- Construction/ acquisition of any asset	-	-
- On purposes other than (i) above	-	-
d) Details related to spent / unspent obligations:		
(i) Contribution to public trust	-	-
(ii) Contribution to charitable trust	-	-
(iii) Contribution to Section 8 Company (Refer Note 45)	418.80	388.87
(iv) Others	5.61	10.73
(v) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-

Notes Forming Part of the Financial Statements

Note 38: Income Taxes

The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:

(a) Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current income tax		
Current income tax charge	8,228.11	6,345.72
Adjustment of tax relating to earlier years	402.51	129.14
Deferred Tax		
Relating to origination and reversal of temporary differences	(61.76)	(447.30)
Income tax expense reported in the statement of profit and loss	8,568.86	6,027.56

(b) OCI section

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Re-measurement gains/(losses) on defined benefit plans	63.62	(306.13)
Income tax related to items recognised in OCI during the year	(18.35)	80.15

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Accounting profit before income tax	28,467.10	24,543.90
Applicable tax rate	34.944%	34.944%
Computed tax expense at statutory rate	9,947.54	8,576.62
Adjustments in respect of current income tax of previous years	402.51	129.14
Tax benefits under section 80IE of the Income Tax Act, 1961	(1,617.49)	(2,175.18)
Tax benefits under section 35(2AB)	-	(305.87)
Income exempt from tax	-	(205.48)
Temporary differences reversing during tax holiday period	11.30	25.11
Other adjustments	(175.00)	(16.78)
Income tax charged to the Statement of Profit and loss	8,568.86	6,027.56

Notes Forming Part of the Financial Statements

(d) Deferred tax (credit)/charge comprises:

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Accelerated Depreciation for tax purposes	519.41	116.82
Impairment allowance for doubtful trade receivables, loans and advances	(213.57)	(228.25)
Disallowances under Section 43B of the Income Tax Act, 1961	(193.66)	(69.89)
Others	(155.59)	(265.98)
Total	**(43.41)**	**(447.30)**

(e) Reconciliation of deferred tax (asset)/ liabilities (net):

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance as at beginning of the year	(223.63)	223.67
Tax (income)/expense during the year recognised in statement of profit and loss (refer note 38(d) above)	(61.76)	(447.30)
Tax (income)/expense during the year recognised in other comprehensive income (refer note 38(d) above)	18.35	-
Closing balance as at end of the year	**(267.04)**	**(223.63)**

Note 39: Details of research and development expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Materials	-	206.27
Employee benefits expenses	1,226.51	1,218.75
Travelling and conveyance	19.05	94.08
Property, plant & equipment	-	45.17
Other expenses	176.35	22.17
Total	**1,421.91**	**1,586.44**

Note 40: Commitments and contingencies

A) Capital Commitments (Net of advances)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,950.22	880.76

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.

Notes Forming Part of the Financial Statements

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	**Litigations (see note below)**		
	(a) Claims against the Company not acknowledged as debt	293.77	276.83
	(b) Direct tax matters under dispute / pending before Income Tax Authorities	2,590.52	2,414.80
	(c) Indirect tax matters for demands raised by sales tax / VAT department pending before various appellate authorities	1,391.51	852.03
	(d) Others	6.82	6.82
	Total	**4,282.62**	**3,550.48**
(ii)	**Others**		
	(a) Bank Guarantees	19,167.10	13,110.68
	(b) Letter of credit outstanding	6,509.59	5,754.51
	(c) Corporate Guarantee given on behalf of subsidiary for bank loans (Refer Note 45 & 54)	800.00	800.00
	Total	**26,476.69**	**19,665.19**

Notes:

(i) There are numerous interpretative issues relating to the Supreme Court ("SC") judgement on Provident Fund ("PF") dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

(ii) The Company is involved in taxation and other disputes, lawsuits, proceedings etc. including commercial matters and claims relating to Company's products that arise from time to time in the ordinary course of business. Management is of the view that such claims are not tenable and will not have any material adverse effect on the Company's financial position and results of operations.

(iii) The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals or similar demand for subsequent assessment years.

(iv) Also refer Note 34(ii).

Note 41: Investment in Subsidiary

a) These financial statements are separate financial statements prepared in accordance with Ind AS-27 "Separate Financial Statements".

b) The Company's investment in subsidiary is as follows:

Name of the Subsidiary	Country of incorporation	Portion of ownership interest as at March 31, 2021	Portion of ownership interest as at March 31, 2020	Method used to account for the investment
Guts Electro-Mech Limited	India	74%	74%	At cost

With effect from August 31, 2017, the Company acquired 74% equity stake in Guts Electro-Mech Limited ("Guts") for a total purchase consideration of ₹ 618.26 lakhs which represents amount paid to promoters of Guts and subscription to fresh issue of equity shares of Guts. Guts is a public limited company engaged in the business of Switch Gear. The Company has a Call Option to acquire the balance 26% stake in Guts, which option can be exercised by the Company any time. Similarly, the original promoter of Guts, holding 26% stake has a Put Option to sell his stake to the Company, which Put Option can be exercised by him after the end of three years from the aforesaid date. The Call Option/ Put Option is exercisable by the parties at the price specified in the purchase agreement linked to the time of exercise. The Put Option liability is initially measured at the present value of the amount payable on exercise of the option, as a financial liability amounting to ₹ 317.15 lakhs, with corresponding increase in Investment cost of subsidiary. The subsequent changes in carrying amount of the Put Option liability is recognised in the standalone statement of profit and loss.

Notes Forming Part of the Financial Statements

The Call Option is initially measured at fair value as a financial asset amounting to ₹ 50.46 lakhs with corresponding reduction in Investment cost of subsidiary and subsequent changes in fair value through profit or loss. There has been no change in the fair value of Call Option during the current and previous year.

Note 42: Leases

(i) The Company's lease asset primarily consist of leases for vehicles, land and building for factories, branch offices and warehouses having the various lease terms. The Company also has certain leases with lease terms of 12 months or less. The Company applies the short term lease recognition exemptions for these leases.

(ii) Following is carrying value of right of use assets recognised and the movements thereof during the year ended March 31, 2021 and March 31, 2020.

(₹ in lakhs)

Particulars	Right to use assets			Total
	Leasehold Land	Leasehold Building	Leased Vehicles	
Balance as at April 1, 2019	**-**	**-**	**-**	**-**
Transition impact on adoption of Ind AS 116 "Leases" (refer Note 3)	911.62	2,968.16	-	3,879.78
Reclassified from property, plant and equipment on adoption of Ind AS 116 "Leases (refer Note 3)	420.43	-	-	420.43
Total Right of use assets on the date of transition	**1,332.05**	**2,968.16**	**-**	**4,300.21**
Additions during the year	-	-	-	-
Deletions during the year	-	-	-	-
Depreciation of Right of use assets (refer Note 3)	(77.53)	(255.55)	-	(333.08)
Balance as at March 31, 2020	**1,254.52**	**2,712.61**	**-**	**3,967.13**
Additions during the year	623.94	2,102.30	354.00	3,080.24
Deletions during the year	-	-	-	-
Depreciation of Right of use assets (refer Note 3)	(78.69)	(684.76)	(37.35)	(800.80)
Balance as at March 31, 2021	**1,799.77**	**4,130.15**	**316.65**	**6,246.57**

(iii) The following is the carrying value of lease liability and movement thereof during the year ended March 31, 2021 and March 31, 2020:

(₹ in lakhs)

Particulars	Amount
Balance as at April 1, 2019	**-**
Transition impact on adoption of Ind AS 116 "Leases"	3,879.78
Additions during the year	-
Finance cost accrued during the year	264.20
Payment of lease liabilities	(429.61)
Balance as at March 31, 2020	**3,714.37**
Additions during the year	2,456.30
Finance cost accrued during the year	458.23
Payment of lease liabilities	(1,003.83)
Balance as at March 31, 2021	**5,625.07**
Disclosed as:	
Current portion of lease liability (Refer Note 26)	636.36
Non-current lease liability (Refer Note 21)	4,988.71
Total	**5,625.07**

Notes Forming Part of the Financial Statements

(iv) Amounts recognised in statement of profit and loss during the year:

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on right of use assets	800.80	333.08
Finance cost accrued during the year (included in finance costs) (Refer Note 35.b)	458.23	264.20
Expense related to short term leases (included in other expenses) (Refer Note 36)	1,145.62	1,592.16
	2,404.65	**2,189.44**

(v) The maturity analysis of lease liabilities are disclosed in Note 51A.

(vi) The weighted average incremental borrowing rate applied to lease liabilities is 9%.

(vii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(viii) The Company had total cash outflows for leases of ₹ 2,149.45 lakhs during the year ended March 31, 2021 (March 31, 2020 ₹ 2,021.77 lakhs).

(ix) The difference between the lease obligation recorded, as of March 31, 2019, under Ind AS 17 (disclosed under Note 39(A) of annual standalone financial statements forming part of 2019 Annual Report) and the value of the lease liability as of April 1, 2019, is on account of use of practical hindsight in determining the lease term, where the contract contained options to extend or terminate the lease in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

Note 43: Employee Benefit Plans

Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit:

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Components of employer expense:		
Current service cost	357.06	294.75
Net interest expense / (income) on net defined benefit obligation	14.59	(15.07)
Total expense recognised in the Statement of Profit and Loss	**371.65**	**279.68**
Actual contribution and benefit payments for year:		
Actual benefit payments	69.99	96.73
Actual contributions	4.28	463.43
Net asset / (liability) recognised in the Balance Sheet:		
Present value of defined benefit obligation	(3,106.62)	(2,721.31)
Fair value of plan assets	2,579.12	2,497.56
Net asset / (liability) recognised in the Balance Sheet	**(527.50)**	**(223.75)**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	2,721.31	2,086.05
Current service cost	357.06	294.75
Interest cost on DBO	174.61	142.98
Actuarial (gains) / losses	(76.37)	294.26
Benefits paid	(69.99)	(96.73)
Present value of DBO at the end of the year	**3,106.62**	**2,721.31**
Change in fair value of assets during the year:		
Plan assets at beginning of the year	2,497.56	1,984.68
Return on plan assets greater/ (lesser) than discount rate	(12.75)	(11.87)
Actual company contributions	4.28	463.43
Interest income on plan assets	160.02	158.05
Benefits paid	(69.99)	(96.73)
Plan assets at the end of the year	**2,579.12**	**2,497.56**
Composition of the plan assets is as follows:		
Insurer Managed Assets	100%	100%
Remeasurement gains/(losses) in other comprehensive income		
Return on plan assets greater/ (lesser) than discount rate	(12.75)	(11.87)
Actuarial gain / (loss) on obligations arising from changes in experience adjustments	100.41	(130.69)
Actuarial gain / (loss) on obligations arising from changes in financial assumptions	(24.04)	(163.57)
Total amount recognised in OCI	**63.62**	**(306.13)**

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The below sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined Benefit Obligation	3,106.62	2,721.31

(₹ in lakhs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Impact on defined benefit obligation (increase/(decrease)) due to change in Discount rate	259.65	(226.48)	231.87	(201.78)
Impact on defined benefit obligation (increase/(decrease)) due to change in Salary Escalation Rate	(223.75)	251.08	(199.52)	224.43

Notes Forming Part of the Financial Statements

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Maturity profile of Defined Benefit Obligation

Expected Cash Flows (value on undiscounted basis)	Amount (₹ in lakhs)
March 31, 2022	294.28
March 31, 2023	327.39
March 31, 2024	346.67
March 31, 2025	413.37
March 31, 2026	415.56
March 31, 2027 to March 31, 2031	2,479.84

Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2020: 8 years).

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial assumptions:		
Discount rate	6.40%	6.50%
Salary Escalation	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
Performance percentage considered	NA	NA
Estimate of amount of contribution in the immediate next year (₹ in lakhs)	527.50	223.75

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.

Notes Forming Part of the Financial Statements

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 Company has been prepared in accordance with Ind AS-108, “Operating Segment”. Based on the “management approach” as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments and segment information is presented accordingly. Accordingly, the management has identified, based on its products, three reportable segments namely, Electronics, Electricals and Consumer Durables as follows:

Electronics Segment includes Stabilizers, Digital UPS, UPS and Solar Inverters;

Electricals Segment includes PVC Insulated Cables, Switch Gears, Single Phase Pumps, Three Phase Pumps and Modular Switches; and

Consumer Durables Segment includes Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Glass-top Gas Stoves, Rice cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers.

The Management Committee of the Company monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product and have been identified as per the quantitative criteria specified in the Ind AS. The management has complied with the aggregation criteria as specified in Ind-AS 108 and the same has been applied based on the nature of products, considering their end users and as considered relevant and appropriate for the industry the Company operates in.

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and property, plant and equipments. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liability.

Current taxes, deferred taxes, investment in subsidary and others, cash and bank balances and certain other financial assets and liabilities are not allocated to segments as they are also managed on Company basis.

Capital expenditure consists of addition of property, plant and equipment, capital work in progress, intangible assets and capital advances.

Transfer pricing between operating segments are on an arm length basis in a manner similar to transaction with third parties.

Notes Forming Part of the Financial Statements

Year ended March 31, 2021 (₹ in lakhs)

Particulars	Electronics	Electricals	Consumer Durables	Eliminations	Total
Revenue					
External customers	75,887.51	1,20,346.11	73,666.79	-	2,69,900.41
Inter-segment	-	-	-	-	-
Total revenue	**75,887.51**	**1,20,346.11**	**73,666.79**	**-**	**2,69,900.41**
Income/(Expenses)					
Depreciation and amortisation	(294.21)	(679.51)	(856.24)	-	(1,829.96)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(178.41)	(282.92)	(173.19)	-	(634.52)
Segment profit	14,416.24	10,648.60	4,025.62	-	29,090.46
Total assets	**33,870.25**	**49,249.27**	**50,408.99**	**-**	**1,33,528.51**
Total liabilities	**13,212.32**	**20,927.71**	**17,257.44**	**-**	**51,397.47**
Other disclosure: Capital Expenditure	**340.55**	**1,197.54**	**2,679.68**	**-**	**4,217.77**

Year ended March 31, 2020 (₹ in lakhs)

Particulars	Electronics	Electricals	Consumer Durables	Eliminations	Total
Revenue					
External customers	75,451.51	1,05,297.86	67,446.92	-	2,48,196.29
Inter-segment	-	-	-	-	-
Total revenue	**75,451.51**	**1,05,297.86**	**67,446.92**	**-**	**2,48,196.29**
Income/(Expenses)					
Depreciation and amortisation	(276.53)	(660.86)	(401.22)	-	(1,338.61)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(194.74)	(271.77)	(174.08)	-	(640.59)
Segment profit	12,367.82	8,131.81	3,993.52	-	24,493.15
Total assets	**31,535.67**	**41,031.15**	**39,224.08**	**-**	**1,11,790.90**
Total liabilities	**8,940.30**	**12,998.63**	**13,693.74**	**-**	**35,632.67**
Other disclosure: Capital Expenditure	**978.96**	**1,081.24**	**8,820.70**	**-**	**10,880.90**

Reconciliation of amount reflected in the financial statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Reconciliation of profit		
Segment Profit	29,090.46	24,493.15
Other Unallocable income	2,064.28	2,334.14
Other Unallocable expenses	(2,127.92)	(1,910.11)
Finance cost	(559.72)	(373.28)
Profit before tax	**28,467.10**	**24,543.90**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
(b)	**Reconciliation of assets**		
	Segment operating assets	1,33,528.51	1,11,790.90
	Investment in Subsidiary	884.95	884.95
	Investment property	27.90	27.90
	Investments - Current & Non-Current	3,340.00	3,600.14
	Deferred tax asset	267.04	223.63
	Cash and cash equivalents	28,072.31	2,341.08
	Other bank balances	41.29	8,812.14
	Income tax assets (net)	1,379.94	1,702.92
	Tangible & Other intangible assets	13,801.64	11,065.40
	Other unallocable assets	4,635.55	3,580.61
	Total assets	**1,85,979.13**	**1,44,029.67**
(c)	**Reconciliation of liabilities**		
	Segment operating liabilities	51,397.47	35,632.67
	Borrowings	1,000.00	1,000.00
	Current tax liabilities	1,061.21	-
	Lease liability	2,140.94	355.10
	Provision for leave benefits	1,317.68	1,296.60
	Provision for gratuity	527.50	223.75
	Other unallocable liabilities	7,757.44	6,144.05
	Total liabilities	**65,202.24**	**44,652.17**

Revenue from external customer

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	2,69,312.96	2,47,491.26
Outside India	587.45	705.04

The revenue information above is based on the location of the customers. All non current operating assets of the Company are located in India and for this purpose consists of property, plant and equipment, investment property, intangible assets and capital advances.

Notes Forming Part of the Financial Statements

Note 45: Related Party Transactions

(a) Details of Related Parties:

Description of Relationship	Names of Related Parties
Key Management Personnel (KMP)	Mr. Kochouseph Chittilappilly - Chairman and Non Executive Director (till March 31, 2020)
	Mr. Mithun K. Chittilappilly - Managing Director
	Mr. Ramachandran Venkataraman - Director and Chief Operating Officer
	Mr. Sudarshan Kasturi - Chief Financial Officer (Refer Note 2 below)
	Ms. Jayasree K - Company Secretary (Refer Note 2 below)
Relatives of KMP with whom transactions have taken place during the year	Mr. Kochouseph Chittilappilly - Father of Mr. Mithun K Chittilappilly
	Ms. Sheela Kochouseph - Mother of Mr. Mithun K Chittilappilly
	Mr. Arun K. Chittilappilly - Brother of Mr. Mithun K Chittilappilly
	Ms. Priya Sarah Cheeran Joseph - Daughter in law of Mr. Kochouseph Chittilappilly
	Ms. Vidyavathi Vaidyanathan - Wife of Mr. Ramachandran Venkataraman
	Ms. Radhika Ramachandran - Daughter of Mr. Ramachandran Venkataraman
Non - Executive Directors	Mr. Cherian N Punnoose
	Mr. A K Nair (till July 28, 2019)
	Mr. Ullas K Kamath
	Mr. C J George
	Mr. George Jacob Muthoot (wef October 05, 2020)
	Mr. B Jayaraj (wef April 01, 2020)
	Ms. Joshna Johnson Thomas - Wife of Mr. Mithun K. Chittilappilly
	Ms. Radha Unni
Subsidiary	Guts Electro-Mech Limited (Refer Note 41)
Entities in which KMP/ relatives of KMP can exercise significant influence	K Chittilappilly Trust
	Arav Chittilappilly Trust
	V-Guard Foundation (Refer note 3 below)

The Company has not entered in to any transactions with companies in which KMP/ relatives of KMP can exercise significant influence.

(b) Transactions with related parties during the year

(₹ in lakhs)

Name of the Related Party	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Kochouseph Chittilappilly	Dividends Paid	-	1,294.99
	Commission	-	151.18
	Emoluments	73.44	-
	Sitting Fees	-	3.75
Mr. Mithun K Chittilappilly	Dividends Paid	-	1,544.12
	Salaries and allowances	143.58	151.59
	Company contribution to provident fund	13.25	13.82
	Commission	367.22	314.96

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Name of the Related Party	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Ramachandran Venkataraman	Dividends Paid	-	13.79
	Salaries and allowances	270.49	215.43
	Company contribution to provident fund	23.02	24.65
	Employee stock compensation expense *	466.59	(548.37)
	Issue of Equity shares including premium	347.51	96.71
Mr. Sudarshan Kasturi	Dividends Paid	-	0.29
	Salaries and allowances	203.98	178.29
	Company contribution to provident fund	9.60	9.69
	Employee stock compensation expense*	(22.79)	96.80
	Issue of Equity shares including premium	0.53	0.69
Ms. Jayasree K	Dividends Paid	-	1.19
	Salaries and allowances	27.87	25.70
	Company contribution to provident fund	1.01	0.88
	Employee stock compensation expense *	12.52	(4.53)
	Issue of Equity shares including premium	0.08	0.15
Relatives of KMP (Excluding Mr. Kochouseph Chittilappilly)	Dividends Paid	-	1,173.86
Enterprises in which KMP/ relatives of KMP can exercise significant influence	Dividends Paid	-	668.67
Non - Executive Directors	Sitting Fees	30.95	20.85
	Commission	88.44	72.42
Guts Electro-Mech Limited	Purchase of goods	3,312.94	3,178.08
	Reimbursement of expenses by subsidiary	49.83	47.16

*Employee stock compensation expense is net of reversals (Refer Note 34).

(c) Related party balances

(₹ in lakhs)

Name of the Related Party	Nature of Transactions	As at March 31, 2021	As at March 31, 2020
Mr. Kochouseph Chittilappilly	Commission payable	-	151.18
	Emoluments payable	73.44	-
Mr. Mithun K Chittilappilly	Commission payable	367.22	314.96
Non - Executive Directors	Commission payable	88.44	72.42
Guts Electro-Mech Limited	Investment in Equity Shares (including premium)	342.49	342.49
	Corporate Guarantee given on behalf of related party	800.00	800.00
	Advance/(payable) for purchase of goods	(534.00)	(90.18)

Notes:

1. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
2. Represents additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year.

Notes Forming Part of the Financial Statements

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, 2021, the Company has contributed ₹ 418.80 lakhs (Year ended March 31, 2020: ₹ 388.87 lakhs) towards expenditure for CSR activities.

4. The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

Note 46: Earnings Per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit for the year (₹ in lakhs)	19,898.24	18,516.34
Weighted average number of equity shares outstanding	42,88,30,019	42,75,39,565
Basic earnings per share (₹)	4.64	4.33
Net Profit for the year (₹ in lakhs)	19,898.24	18,516.34
Weighted average number of equity shares outstanding	43,19,07,592	43,21,23,388
Diluted earnings per share (₹)	4.61	4.28
Weighted average number of equity shares in calculating basic EPS	42,88,30,019	42,75,39,565
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	30,77,573	45,83,823
Weighted average number of equity shares in calculating diluted EPS	43,19,07,592	43,21,23,388

Note 47: Share based payments

The members of the Company by way of a special resolution under Section 81(1)(A) of the Companies Act, 1956, passed on 14th May, 2013 through postal ballot procedure, approved Employees Stock Option Scheme, 2013 (ESOS 2013) for grant of stock options to eligible employees of the Company. According to the Scheme, the eligible employees will be entitled to options as given below subject to satisfaction of prescribed vesting conditions. All options granted under ESOS 2013 can be exercised within 6 years from the date of vesting. The number of shares allocated for allotment under the ESOS 2013 is 19,590,234 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.

Notes Forming Part of the Financial Statements

Grant	Financial Year	Date of Grant	No. of Options Granted	Exercise Price per share (₹)	Vesting Period	Vesting Conditions
Grant I	2013-14	11-Jun-13	21,87,216	1.00	Over 3 years	Two third of total entitlements are time based grants and the remaining one third are based on the performance of the Company and the Individual employee.
			79,51,888	34.64		
Grant II	2015-16	04-May-15	2,81,266	1.00	Over 3 years	
			9,20,564	71.36		
Grant III	2016-17	04-May-16	4,20,000	1.00	Over 4 years	60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			37,80,000	68.75		
Grant IV	2016-17	16-Jun-16	2,59,504	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant V	2016-17	08-Aug-16	12,61,246	1.00	Over 4 years	
			49,280	1.00		100% of the entitlements are time based grants which will vest over 4 years.
			2,80,000	1.00		60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			11,20,000	121.79		
Grant VI	2016-17	21-Oct-16	1,15,976	1.00	Over 4 years	100% of the entitlements are time based grants which will vest over 4 years.
Grant VII	2016-17	30-Jan-17	82,460	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant VIII	2017-18	19-May-17	2,01,100	1.00	Over 4 years	
Grant IX	2017-18	31-Jul-17	1,54,854	1.00	Over 4 years	
Grant X	2017-18	22-Jan-18	2,50,768	1.00	Over 4 years	
Grant XI	2018-19	30-May-18	46,354	1.00	Over 4 years	
Grant XII	2018-19	31-Jul-18	99,452	1.00	Over 4 years	
Grant XIII	2018-19	31-Jan-19	76,190	1.00	Over 4 years	
Grant XIV	2019-20	06-Nov-19	31,444	1.00	Over 4 years	
Grant XV	2020-21	22-May-20	12,59,200	172.05	Over 4 years	100% of the entitlements are time based grants which will vest over 4 years.
			2,60,000	1.00	Over 4 years	100% of the entitlements based on the Company's performance at the end of 4 years.
Grant XVI	2020-21	27-Aug-20	10,62,635	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant XVII	2020-21	03-Feb-21	3,16,325	1.00	Over 4 years	
Grant XVIII	2020-21	19-Mar-21	24,907	1.00	Over 4 years	

Notes Forming Part of the Financial Statements

The details of the activity under the Scheme are summarized below:

Grant	Weighted average Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited/ Expired during the year	Exercised during the year	Exercisable at the end of the year	Outstanding at the end of the year	Weighted average remaining contractual life (in years)
Grant I	1.00	68,495	-	-	29,553	38,942	38,942	1.20
		(83,784)	-	-	(15,289)	(68,495)	(68,495)	(2.20)
	34.64	18,53,039	-	-	13,10,458	5,42,581	5,42,581	1.20
		(23,70,171)	-	-	(5,17,132)	(18,53,039)	(18,53,039)	(2.20)
Grant II	1.00	-	-	-	-	-	-	-
		(4,612)	-	-	(4,612)	-	-	-
	71.36	1,17,375	-	-	3,650	1,13,725	1,13,725	2.91
		(1,71,408)	-	-	(54,033)	(1,17,375)	(1,17,375)	(3.89)
Grant III	1.00	63,000	-	-	63,000	-	-	-
		(3,57,000)	-	(1,68,000)	(1,26,000)	-	(63,000)	(6.10)
	68.75	22,68,000	-	-	-	22,68,000	22,68,000	3.60
		(37,80,000)	-	(15,12,000)	-	(17,01,000)	(22,68,000)	(4.60)
Grant IV	1.00	63,793	-	-	44,048	19,745	19,745	4.82
		(1,64,499)	-	(64,890)	(35,816)	(15,141)	(63,793)	(6.01)
Grant V	1.00	3,49,505	-	-	2,04,414	1,45,091	1,45,091	4.49
		(8,95,602)	-	(3,34,040)	(2,12,058)	(1,20,446)	(3,49,505)	(5.72)
	1.00	24,640	-	-	12,320	12,320	12,320	4.60
		(24,640)	-	-	-	(24,640)	(24,640)	(5.77)
	1.00	42,000	-	-	42,000	-	-	-
		(1,96,000)	-	(1,12,000)	(42,000)	-	(42,000)	(6.27)
	121.79	6,72,000	-	-	-	6,72,000	6,72,000	3.79
		(11,20,000)	-	(4,48,000)	-	(5,04,000)	(6,72,000)	(4.79)
Grant VI	1.00	34,693	-	-	26,573	8,120	8,120	5.48
		(69,827)	-	(6,958)	(28,176)	(12,657)	(34,693)	(5.94)
Grant VII	1.00	36,076	-	20,614	15,462	-	-	5.84
		(67,000)	-	-	(30,924)	-	(36,076)	(6.84)
Grant VIII	1.00	1,25,687	-	50,275	37,706	-	37,706	6.14
		(1,63,393)	-	-	(37,706)	-	(1,25,687)	(6.84)
Grant IX	1.00	58,959	-	23,583	17,688	-	17,688	5.33
		(1,33,169)	-	(48,731)	(25,479)	-	(58,959)	(6.94)
Grant X	1.00	1,83,958	-	62,692	53,326	20,917	67,940	6.45
		(2,23,521)	-	-	(39,563)	(27,216)	(1,83,958)	(7.06)
Grant XI	1.00	41,854	-	-	7,791	5,091	34,063	6.47
		(46,354)	-	-	(4,500)	(4,191)	(41,854)	(7.24)
Grant XII	1.00	80,808	-	10,744	18,648	-	51,416	7.03
		(99,452)	-	-	(18,644)	-	(80,808)	(7.64)
Grant XIII	1.00	61,904	-	-	14,286	-	47,618	7.54
		(76,190)	-	-	(14,286)	-	(61,904)	(8.15)
Grant XIV	1.00	31,444	-	-	-	5,896	31,444	7.48
		-	(31,444)	-	-	-	(31,444)	(8.22)
Grant XV	1.00	-	2,60,000	-	-	-	2,60,000	9.15
		-	-	-	-	-	-	-
	172.05	-	12,59,200	-	-	-	12,59,200	7.64
		-	-	-	-	-	-	-
Grant XVI	1.00	-	10,62,635	20,105	-	-	10,42,530	9.15
		-	-	-	-	-	-	-
Grant XVII	1.00	-	3,16,325	-	-	-	3,16,325	8.34
		-	-	-	-	-	-	-
Grant XVIII	1.00	-	24,907	-	-	-	24,907	8.72
		-	-	-	-	-	-	-

Note: The numbers in parenthesis pertains to the previous year ended March 31, 2020.

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Weighted average fair value of the options granted during the year was ₹ 131.48 (2019-20: ₹ 241.66).

Weighted average equity share price at the date of exercise of options during the year was ₹ 193.27 (2019-20: ₹ 222.84).

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, 2021	For the year ended March 31, 2020
Risk-free interest rate (%)	4.84 % to 6.16%	6.01% to 6.55%
Expected life of options (years)	4.01 to 7.01	4.01 to 7.01
Expected volatility (%)	30.72% to 32.87%	31.68% to 31.95%
Dividend yield	0.1% to 0.24%	0.32%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome . The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date, indicative of future trends, which may not necessarily be the actual outcome.

Note 48: Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Revenue from sale of products

Revenue is measured at the fair value of consideration received/receivable from its customers and in determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return also.

In estimating the variable considerations, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with trade schemes, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could effect the reported fair value of financial instruments.

Put option liability

The Put Option liability granted on the non controlling interests of subsidiary is accounted for at the present value of the amount payable on exercise of the option, as a financial liability. The subsequent changes in carrying amount at each reporting date is recognised in the statement of profit and loss. The determination of the carrying value is based on discounted cash flows. The key assumption taken into consideration is the discount factor. As part of the accounting for the investment in subsidiary, put option liability with an estimated value of ₹ 317.15 lakhs was recognised at the acquisition date and remeasured to ₹ 465.56 lakhs as at the reporting date.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These mainly include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligation are given in Note 43.

Share-based payments

Estimating fair value for share-based payment transactions requires evaluation of vesting conditions and determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, dividend yield, forfeitures and making assumptions about them. The assumptions and model used for estimating fair value for share based payment transactions are disclosed in Note 47.

Warranty provision

Warranty provision is determined based on the historical trend of warranty expense for the same types of goods for which the warranty is currently being determined, after adjusting for unusual factors related to the goods that were sold. It is very unlikely that actual warranty claims will exactly match the historical trend of warranty expenses and hence such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

Notes Forming Part of the Financial Statements

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. In respect of financial guarantees provided by the Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided. Refer Note 40(B) for further disclosures.

Taxes

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Impairment allowance for trade receivables

The Company uses a provision matrix to calculate Expected Credit Losses ('ECL') for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 2.2(q) and Note 51(C).

Determination of control/ significant influence for investments made by the Company

As detailed in Note 7, the Company has entered into a share subscription and shareholder's agreement to acquire 7 equity shares and 2,900 OCCPS of Gegadyne for a cash consideration of ₹ 3,340.00 lakhs in return for 18.77% stake on a fully diluted basis, right to nominate a director on the Board of Gegadyne as well as various other rights under the aforesaid agreement. The management, based on the terms and conditions as per the said agreement, is of the view that they do not have the power to participate in the financial and operating policy decisions of Gegadyne considering that:

a) The equity shareholding of the Company is less than 1% of the total equity shareholding and OCCPS are convertible at the option of the Company and can be liquidated at a predetermined IRR.

b) The Company do not intend to participate in the operations of Gegadyne and do not have any visitation or inspection rights in respect of the research facilities and research activities of Gegadyne which is the primary activity of Gegadyne at this juncture.

c) On completion of the research activities, Gegadyne will seek additional investment from external investors whereby the Company's stake in Gegadyne will be significantly reduced.

d) All the other rights considered under 'reserved matters' in the aforesaid agreement are protective rights and not participative rights.

Accordingly, the Company has accounted the aforesaid investment as investment at fair value through profit or loss as per Ind AS 109 - Financial Instruments.

Notes Forming Part of the Financial Statements

Note 49: Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets at FVTPL				
Current investments	-	3,600.14	-	3,600.14
Derivative Instrument - Call Option	58.57	58.57	58.57	58.57
Other investments	3340.00	-	3340.00	-
Financial assets at amortised cost				
Loans	365.85	861.85	365.85	861.85
Cash and bank balances	28,113.60	11,153.22	28,113.60	11,153.22
Other financial assets	1,417.06	1,244.70	1,417.06	1,244.70
Trade Receivables	38,471.76	32,177.23	38,471.76	32,177.23
Total	**71,766.84**	**49,095.71**	**71,766.84**	**49,095.71**
Financial liabilities at amortised cost				
Short Term Borrowings	1,000.00	1,000.00	1,000.00	1,000.00
Put Option Liability	465.56	396.59	465.56	396.59
Lease liability	5,625.07	3,714.37	5,625.07	3,714.37
Other financial liabilities	2,564.58	2,716.03	2,564.58	2,716.03
Trade Payables	47,312.58	30,067.55	47,312.58	30,067.55
Total	**56,967.79**	**37,894.54**	**56,967.79**	**37,894.54**

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 the derivative instrument- call option has been determined using valuation techniques with market observable inputs. The valuation techniques incorporate various inputs including risk free interest rates and volatility.

The fair value of other investments has been determined using precedent transaction analysis method. Refer note 50 (v).

The fair value of loans, lease liabilities and borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate. The fair value of Put Option Liability is determined based on the present value of the amount payable on exercise of the option. There are no unobservable inputs that impact fair value.

Notes Forming Part of the Financial Statements

Note 50: Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities, measured at fair value on the balance sheet date:

(₹ in lakhs)

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets carried at cost for which fair value are disclosed					
Investment property (Refer Note 4 (i))	31-Mar-21	27.90	-	-	27.90
	31-Mar-20	27.90	-	-	27.90
Fair value of financial assets disclosed					
Current investments	31-Mar-21	-	-	-	-
	31-Mar-20	3,600.14	3,600.14	-	-
FVTPL - Other investments	31-Mar-21	3,340.00	-	-	3,340.00
	31-Mar-20	-	-	-	-
FVTPL Financial Instrument - Call Option	31-Mar-21	58.57	-	58.57	-
	31-Mar-20	58.57	-	58.57	-
Assets carried at amortised cost for which fair value are disclosed					
Cash and bank balances	31-Mar-21	28,113.60	-	-	28,113.60
	31-Mar-20	11,153.22	-	-	11,153.22
Other financial assets	31-Mar-21	1,417.06	-	-	1,417.06
	31-Mar-20	1,244.70	-	-	1,244.70
Loans	31-Mar-21	365.85	-	-	365.85
	31-Mar-20	861.85	-	-	861.85
Trade receivables	31-Mar-21	38,471.76	-	-	38,471.76
	31-Mar-20	32,177.23	-	-	32,177.23
Liabilities carried at amortised cost for which fair value are disclosed					
Trade payables	31-Mar-21	47,312.58	-	-	47,312.58
	31-Mar-20	30,067.55	-	-	30,067.55
Borrowings	31-Mar-21	1,000.00	-	1000.00	-
	31-Mar-20	1,000.00	-	1000.00	-
Put Option Liability	31-Mar-21	465.56	-	465.56	-
	31-Mar-20	396.59	-	396.59	-
Lease liability	31-Mar-21	5,625.07	-	-	5,625.07
	31-Mar-20	3,714.37	-	-	3,714.37
Other financial liabilities	31-Mar-21	2,564.58	-	-	2,564.58
	31-Mar-20	2,716.03	-	-	2,716.03

(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) Fair value of mutual funds is determined based on the net asset value of the funds.

Notes Forming Part of the Financial Statements

(v) The significant unobservable inputs used in the fair value measurement of investment categorised within Level 3 of the fair value hierarchy together with sensitivity analysis are as shown below:

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivitiy of the input to fair value
FVTPL Investments	Precedent transaction analysis method	Premium for Management, product/ technology, size of opportunity, competition etc.	Premium of 40%-60%	10% increase in premium will have a significant impact on the fair value of the investments.

Note 51: Financial risk management objectives and policies

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

A. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities.

The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable investments, such as mutual funds, with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of Company's financial liabilities.

(₹ in lakhs)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2021				
a) Borrowings	1,000.00	-	-	1,000.00
b) Trade Payables	47,312.58	-	-	47,312.58
c) Put option liability	-	465.56	-	465.56
d) Lease liability	1,106.54	3,929.56	3,268.63	8,304.72
e) Other financial liabilities	2,564.58	-	-	2,564.98
Total	**51,983.70**	**4,395.12**	**3,268.63**	**59,647.44**
As at March 31, 2020				
a) Borrowings	1,000.00	-	-	1,000.00
b) Trade Payables	30,067.55	-	-	30,067.55
c) Put option liability	-	409.72	-	409.72
d) Lease liability	713.99	1,991.47	3,426.56	6,132.02
e) Other Financial Liabilities	2,716.03	-	-	2,716.03
Total	**34,497.57**	**2,401.19**	**3,426.56**	**40,325.32**

Notes Forming Part of the Financial Statements

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 short term borrowings which are at floating interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risks arising from exposures to US Dollars and Chinese Yuan from the Company's import of goods. The Company manages this foreign currency risk by using foreign currency forward contracts to hedge certain of its import liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities net of amounts hedged is as follows:

(₹ In lakhs)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
March 31, 2021	(6.89)	6.89
March 31, 2020	(33.71)	33.71

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 14. The Company does not hold any

Notes Forming Part of the Financial Statements

collateral as security except for the deposits and bank guarantees received from the customers. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several locations and operate in largely independent markets.

The movement for change in allowance for expected credit loss and credit impairment is as follows:

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the year	3,352.91	2,742.31
Change in allowance for expected credit loss and credit impairment during the year	27.51	610.60
Balance as at the end of the year	**3,380.42**	**3,352.91**

Other financial assets

Credit risk from balances with banks and financial institutions and in respect of loans and security 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 lakhs)

Particulars	March 31, 2021	March 31, 2020
Borrowings	1,000.00	1,000.00
Less: Cash and cash equivalents, other bank balances and mutual fund investments	28,113.60	14,753.36
Net debt (A)	**(27,113.60)**	**(13,753.36)**
Equity	1,20,776.89	99,377.50
Capital and Net Debt (B)	**93,663.29**	**85,624.14**
Gearing ratio (A/B)	**-**	**-**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Notes Forming Part of the Financial Statements

Note 53: Impact assessment of COVID-19

The current financial year has been a challenging year for our business. The year began amidst a strict lockdown post the emergence of COVID -19 towards the end of the last financial year. The economy gradually opened post June 2020 and the second half of the year was progressing towards recovery. However a much stronger second wave of COVID -19 infections hit the country subsequent to March 31, 2021 and may result in significant disruption to our business as several cities and towns have announced restrictions. The Company has made a detailed assessment of its liquidity position as at the date of approval of these financial statements for the next one year and of the recoverability and carrying values of its assets including Property, Plant and Equipment (including assets under construction), Intangible assets, Trade receivables, Inventory and Investments as at the Balance sheet date and has concluded that there are no material adjustments required in the standalone financial statements. Management believes that it has taken into account all the possible impact of known events and economic forecasts based on internal and external sources of information arising from COVID-19 pandemic while making such assessment in the preparation of the standalone financial statements.

Note 54: Disclosures pursuant to Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013

As at March 31, 2021 and March 31, 2020, the Company has provided guarantee amounting to ₹ 800.00 lakhs (Maximum amount outstanding: ₹ 800.00 lakhs) to a bank for the borrowings availed by the subsidiary of the Company - Guts Electro-Mech Limited ("Guts"). The borrowing is availed by Guts for working capital requirements and purchase of machineries. Guts does not have any investment in the shares of the Company. The Company has not given any loans and advances in the nature of loans to subsidiaries, associates or companies / firms in which directors are interested. Also refer Note 8 (i) and Note 16 (ii).

Note 55: During the current year, the Company was required to transfer 18,748 equity shares to the Investor Education and Protection Fund Authority ("IEPFA") However, the Company could not transfer 3,280 equity shares as these were pledged by one of the shareholders. The Company has intimated IEPFA the details of such shares by filing form IEPF-3.

Note 56: Events after the reporting period

The board of directors have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting. Refer Note 20.

Note 57: Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

Note 58: Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sd/-
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 26, 2021

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Jayasree K
Company Secretary

Place : Kochi
Date : May 26, 2021

Independent Auditor's Report

To the Members of V-Guard Industries Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of V-Guard Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to the matter below. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditor of component not audited by us, as reported by them in their audit report furnished to us by the management, including those procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue from sale of products (as described in note 2.3(e) and 48 of the Consolidated Ind AS financial statements)	
Revenue is measured at the fair value of consideration received/receivable from its customers and in determining the transaction price for the sale of products, the Holding Company considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. We have considered this as a key audit matter on account of significant judgement and estimate involved in calculation of provision for such trade schemes as at the Balance Sheet date.	Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Assessed the Holding Company's accounting policy for revenue recognition including the policy for recording trade schemes in accordance with Ind AS 115. • Obtained an understanding of the revenue process, the assumptions used by the management in calculation of accrual of trade schemes and design and implementation of controls. • Evaluated management's methodology and assumptions used in the calculations of such accruals for trade schemes. • Tested on sample basis management's calculation of the provisions for trade schemes at year end with approved trade schemes and underlying sales data, including testing of completeness and arithmetical accuracy of the data used. • Tested, on sample basis, credit notes issued to customer/payments for incentives as per the approved trade schemes. • Performed analytical procedures to identify any unusual trends and items.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial

statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of the subsidiary, whose Ind AS financial statements (before adjustments on consolidation) include total assets of ₹ 2,754.59 lakhs as at March 31, 2021, and total revenues (including other income) of ₹ 5,601.51 lakhs and net cash outflows of ₹ 21.61 lakhs for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's report have been furnished to us by the management.

Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of such other auditor.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the subsidiary as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

(a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of the other auditor;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who is appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in “Annexure 1” to this report;

(g) In our opinion and based on the consideration of report of other statutory auditor of the subsidiary company, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company and its subsidiary, incorporated in India, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary, as noted in the ‘Other matter’ paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements – Refer Note 40(B)(i) to the consolidated Ind AS financial statements;

ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;

iii. As detailed in Note 55 to the consolidated Ind AS financial statements, except for 3,280 equity shares required to be transferred to the Investor Education and Protection Fund by September 7, 2020, there has been no other delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary, incorporated in India, during the year ended March 31, 2021.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 21061207AAAACG4459

Place of Signature: Bengaluru
Date: May 26, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF V-GUARD INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of V-Guard Industries Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group has maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31,2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to the subsidiary incorporated in India, is based on the corresponding report of the auditor of such subsidiary.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 21061207AAAACG4459

Place of Signature: Bengaluru
Date: May 26, 2021

Consolidated Balance Sheet as at March 31, 2021

(₹ in lakhs)

Particulars		Notes	As at March 31, 2021	As at March 31, 2020
A.	ASSETS			
1.	**Non-current assets**			
	Property, plant & equipment (including Right of use assets)	3	35,764.32	27,455.41
	Capital work-in-progress	3	1,955.02	6,686.51
	Investment property	4	27.90	27.90
	Goodwill	5	366.40	366.40
	Other intangible assets	5	814.63	595.69
	Financial assets			
	(a) Other investments	6	3,340.00	-
	(b) Loans	7	219.99	373.89
	(c) Other financial assets	8	1,396.93	1,090.44
	Income tax assets (net)	9	1,379.94	1,702.92
	Deferred tax assets (net)	10	381.74	248.22
	Other non-current assets	11	1,748.15	897.22
			47,395.02	**39,444.60**
2.	**Current assets**			
	Inventories	12	63,150.60	47,895.35
	Financial assets			
	(a) Current investments	13	-	3,600.14
	(b) Trade receivables	14	38,807.10	32,430.14
	(c) Cash and cash equivalents	15A	28,076.90	2,343.21
	(d) Other bank balances	15B	41.29	8,812.14
	(e) Loans	16	146.90	488.80
	(f) Other financial assets	17	80.13	248.86
	Other current assets	18	9,799.86	10,226.57
			1,40,102.78	**1,06,045.21**
	TOTAL ASSETS		**1,87,497.80**	**1,45,489.81**
B.	EQUITY AND LIABILITIES			
1.	**Equity**			
	Equity Share capital	19	4,301.88	4,282.88
	Other Equity *		1,16,827.20	95,262.33
	Equity attributable to equity holders of the parent		**1,21,129.08**	**99,545.21**
	Non Controlling interests*		471.13	363.43
	TOTAL EQUITY		**1,21,600.21**	**99,908.64**
2.	**Non-current liabilities**			
	Financial liabilities (including lease liabilities)	21	5,454.68	3,718.90
	Provisions	22	1,170.42	972.21
			6,625.10	**4,691.11**
3.	**Current liabilities**			
	Financial liabilities			
	(a) Borrowings	23	1,301.32	1,277.25
	(b) Trade payables	24	47,472.38	30,514.10
	(c) Other financial liabilities (including lease liabilities)	25	3,219.59	3,128.16
	Other current liabilities	26	1,810.24	2,159.93
	Provisions	27	4,325.64	3,750.59
	Current tax liabilities (net)	28	1,143.32	60.03
			59,272.49	**40,890.06**
	TOTAL EQUITY AND LIABILITIES		**1,87,497.80**	**1,45,489.81**
* Refer Consolidated Statement of changes in equity				
Summary of significant accounting policies		2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sd/-
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 26, 2021

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Jayasree K
Company Secretary

Place : Kochi
Date : May 26, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(₹ in lakhs)

Particulars		Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
1	**Income**			
	(a) Revenue from operations	29	2,72,123.99	2,50,294.25
	(b) Other income	30	254.70	1,115.04
	(c) Finance Income	31	1,818.19	1,398.14
	Total Income		**2,74,196.88**	**2,52,807.43**
2	**Expenses**			
	(a) Cost of raw materials consumed	32	90,976.18	78,188.38
	(b) Purchase of stock-in-trade		1,01,340.12	99,051.52
	(c) (Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	33	(7,065.28)	(11,064.15)
	(d) Employee benefits expenses	34	22,658.37	20,882.60
	(e) Depreciation and amortisation expenses	35.a	3,863.13	2,938.14
	(f) Finance costs	35.b	609.92	416.12
	(g) Other expenses	36	33,004.43	37,436.63
	Total expenses		**2,45,386.87**	**2,27,849.24**
3	**Profit before tax (1 - 2)**		**28,810.01**	**24,958.19**
4	**Tax expenses**	38		
	(a) Current tax expenses		8,370.61	6,510.72
	(b) Deferred tax expense / (credit)		(152.28)	(507.03)
	(c) Current tax relating to earlier years		402.51	129.14
	Total Income Tax		**8,620.84**	**6,132.83**
5	**Profit for the year (3 - 4)**		**20,189.17**	**18,825.36**
6	**Other Comprehensive income/ (loss)**			
	Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
	(a) Re-measurement gains/ (losses) on defined benefit plans		65.24	(308.70)
	(b) Income tax effect		(18.76)	80.15
	Other comprehensive income/(loss) for the year, net of tax		**46.48**	**(228.55)**
	Total comprehensive income for the year, net of tax		**20,235.65**	**18,596.81**
7	**Profit for the year, net of tax attributable to:**			
	Equity holders of the parent company		20,081.79	18,711.21
	Non controlling interests		107.38	114.15
8	**Total comprehensive income for the year, net of tax attributable to:**			
	Equity holders of the parent company		20,127.96	18,483.33
	Non controlling interests		107.69	113.48
9	**Earnings per equity share (basic and diluted) (₹)** (Nominal value of equity share - ₹ 1 each) :	46		
	Basic earnings per share		4.68	4.38
	Diluted earnings per share		4.65	4.32
Summary of significant accounting policies		2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sd/-
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 26, 2021

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Jayasree K
Company Secretary

Place : Kochi
Date : May 26, 2021

Consolidated Statement of changes in equity

for the year ended March 31, 2021

A) Equity Share Capital

Particulars	No. of shares	₹ in lakhs
As at April 1, 2019	**42,69,34,094**	**4,269.34**
Add Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	13,53,441	13.54
As at March 31, 2020	**42,82,87,535**	**4,282.88**
Add Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	19,00,923	19.00
As at March 31, 2021	**43,01,88,458**	**4,301.88**

B) Other Equity

(₹ in lakhs)

Particulars	Share Application money	Attributable to the equity holders of the parent company					Total	Non Controlling Interests	Total
		Securities Premium	General Reserve	Retained Earnings	Share based payment reserve	Put Option Liability			
As at March 31, 2019	**1.05**	**9,410.95**	**6,489.01**	**65,860.59**	**4,227.11**	**(317.15)**	**85,671.56**	**249.96**	**85,921.52**
Net profit for the year	-	-	-	18,711.21	-	-	18,711.21	114.15	18,825.36
Other comprehensive income for the year*									
Remeasurement gain/(loss) on defined benefit plans (net of taxes)	-	-	-	(227.88)	-	-	(227.88)	(0.67)	(228.55)
Total Comprehensive Income	**-**	**-**	**-**	**18,483.33**	**-**	**-**	**18,483.33**	**113.48**	**18,596.81**
Dividends (cash) (Refer Note 20) :									
Final	-	-	-	(3,416.65)	-	-	(3,416.65)	-	(3,416.65)
Dividend Distribution Tax on above	-	-	-	(702.29)	-	-	(702.29)	-	(702.29)
Interim	-	-	-	(3,853.03)	-	-	(3,853.03)	-	(3,853.03)
Dividend Distribution Tax on above	-	-	-	(792.18)	-	-	(792.18)	-	(792.18)
Equity shares issued under ESOS 2013	(1.05)	211.98	-	-	-	-	210.93	-	210.93
Transfer from Share based payments reserve on exercise of options under ESOS 2013	-	1,012.53	-	-	(1,012.53)	-	-	-	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	-	(339.31)	-	(339.31)	-	(339.31)
As at March 31, 2020	**-**	**10,635.46**	**6,489.01**	**75,579.77**	**2,875.27**	**(317.15)**	**95,262.36**	**363.44**	**95,625.80**
Net profit for the year	-	-	-	20,081.79	-	-	20,081.79	107.38	20,189.17
Other comprehensive income for the year*									
Remeasurement gain/(loss) on defined benefit plans (net of taxes)	-	-	-	46.17	-	-	46.17	0.31	46.48
Total Comprehensive Income	**-**	**-**	**-**	**20,127.96**	**-**	**-**	**20,127.96**	**107.69**	**20,235.65**
Equity shares issued under ESOS 2013	-	443.40	-	-	-	-	443.40	-	443.40
Transfer from Share based payments reserve on exercise of options under ESOS 2013	-	862.92	-	-	(862.92)	-	-	-	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	-	993.48	-	993.48	-	993.48
As at March 31, 2021	**-**	**11,941.78**	**6,489.01**	**95,707.73**	**3,005.83**	**(317.15)**	**1,16,827.20**	**471.13**	**1,17,298.33**

* As required under Ind AS compliant Schedule III, the Group has recognised remeasurement gains/(losses) of defined benefit plans as part of retained earnings.

Consolidated Statement of changes in equity

for the year ended March 31, 2021

B) Other Equity (contd...)

Nature and purpose of reserves:

Securities Premium : The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

Share application money : Represents the amounts received from employees in respect of options exercised under ESOS 2013 but not yet allotted.

General Reserve: Represents the amounts transferred from the Retained Earnings in accordance with the Companies (Transfer of Profits to Reserves) Rules 1975, as per the requirements of the erstwhile Companies Act, 1956.

Retained earnings: Represents the profits / losses of the Group earned till date, net of appropriations.

Share based payments reserve: The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Share based payments reserve. The outstanding balance represents the cumulative compensation cost of stock options granted but not yet vested/ exercised.

Put option liability: Refer Note 41

Refer Note 2 for Summary of significant accounting policies.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sd/-
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 26, 2021

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Jayasree K
Company Secretary

Place : Kochi
Date : May 26, 2021

Consolidated Cash Flow Statement for the year ended March 31, 2021

(₹ in lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
A. Cash flow from operating activities				
Profit before tax expenses		28,810.01		24,958.19
Adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortization expenses	3,863.13		2,938.14	
Loss on property, plant and equipment sold / scrapped / written off (net)	28.99		74.72	
Finance costs	507.67		316.60	
Finance income	(1,248.79)		(830.66)	
Carrying value adjustment of put option liability	68.96		32.75	
Dividend income / income on sale of current investments	(3.95)		(588.02)	
Liabilities / provisions no longer required written back	(19.80)		(62.78)	
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	715.37		667.41	
Share based payments expense / (reversals)	993.48		(339.31)	
		4,905.06		**2,208.85**
Operating profit before working capital changes		33,715.07		27,167.04
Movement in working capital				
(Increase)/Decrease in inventories	(15,255.25)		(10,255.91)	
(Increase)/Decrease in trade receivables	(6,485.32)		12,841.77	
(Increase)/Decrease in other financial and non financial assets	(107.23)		(2,771.38)	
Increase/(Decrease) in trade payables	16,972.81		(5,432.57)	
Increase/(Decrease) in provisions	838.50		89.42	
Increase/(Decrease) in other financial and non financial liabilities	(96.64)		313.11	
		(4,133.13)		**(5,215.56)**
Cash generated from operations		**29,581.94**		**21,951.48**
Income tax paid (net of refunds)		(7,366.85)		(7,883.30)
Net cash flow from operating activities (A)		**22,215.09**		**14,068.18**
B. Cash flow from investing activities				
Purchase of property, plant and equipment including capital work in progress and capital advances	(6,477.83)		(8,497.05)	
Proceeds from sale of property, plant and equipment	12.81		36.81	
Purchase of non current investments	(3,340.00)		-	
(Purchase)/ sale of current investments (net)	3,600.14		4,712.64	
Investment in fixed deposits with maturity more than 3 months (net)	8,513.99		(8,764.00)	
Refund of inter corporate loan	396.31		82.10	
Finance income	1,382.88		731.18	
Dividend income / income on sale of current investments	3.95		588.02	
Net cash flow from / (used in) investing activities (B)		**4,092.25**		**(11,110.30)**

Consolidated Cash Flow Statement for the year ended March 31, 2021

(₹ in lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
C. Cash flow from financing activities				
Proceeds from exercise of share options (including share application money)	462.40		224.47	
Proceeds/ (repayment) of short term borrowings (net)	24.07		(134.44)	
Payment of principal portion of lease liabilities	(545.60)		(165.40)	
Finance costs paid	(507.67)		(316.60)	
Dividends paid on equity shares (including dividend distribution tax)	(6.85)		(8,754.16)	
Net cash flow used in financing activities (C)		**(573.65)**		**(9,146.13)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**25,733.69**		**(6,188.25)**
Cash and cash equivalents at the beginning of the year		**2,343.21**		**8,531.46**
Cash and cash equivalents at the end of the year		**28,076.90**		**2,343.21**
Components of cash and cash equivalents: (Refer Note 15A)				
(a) Cash on hand		0.42		17.27
(b) Balances with bank:				
In current accounts		1,020.98		229.94
In fixed deposits		27,055.50		2,096.00
		28,076.90		**2,343.21**

Refer Note 2 for Summary of significant accounting policies

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sd/-
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 26, 2021

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Jayasree K
Company Secretary

Place : Kochi
Date : May 26, 2021

Notes Forming Part of the Financial Statements

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of V-Guard Industries Limited ('V-Guard' or 'the Company' or 'the Holding Company' or 'the Parent Company') and its subsidiary, Guts Electro-Mech Limited ('Guts') (collectively, the 'Group') for the year ended March 31, 2021. The Company is a public company domiciled in India with its registered office at Vennala High School Road, Kochi, Kerala. The Group is engaged in the manufacturing, trading and selling of a wide range of products as given below:

Segment	Products
Electronics	Stabilizers, Digital UPS, UPS and Solar Inverters
Electricals	PVC Insulated Cables, Switch Gears, Single Phase Pumps, Three Phase Pumps and Modular Switches
Consumer Durables	Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Glass top Gas Stoves, Rice Cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers

The Group's manufacturing facilities are located at K.G. Chavady, Coimbatore, Tamil Nadu; at Kashipur, Roorkee and Haridwar, Uttarakhand; at Kala Amb, Himachal Pradesh; at SIPCOT Industrial growth center, Perundurai, Tamil Nadu, Hyderabad, Telangana and at Majitar, Rangpo and Mamring in Sikkim. The Holding Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The consolidated financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on May 26, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Derivative financial instruments

(ii) Certain financial assets and liabilities that are measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakhs upto two decimal places (INR 00,000), except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- 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 recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- 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

Notes Forming Part of the Financial Statements

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition- related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the

Notes Forming Part of the Financial Statements

amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

b) *Current versus non-current classification*

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments, do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The

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Group has identified twelve months as its operating cycle.

c) *Foreign currencies*

The Group's financial statements are presented in INR which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

d) *Fair value measurement*

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

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The Group has a team comprising of members of senior management that determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted investments and financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The team decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

e) Revenue

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

(i) Sale of products and services

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations. The normal credit term is 15 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provide customers with a right of return, cash discounts and volume rebates/trade incentives. The rights of return, cash discounts and volume rebates/ trade incentives give rise to variable consideration.

➢ **Rights of return**

As a practice, the Group provides a customer with a right to return in case of any defects or on grounds of quality. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund

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liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

- **Volume rebates**

  The Group provides retrospective volume rebates/trade incentives to customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The Group estimates the variable consideration for the expected future rebates/trade incentives based on its experience of the expected value. The Group then applies the requirements on constraining estimates of variable consideration.

(ii) Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section (o) Provisions.

(iii) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (r) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(iv) Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective

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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.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend. Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss. Fair value of mutual funds is determined based on the net asset value of the funds.

f) Government Grants

Government Grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

g) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the consolidated statement of profit and loss is recognised outside the consolidated statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Sales/ value added/ goods and services taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added/ goods and services taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet.

h) Property, plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of tax credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Group has used the following useful lives to provide depreciation on its property, plant and equipment:

Asset Category	Useful life estimated by the management (in years)
Factory buildings	30
Other buildings	60
Plant and equipment*	5 to 20
Computers	3 to 6
Office equipment*	6
Furniture & fixtures	10
Vehicles	8 to 10

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* For these classes of assets, where the estimated useful lives are different from lives prescribed under Schedule II of the Companies Act 2013, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience and the risk of technological obsolescence.

i) Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable, borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. Investment property as at March 31, 2021 and March 31, 2020 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.

j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the assets are disposed.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;

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- Its intention to complete the asset;
- Its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life as follows:

Asset Category	Useful life (in years)
Software	5 years
Trademark	10 years
Customer relationships	5 years
Non Compete	5 years

k) ***Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) ***Leases***

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Groups lease asset classes primarily comprise of lease for land, buildings and vehicles. the Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets in the nature of buildings are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying asset (i.e. 30 and 60 years). The right-of- use assets

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comprising of land is depreciated based on the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in financial liabilities (refer Note 21 and 25).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m) Inventories

Inventories are valued at lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, packing materials, consumables and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to

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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.

n) *Impairment of non-financial assets*

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long- term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the consolidated statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount,

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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.

o) *Provisions*

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provision

Provision for assurance type warranty-related costs are recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to four years.

Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

p) *Retirement and other employee benefits*

Defined contribution schemes

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Group has no obligation, other than the contribution payable to the fund towards such schemes. The Group recognizes contribution payable as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit scheme

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund maintained with Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the consolidated balance sheet, as the Group believes that it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

q) Share-based payments

Employees (including senior executives) of the Holding Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Share based payments reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments

Notes Forming Part of the Financial Statements

that will ultimately vest. The consolidated statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

1. Financial assets at amortised cost (debt instruments)
2. Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
3. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
4. Financial assets at fair value through profit or loss

Financial Assets at amortised cost (debt instruments)

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to loans, deposits, trade and other receivables.

Financial assets at fair value through other comprehensive income (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments, investments in other entity and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Notes Forming Part of the Financial Statements

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily 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 portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates the following provision matrix at the reporting date:

Particulars	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due
Default rate	0.02%	2%	2.5%	5%	25%	30%	70%	100%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the consolidated statement of profit and loss. For financial assets measured as at amortised cost, contractual revenue receivables and lease receivables ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write- off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Put Option on the Non-Controlling Interest ("NCI") of subsidiary is initially measured at the present value of the amount payable on exercise of the option.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, put option liability and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit and loss.

Put option liability

The subsequent changes in carrying amount of the Put Option on NCI of subsidiary is recognised in the statement of profit and loss. If the put option is exercised, the entity derecognises the financial liability by discharging the put obligation. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to Other Equity.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Notes Forming Part of the Financial Statements

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Embedded derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Notes Forming Part of the Financial Statements

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in consolidated statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to consolidated statement of profit and loss at the reclassification date.

Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

s) *Derivative financial instruments*

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

t) *Segment accounting*

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products. Further:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under un-allocable expenditure.
- Income which relates to the Group as a whole and not allocable to segments is included in un-allocable income.
- Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets

Notes Forming Part of the Financial Statements

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.

u) *Cash and Cash Equivalents*

Cash and cash equivalents in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

v) *Cash dividend and non-cash distribution*

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders in case of final dividend and by the board of directors in case of interim dividend. A corresponding amount is recognised directly in equity.

w) *Earnings Per Share*

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity holder of Parent Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Parent Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.4 Changes in accounting policies and disclosures

New and amended standards

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. This amendment had no impact on the consolidated financial statements of the Group.

(ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Group's consolidated financial statements.

(iii) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the Group's consolidated financial statements.

Notes Forming Part of the Financial Statements

Note 3 : Property, plant & equipment (including Right of use assets)

(₹ in lakhs)

	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Right of use asset			Total	Capital Work in progress
									Leasehold Land	Leasehold Building	Leased vehicles		
Gross block (Cost/Deemed Cost)													
As at April 1, 2019	**2,225.98**	**463.96**	**10,198.78**	**10,589.61**	**826.67**	**113.29**	**997.74**	**1,273.68**	**-**	**-**	**-**	**26,689.71**	**784.78**
Reclassified on adoption of Ind AS 116 "Leases" (refer Note 3 below and Note 42)	-	(463.96)	-	-	-	-	-	-	420.43	-	-	(43.53)	-
Transition impact on adoption of Ind AS 116 (Refer Note 42)	-	-	-	-	-	-	-	-	943.89	2,968.16	-	3,912.05	-
Additions	-	-	1,116.73	2,290.97	138.62	0.48	176.60	438.19	-	-	-	4,161.59	7,491.12
Disposals/adjustments	-	-	-	(69.78)	(1.76)	(46.74)	(11.47)	(70.92)	-	-	-	(200.67)	(1,589.39)
As at March 31, 2020	**2,225.98**	**-**	**11,315.51**	**12,810.80**	**963.53**	**67.03**	**1,162.87**	**1,640.95**	**1,364.32**	**2,968.16**	**-**	**34,519.15**	**6,686.51**
Additions	-	-	588.53	7,744.10	202.08	-	154.78	202.10	623.94	2,102.30	354.00	11,971.83	2,414.97
Disposals/adjustments	-	-	-	(161.65)	(8.71)	(19.39)	(12.97)	-	-	-	-	(202.72)	(7,146.46)
As at March 31, 2021	**2,225.98**	**-**	**11,904.04**	**20,393.25**	**1,156.90**	**47.64**	**1,304.68**	**1,843.05**	**1,988.26**	**5,070.46**	**354.00**	**46,288.26**	**1,955.02**
Accumulated depreciation													
As at April 1, 2019	**-**	**43.53**	**755.24**	**2,531.90**	**181.11**	**50.83**	**391.92**	**595.16**	**-**	**-**	**-**	**4,549.69**	**-**
Reclassified on adoption of Ind AS 116 "Leases" (refer Note 3 below and Note 42)	-	(43.53)	-	-	-	-	-	-	-	-	-	(43.53)	-
Charge for the year	-	-	324.47	1,487.40	120.32	13.61	164.26	290.65	77.92	255.55	-	2,734.18	-
Disposals/adjustments	-	-	-	(53.18)	(1.73)	(39.74)	(11.03)	(70.92)	-	-	-	(176.60)	-
As at March 31, 2020	**-**		**1,079.71**	**3,966.12**	**299.70**	**24.70**	**545.15**	**814.89**	**77.92**	**255.55**	**-**	**7,063.74**	**-**
Charge for the year	-	-	349.01	1,809.23	162.70	10.78	179.74	313.91	79.02	684.76	37.35	3,626.50	-
Disposals	-	-	-	(127.33)	(7.77)	(19.39)	(11.81)	-	-	-	-	(166.30)	-
As at March 31, 2021	**-**	**-**	**1,428.72**	**5,648.02**	**454.63**	**16.09**	**713.08**	**1,128.80**	**156.94**	**940.31**	**37.35**	**10,523.94**	**-**
Net Block													
As at March 31, 2020	**2,225.98**	**-**	**10,235.80**	**8,844.68**	**663.83**	**42.33**	**617.72**	**826.06**	**1,286.40**	**2,712.61**	**-**	**27,455.41**	**6,686.51**
As at March 31, 2021	**2,225.98**	**-**	**10,475.32**	**14,745.23**	**702.27**	**31.55**	**591.60**	**714.25**	**1,831.32**	**4,130.15**	**316.65**	**35,764.32**	**1,955.02**

Notes Forming Part of the Financial Statements

Note 3 : Property, plant & equipment (Contd...)

Notes:

1. Capital work in progress as at March 31, 2021 represents property, plant and equipment under construction at various plants, warehouses and office buildings. Adjustment in relation to capital work in progress relates to addition in property, plant and equipment during the year.
2. The Group has not capitalised any borrowing cost in the current and previous year.
3. 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.

   During the previous year, the net block of Leasehold land of Rs. 420.43 lakhs (Gross block - ₹ 463.96 lakhs and accumulated depreciation - ₹ 43.53 lakhs) was reclassified to "Right of Use" assets on account of adoption of Ind AS 116 "Leases".
4. Land, buildings and plant (including movables assets) with a carrying amount of ₹ 740.00 lakhs as at March 31, 2021 (March 31, 2020 - ₹ 740.00 lakhs) are subject to a hypothecation to secure the Group's bank loans.
5. During the year, the Group has capitalized the following expenses to the cost of property, plant and equipment/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

(₹ in lakhs)

Particulars	FY 2020-21	FY 2019-20
Employee benefits expenses	58.91	166.92
Cost of raw materials consumed	121.03	101.36
Travelling and conveyance	-	35.81
Power and fuel	9.75	25.67
Others	15.38	81.43
Total	**205.07**	**411.19**

6. The Group during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Group had availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work in progress has been carried forward at the amount as determined under the previous GAAP as at April 1, 2016.

Notes Forming Part of the Financial Statements

Note 4 : Investment Property

(At Cost)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	27.90	27.90
Additions (subsequent expenditure)	-	-
Balance as at the end of the year	**27.90**	**27.90**

(i) Investment Property represents land at Coimbatore acquired by the Group at fair market value. The carrying amount of the investment property is a reasonable approximation of fair value and hence fair value disclosure has not been made.

(ii) The Group, during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Group had availed the exemption available under Ind AS 101, wherein the carrying value of investment property has been carried forward at the amount as determined under the previous GAAP as at April 1, 2016.

Note 5 : Goodwill and Other intangible assets

(₹ in lakhs)

Particulars	Computer software	Trademark	Customer relationship	Non Compete	Total	Goodwill
Gross block (Cost/Deemed Cost)						
As at April 1, 2019	**978.80**	**4.60**	**153.69**	**90.77**	**1,227.86**	**366.40**
Purchase / additions	269.30	-	-	-	269.30	-
Disposals	-	-	-	-	-	-
As at March 31, 2020	**1,248.10**	**4.60**	**153.69**	**90.77**	**1,497.16**	**366.40**
Purchase / additions	455.57	-	-	-	455.57	-
Disposals	-	-	-	-	-	-
As at March 31, 2021	**1,703.67**	**4.60**	**153.69**	**90.77**	**1,952.73**	**366.40**
Accumulated amortisation						
As at April 1, 2019	**624.65**	**4.60**	**39.13**	**29.13**	**697.51**	**-**
Charge for the year	155.07	-	30.74	18.15	203.96	-
Disposals	-	-	-	-	-	-
As at March 31, 2020	**779.72**	**4.60**	**69.87**	**47.28**	**901.47**	**-**
Charge for the year	187.74	-	30.74	18.15	236.63	-
Disposals	-	-	-	-	-	-
As at March 31, 2021	**967.46**	**4.60**	**100.61**	**65.43**	**1,138.10**	**-**
Net block						
As at March 31, 2020	**468.38**	**-**	**83.82**	**43.49**	**595.69**	**366.40**
As at March 31, 2021	**736.21**	**-**	**53.08**	**25.34**	**814.63**	**366.40**

Note:

The Group during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Group had availed the exemption available under Ind AS 101, wherein the carrying value of goodwill and other intangible assets has been carried forward at the amount as determined under the previous GAAP as at April 1, 2016.

Notes Forming Part of the Financial Statements

Note 6: Other investments

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments (at fair value through profit or loss) (unquoted):		
Investment in Gegadyne Energy Labs Private Limited		
7 (March 31, 2020 : Nil) equity shares of ₹ 10 each fully paid up	8.04	-
2,900 (March 31, 2020 : Nil) optionally convertible cumulative preference shares ("OCCPS") of ₹ 500 each fully paid up	3,331.96	-
Total	**3,340.00**	**-**

Note: On January 15, 2021, the Holding Company entered into a share subscription and shareholder's agreement to invest in Gegadyne Energy Labs Private Limited ("Gegadyne") for a cash consideration of Rs.3,340 lakhs in return for 18.77% stake on a fully diluted basis, the right to nominate 1 director on the Board as well as various other rights under the share subscription and shareholder's agreement. Gegadyne is a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions. The management is of the view that they do not have the power to participate in the financial and operating policy decisions of Gegadyne and accordingly have accounted the aforesaid stake as investment at fair value through profit or loss under Ind AS -109 "Financial Instruments". Refer Note 48.

Note 7: Loans

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	26.97	84.56
(b) Other loans (Refer Note (i) below)	193.02	289.33
Total	**219.99**	**373.89**

Notes:

(i) Others represents unsecured loan given to Mr. Gopal Singh, the landlord, for construction of building to be occupied by the Group, at an interest rate of 9% p.a. The loan is repayable by adjustment of monthly rent payable to the landlord pursuant to lease agreement entered for a period of five years. The landlord's son has provided personal guarantee for the repayment of loan.

(ii) There are no loans as at March 31, 2021 and March 31, 2020 which have significant increase in credit risk or which are credit impaired.

(iii) Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Group. The carrying value may be affected by the changes in the credit risk of the counter parties.

Note 8: Other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	1,049.12	992.64
(b) Non-current bank balance (Refer Note 15B)	347.81	97.80
Total	**1,396.93**	**1,090.44**

Note: There are no financial assets as at March 31, 2021 and March 31, 2020 which have significant increase in credit risk or which are credit impaired.

Notes Forming Part of the Financial Statements

Note 9: Income tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax (net of provisions)	1,379.94	1,702.92
Total	**1,379.94**	**1,702.92**

Note 10: Deferred tax (asset)/liability (net)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of property, plant and equipments	2,499.77	1,999.77
	2,499.77	**1,999.77**
Tax effect of items constituting deferred tax assets		
Impairment allowance for doubtful trade receivables, loans and advances	(1,351.07)	(1,130.55)
Disallowances under Section 43B of the Income Tax Act, 1961	(648.70)	(451.05)
Others	(881.74)	(666.39)
	(2,881.51)	**(2,247.99)**
Net deferred tax (asset)/liability [Refer Note 38(d) and 38(e)]	(381.74)	(248.22)

Note 11: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good unless other wise stated		
(a) Capital advances	1,469.07	629.58
(b) Deposits with statutory/government authorities	239.70	231.77
(c) Prepaid Expenses	29.38	35.87
(d) Other Receivables	10.00	-
Total	**1,748.15**	**897.22**

Note 12: Inventories

(Valued at lower of cost and net realisable value) (₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Raw Materials	12,785.08	5,150.56
(b) Work-in-Progress	2,968.69	1,609.56
(c) Finished Goods	19,607.39	13,155.64
(d) Stock-in-Trade	25,175.03	26,130.32
(e) Stores and Spares	1,450.39	1,240.70
(f) Packing Materials and Consumables	1,164.02	608.57
Total	**63,150.60**	**47,895.35**

Notes Forming Part of the Financial Statements

Notes:

(a) The above includes goods in transit as under: (₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials	1,591.54	13.93
Stock-in-Trade	697.27	2,351.54
Packing Materials and Consumables	113.61	-
Total	**2,402.42**	**2,365.47**

(b) During the year ended March 31, 2021, ₹ 130.13 lakhs (March 31, 2020: ₹ 250.50 lakhs) was recognised as an expense for inventories carried at net realisable value.

(c) Inventories are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Note 13: Current investments

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments at fair value through profit or loss		
Investments in Mutual Funds (unquoted)		
(a) HDFC Overnight Fund- Direct Plan Growth Option	-	2,000.09
Nil [March 31, 2020 : 0.67 lakhs] units of ₹ 1,000 each fully paid-up		
(b) SBI Overnight Fund Direct Daily Dividend	-	1,500.05
Nil [March 31, 2020 : 1.49 lakhs] units of ₹ 1,000 each fully paid-up		
(c) HDFC Charity Debt Fund	-	100.00
Nil [March 31, 2020 : 10.00 lakhs] units of ₹ 10 each fully paid-up		
Total	**-**	**3,600.14**

Note: The aggregate book value and market value of unquoted investments as on March 31, 2021 amounted to Nil (March 31, 2020: ₹ 3,600.14 lakhs)

Note 14: Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
Secured, considered good	1,130.18	1,168.88
Unsecured, considered good	38,170.99	30,502.74
Trade receivables which have significant increase in credit risk	149.07	1,528.87
Trade receivables - credit impaired	2,764.91	2,637.83
	42,215.15	**35,838.32**
Less: Impairment allowance (allowance for bad and doubtful debts) (Refer Note 51C)		
Unsecured, considered good based on expected credit loss provisioning	573.74	174.64
Trade receivables which have significant increase in credit risk	69.40	595.71
Trade receivables - credit impaired	2,764.91	2,637.83
	3,408.05	**3,408.18**
Total	**38,807.10**	**32,430.14**

Notes Forming Part of the Financial Statements

Note 14: Trade receivables (Contd...)

Notes:

(i) Trade receivables are generally on terms of 15 to 90 days and are non-interest bearing except in case of overdue payments.

(ii) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(iii) Trade receivables are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Note 15: Cash and cash equivalents and Other bank balances

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
15A. Cash and cash equivalents		
(a) Cash on hand	0.42	17.27
(b) Balances with Banks		
In current accounts	1,020.98	229.94
In fixed deposits with original maturity of less than 3 months	27,055.50	2,096.00
Total	**28,076.90**	**2,343.21**
15B. Other bank balances		
(a) Unpaid dividend accounts	41.29	48.14
(b) Fixed deposits (Refer note (i) below)	347.81	8,861.80
Total	**389.10**	**8,909.94**
Less: Amount disclosed under other non-current financial assets (Refer Note 8)	(347.81)	(97.80)
Total	**41.29**	**8,812.14**

Notes:

(i) A charge of ₹ 347.81 lakhs (March 31, 2020 ₹ 97.80 lakhs) has been created towards various guarantees in favour of vendors, statutory authorities and others.

(ii) As at March 31, 2021, the Group had ₹ 20,022.70 lakhs (March 31, 2020: ₹ 31,222 lakhs) of undrawn committed borrowing / credit facilities including non fund based facilities.

Notes Forming Part of the Financial Statements

Note 15: Cash and cash equivalents and Other bank balances (Contd...)

(iii) Changes in liabilities arising from financing activities are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Lease Liabilities		Short Term Borrowings	
Balance outstanding as at beginning of the year	3,714.82	-	1,277.25	1,411.69
Transition impact on adoption of Ind AS 116 (Refer Note 42)	-	3,912.05	-	-
Additions made during the year	2,456.30	-	-	-
Finance costs	458.28	264.25	-	-
Adjustment of prepaid lease rentals	-	(31.83)	-	-
Cash outflows	(1,003.87)	(429.65)	24.07	(134.44)
Balance outstanding as at end of the year	5,625.53	3,714.82	1,301.32	1,277.25
Disclosed as:				
Short term borrowings	-	-	1,301.32	1,277.25
Current portion of lease liabilities (Refer Note 25)	636.41	392.51	-	-
Non-current lease liabilities (Refer Note 21)	**4,989.12**	**3,322.31**	**-**	**-**

Note 16: Loans (Current)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good (carried at amortised cost)		
(a) Inter corporate loan (Refer Note (ii) below)	-	300.00
(b) Loans to employees	60.91	102.81
(c) Other loans (Refer Note 7 (i))	85.99	85.99
Total	**146.90**	**488.80**

Notes:

(i) There are no loans as at March 31, 2021 and March 31, 2020 which have significant increase in credit risk or which are credit impaired. Also refer Note 7 (iii).

(ii) Inter corporate loan represented unsecured loan given to M/s Sakthi Accumulators Private Limited ('the vendor') for enhancing its manufacturing infrastructure. The loan was to be repaid over a period of three years starting from March 30, 2018 and ending on March 30, 2021. One of the promoter director of the vendor had provided personal guarantee for the repayment of loan. Interest rate of the loan was 10% p.a. The last installment of ₹ 150 lakhs was settled against purchase invoices payable by the Group to the vendor and the loan has been fully settled as at March 31, 2021.

Note 17: Other current financial assets

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	0.01	0.01
(b) Other receivables	80.12	248.85
Total	**80.13**	**248.86**

Note: There are no current financial assets as at March 31, 2021 and March 31, 2020 which have significant increase in credit risk or which are credit impaired.

Notes Forming Part of the Financial Statements

Note 18: Other current assets

(₹ in lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
Unsecured, considered good unless other wise stated			
(a)	Advance to suppliers (Refer Note below)		
	Considered good	3,187.31	2,490.49
	Considered doubtful	760.70	153.70
		3,948.01	**2,644.19**
	Less: Provision for doubtful advances	(760.70)	(153.70)
		3,187.31	**2,490.49**
(b)	Balances with government authorities	4,855.60	6,600.20
(c)	Prepaid expenses	1,168.75	681.42
(d)	Right to return asset (Refer Note 29 (iv))	566.51	361.25
(e)	Others	21.69	93.21
Total		**9,799.86**	**10,226.57**

Note: There are no advances as at March 31, 2021 and March 31, 2020 which are considered doubtful, except as disclosed above.

Note 19: Share capital

Particulars		As at March 31, 2021		As at March 31, 2020	
		Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
(a)	**Authorised:**				
	Equity shares of ₹ 1/- (March 31, 2020: ₹ 1/-) each with voting rights	50,00,00,000	5,000.00	50,00,00,000	5,000.00
(b)	**Issued, subscribed and fully paid-up:**				
	Equity shares of ₹ 1/- (March 31, 2020 ₹ 1/-) each with voting rights	43,01,88,458	4,301.88	42,82,87,535	4,282.88

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning of the period	42,82,87,535	4,282.88	42,69,34,094	4,269.34
Issued during the period	19,00,923	19.00	13,53,441	13.54
Outstanding at the end of the period	**43,01,88,458**	**4,301.88**	**42,82,87,535**	**4,282.88**

(b) Terms/rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹ 1 per share (March 31, 2020: ₹ 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 Financial Statements

(c) Details of shareholders holding more than 5% shares in the Company:

Class of shares / name of shareholder	As at March 31, 2021		As at March 31, 2020	
	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	5,04,05,394	11.72%	7,36,57,964	17.20%
Mr. Arun K Chittilappilly	3,77,77,828	8.78%	3,70,50,508	8.65%
Mr. Mithun K Chittilappilly	10,76,87,278	25.03%	10,76,86,278	25.14%

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:

Particulars	As at March 31, 2021 No. of shares	As at March 31, 2020 No. of shares
Equity shares allotted as fully paid bonus shares by capitalization of profits	12,13,29,846	12,13,29,846

In addition, the Company has issued 8,006,172 shares of face value of ₹ 1 each (March 31, 2020: 7,226,279 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note 47.

Note 20: Distribution made and proposed

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash dividend on equity shares declared and paid:		
Final dividend for the year ended March 31, 2020 - Nil (March 31, 2019 - ₹ 0.80 per share of face value of ₹ 1 each)	-	3,416.65
Dividend distribution tax on final dividend	-	702.29
Interim dividend for the year ended March 31, 2021 - Nil (March 31, 2020 - ₹ 0.90 per share of face value of ₹ 1 each)	-	3,853.03
Dividend distribution tax on interim dividend	-	792.18
Total	**-**	**8,764.15**
Proposed dividends on equity shares:		
Final dividend for the year ended March 31, 2021 - ₹ 1.20 per share of face value of ₹ 1 each (March 31, 2020 - Nil)	5,162.26	-
Total	**5,162.26**	**-**

Notes:

(i) Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at the balance sheet date.

(ii) With effect from April 1, 2020, the Dividend Distribution Tax ('DDT') payable by the Group under section 115(O) of Income Tax Act, 1961 was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

Notes Forming Part of the Financial Statements

Note 21: Financial Liabilities (including lease liabilities)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(carried at amortised cost)		
(a) Put option liability (Refer Note 41)	465.56	396.59
(b) Lease liability (Refer Note 42)	4,989.12	3,322.31
Total	**5,454.68**	**3,718.90**

Note 22: Provisions

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
(i) Provision for Gratuity (Refer Note 43)	30.97	28.92
(b) Other provisions		
(i) Provision for warranty (Refer Note 27)	1,126.68	931.68
(ii) De-commissioning liability (Refer Note 27)	12.77	11.61
Total	**1,170.42**	**972.21**

Note 23: Borrowings

(carried at amortised cost)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Cash credit from banks-Secured (Refer Note (i) below)	301.32	277.25
(b) Other working capital facilities from banks - Unsecured (Refer Note (ii) below)	1,000.00	1,000.00
Total	**1,301.32**	**1,277.25**

Notes:

(i) Cash credits from banks availed by the subsidiary company have been secured by hypothecation by way of pari passu first charge on all current assets and certain movable plant and equipment of the borrowing company, both present and future, including stock of goods and book debts. The short term fund carries interest varying from 7.95% to 8.35% p.a. (March 31, 2020: 8.35% to 10.15% p.a.)

(ii) The Group has arranged Channel Finance Facilities for its customers from various banks. As per the terms of these facilities, should the customers default in making payment, after exhausting other modes of recovery the bankers have recourse on the Group upto ₹ 1,000 lakhs. The total amount guaranteed by the Group towards such recourses under the Channel Financing Facilities as at March 31, 2021 is ₹ 1,000 lakhs (March 31, 2020: ₹ 1,000 lakhs) and is included under Borrowings.

Notes Forming Part of the Financial Statements

Note 24: Trade payables

(carried at amortised cost)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables	47,472.38	30,514.10
Total	**47,472.38**	**30,514.10**

Notes:

(i) Trade payables are non interest bearing and are normally settled in 7 days to 120 days. For explanations on the Group's risk management process, refer Note 51

(ii) Trade payables are unsecured and for amounts due to related parties refer Note 45.

Note 25: Other current financial liabilities (including lease liabilities)

(Carried at amortised cost)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Unpaid dividends (Refer note below)	41.29	48.14
(b) Trade / Security Deposits received	1,353.97	1,402.12
(c) Capital creditors	234.44	633.11
(d) Refund liabilities arising from right to return assets (Refer note 29 (iv))	795.22	494.86
(e) Current portion of lease liabilities (Refer Note 42)	636.41	392.51
(f) Other payables	158.26	157.42
Total	**3,219.59**	**3,128.16**

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 26: Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Statutory dues*	329.14	542.79
(b) Contract liability (Refer note 29 (iii))	1,399.50	1,602.12
(c) Others	81.60	15.02
Total	**1,810.24**	**2,159.93**

*Represents contributions to Provident Fund, Employee State Insurance, withholding taxes etc.

Notes Forming Part of the Financial Statements

Note 27: Provisions

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
(i) Provision for leave benefits	1,324.30	1,307.79
(ii) Provision for gratuity (Refer note 43)	532.28	226.16
(b) Other provisions		
(i) Provision for warranty (Refer note below)	2,469.06	2,216.64
Total	**4,325.64**	**3,750.59**

Notes:

Provision for warranty:

A provision is recognized for expected warranty claims and after sales services on products sold during the year, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within five years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current sales growth rate and current information available about defective returns based on the warranty period for the respective products sold.

Provision for de-commissioning liability:

A provision has been recognised for decommissioning costs associated with a factory of the subsidiary company.

The table below gives information about movement in Provisions for warranty and de-commissioning liability:

(₹ in lakhs)

Particulars	Warranty		De-commissioning liability	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	3,148.32	3,193.77	11.61	10.56
Additions	4,393.63	4,286.04	1.16	1.05
Utilisation/ Reversal/ Payments	(3,946.21)	(4,331.49)	-	-
Balance as at the end of the year	3,595.74	3,148.32	12.77	11.61
Disclosed as:				
Non-current (Refer Note 22)	1,126.68	931.68	12.77	11.61
Current	2,469.06	2,216.64	-	-

Note 28: Current tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax (net of advance tax)	1,143.32	60.03
Total	**1,143.32**	**60.03**

Notes Forming Part of the Financial Statements

Note 29: Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Revenue from contracts with customers		
Sale of products	2,69,869.15	2,48,103.46
Services of products*	5.73	12.88
Sale of scrap*	1,832.20	1,455.53
	2,71,707.08	**2,49,571.87**
(b) Government budgetary support (Refer note (i) below)*	416.91	722.38
Total	**2,72,123.99**	**2,50,294.25**

* Represents other operating revenues.

Notes:

(i) Government budgetary support represents benefits provided by the Government to the Group in respect of its manufacturing units in the state of Sikkim, Himachal Pradesh and Uttarakhand in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on 5th October, 2017 which were earlier eligible for excise duty exemption. The exemption in respect of its manufacturing unit at Himachal Pradesh and one unit in Uttarakhand (Kashipur) has expired on January 7, 2020 and April 12, 2019 respectively.

(ii) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(₹ in lakhs)

Particulars	For the year ended March 31, 2021			
	Electronics	Electricals	Consumer Durables	Total
Sale of products	75,060.60	1,21,299.43	73,509.12	2,69,869.15
Services of products	1.31	2.95	1.47	5.73
Sale of scrap	496.47	1,236.97	98.76	1,832.20
Total revenue from contracts with customers	**75,558.38**	**1,22,539.35**	**73,609.35**	**2,71,707.08**
India	74,994.75	1,21,961.83	73,602.29	2,70,558.87
Outside India	563.63	577.52	7.06	1,148.21
Total revenue from contracts with customers	**75,558.38**	**1,22,539.35**	**73,609.35**	**2,71,707.08**
Timing of Revenue recognition				
Goods transferred at a point in time	75,557.07	1,22,536.40	73,607.88	2,71,701.35
Services transferred over time	1.31	2.95	1.47	5.73
Total revenue from contracts with customers	**75,558.38**	**1,22,539.35**	**73,609.35**	**2,71,707.08**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2020			
	Electronics	Electricals	Consumer Durables	Total
Sale of products	74,651.37	1,06,285.08	67,167.01	2,48,103.46
Services of products	2.72	6.88	3.28	12.88
Sale of scrap	290.21	1,015.49	149.83	1,455.53
Total revenue from contracts with customers	**74,944.30**	**1,07,307.45**	**67,320.12**	**2,49,571.87**
India	74,279.86	1,06,510.60	67,281.01	2,48,071.47
Outside India	664.44	796.85	39.11	1,500.40
Total revenue from contracts with customers	**74,944.30**	**1,07,307.45**	**67,320.12**	**2,49,571.87**
Timing of Revenue recognition				
Goods transferred at a point in time	74,941.58	1,07,300.57	67,316.84	2,49,558.99
Services transferred over time	2.72	6.88	3.28	12.88
Total revenue from contracts with customers	**74,944.30**	**1,07,307.45**	**67,320.12**	**2,49,571.87**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 44):

(₹ in lakhs)

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Electronics	Electricals	Consumer Durables	Electronics	Electricals	Consumer Durables
External customers	75,887.51	1,22,569.69	73,666.79	75,451.51	1,07,395.81	67,446.93
Government budgetary support	(329.13)	(30.34)	(57.44)	(507.21)	(88.36)	(126.81)
Total revenue from contracts with customers	**75,558.38**	**1,22,539.35**	**73,609.35**	**74,944.30**	**1,07,307.45**	**67,320.12**

(iii) Contract balances

The following are the contract balances:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables (Current)	38,807.10	32,430.14
Contract liabilities (Current)	1,399.50	1,602.12

Trade receivables are generally on terms of 15 to 90 days and are non-interest bearing except in case of overdue payments. During the year ended March 31, 2021, ₹ (0.13 lakhs) (March 31, 2020: ₹ 575.67 Lakhs) was recognised as (reversal)/ impairment allowance on doubtful trade receivables. Contract liabilities represents advance received from customers for sale of products.

(iv) Right of return assets and refund liabilities arising from right of return assets

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Right of return assets (Current)	566.51	361.25
Refund liabilities arising from rights of return assets (Current)	795.22	494.86

Notes Forming Part of the Financial Statements

(v) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue as per contract price	2,88,339.67	2,67,296.43
Adjustments:		
Discounts, rebates and trade incentives	(15,837.37)	(17,229.70)
Sales return	(795.22)	(494.86)
Total revenue from contracts with customers	**2,71,707.08**	**2,49,571.87**

(vi) Performance obligation

The performance obligation for sale of products and scrap are satisfied upon delivery/despatch of goods depending upon terms with customers and payment is generally due within 15 to 90 days from delivery. Some contracts provide customers with a right of return, volume based discounts, rebates and other promotion incentive schemes, which give rise to variable consideration subject to constraint. The contracts do not have a significant financing component. The Group offers standard warranty on selected products. The Group makes provision for same as per the principles laid down under Ind AS 37. The performance obligation for product repair services is satisfied over-time and payment is generally due upon completion of service and acceptance of the customer. There are no unsatisfied or partially satisfied performance obligations as at March 31, 2021 and March 31, 2020.

During the year ended March 31, 2021, revenue recognised from the amount included in contract liability at the beginning of the year is ₹ 1,602.12 lakhs (March 31, 2020: ₹ 1,023.70 lakhs).

Note 30: Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend income / income on sale of current investments	3.95	588.02
Mould hire charges	3.50	13.00
Liabilities / provisions no longer required written back	19.80	62.78
Miscellaneous income	227.45	451.24
Total	**254.70**	**1,115.04**

Note 31: Finance income

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on overdue trade receivables	569.40	567.48
Interest income from banks on deposits	1,189.15	741.51
Interest income on loans and advances	59.64	89.15
Total	**1,818.19**	**1,398.14**

Notes Forming Part of the Financial Statements

Note 32: Cost of raw materials consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventory at the beginning of the year	5,150.56	5,986.60
Add: Purchases	98,610.70	77,352.34
	1,03,761.26	**83,338.94**
Less: Inventory at the end of the year	12,785.08	5,150.56
Total	**90,976.18**	**78,188.38**

Note 33: (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year:		
Finished goods	19,607.39	13,155.64
Work-in-progress	2,968.69	1,609.56
Traded goods (including stores and spares)	26,625.42	27,371.02
Total (A)	**49,201.50**	**42,136.22**
Inventories at the beginning of the year:		
Finished goods	13,155.64	8,534.82
Work-in-progress	1,609.56	1,373.93
Traded goods (including stores and spares)	27,371.02	21,163.32
Total (B)	**42,136.22**	**31,072.07**
(Increase)/decrease in inventories		
Finished goods	(6,451.75)	(4,620.82)
Work-in-progress	(1,359.13)	(235.63)
Traded goods (including stores and spares)	745.60	(6,207.70)
Net (increase) / decrease (B - A)	**(7,065.28)**	**(11,064.15)**

Note 34: Employee benefits expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Salaries, wages and bonus	19,451.83	19,138.24
(b) Contributions to provident and other funds	928.58	953.29
(c) Share based payment expense (Refer Note (i) below and Note 47)	993.48	(339.31)
(d) Gratuity expense (Refer Note 43)	378.46	286.19
(e) Staff welfare expenses	906.02	844.19
Total	**22,658.37**	**20,882.60**

Notes:

(i) The Group had granted stock options under the Employees Stock Option Scheme, 2013 (ESOS 2013) to eligible employees of the Group. According to the scheme, the eligible employees were to be granted stock options subject to satisfaction of prescribed vesting conditions. The Group has been accruing the cost of these options over the vesting period. During the year ended March 31, 2021, management evaluated that the vesting condition for few of its options linked to the achievement of a certain threshold of profit before tax will not be satisfied and accordingly, the Group reversed the cost accrued over the years/periods for such options amounting to ₹ 259.54 lakhs to the statement of profit and loss. The reversal of such costs to the statement of profit and loss for the year ended March 31, 2020 amounted to ₹ 1,012.89 lakhs, resulting in net reversal of share based payment expense.

(ii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(iii) Also refer Note 3 and Note 39.

Note 35.a : Depreciation and amortisation expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Depreciation of property, plant and equipment (Refer Note 3)	2,825.37	2,400.71
(ii) Depreciation of right of use assets (Refer Note 3)	801.13	333.47
(iii) Amortisation of intangible assets (Refer Note 5)	236.63	203.96
Total	**3,863.13**	**2,938.14**

Note 35.b : Finance Costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Interest on borrowings	49.39	52.35
(ii) Interest on deposits from distributors	84.33	90.43
(iii) Interest on lease liability (Refer Note 42)	458.28	264.25
(iv) Other interest	17.92	9.09
Total	**609.92**	**416.12**

Notes Forming Part of the Financial Statements

Note 36: Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of packing materials	2,667.49	2,892.91
Power and fuel	1,627.11	1,474.47
Rent	1,145.62	1,592.16
Repairs and maintenance	2,167.21	2,160.14
Rates and taxes	217.94	366.48
Travelling and conveyance	1,197.27	2,861.98
Freight and forwarding charges	3,594.47	3,217.31
Advertisement and business promotion expenses	2,822.76	5,681.90
Donations and contributions	2.77	9.70
CSR expenditure (refer Note 37)	433.41	404.60
Legal and professional fees	994.19	2,518.14
Directors' sitting fees	30.95	24.60
Payments to statutory auditors (refer note (i) below)	68.83	72.45
Trade and other receivables, loans and advances written off	108.49	61.75
Loss on foreign currency transactions and translation (net)	261.58	462.62
Loss on property, plant and equipment sold / scrapped / written off (net)	28.99	74.72
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	606.88	605.66
Outsourced manpower cost	5,217.03	4,288.02
Warranty expenses	4,393.63	4,286.04
Contributions to political parties (Refer note (ii) below)	1.72	5.86
Miscellaneous expenses	5,416.09	4,375.12
Total	**33,004.43**	**37,436.63**

Notes:

(₹ in lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	**Payments to Statutory Auditors comprises:**		
	Statutory audit fees	39.00	39.00
	Tax audit fees	3.50	3.50
	Limited review fees	18.00	18.00
	Fees for other services (certifications)	4.00	4.00
	Reimbursement of expenses	4.33	7.95
	Total	**68.83**	**72.45**
(ii)	**Contribution to political parties**		
	National Democratic Alliance	1.07	3.08
	United Democratic Front	0.25	2.67
	Left Democratic Front	0.40	0.11
	Total	**1.72**	**5.86**

Notes Forming Part of the Financial Statements

Note 37: Details of CSR expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Gross amount required to be spend during the year	431.13	401.23
b) Amount approved by the Board to be spent during the year	432.00	401.23
c) Amount spent during the year:		
(i) In cash		
- Construction/ acquisition of any asset	-	-
- On purposes other than (i) above	433.41	404.60
(ii) Yet to be paid in cash		
- Construction/ acquisition of any asset	-	-
- On purposes other than (i) above	-	-
d) Details related to spent / unspent obligations:		
(i) Contribution to public trust	-	-
(ii) Contribution to charitable trust	-	-
(iii) Contribution to Section 8 Company (Refer Note 45)	418.80	388.87
(iv) Others	14.61	15.73
(v) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-
	-	-

Note 38: Income Taxes

The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:

(a) Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current income tax		
Current income tax charge	8,370.61	6,510.72
Adjustment of tax relating to earlier years	402.51	129.14
Deferred Tax		
Relating to origination and reversal of temporary differences	(152.28)	(507.03)
Income tax expense reported in the statement of profit and loss	8,620.84	6,132.83

(b) OCI section

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Re-measurement gains/(losses) on defined benefit plans	65.24	(308.70)
Income tax related to items recognised in OCI during the year	(18.76)	80.15

Notes Forming Part of the Financial Statements

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Accounting profit before income tax	28,810.01	24,958.19
Applicable tax rate	34.944%	34.944%
Computed tax expense at statutory rate	10,067.37	8,721.39
Adjustments in respect of current income tax of previous years	402.51	129.14
Tax benefits under sections 80IE of the Income Tax Act, 1961	(1,617.49)	(2,175.18)
Tax benefits under section 35(2AB)	-	(305.87)
Income exempt from tax	-	(205.48)
Temporary differences reversing during tax holiday period	11.30	25.11
Other adjustments	(242.85)	(56.28)
Income tax charged to the Statement of Profit and loss	**8,620.84**	**6,132.83**

(d) Deferred tax (credit)/charge comprises:

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Accelerated Depreciation for tax purposes	500.00	110.94
Impairment allowance for doubtful trade receivables, loans and advances	(220.52)	(203.16)
Disallowances under Section 43B of the Income Tax Act, 1961	(197.65)	(17.03)
Others	(215.35)	(397.78)
Total	**(133.52)**	**(507.03)**

(e) Reconciliation of deferred tax (asset)/liability (net) :

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance as at beginning of the year	(248.22)	258.81
Tax (income)/expense during the year recognised in statement of profit and loss (refer note 38 (d) above)	(152.28)	(507.03)
Tax (income)/expense during the year recognised in other comprehensive income (refer note 38 (d) above)	18.76	-
Closing balance as at end of the year	**(381.74)**	**(248.22)**

Notes Forming Part of the Financial Statements

Note 39: Details of research and development expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Materials	-	206.27
Employee benefits expenses	1,226.51	1,218.75
Travelling and conveyance	19.05	94.08
Property, plant & equipment	-	45.17
Other expenses	176.35	22.17
Total	**1,421.91**	**1,586.44**

Note 40: Commitments and contingencies

A) Capital Commitments (Net of advances)

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,962.82	885.10

B) Contingent Liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Litigations (see note below)		
(a) Claims against the Group not acknowledged as debt	293.77	276.83
(b) Direct tax matters under dispute / pending before Income Tax Authorities	2,590.52	2,414.80
(c) Indirect tax matters for demands raised by sales tax / VAT department pending before various appellate authorities	1,391.51	852.03
(d) Others	6.82	6.82
Total	**4,282.62**	**3,550.48**
(ii) Others		
(a) Bank Guarantees	19,167.10	13,110.68
(b) Letter of credit outstanding	6,509.59	5,754.51
Total	**25,676.69**	**18,865.19**

Notes:

(i) There are numerous interpretative issues relating to the Supreme Court ("SC") judgement on Provident Fund ("PF") dated 28th February, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

Notes Forming Part of the Financial Statements

(ii) The Group is involved in taxation and other disputes, lawsuits, proceedings etc. including commercial matters and claims relating to Group's products that arise from time to time in the ordinary course of business. Management is of the view that such claims are not tenable and will not have any material adverse effect on the Group's financial position and results of operations.

(iii) The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals or similar demand for subsequent assessment years.

(iv) Also refer Note 34 (ii).

Note 41: Business Combination

With effect from August 31, 2017, the Holding Company acquired 74% equity stake in Guts Electro-Mech Limited ("Guts") for a total purchase consideration of ₹ 618.26 lakhs which represents amount paid to promoters of Guts and subscription to fresh issue of equity shares of Guts. Guts is a public limited company engaged in the business of Switch Gear and the investment was made mainly to secure supply for switch gear business of the Holding Company. The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

Intangibles acquired as part of the business combination includes Customer Relationships and Non Compete. Customer relationships amounting to ₹ 153.69 lakhs have been identified separately in the Purchase price allocation of Guts basis contractual relationships and is amortised over an estimated useful life of 5 years. The share purchase agreements entered into with the promotors of Guts for the acquisition of 74% stake includes a non-compete clause. The same has been valued at ₹ 90.77 lakhs and is amortised over a useful life of 5 years.

The goodwill of ₹ 366.40 lakhs comprises the value of expected synergies arising from the acquisition. The goodwill recognised is not expected to be deductible for income tax purposes. Goodwill acquired through business combinations has been allocated to the Electrical CGU which is also the operating and reportable segment, for impairment testing. No impairment indicators were noted in the Goodwill acquired through business combinations as on March 31, 2021 and March 31, 2020.

Call and Put Option on the Non Controlling Interests

The Holding Company has a Call Option to acquire the balance 26% stake in Guts, which option can be exercised by the Holding Company any time. Similarly, the original promoter of Guts, holding 26% stake has a Put Option to sell his stake to the Holding Company, which Put Option can be exercised by him after the end of three years from August 31, 2017. The Call Option/ Put Option is exercisable by the parties at the price specified in the purchase agreement linked to the time of exercise. The Put Option liability is initially measured at the present value of the amount payable on exercise of the option, as a financial liability amounting to ₹ 317.15 lakhs, with corresponding increase in other equity attributable to the equity holders of the parent. The subsequent changes in carrying amount of the Put Option liability is recognised in the statement of profit and loss. The Call Option is gross settled instrument in own equity hence no adjustment is made in the consolidated financial statements in respect of the same until the actual settlement of the transaction.

Note 42: Leases

(i) The Group's lease asset primarily consist of leases for vehicles, land and buildings for factories, branch offices and warehouses having the various lease terms. The Group also has certain leases with lease terms of 12 months or less. The Group applies the short term lease recognition exemptions for these leases.

Notes Forming Part of the Financial Statements

(ii) Following is carrying value of right of use assets recognised and the movements thereof during the year ended March 31, 2021 and March 31, 2020.

(₹ in lakhs)

Particulars	Right to use assets			Total
	Leasehold Land	Leasehold Building	Leased Vehicles	
Balance as at April 1, 2019	**-**	**-**	**-**	**-**
Transition impact on adoption of Ind AS 116 “Leases” (refer Note 3)	943.89	2,968.16	-	3,912.05
Reclassified from property, plant and equipment on adoption of Ind AS 116 “Leases (refer Note 3)	420.43	-	-	420.43
Total Right of use assets on the date of transition	**1,364.32**	**2,968.16**	**-**	**4,332.48**
Additions during the year	-	-	-	-
Deletions during the year	-	-	-	-
Depreciation of Right of use assets (refer Note 3)	(77.92)	(255.55)	-	(333.47)
Balance as at March 31, 2020	**1,286.40**	**2,712.61**	**-**	**3,999.01**
Additions during the year	623.94	2,102.30	354.00	3,080.24
Deletions during the year	-	-	-	-
Depreciation of Right of use assets (refer Note 3)	(79.02)	(684.76)	(37.35)	(801.13)
Balance as at March 31, 2021	**1,831.32**	**4,130.15**	**316.65**	**6,278.12**

(iii) The following is the carrying value of lease liability and movement thereof during the year ended March 31, 2021 and March 31, 2020:

(₹ in lakhs)

Particulars	Amount
Balance as at April 1, 2019	**-**
Transition impact on account of adoption of Ind AS 116 “Leases”	3,912.05
Additions during the year	-
Finance cost accrued during the year	264.25
Payment of lease liabilities	(461.48)
Balance as at March 31, 2020	**3,714.82**
Additions during the year	2,456.30
Finance cost accrued during the year	458.28
Payment of lease liabilities	(1,003.87)
Balance as at March 31, 2021	5,625.53
Disclosed as:	
Current portion of lease liability (refer Note 25)	636.41
Non-Current lease liability (refer Note 21)	4,989.12
Total	**5,625.53**

Notes Forming Part of the Financial Statements

(iv) Amounts recognised in statement of profit and loss during the year:

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on right of use assets	801.13	333.47
Finance cost accrued during the year (included in finance costs) (Refer Note 35.b)	458.28	264.25
Expense related to short term leases (included in other expenses) (Refer Note 36)	1,145.62	1,592.16
Total	**2,405.03**	**2,189.88**

(v) The maturity analysis of lease liabilities are disclosed in Note 51A.

(vi) The weighted average incremental borrowing rate applied to lease liabilities is 9%.

(vii) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(viii) The Group had total cash outflows for leases of ₹ 2,149.49 lakhs during the year ended March 31, 2021 (March 31, 2020 ₹ 2,053.64 lakhs).

(ix) The difference between the lease obligation recorded, as of March 31, 2019, under Ind AS 17 (disclosed under Note 39(A) of annual consolidated financial statements forming part of 2019 Annual Report) and the value of the lease liability as of April 1, 2019, is on account of use of practical hindsight in determining the lease term, where the contract contained options to extend or terminate the lease in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

Note 43: Employee Benefit Plans

Defined Benefit Plan - Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the consolidated balance sheet for gratuity benefit:

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Components of employer expense:		
Current service cost	361.77	299.43
Net interest expense / (income) on net defined benefit obligation	16.69	(13.24)
Total expense recognised in the Statement of Profit and Loss	**378.46**	**286.19**
Actual contribution and benefit payments for year:		
Actual benefit payments	70.76	99.66
Actual contributions	4.28	463.43

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net asset / (liability) recognised in the Balance Sheet:		
Present value of defined benefit obligation	(3,142.37)	(2,752.64)
Fair value of plan assets	2,579.12	2,497.56
Net asset / (liability) recognised in the Balance Sheet	**(563.25)**	**(255.08)**
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	2,752.64	2,111.23
Current service cost	361.77	299.43
Interest cost on DBO	176.71	144.81
Actuarial (gains) / losses	(77.99)	296.83
Benefits paid	(70.76)	(99.66)
Present value of DBO at the end of the year	**3,142.37**	**2,752.64**
Change in fair value of assets during the year:		
Plan assets at beginning of the year	2,497.56	1,984.68
Return on plan assets greater/ (lesser) than discount rate	(12.75)	(11.87)
Actual company contributions	4.28	463.43
Interest income on plan assets	160.02	158.05
Benefits paid	(69.99)	(96.73)
Plan assets at the end of the year	**2,579.12**	**2,497.56**
Composition of the plan assets is as follows:		
Insurer Managed Assets	100%	100%
Remeasurement gains/(losses) in other comprehensive income		
Return on plan assets greater/ (lesser) than discount rate	(12.75)	(11.87)
Actuarial gain / (loss) on obligations arising from changes in experience adjustments	100.41	(130.88)
Actuarial gain / (loss) on obligations arising from changes in financial assumptions	(22.42)	(165.95)
Total amount recognised in OCI	**65.24**	**(308.70)**

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The below sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined Benefit Obligation	3,142.37	2,752.64

Notes Forming Part of the Financial Statements

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Impact on defined benefit obligation (increase/(decrease)) due to change in Discount rate	262.67	(229.09)	234.21	(204.50)
Impact on defined benefit obligation (increase/(decrease)) due to change in Salary Escalation Rate	(226.51)	254.22	(202.36)	226.87

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Maturity profile of Defined Benefit Obligation

Expected Cash Flows (value on undiscounted basis)	Amount (₹ in lakhs)
March 31, 2022	299.06
March 31, 2023	330.21
March 31, 2024	349.50
March 31, 2025	416.16
March 31, 2026	418.31
March 31, 2027 to March 31, 2031	2,496.80

Notes Forming Part of the Financial Statements

Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2020: 8 years).

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial assumptions:		
Discount rate	6.40%	6.50%
Salary Escalation	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
Performance percentage considered	NA	NA
Estimate of amount of contribution/payout in the immediate next year (₹ in lakhs)	563.25	255.08

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.

Notes Forming Part of the Financial Statements

Note 44: Segment Reporting

The segment reporting of the Group has been prepared in accordance with Ind AS-108, "Operating Segment". Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and segment information is presented accordingly. Accordingly, the management has identified, based on its products, three reportable segments namely, Electronics, Electricals and Consumer Durables as follows:

Electronics Segment includes Stabilizers, Digital UPS, UPS and Solar Inverters;

Electricals Segment includes PVC Insulated Cables, Switch Gears, Single Phase Pumps, Three Phase Pumps and Modular Switches; and

Consumer Durables Segment includes Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Glass-top Gas Stoves, Rice cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers.

The Management Committee of the Group monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product and have been identified as per the quantitative criteria specified in the Ind AS. The management has complied with the aggregation criteria as specified in Ind-AS 108 and the same has been applied based on the nature of products, considering their end users and as considered relevant and appropriate for the industry the Group operates in.

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and property, plant and equipments.. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liability.

Current taxes, deferred taxes, investment in others, 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 and capital advances.

Transfer pricing between operating segments are on an arm length basis in a manner similar to transaction with third parties.

Year ended March31, 2021 (₹ in lakhs)

Particulars	Electronics	Electricals	Consumer Durables	Eliminations	Total
Revenue					
External customers	75,887.51	1,22,569.69	73,666.79	-	2,72,123.99
Inter-segment	-	-	-	-	-
Total revenue	**75,887.51**	**1,22,569.69**	**73,666.79**	**-**	**2,72,123.99**
Income/(Expenses)					
Depreciation and amortisation	(294.21)	(810.56)	(856.24)	-	(1,961.01)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(178.41)	(255.28)	(173.19)	-	(606.88)
Segment profit	14,416.24	11,041.71	4,025.62	-	29,483.57
Total assets	**33,870.25**	**51,652.89**	**50,408.99**	**-**	**1,35,932.13**
Total liabilities	**13,212.32**	**21,623.06**	**17,257.44**	**-**	**52,092.82**
Other disclosure: Capital Expenditure	**340.55**	**1,226.42**	**2,679.68**	**-**	**4,246.65**

Notes Forming Part of the Financial Statements

Year ended March31, 2020 (₹ in lakhs)

Particulars	Electronics	Electricals	Consumer Durables	Eliminations	Total
Revenue					
External customers	75,451.51	1,07,395.81	67,446.93	-	2,50,294.25
Inter-segment	-	-	-	-	-
Total revenue	**75,451.51**	**1,07,395.81**	**67,446.93**	**-**	**2,50,294.25**
Income/(Expenses)					
Depreciation and amortisation	(276.53)	(790.44)	(401.22)	-	(1,468.19)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(194.74)	(236.84)	(174.08)	-	(605.66)
Segment profit	12,367.82	8,588.94	3,993.52	-	24,950.28
Total assets	**31,535.67**	**43,376.24**	**39,224.08**	**-**	**1,14,135.99**
Total liabilities	**8,940.30**	**13,927.63**	**13,693.74**	**-**	**36,561.67**
Other disclosure: Capital Expenditure	**978.96**	**1,181.13**	**8,820.70**	**-**	**10,980.79**

Reconciliation of amount reflected in the financial statements

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Reconciliation of profit		
Segment Profit	29,483.57	24,950.28
Other Unallocable income	2,064.28	2,334.14
Other Unallocable expenses	(2,127.92)	(1,910.11)
Finance cost	(609.92)	(416.12)
Profit before tax	**28,810.01**	**24,958.19**

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(b) Reconciliation of assets		
Segment operating assets	1,35,932.13	1,14,135.99
Investment-Current & Non-Current	3,340.00	3,600.14
Investment property	27.90	27.90
Deferred tax asset	267.04	223.63
Cash and cash equivalents	28,072.31	2,341.08
Other bank balances	41.29	8,812.14
Income tax assets (net)	1,379.94	1,702.92
Tangible & Other intangible assets	13,801.64	11,065.40
Other unallocable assets	4,635.55	3,580.61
Total assets	**1,87,497.80**	**1,45,489.81**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(c) Reconciliation of liabilities		
Segment operating liabilities	52,092.82	36,561.67
Borrowings	1,000.00	1,000.00
Current tax liabilities	1,061.21	-
Lease liability	2,140.94	355.10
Provision for leave benefits	1,317.68	1,296.60
Provision for gratuity	527.50	223.75
Other unallocable liabilities	7,757.44	6,144.05
Total liabilities	**65,897.59**	**45,581.17**

Revenue from external customer

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	2,70,975.78	2,48,793.85
Outside India	1,148.21	1,500.40

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, investment property, intangible assets and capital advances.

Note 45: Related Party Transactions

(a) Details of Related Parties:

Description of Relationship	Names of Related Parties
Key Management Personnel (KMP)	Mr. Kochouseph Chittilappilly - Chairman and Non Executive Director (till March 31, 2020)
	Mr. Mithun K. Chittilappilly - Managing Director
	Mr. Ramachandran Venkataraman - Director and Chief Operating Officer
	Mr. Sudarshan Kasturi - Chief Financial Officer (Refer Note 2 below)
	Ms. Jayasree K - Company Secretary (Refer Note 2 below)
Relatives of KMP with whom transactions have taken place during the year	Mr. Kochouseph Chittilappilly - Father of Mr. Mithun K Chittilapilly
	Ms. Sheela Kochouseph - Mother of Mr. Mithun K Chittilapilly
	Mr. Arun K. Chittilappilly - Brother of Mr. Mithun K Chittilapilly
	Ms. Priya Sarah Cheeran Joseph - Daughter in law of Mr. Kochouseph Chittilappilly
	Ms. Vidyavathi Vaidyanathan - Wife of Mr. Ramachandran Venkataraman
	Ms. Radhika Ramachandran - Daughter of Mr. Ramachandran Venkataraman

Notes Forming Part of the Financial Statements

Description of Relationship	Names of Related Parties
Non - Executive Directors	Mr. Cherian N Punnoose
	Mr. A K Nair (till July 28, 2019)
	Mr. Ullas K Kamath
	Mr. C J George
	Mr. George Jacob Muthoot (wef October 05, 2020)
	Mr. B Jayaraj (wef April 01, 2020)
	Ms. Joshna Johnson Thomas - Wife of Mr. Mithun K. Chittilappilly
	Ms. Radha Unni
Entities in which KMP/ relatives of KMP can exercise significant influence	K Chittilappilly Trust
	Arav Chittilappilly Trust
	V-Guard Foundation (Refer note 3 below)

The Group has not entered in to any transactions with companies in which KMP/ relatives of KMP can exercise significant influence.

(b) Transactions with related parties during the year

(₹ in lakhs)

Name of the Related Party	Nature of Transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Kochouseph Chittilappilly	Dividends Paid	-	1,294.99
	Commission	-	151.18
	Emoluments	73.44	-
	Sitting Fees	-	3.75
Mr. Mithun K Chittilappilly	Dividends Paid	-	1,544.12
	Salaries and allowances	143.58	151.59
	Company contribution to provident fund	13.25	13.82
	Commission	367.22	314.96
Mr. Ramachandran Venkataraman	Dividends Paid	-	13.79
	Salaries and allowances	270.49	215.43
	Company contribution to provident fund	23.02	24.65
	Employee stock compensation expense *	466.59	(548.37)
	Issue of Equity shares including premium	347.51	96.71
Mr. Sudarshan Kasturi	Dividends Paid	-	0.29
	Salaries and allowances	203.98	178.29
	Company contribution to provident fund	9.60	9.69
	Employee stock compensation expense*	(22.79)	96.80
	Issue of Equity shares including premium	0.53	0.69
Ms. Jayasree K	Dividends Paid	-	1.19
	Salaries and allowances	27.87	25.70
	Company contribution to provident fund	1.01	0.88
	Employee stock compensation expense *	12.52	(4.53)
	Issue of Equity shares including premium	0.08	0.15
Relatives of KMP (excluding Mr. Kochouseph Chittilappilly)	Dividends Paid	-	1,173.86
Enterprises in which KMP/ relatives of KMP can exercise significant influence	Dividends Paid	-	668.67
Non - Executive Directors	Sitting Fees	30.95	20.85
	Commission	88.44	72.42

*Employee stock compensation expense is net of reversals (Refer Note 34).

Notes Forming Part of the Financial Statements

(c) Related party balances

(₹ in lakhs)

Name of the Related Party	Nature of Transactions	As at March 31, 2021	As at March 31, 2020
Mr. Kochouseph Chittilappilly	Commission payable	-	151.18
	Emoluments payable	73.44	-
Mr. Mithun K Chittilappilly	Commission payable	367.22	314.96
Non - Executive Directors	Commission payable	88.44	72.42

Notes:

1. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole.
2. Represents additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year.
3. The Holding Company has formed V-Guard Foundation, a Company incorporated under Section 8 of the Companies Act, 2013, as its principal arm for implementing the Holding Company's CSR programs/projects in compliance with Section 135 of the Companies Act, 2013. Two directors of the Holding Company are the directors of V-Guard Foundation. During the year ended March 31, 2021, the Holding Company has contributed ₹ 418.80 lakhs (Year ended March 31, 2020: ₹ 388.87 lakhs) towards expenditure for CSR activities.

Note 46: Earnings Per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit for the year attributable to equity holders of the parent (₹ in lakhs)	20,081.79	18,711.21
Weighted average number of equity shares outstanding	42,88,30,019	42,75,39,565
Basic earnings per share (₹)	**4.68**	**4.38**
Net Profit for the year attributable to equity holders of the parent (₹ in lakhs)	20,081.79	18,711.21
Weighted average number of equity shares outstanding	43,19,07,592	43,21,23,388
Diluted earnings per share (₹)	**4.65**	**4.32**
Weighted average number of equity shares in calculating basic EPS	42,88,30,019	42,75,39,565
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	30,77,573	45,83,823
Weighted average number of equity shares in calculating diluted EPS	**43,19,07,592**	**43,21,23,388**

Note 47: Share based payments

The members of the Holding Company by way of a special resolution under Section 81(1)(A) of the Companies Act, 1956, passed on 14th May, 2013 through postal ballot procedure, approved Employees Stock Option Scheme, 2013 (ESOS 2013) for grant of stock options to eligible employees of the Holding Company. According to the Scheme, the eligible employees will be entitled to options as given below subject to satisfaction of prescribed vesting conditions. All options granted under ESOS 2013 can be exercised within 6 years from the date of vesting. The number of shares allocated for allotment under the ESOS 2013 is 19,590,234 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.

Notes Forming Part of the Financial Statements

Grant	Financial Year	Date of Grant	No. of Options Granted	Exercise Price per share (₹)	Vesting Period	Vesting Conditions
Grant I	2013-14	11-Jun-13	21,87,216	1.00	Over 3 years	Two third of total entitlements are time based grants and the remaining one third are based on the performance of the Company and the Individual employee.
			79,51,888	34.64		
Grant II	2015-16	04-May-15	2,81,266	1.00	Over 3 years	
			9,20,564	71.36		
Grant III	2016-17	04-May-16	4,20,000	1.00	Over 4 years	60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			37,80,000	68.75		
Grant IV	2016-17	16-Jun-16	2,59,504	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant V	2016-17	08-Aug-16	12,61,246	1.00	Over 4 years	
			49,280	1.00		100% of the entitlements are time based grants which will vest over 4 years
			2,80,000	1.00		60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			11,20,000	121.79		
Grant VI	2016-17	21-Oct-16	1,15,976	1.00	Over 4 years	100% of the entitlements are time based grants which will vest over 4 years.
Grant VII	2016-17	30-Jan-17	82,460	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant VIII	2017-18	19-May-17	2,01,100	1.00	Over 4 years	
Grant IX	2017-18	31-Jul-17	1,54,854	1.00	Over 4 years	
Grant X	2017-18	22-Jan-18	2,50,768	1.00	Over 4 years	
Grant XI	2018-19	30-May-18	46,354	1.00	Over 4 years	
Grant XII	2018-19	31-Jul-18	99,452	1.00	Over 4 years	
Grant XIII	2018-19	31-Jan-19	76,190	1.00	Over 4 years	
Grant XIV	2019-20	06-Nov-19	31,444	1.00	Over 4 years	
Grant XV	2020-21	22-May-20	12,59,200	172.05	Over 4 years	100% of the entitlements are time based grants which will vest over 4 years.
			2,60,000	1.00		100% of the entitlements based on the Company's performance at the end of 4 years.
Grant XVI	2020-21	27-Aug-20	10,62,635	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant XVII	2020-21	03-Feb-21	3,16,325	1.00	Over 4 years	
Grant XVIII	2020-21	19-Mar-21	24,907	1.00	Over 4 years	

Notes Forming Part of the Financial Statements

The details of the activity under the Scheme are summarized below:

Grant	Weighted average Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited/ Expired during the year	Exercised during the year	Exercisable at the end of the year	Outstanding at the end of the year	Weighted average remaining contractual life(in years)
Grant I	1.00	68,495	-	-	29,553	38,942	38,942	1.20
		(83,784)	-	-	(15,289)	(68,495)	(68,495)	(2.20)
	34.64	18,53,039	-	-	13,10,458	5,42,581	5,42,581	1.20
		(23,70,171)	-	-	(5,17,132)	(18,53,039)	(18,53,039)	(2.20)
Grant II	1.00	-	-	-	-	-	-	-
		(4,612)	-	-	(4,612)	-	-	-
	71.36	1,17,375	-	-	3,650	1,13,725	1,13,725	2.91
		(1,71,408)	-	-	(54,033)	(1,17,375)	(1,17,375)	(3.89)
Grant III	1.00	63,000	-	-	63,000	-	-	-
		(3,57,000)	-	(1,68,000)	(1,26,000)	-	(63,000)	(6.10)
	68.75	22,68,000	-	-	-	22,68,000	22,68,000	3.60
		(37,80,000)	-	(15,12,000)	-	(17,01,000)	(22,68,000)	(4.60)
Grant IV	1.00	63,793	-	-	44,048	19,745	19,745	4.82
		(1,64,499)	-	(64,890)	(35,816)	(15,141)	(63,793)	(6.01)
Grant V	1.00	3,49,505	-	-	2,04,414	1,45,091	1,45,091	4.49
		(8,95,602)	-	(3,34,040)	(2,12,058)	(1,20,446)	(3,49,505)	(5.72)
	1.00	24,640	-	-	12,320	12,320	12,320	4.60
		(24,640)	-	-	-	(24,640)	(24,640)	(5.77)
	1.00	42,000	-	-	42,000	-	-	-
		(1,96,000)	-	(1,12,000)	(42,000)	-	(42,000)	(6.27)
	121.79	6,72,000	-	-	-	6,72,000	6,72,000	3.79
		(11,20,000)	-	(4,48,000)	-	(5,04,000)	(6,72,000)	(4.79)
Grant VI	1.00	34,693	-	-	26,573	8,120	8,120	5.48
		(69,827)	-	(6,958)	(28,176)	(12,657)	(34,693)	(5.94)
Grant VII	1.00	36,076	-	20,614	15,462	-	-	5.84
		(67,000)	-	-	(30,924)	-	(36,076)	(6.84)
Grant VIII	1.00	1,25,687	-	50,275	37,706	-	37,706	6.14
		(1,63,393)	-	-	(37,706)	-	(1,25,687)	(6.84)
Grant IX	1.00	58,959	-	23,583	17,688	-	17,688	5.33
		(1,33,169)	-	(48,731)	(25,479)	-	(58,959)	(6.94)
Grant X	1.00	1,83,958	-	62,692	53,326	20,917	67,940	6.45
		(2,23,521)	-	-	(39,563)	(27,216)	(1,83,958)	(7.06)
Grant XI	1.00	41,854	-	-	7,791	5,091	34,063	6.47
		(46,354)	-	-	(4,500)	(4,191)	(41,854)	(7.24)
Grant XII	1.00	80,808	-	10,744	18,648	-	51,416	7.03
		(99,452)	-	-	(18,644)	-	(80,808)	(7.64)
Grant XIII	1.00	61,904	-	-	14,286	-	47,618	7.54
		(76,190)	-	-	(14,286)	-	(61,904)	(8.15)
Grant XIV	1.00	31,444	-	-	-	5,896	31,444	7.48
		-	(31,444)	-	-	-	(31,444)	(8.22)
Grant XV	1.00	-	2,60,000	-	-	-	2,60,000	9.15
		-	-	-	-	-	-	-
	172.05	-	12,59,200	-	-	-	12,59,200	7.64
		-	-	-	-	-	-	-
Grant XVI	1.00	-	10,62,635	20,105	-	-	10,42,530	9.15
		-	-	-	-	-	-	-
Grant XVII	1.00	-	3,16,325	-	-	-	3,16,325	8.34
		-	-	-	-	-	-	-
Grant XVIII	1.00	-	24,907	-	-	-	24,907	8.72
		-	-	-	-	-	-	-

Note: The numbers in parenthesis pertains to the previous year ended March 31, 2020.

Notes Forming Part of the Financial Statements

Weighted average fair value of the options granted during the year was ₹ 131.48 (2019-20: ₹ 241.66).

Weighted average equity share price at the date of exercise of options during the year was ₹ 193.27 (2019-20: ₹ 222.84).

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, 2021	For the year ended March 31, 2020
Risk-free interest rate (%)	4.84 % to 6.16%	6.01% to 6.55%
Expected life of options (years)	4.01 to 7.01	4.01 to 7.01
Expected volatility (%)	30.72% to 32.87%	31.68% to 31.95%
Dividend yield	0.1% to 0.24%	0.32%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome . The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date, indicative of future trends, which may not necessarily be the actual outcome.

Note 48: Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revenue from sale of products

Revenue is measured at the fair value of consideration received/receivable from its customers and in determining the transaction price for the sale of products, the Group considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return also.

In estimating the variable considerations, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with trade schemes, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Notes Forming Part of the Financial Statements

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk , volatility etc. Changes in assumptions/ judgements about these factors could effect the reported fair value of financial instruments.

Put option liability

The Put Option liability granted on the non controlling interests of subsidiary is accounted for at the present value of the amount payable on exercise of the option, as a financial liability. The subsequent changes in carrying amount at each reporting date is recognised in the statement of profit and loss. The determination of the carrying value is based on discounted cash flows. The key assumption taken into consideration is the discount factor. As part of the accounting for the investment in subsidiary, put option liability with an estimated value of ₹ 317.15 lakhs was recognised at the acquisition date and remeasured to ₹ 465.56 lakhs as at the reporting date.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These mainly include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligation are given in Note 43.

Share-based payments

Estimating fair value for share-based payment transactions requires evaluation of vesting conditions and determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, dividend yield, forfeitures and making assumptions about them. The assumptions and model used for estimating fair value for share based payment transactions are disclosed in Note 47.

Warranty provision

Warranty provision is determined based on the historical trend of warranty expense for the same types of goods for which the warranty is currently being determined, after adjusting for unusual factors related to the goods that were sold.

Notes Forming Part of the Financial Statements

It is very unlikely that actual warranty claims will exactly match the historical trend of warranty expenses and hence such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. In respect of financial guarantees provided by the Group to third parties, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided. Refer Note 40(B) for further disclosures.

Taxes

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Impairment allowance for trade receivables

The Group uses a provision matrix to calculate Expected Credit Losses ('ECL') for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 2.3(r) and Note 51(C).

Determination of control/ significant influence for investments made by the Company

As detailed in Note 6, the Holding Company has entered into a share subscription and shareholder's agreement to acquire 7 equity shares and 2,900 OCCPS of Gegadyne for a cash consideration of Rs. 3,340.00 lakhs in return for 18.77% stake on a fully diluted basis, right to nominate a director on the Board of Gegadyne as well as various other rights under the aforesaid agreement. The management, based on the terms and conditions as per the said agreement, is of the view that they do not have the power to participate in the financial and operating policy decisions of Gegadyne considering that:

a) The equity shareholding of the Holding Company is less than 1% of the total equity shareholding and OCCPS are convertible at the option of the Holding Company and can be liquidated at a predetermined IRR.

b) The Holding Company do not intend to participate in the operations of Gegadyne and do not have any visitation or inspection rights in respect of the research facilities and research activities of Gegadyne which is the primary activity of Gegadyne at this juncture. c) On completion of the research activities, Gegadyne will seek additional investment from external investors whereby the Holding Company's stake in Gegadyne will be significantly reduced. d) All the other rights considered under 'reserved matters' in the aforesaid agreement are protective rights and not participative rights.

Accordingly, the Group has accounted the aforesaid investment as investment at fair value through profit or loss as per Ind AS 109 - Financial Instruments.

Notes Forming Part of the Financial Statements

Note 49: Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

(₹ in lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets at FVTPL				
Current investments	-	3,600.14	-	3,600.14
Other investments	3,340.00	-	3,340.00	-
Financial assets at amortised cost				
Loans	366.89	862.69	366.89	862.69
Cash and bank balances	28,118.19	11,155.35	28,118.19	11,155.35
Other financial assets	1,477.06	1,339.30	1,477.06	1,339.30
Trade receivables	38,807.10	32,430.14	38,807.10	32,430.14
Total	**72,109.24**	**49,387.62**	**72,109.24**	**49,387.62**
Financial liabilities at amortised cost				
Short term borrowings	1,301.32	1,277.25	1,301.32	1,277.25
Put option liability	465.56	396.59	465.56	396.59
Lease liability	5,625.53	3,714.82	5,625.53	3,714.82
Other financial liabilities	2,583.18	2,735.65	2,583.18	2,735.65
Trade payables	47,472.38	30,514.10	47,472.38	30,514.10
Total	**57,447.97**	**38,638.41**	**57,447.97**	**38,638.41**

The management assessed that fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables/advances given are evaluated by the Group based on parameters such as interest rates and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

Current investments pertains to Investments in mutual funds which are mandatorily classified as fair value through statement of profit and loss. The fair value of investments in mutual funds units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at balance sheet date. NAV represents the price at which the issuer will issue further units of mutual funds and the price at which issuers will redeem such units from the investors.

The fair value of the derivative instrument- call option has been determined using valuation techniques with market observable inputs. The valuation techniques incorporate various inputs including risk free interest rates and volatility.

The fair value of other investments has been determined using precedent transaction analysis method. Refer note 50 (v).

The fair value of loans, lease liabilities and borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate. The fair value of Put Option Liability is determined based on the present value of the amount payable on exercise of the option. There are no unobservable inputs that impact fair value.

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Note 50: Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities, measured at fair value on the balance sheet date:

(₹ in lakhs)

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets carried at cost for which fair value are disclosed					
Investment property (Refer Note 4 (i))	31-Mar-21	27.90	-	-	27.90
	31-Mar-20	27.90	-	-	27.90
Fair value of financial assets disclosed					
Current investments	31-Mar-21	-	-	-	-
	31-Mar-20	3,600.14	3,600.14	-	-
FVTPL - Other investments	31-Mar-21	3,340.00	-	-	3,340.00
	31-Mar-20	-	-	-	-
Assets carried at amortised cost for which fair value are disclosed					
Cash and bank balances	31-Mar-21	28,118.19	-	-	28,118.19
	31-Mar-20	11,155.35	-	-	11,155.35
Other financial assets	31-Mar-21	1,477.06	-	-	1,477.06
	31-Mar-20	1,339.30	-	-	1,339.30
Loans	31-Mar-21	366.89	-	-	366.89
	31-Mar-20	862.69	-	-	862.69
Trade receivables	31-Mar-21	38,807.10	-	-	38,807.10
	31-Mar-20	32,430.14	-	-	32,430.14
Liabilities carried at amortised cost for which fair value are disclosed					
Trade payables	31-Mar-21	47,472.38	-	-	47,472.38
	31-Mar-20	30,514.10	-	-	30,514.10
Borrowings	31-Mar-21	1,301.32	-	1,301.32	-
	31-Mar-20	1,277.25	-	1,277.25	-
Put option liability	31-Mar-21	465.56	-	465.56	-
	31-Mar-20	396.59	-	396.59	-
Lease liability	31-Mar-21	5,625.53	-	-	5,625.53
	31-Mar-20	3,714.82	-	-	3,714.82
Other financial liabilities	31-Mar-21	2,583.18	-	-	2,583.18
	31-Mar-20	2,735.65	-	-	2,735.65

(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 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.

Notes Forming Part of the Financial Statements

(v) The significant unobservable inputs used in the fair value measurement of investment categorised within Level 3 of the fair value hierarchy together with sensitivity analysis are as shown below:

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivitiy of the input to fair value
FVTPL Investments	Precedent transaction analysis method	Premium for Management, product/ technology, size of opportunity, competition etc.	Premium of 40%-60%	10% increase in premium will have a significant impact on the fair value of the investments.

Note 51: Financial risk management objectives and policies

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Group.

A. Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities.

The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable investments, such as mutual funds, with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below summarises the maturity profile of Group's financial liabilities.

(₹ in lakhs)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2021				
a) Borrowings	1,301.32	-	-	1,301.32
b) Trade Payables	47,472.38	-	-	47,472.38
c) Put option liability	-	465.56	-	465.56
d) Lease liability	1,106.54	3,929.56	3,268.63	8,304.72
e) Other Financial Liabilities	2,583.18	-	-	2,583.18
Total	**52,463.42**	**4,395.12**	**3,268.63**	**60,127.16**

Notes Forming Part of the Financial Statements

(₹ in lakhs)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2020				
a) Borrowings	1,277.25	-	-	1,277.25
b) Trade Payables	30,514.10	-	-	30,514.10
c) Put option liability	-	409.72	-	409.72
d) Lease liability	713.99	1,991.47	3,426.56	6,132.02
e) Other Financial Liabilities	2,735.65	-	-	2,735.65
Total	**35,240.99**	**2,401.19**	**3,426.56**	**41,068.74**

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 short term borrowings which are at floating interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risks arising from exposures to US Dollars and Chinese Yuan from the Group's import of goods. The Group manages this foreign currency risk by using foreign currency forward contracts to hedge certain of its import liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities net of amounts hedged is as follows:

(₹ In lakhs)

Particulars	Effect on profit before tax	
	1% increase	**1% decrease**
March 31, 2021	(5.88)	5.88
March 31, 2020	(33.45)	33.45

Commodity Price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of domestic cable and other electronic items and therefore require a continuous supply of copper, being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper, the Group has entered into various purchase contracts for this material for which there is an active market. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price for each month.

Notes Forming Part of the Financial Statements

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and all major customers are covered under credit insurance. An impairment analysis is performed at each reporting date by grouping a large number of minor receivables into homogenous groups and assess them for impairment collectively. The Group creates allowance based on lifetime expected credit loss based on a provision matrix after considering adjustment under credit insurance. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information.The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 14. The Group does not hold any collateral as security except for the deposits and bank guarantees received from the customers. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several locations and operate in largely independent markets.

The movement for change in allowance for expected credit loss and credit impairment is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the year	3,408.18	2,832.51
Change in allowance for expected credit loss and credit impairment during the year	(0.13)	575.67
Balance as at the end of the year	**3,408.05**	**3,408.18**

Other financial assets

Credit risk from balances with banks and financial institutions and in respect of loans and security deposits are managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only in highly marketable liquid fund instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Notes Forming Part of the Financial Statements

Note 52: Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Group monitors Capital using Gearing ratio, which is net debt divided by total capital plus net debt.

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
Borrowings	1,301.32	1,277.25
Less: Cash and cash equivalents, other bank balances and mutual fund investments	28,118.19	14,755.49
Net debt (A)	**(26,816.87)**	**(13,478.24)**
Equity	1,21,129.08	99,545.21
Capital and Net Debt (B)	**94,312.21**	**86,066.97**
Gearing ratio (A/B)	**-**	**-**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Note 53: Impact assessment of COVID-19

The current financial year has been a challenging year for our business. The year began amidst a strict lockdown post the emergence of COVID -19 towards the end of the last financial year. The economy gradually opened post June 2020 and the second half of the year was progressing towards recovery. However a much stronger second wave of COVID -19 infections hit the country subsequent to March 31, 2021 and may result in significant disruption to our business as several cities and towns have announced restrictions. The Group has made a detailed assessment of its liquidity position as at the date of approval of these financial statements for the next one year and of the recoverability and carrying values of its assets including Property, Plant and Equipment (including assets under construction), Intangible assets, Trade receivables, Inventory and Investments as at the Balance sheet date and has concluded that there are no material adjustments required in the consolidated financial statements. Management believes that it has taken into account all the possible impact of known events and economic forecasts based on internal and external sources of information arising from COVID-19 pandemic while making such assessment in the preparation of the consolidated financial statements.

Notes Forming Part of the Financial Statements

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 lakhs	As % of consolidated net profit	₹ In lakhs	As % of consolidated other comprehensive income	₹ In lakhs	As % of consolidated total comprehensive income	₹ In lakhs
Parent Company								
V-Guard Industries Limited								
Balance as at March 31, 2021	**98.11%**	**1,19,310.98**	**97.82%**	**19,749.93**	**97.40%**	**45.27**	**97.83%**	**19,795.20**
Balance as at March 31, 2020	**98.16%**	**98,062.90**	**97.55%**	**18,364.60**	**98.88%**	**(225.98)**	**97.54%**	**18,138.62**
Subsidiary (refer Note 41)								
Guts Electro-Mech Limited								
Balance as at March 31, 2021	**1.50%**	**1,818.10**	**1.64%**	**331.86**	**1.94%**	**0.90**	**1.64%**	**332.76**
Balance as at March 31, 2020	**1.48%**	**1,482.31**	**1.84%**	**346.61**	**0.83%**	**(1.90)**	**1.85%**	**344.71**
Non-controlling interest in subsidiary								
Balance as at March 31, 2021	**0.39%**	**471.13**	**0.53%**	**107.38**	**0.67%**	**0.31**	**0.53%**	**107.69**
Balance as at March 31, 2020	**0.36%**	**363.43**	**0.61%**	**114.15**	**0.29%**	**(0.67)**	**0.61%**	**113.48**

Note 55: During the current year, the Holding Company was required to transfer 18,748 equity shares to the Investor Education and Protection Fund Authority ("IEPFA"). However, the Holding Company could not transfer 3,280 equity shares as these were pledged by one of the shareholders. The Holding Company has intimated IEPFA the details of such shares by filing form IEPF-3.

Note 56: Events after the reporting period

The board of directors of the Holding Company have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting. Refer Note 20.

Note 57: Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Group.

Note 58: Previous year's figures have been regrouped/reclassified , wherever necessary, to conform to the current year's classification.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sd/-
per **Sandeep Karnani**
Partner
Membership No. : 061207

Place : Bengaluru
Date : May 26, 2021

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Jayasree K
Company Secretary

Place : Kochi
Date : May 26, 2021

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" Subsidiary

Name of the subsidiary	Guts Electro-Mech Ltd
The date since when subsidiary was acquired	August 31, 2017
Reporting period for the subsidiary concerned	March 31, 2021
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹

Sl. No.	Particulars	₹ in lakhs
1	Share Capital	196.58
2	Reserves & Surplus	1,180.69
3	Total Assets	2,754.59
4	Total Liabilities	1,377.31
5	Investments	Nil
6	Turnover	5,528.18
7	Profit before taxation	529.78
8	Provision for taxation	116.77
9	Profit after taxation	413.02

Other Information	
Proposed Dividend	Nil
Extent of shareholding (in percentage)	74%
Names of subsidiaries which are yet to commence operations	Nil
Names of subsidiaries which have been liquidated or sold during the year	Nil

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

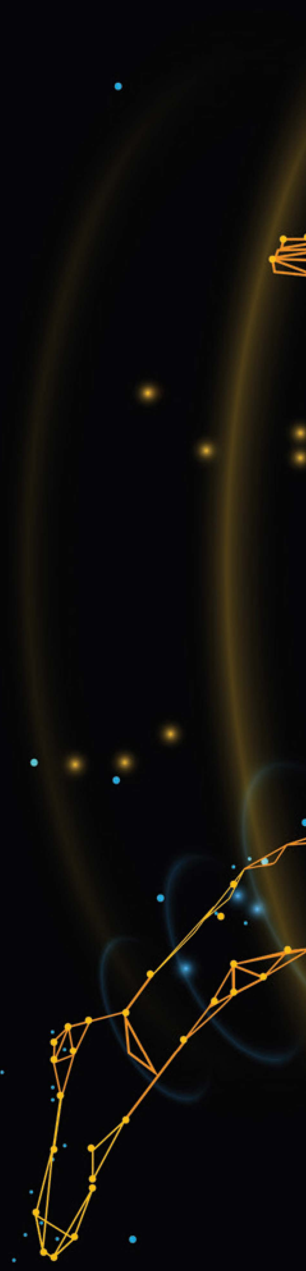
Sd/-
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Jayasree K
Company Secretary

Place : Kochi
Date : May 26, 2021

NOTE:



V-GUARD

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