July 18, 2024

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

Dear Sir/Madam,

Sub: Corrigendum to the Annual Report for the Financial Year 2023-24

This is with reference to our letter dated July 6, 2024, wherein the Company had filed the Notice convening the 28th Annual General Meeting (AGM) and the Annual Report of the Company for the Financial Year 2023-24. We have noticed inadvertent typographical errors under the financials section of the Annual Report. The said errors are not material in nature. In this regard, please note the following changes to Annual Report for Financial Year 2023-24:

1. In Independent Auditor's Report on Standalone Financial Results –
    - In Pt. 14(h)(i) – 'Note 41' shall be read as 'Note 41B'
    - In Pt. 14(h)(iv)(c) – 'of Rule 11(e)' shall stand deleted

2. In Standalone Financial Results –
    - In Note No. 14(B)(b) – '(i)' shall stand deleted
    - In Note No. 44 - Total amount recognised in OCI for the year ended March 31, 2023 '(0.47)' to be read as '(0.48)'

3. In Independent Auditor's Report on Consolidated Financial Results –
    - In Pt. 1 'Note Number 42' to be read as 'Note Number 55'
    - In Pt. 17(h)(iv)(b) – 'Notes 53(vi)(B)' shall be read as 'Notes 53(vii)(B)'
    - In Pt. 17(h)(iv)(c) – 'of Rule 11(e)' shall be replaced with 'above'
    - In Pt. 3 of Annexure A of said report 'Company's internal financial controls' shall be read as 'Holding Company's internal financial controls'
    - In Pt. 3 and 4 of Annexure A of said report 'Financial Statements' to be read as 'Consolidated Financial Statements'

4. In Consolidated Financial Results – Note No. 42, Note (c) of Assets acquired and liabilities assumed for Sunflame on page no. 316, '₹ 56.90' shall be read as '₹ 300'.

In view of the aforesaid, we are submitting the updated Annual Report of the Company for Financial Year 2023-24 after incorporating the aforesaid changes. All the concerned are hereby requested to read the Annual Report along with the attached corrigendum. Annual Report is also uploaded on the Company's website at https://www.vguard.in/investor-relations.

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

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

We request you to kindly take the above information on record.

Thanking You,

Yours Sincerely,

For V-Guard Industries Limited

VIKAS KUMAR TAK

Digitally signed by VIKAS KUMAR TAK
Date: 2024.07.18 16:46:52 +05'30'

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

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

Encl: As above

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V-GUARD

REIMAGINING TOMORROW

ANNUAL REPORT
2023-24

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.

READ ON...

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REIMAGINING **TOMORROW**

At V-Guard, tomorrow represents more than an opportunity for growth; it symbolizes a significant leap forward from the actions we take today, paving the way for the next wave of growth and value creation for our organization and its valued stakeholders.

Our commitment to "Reimagining Tomorrow" is not just about transitioning from one time zone to another; it's about transforming our vision into reality. Every tomorrow ushers in an era of hope for a better life, unlocking new potential and aligning with the aspirations of our discerning consumers.

The company has steadfastly committed to proactive and strategic investments. In recent years, we have substantially advanced our capabilities, achieving significant progress across various areas. We have implemented several transformation initiatives in Supply Chain Management, Customer Service, and Sales & Marketing apart from others, while also developing new functions such as New Product Development (NPD) and Category Strategy to drive future growth.

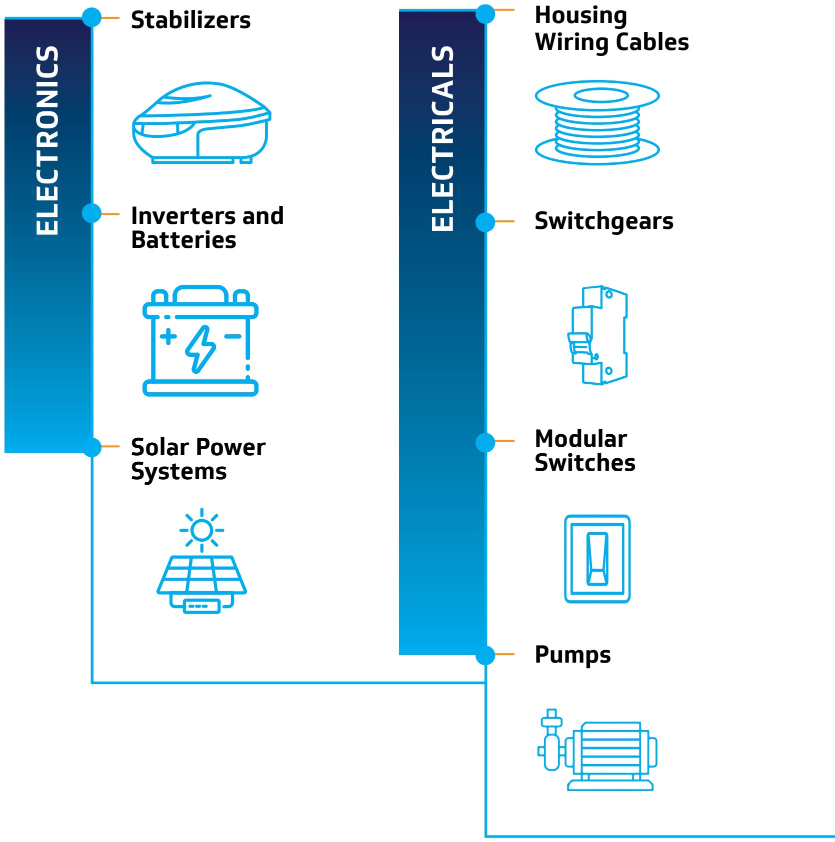
V-Guard continues to evolve its organization and capabilities through multi-year transformational journeys aimed at progressively building competitiveness and establishing a future-ready enterprise. Our key initiatives at V-Guard are focussing on building winning capabilities around Product and Go-To-Market, and improving business competitiveness through strengthening supply chain, manufacturing and our operating model. We are reshaping our product portfolio to capitalize on premiumization trends and driving enterprise digitization to become more efficient, agile, and data-driven. We continue to invest in technology, process and human capital to drive strong growth and ensure future success.

Our pursuit of building a business focused on growth, profitability and sustainability, is translated into functional strategies and roadmap to enable and operationalize the vision of "Reimagining Tomorrow".

ROOTED IN LEGACY, **POWERED BY OPPORTUNITY**

V-Guard, a renowned brand with a robust nationwide presence, exemplifies excellence driven by customer-centric ethos rooted in a profound heritage. We enjoy widespread consumer preference nationwide, offering high-quality products in the rapidly expanding domains of electronics, electricals, and consumer durables. Anchored by robust innovation, marketing prowess, advanced manufacturing capabilities, and a well-established distribution network, we prominently feature as a leader in the Indian industry landscape. Our proactive initiatives aligned with evolving consumer aspirations and market dynamics effectively deliver stakeholder value.

Our Product Suite

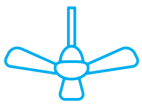


WITH OUR PULSE FIRMLY ON THE EVOLVING NEEDS OF CONSUMERS, WE ARE CONTINUOUSLY SHARPENING OUR VALUE PROPOSITION TO ENGINEER TODAY'S POSSIBILITIES INTO TOMORROW'S OFFERINGS.

CONSUMER DURABLES

Solar & Electric Water Heaters

Fans



Air Coolers

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

OUR ETHOS

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

OUR VISION

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

OUR MANUFACTURING PROWESS

For us, manufacturing is a key source of building competitive advantage. Our state-of-the-art facilities, strategically located across India, are pivotal to our success. We continuously advance our manufacturing capabilities through technological innovations, automation and digitalization. Our Manufacturing Excellence program is continuously elevating our operations to world-class standards. Further details of our initiatives can be found in other sections of this report.

1 **KALA AMB**
(Himachal Pradesh)
Electric Water Heater

2 **FARIDABAD**
(Haryana)
Cooktop, Chimney

3 **HARIDWAR**
(Uttarakhand)
Switchgears

4 **HARIDWAR**
(Uttarakhand)
Modular Switches

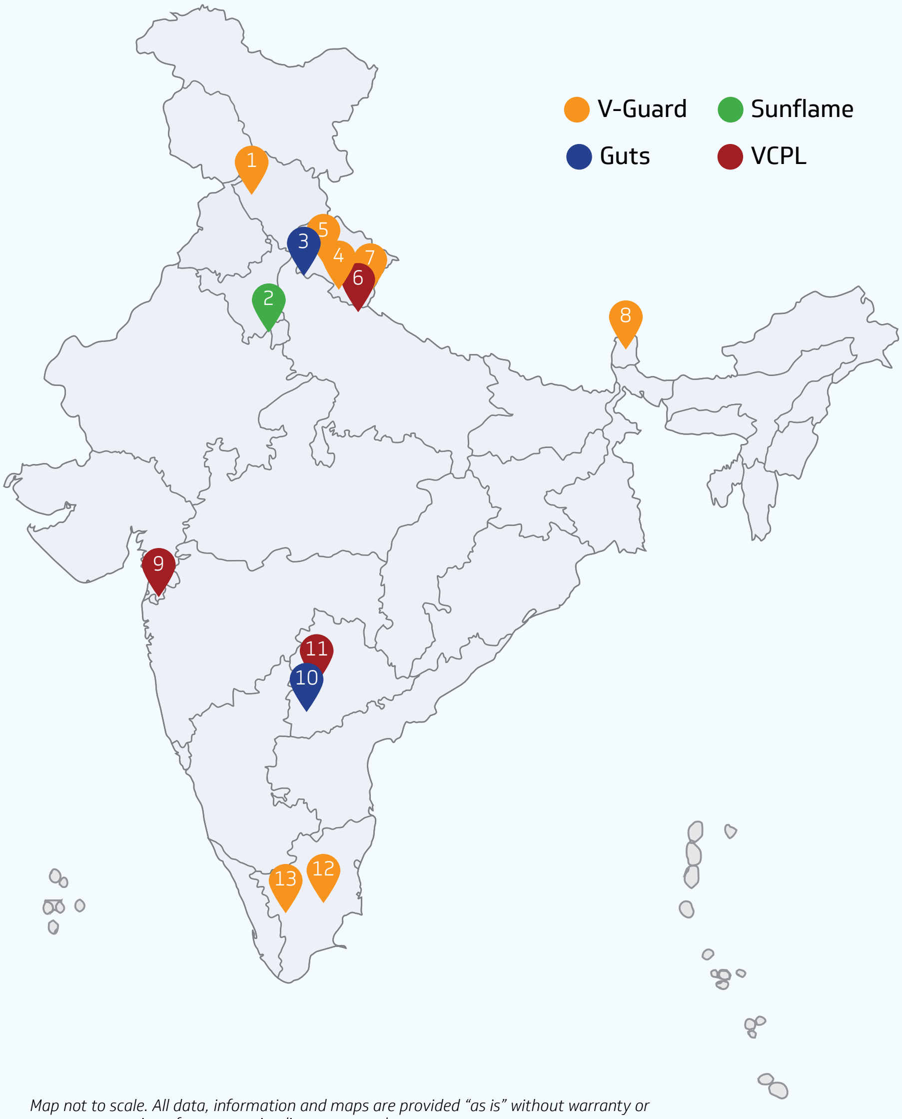
5 **ROORKEE**
(Uttarakhand)
Ceiling Fan

6 **PANTNAGAR**
(Uttarakhand)
Inverters and Stabilizers

7 **KASHIPUR**
(Uttarakhand)
House Wiring Cables

8 **SIKKIM**
Stabilizer, Electric Water Heater

9 **VAPI**
(GUJARAT)
Kitchen Appliances



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

10 **HYDERABAD**
(Telangana)
Switchgears

11 **HYDERABAD**
(Telangana)
Inverter Battery

12 **PERUNDURAI**
(Tamil Nadu)
Solar Water Heater

13 **COIMBATORE**
(Tamil Nadu)
House Wiring Cables, Solar Inverter, Pump and Motors, PVC Compounding

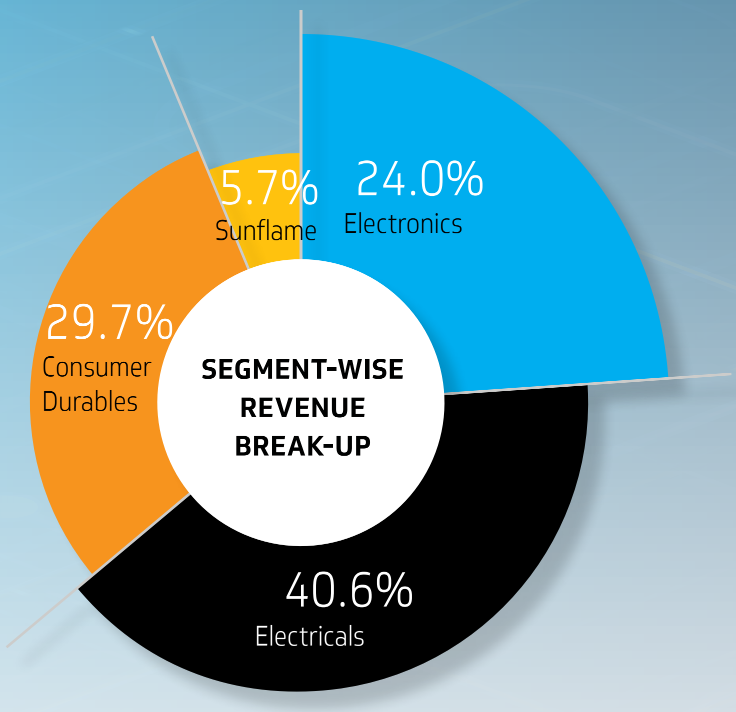
OUR DISTRIBUTION NETWORK

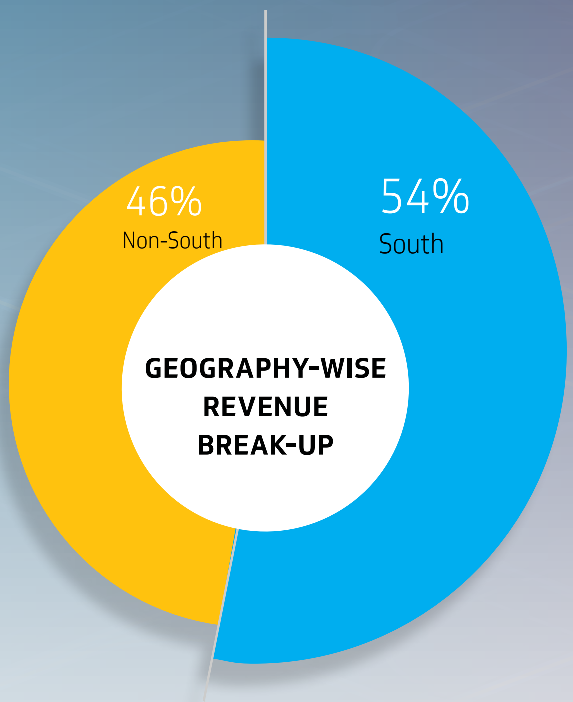
Driven by our strategic focus on strengthening our presence nationwide, we have progressively expanded into markets beyond South India while maintaining our leadership in the region. This expansion has been facilitated by our extensive and growing distributor/direct dealer network, ensuring the effective delivery of our exceptional and innovative products to consumers across the country.

35	28	8	1,00,000+
BRANCHES	STATES	UNION TERRITORIES	CHANNEL PARTNERS

₹ 4,856.67 CRORE	17.7%	₹ 426.71 CRORE
NET REVENUE	REVENUE GROWTH	EBITDA

₹ 257.58 CRORE	₹ 392.74 CRORE	₹ 1.40 (140%) PER EQUITY SHARE
PROFIT AFTER TAX	CASH FLOW FROM OPERATIONS	RECOMMENDED FINAL DIVIDEND





NURTURING A BETTER TOMORROW

As a future-focused organization, we are dedicated to create an environment that fosters a better tomorrow for our consumers. By aligning with evolving consumer trends, we continuously build on our core strengths to innovate and enhance the future, making it more exciting for all who trust in the V-Guard brand.

01

BRAND EQUITY

Our brand equity provides us the ability to innovate for the future, we continue to enhance the brand strength with strategic investments.

02

DIVERSIFIED PRODUCT PORTFOLIO

Our diverse range of innovative products allows us to meet the unique aspirations and desires of our varied customer base across India.

03

QUALITY & SAFETY FOCUS

The quality and safety of our products are fundamental to our consistent growth and value delivery. We adhere strictly to the highest quality standards and safety indices throughout the product lifecycle.

04

MANUFACTURING EXCELLENCE

Our manufacturing facilities comply with the highest quality and safety standards through best-in-class systems, processes, equipment, and technologies.

05

R&D AND INNOVATION CAPABILITY

Sustained investments in R&D empower us to develop new designs that align with the evolving needs and demands of our consumers.

06

CHANNELS

Our strong general trade presence and expanding emerging channels are enhancing our reach across India. We are further investing in modern trade and e-commerce to drive future growth.

07

TECHNOLOGY, DIGITALISATION & AUTOMATION

Our agile adoption of the latest technologies, digitalisation and automation help build a future-ready organization through enhanced productivity and efficiency.

08

HUMAN CAPITAL

Our people are the driving force behind our growth strategy. We remain committed to their welfare and well-being while investing in their talent and skill development.

09

MANAGEMENT VISION

Our management's forward-thinking vision and extensive experience are key strengths that enable us to drive growth today and build a better tomorrow.

10

CONSUMER & MARKET INSIGHTS

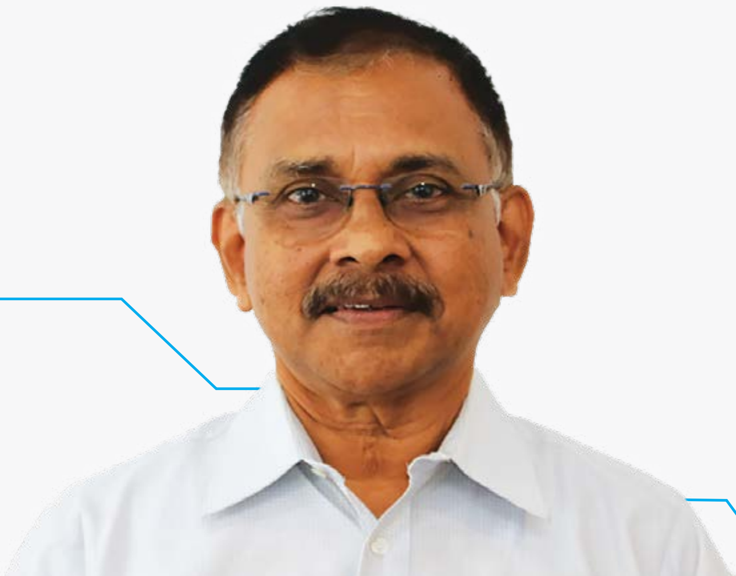
Our deep understanding of the industry, market, and consumer trends equips us to effectively identify and capitalize on future opportunities within our segments.

11

FINANCIAL STRENGTH

Our prudent business approach ensures operational and cost efficiencies. We maintain a healthy balance sheet with minimal debt, supported by strong cash flows and high credit ratings.

MESSAGE FROM THE CHAIRMAN



Dear Shareholders

In FY24, the global business climate was characterized by a volatile mix of challenges and opportunities. Major economies grappled with inflationary pressures, supply uncertainties and geopolitical tensions which collectively impacted global trade and investment flows. Amidst this complex landscape, India emerged as a beacon of resilience and growth.

AT V-GUARD, OUR RELENTLESS PURSUIT TO REIMAGINE TOMORROW DRIVES OUR TRANSFORMATIVE JOURNEY ACROSS MULTIPLE ORGANIZATIONAL FUNCTIONS. RECENT STRATEGIC MOVES, SUCH AS THE SUNFLAME ACQUISITION AND SIMON MERGER HAVE FORTIFIED OUR COMPETITIVE EDGE IN PRIORITY CATEGORIES LIKE KITCHEN APPLIANCES AND MODULAR SWITCHES. THESE ACTIONS HAVE NOT ONLY BROADENED OUR MARKET FOOTPRINT BUT ALSO ENHANCED OUR PRODUCT PORTFOLIO TO EFFECTIVELY MEET EVOLVING CONSUMER DEMANDS.

The country benefited from a robust digital infrastructure and proactive government policies aimed at fostering economic stability and innovation. As a result, India was well-positioned to capitalize on emerging opportunities, attracting significant foreign investment and strengthening its position as a key player in the global economy.

FY24 marked a transformational year for V-Guard, characterized by significant progress in our journey towards reimagining the future and enhancing the experiences of our expanding consumer base. I am pleased to share with you this period of growth which marks a new chapter in the Company's evolution as we prepare for future success.

V-Guard achieved a commendable 17.7% increase in revenue over the previous year, highlighting the organization's inherent strengths and resilience. Each of our business segments delivered double-digit topline growth year-on-year, reflecting the success of our transformation initiatives and strategic investments in key growth areas.

NAVIGATING CHALLENGES WITH AGILITY AND INNOVATION

In FY24, India's Consumer Electronics and Appliances Industry encountered significant challenges, including a weak summer and subdued consumer sentiment amidst inflationary pressures. Despite these obstacles, the industry is poised for robust growth, projected to ascend to the fifth-largest globally by 2025. This anticipated expansion stems from rising disposable incomes, heightened discretionary spending, burgeoning rural demand and supportive governmental initiatives.

OUR COMPREHENSIVE TALENT MANAGEMENT STRATEGIES FOCUS ON ATTRACTING, RETAINING, AND NURTURING TOP TALENT, FOSTERING A CULTURE OF CONTINUOUS IMPROVEMENT AND HIGH PERFORMANCE.

At V-Guard, our relentless pursuit to reimagine tomorrow drives our transformative journey across multiple organizational functions. Recent strategic moves, such as the Sunflame acquisition and Simon merger have fortified our competitive edge in priority categories like kitchen appliances and modular switches. These actions have not only broadened our market footprint but also enhanced our product portfolio to effectively meet evolving consumer demands.

The expanding digital landscape has profoundly influenced our business operations, prompting us to embrace digitization across the value chain including product innovation, channel management, enterprise solutions, and consumer engagement. This transformation empowers us to deliver seamless consumer experiences backed by data-driven decision-making. Moreover, V-Guard has also developed a comprehensive security roadmap to bolster cyber security maturity, integrating process improvements, training initiatives, and technology adoption to fortify internal security measures.

Central to our business philosophy is consumer-centricity. Our R&D teams leverage deep consumer insights and advanced technologies to translate consumer aspirations into innovative products, thereby shaping our intuitive product experience.

V-Guard has significantly expanded its manufacturing footprint to meet escalating demand, emphasizing production capacity and agility while upholding stringent quality standards to maintain our reputation for reliability and excellence. Our robust New Product Development (NPD) process drives continuous innovation, enabling us to swiftly respond to market needs with timely launches. Simultaneously, an intensified focus on customer service ensures consistent delivery that exceeds expectations in every interaction. Coupled with an agile sales and marketing organization, these initiatives enhance our market presence and capture new opportunities as part of our proactive go-to-market strategy.

Continued investment in human capital is crucial for delivering a sustainable business growth. Recognizing that our people are our greatest asset, we have placed a strong emphasis on Learning and Development, ensuring our employees are equipped with the skills and knowledge necessary to drive innovation and excellence. Our comprehensive talent management strategies focus on attracting, retaining, and nurturing top talent, fostering a culture of continuous improvement and high performance. Moreover, by adopting HR as a business partner, we align our human resources initiatives with our strategic goals, creating a cohesive and supportive environment that empowers our workforce to contribute effectively to the Company's success. This holistic approach to human capital management underpins our long-term growth and sustainability.

Together, these strategic initiatives position us to bring home a better tomorrow at V-Guard.

CORPORATE SOCIAL RESPONSIBILITY: A CORE PILLAR IN V-GUARD'S FUTURE

Corporate Social Responsibility (CSR) is integral to V-Guard's journey forward, reflecting our commitment to creating a positive impact beyond business metrics. Recognizing that our success is intertwined with the well-being of the communities we serve, we focus on initiatives that enhance education, healthcare, and environmental sustainability. By prioritizing CSR, we aim not only to deliver business value but also to touch and improve countless lives. Our programs are designed to empower individuals and foster inclusive growth, ensuring that the benefits of our success are shared widely. This holistic approach reinforces our dedication to social responsibility, driving sustainable growth and strengthening our bond with the community.

WE HAVE SUCCESSFULLY NAVIGATED VARIOUS DISRUPTIONS OVER THE PAST FEW YEARS AND LOOK FORWARD WITH OPTIMISM TO THE COMING YEAR. WE BELIEVE OUR GEOGRAPHIC DIVERSIFICATION STRATEGY, BACKED BY PRODUCT EXPANSION AND COMPETITIVE MARKET POSITIONING, WILL PROPEL THE COMPANY TOWARDS NEW HEIGHTS OF EXCELLENCE.

Environment, Health, and Safety (EHS) have always been core values at V-Guard since its inception. We have established a robust EHS framework grounded in a strong safety culture, a no-compromise approach to compliance, stringent operating standards, and rigorous change management.

FY24 marked a pivotal year in our sustainability journey. During this fiscal year, we defined our ESG strategy. We have already made strides in the Social and Governance areas, and going forward, there will be an increased focus on the Environment. To guide the implementation in the coming years, we established a detailed governance structure and identified 21 material aspects to shape our strategies, policies, and goals, thereby driving our sustainability agenda forward.

THE WAY FORWARD

Our strategic roadmap for future growth embodies our long-term vision to establish ourselves as one of India's leading consumer brands. Our business investments are meticulously crafted to elevate organizational performance while maximizing value for all stakeholders. The acquisition of Sunflame in the previous fiscal year aligns seamlessly with this vision, and early indicators of improved performance validate the strategic foresight behind this decision.

We have successfully navigated various disruptions over the past few years and look forward with optimism to the coming year. We believe our geographic diversification strategy, backed by product expansion and competitive market positioning, will propel the Company towards new heights of excellence. Growth in our in-house manufacturing will drive margin expansion, while our investments in marketing and trade channels will help extend our consumer outreach to more parts of the country.

As we make bigger strides in our transformational journey of reimagining tomorrow, we see V-Guard catalysing bigger opportunities for future growth and value creation. Our deep consumer insights will continue to steer us towards more impactful actions, with the dedicated efforts of our passionate team helping us realise our dreams of creating a better tomorrow. I would like to thank all our employees for their continued trust and support to the organisation.

I am pleased to let you know that the Board of Directors has recommended a final dividend of ₹ 1.40 per equity share of face value ₹ 1/-, continuing our consistent track record of dividend payout.

I would further like to express my gratitude to our other stakeholders, including our consumers, partners, suppliers, shareholders and investors. I also appreciate the guidance and support of my colleagues in the Board of Directors, who are partnering us at every step of the way in the transformational journey which will take us all towards bigger frontiers of success.

Best Regards,

Cherian N. Punnoose
Chairman

MESSAGE FROM THE **MANAGING DIRECTOR**

Dear Shareholders

I am pleased to present V-Guard's Annual Report for FY24.
The Indian economy faced both domestic challenges and global economic headwinds in FY24. Factors such as inflationary pressures and fluctuating commodity prices influenced economic performance. Externally, global uncertainties, including geopolitical tensions and supply chain disruptions, posed additional challenges. Despite these complexities, India maintained a resilient growth trajectory, supported by ongoing reforms and sustained investment in infrastructure.

ON AN OVERALL BASIS, FY24 PROVED TO BE A SATISFYING YEAR FOR V-GUARD, WHICH POSTED A STRONG DOUBLE-DIGIT TOP LINE GROWTH AND IMPROVED MARGIN TRAJECTORY. DURING THE YEAR, CONSOLIDATED NET REVENUE INCREASED BY 17.7% TO REACH ₹ 4,857 CRORE, TRANSLATING INTO AN IMPRESSIVE 33.3% EBITDA GROWTH AND 36.2% PAT INCREASE FROM FY23 TO FY24.

V-Guard demonstrated fortitude in navigating challenges, showcasing adaptability and laying the groundwork for sustainable growth. Throughout the year, we pursued initiatives aimed at reimagining the future and propelling us towards a better tomorrow.

Our strategic focus on pan-India expansion, coupled with an expanded distribution network and a robust multi-channel approach, has significantly strengthened our market presence. Our dedicated investment in consumer insights across our portfolio has been instrumental in driving product innovations that precisely align with the evolving needs and aspirations of our consumers. Additionally, our steadfast commitment to technological advancements has ensured seamless consumer experiences across products and touchpoints. Last but not the least, our continued investment in human capital empowering them with the latest skills and knowledge has been pivotal in driving business growth.

As we continue to envision and shape the future, we remain steadfast in our dedication to delivering exceptional value to our discerning consumers and valued shareholders.

On an overall basis, FY24 proved to be a satisfying year for V-Guard, which posted a strong double-digit top line growth and improved margin trajectory. During the year, consolidated net revenue increased by 17.7% to reach ₹ 4,857 crore, translating into an impressive 33.3% EBITDA growth and 36.2% PAT increase from FY23 to FY24.

IN THE LAST FINANCIAL YEAR, WE ESTABLISHED A DEDICATED MANUFACTURING UNIT IN VAPI FOR MIXER GRINDERS AND STOVES, AND ANOTHER IN HYDERABAD FOR BATTERIES. THESE NEW FACILITIES ENHANCE OUR ABILITY TO COMPETE AND GROW IN THESE CATEGORIES POSITIONING US FOR SUSTAINED MARKET LEADERSHIP AND GROWTH IN THE FUTURE.

In terms of segment performance, all categories delivered healthy growth in FY24. The Electronics business posted 17.2% revenue growth, contributing 24.0% to the overall revenues. Consumer Durables grew 13.1% to contribute 29.7% to the Company's revenues. Electricals business remained the biggest contributor to the revenues, with a near double-digit growth in this period.

We have made good progress in integrating Sunflame into V-Guard's systems and processes, strengthening backend operations, compliance and controls. Despite challenges faced by the kitchen appliance industry, Sunflame showed resilient performance notably in the latter half of FY24. Work is underway towards executing a comprehensive growth strategy to drive sustained growth and operational excellence.

We had a healthy cash generation aided by an improvement in working capital during the year. I am happy to share that we significantly reduced our net debt from ₹ 353 crore as on March 31, 2023 to ₹ 204 crore as on March 31, 2024. Repayment of long-term debt pertaining to the Sunflame acquisition has started from April 2024. These numbers underscore the Company's financial robustness and its judicious strategic approach towards long-term value creation for its stakeholders.

The healthy geographical mix in our business is also a matter of immense pride and we continue to be the preferred choice for millions of consumers. During FY24, we continued to deliver a balanced growth between the south and the non-south markets, with their contribution to revenue standing respectively at 54.2% and 45.8%.

India is experiencing a fundamental shift in income and consumption patterns, driven by a relatively younger population with a median age of 29. The burgeoning upper and middle class is projected to constitute 46% of the population by 2030. This demographic shift, accompanied by rapid urbanization and rising aspirations, is resulting in a growing demand for premium products and services, outpacing the demand for basic goods. As the number of middle- to high-income households increases, disposable income is set to rise, driving overall growth in private consumer expenditure.

In response to these evolving market dynamics and recognizing the growing affinity for technology and smart products among today's consumers, we are expanding our portfolio with offerings equipped with advanced features driven by the Internet of Things (IoT) delivering enhanced value through technologically advanced and consumer-centric solutions.

Continuing our focus on innovation, we are further investing in a state-of-the-art innovation campus spanning approximately 1.1 lakh square feet. This facility will be the crucible of new thinking and the incubator of groundbreaking ideas. It will house our Research & Development Centre, Reliability Lab, an IoT Lab, and a cutting-edge Product Design Studio apart from others. This strategic investment propels V-Guard toward its vision of being a thoughtful, dynamic, and inspiring brand.

As we continue on this growth journey, our focus remains on leveraging our manufacturing prowess to deliver innovative products. Over the last few years, we have significantly expanded our manufacturing footprint, providing us with the flexibility to experiment, innovate, and enhance both speed and time-to-market. In the last financial year, we established a dedicated manufacturing unit in Vapi for mixer grinders and stoves, and another in Hyderabad for batteries. These new facilities enhance our ability to compete and grow in these categories positioning us for sustained market leadership and growth in the future. We are in the process of setting up a plant for Table Pedestal and Wall (TPW) fans, which will be operational in the next 12-18 months.

V-Guard has also institutionalized a focused Manufacturing Excellence program to support our Manufacturing endeavours. This program fosters the relentless pursuit of exceptional performance and catalyses continuous improvement across all aspects of manufacturing. These initiatives aim to enhance our manufacturing competencies, standardize processes, and facilitate the cross-pollination of best practices with global standards. With this approach, we are establishing a culture of continuous improvement that will drive outstanding performance.

In line with evolving consumer trends, we have realigned our sales channel mix to strengthen our e-commerce presence and increase our focus on modern retail. The launch of a Direct-to-Consumer platform is an effort in this direction to enhance our market reach and improve consumer engagement. We have also laid out a roadmap for distribution expansion which will drive the future growth of our new businesses.

High-performance reliability, robust quality metrics, and strong service support will continue to form the cornerstone of our focus on delivering an outstanding product experience for our consumers. Our marketing investment is progressively transitioning to the digital medium in brand building as consumers spend more time online and interact with brands across multiple digital touchpoints. We have proactively leveraged digital platforms to expand our reach and engagement, ensuring our brand remains top-of-mind for consumers ensuring that the V-Guard brand and products resonate with the transforming consumer needs and desires.

V-Guard's digital transformation strategy centers on both Value Creation and Value Protection. Our continued focus on digitization has strengthened our capabilities in traceability, after-sales service, sales force automation, product lifecycle management (PLM), and mobility solutions. We are committed to achieving industry-leading standards in information security and are pursuing ISO 27001 certification to further solidify our position.

V-Guard has also initiated a multi-year HR transformation journey focused on three core pillars: Talent Management, Learning & Development, and HR Business Partnering. This strategic initiative aims to build a strong foundation by developing a future-ready talent pipeline, fostering continuous learning opportunities, and positioning HR as a strategic business partner.

INTEGRATING ESG INTO BUSINESS STRATEGY

FY24 marked a pivotal year for our sustainability journey. During this fiscal year, we defined our ESG strategy and established a strategic framework and governance structure to guide its implementation in the coming years. In the initial phase, we conducted a comprehensive assessment to identify 21 material aspects of our ESG impact, grouped under seven pillars: climate action, responsible products, sustainable supply chain, empowering communities, people and culture, effective governance and stakeholder engagement. As we move into the second phase, we will develop a multi-year action plan under these pillars, with specific projects and measurable ESG goals. While we have long upheld a strong community outreach and high governance standards beyond compliance, the aim is to fortify and embed ESG principles more deeply into our organizational framework.

IMAGINING A NEW TOMORROW

I firmly believe that V-Guard's strong credentials and legacy of sustainable growth will pave the way for a transformative future benefitting every consumer and stakeholder. We are strategically realigning our product portfolio to capitalize on the trend towards premiumization and advancing enterprise digitization to enhance agility, efficiency, and data-driven decision-making. Our ongoing investments in technology, digitization, and automation are geared towards creating a future-ready organization, fostering increased productivity and operational efficiency. This approach aims to cultivate an empowering environment where our talented workforce collaborates to drive our vision of becoming India's leading brand, resonating with the aspirations of all stakeholders. Together, we are reimagining tomorrow with innovation and purpose at the heart of our journey.

AN EXPRESSION OF GRATITUDE

I extend my sincere gratitude to Mr. Cherian N Punnoose – Chairman and Independent Director, Mr. C J George – Independent Director and Mr. Ullas K Kamath - Independent Director, who will retire from the Board on July 28, 2024. Their exemplary leadership, guidance, and expertise have been pivotal in shaping our strategic direction and fostering our growth. We wish them continued success in all their future endeavours.

Warm regards,

Mithun K Chittilappilly
Managing Director

INNOVATING TO CAPTURE FUTURE OPPORTUNITIES

At V-Guard, we believe that consumer centricity drives the business. Our R&D teams leverage consumer insights and cutting-edge technology, to transform consumer aspirations into innovations that form the cornerstone of our intuitive product experience thereby "Bringing home a better tomorrow".

STEPPING UP OUR INNOVATION CAPABILITIES

We remain committed to augmenting our innovation capabilities through targeted initiatives and investments.

- To facilitate innovative product development and improve product reliability, we have embraced the use of industry leading simulation software and tools. We have strengthened our innovation edge through assessment of product related data in field conditions. Such assessment enables us to develop products which meet high-quality standards while improving our speed to market.
- To enhance platformization and standardization, we digitized the product development process with PLM leading to cost benefits and speed-to-market.
- To align with the growing emphasis on premiumization, we partner with leading product design firms to enhance our design capabilities and maintain a competitive edge.
- Innovation culture - We launched innovation and technology workshops for our R&D teams across all product categories. These annually recurring workshops have gained significant traction, contributing valuable ideas to our innovation pipeline.
- To build a knowledge repository and support personalization, we developed a mobile app to enhance learning and development among our R&D team. The app offers easy access to the R&D handbook, templates, and other resources. Designed with the domain-specific needs of our team in mind, it also emphasizes general learning to facilitate the R&D team members in their work.
- We introduced digital methodologies of working among our R&D team members to boost collaboration.

AT THE FOREFRONT OF OUR INNOVATION STRATEGY IS THE INNATE UNDERSTANDING OF OUR EXPERIENCED R&D TEAM TO TAILOR THOUGHTFUL SOLUTIONS, ENHANCING CONSUMER EXPERIENCE.

SMART 2.0 APP - REIMAGINING THE APP OF FUTURE PRODUCTS

We have revamped our Smart Products App for consumers by introducing new features and functionalities and enhancing its user interface with advanced analytics. Conceived using an agile methodology, the app now encompasses six product categories: DUPS, Solar, Fans, Pumps, Geysers, and Switches.

STRENGTHENING OUR INNOVATIVE PIPELINE

Aligned with our focus on innovation and our commitment to reimagining the future, we introduced several new products across various categories during FY24.

A total of 800+ SKUs were added across product categories during the year.

We further scale-up our innovation focus with the launch of a power back-up stabilizer and a new mixer grind in the e-commerce channel.

The launch of the INSIGHT-G model on our newly developed BLDC platform for ceiling fans has paved the way for more innovations in this product category in the coming fiscal.

Our Internal Design team has expanded and is playing a crucial role in the success of our products. This year, the team received prestigious accolades, including the CII Design Award 2023 and India's Best Internal Design Studios Award, in recognition of their outstanding product design and commitment to excellence.

INNOVATION CAMPUS

A state-of-the-art Innovation Campus is being built at Kochi. Phase 1 of the campus will encompass approximately 1,11,000 square feet, and will house the Research & Development Centre, Reliability Lab, the IoT Lab, the Product Design Studio, and the Training Centre.

The Innovation Campus will be the crucible of new thinking, the incubator of ideas that will drive V-Guard towards its stated vision of being a thoughtful, dynamic and inspiring brand.

It will be the place where imagination and free thinking will be the rule and not the exception. The campus will be a catalyst that will foster the spirit of collaboration and stimulate pathbreaking ideas and products. Keeping sustainability in mind, the campus is being built to IGBC gold rating standard and will draw inspiration from nature with a serene, green environment to usher in purposeful ideas.

The Campus will also house a modern and well equipped training centre, that will support delivery of the corporate learning and development agenda.

CONTINO

Tankless Water Heater

INSIGHT-G

High Speed
Premium BLDC Fan

RequPro

Water Purifier with
8 stage advanced
purification

REIMAGINING THE FUTURE OF MANUFACTURING

V-Guard is committed to accelerating its growth journey through product leadership and consistent value delivery. One of the key actions to achieving this was to increase our manufacturing footprint, to give us the flexibility to experiment, innovate and improve speed-to-market and time-to-market. With increasing formalization of the economy, the introduction of GST and the incentivisation of 'Make in India' our thrust on expanding manufacturing footprint has become a source of competitive advantage.

V-Guard has been consistently expanding the manufacturing footprint over the last decade, and in the last financial year we have established a dedicated manufacturing unit in Vapi for mixer grinders and stoves, and another one in Hyderabad for batteries. We have also commissioned the state-of-the-art Vitreous Enamel Tank facility at our Solar Water heater plant to improve the product reliability and longevity. While these units enhance our product offerings, they also embody the application of advanced technology and automation that ensure high quality control and productivity standards.

MANUFACTURING SERVICES

With such a rapid increase in manufacturing footprint, V-Guard institutionalized a focused approach towards ensuring good manufacturing practices and sustainable processes. We built a Corporate Manufacturing Services organization with verticals focussed on Manufacturing Excellence, Industrial Engineering EHS, Civil and Projects. This has enabled us to embed V-Guard Manufacturing Excellence (VGME) framework to get our units in line with best-in-class manufacturing practices.

MANUFACTURING EXCELLENCE

Manufacturing Excellence (ME) at V-Guard fosters the relentless pursuit of exceptional performance and catalyses continuous improvement in all aspects of manufacturing. Over the years, various programs driven through this umbrella is delivering outcomes towards building a "One V-Guard" operating system. Initiatives are aimed towards enhancing our manufacturing competencies, standardization of processes, and cross pollination of best practices through various benchmarking exercises. With this approach, we are establishing a continuous improvement culture that enables better performance through clear functional visibility and accountability.

Amongst the various themes, the ME team drives meaningful change through the following key interventions:

- **V-Guard Manufacturing Excellence Framework: -** This framework serves as an active indicator of the maturity and performance of the manufacturing units at V-Guard. This performance-driven framework identifies strategic and operational interventions that are required for each unit and drives towards achieving world-class manufacturing standards.
- **V-Guard Manufacturing Excellence Awards: -** An annual program that promotes competitive, yet healthy benchmarking across our manufacturing units that culminates at our annual Manufacturing Conclave.
- **Manufacturing Conclave: -** Our annual event, which unites all factory and corporate support functions of the organization, is designed to acknowledge our manufacturing achievements, establish a strategic roadmap for pursuing excellence, and ensure sustained progress into the future.

INDUSTRIAL ENGINEERING (IE)

The Industrial Engineering Team enhances factory efficiency by implementing productivity improvements, capacity enhancement projects. The team supports greenfield and brownfield projects in designing and optimizing plant layouts. They also provide ongoing support in optimizing material handling by designing storage solutions and deploying cost-effective automation technologies across plants and warehouses.

ENSURING SAFE & SUSTAINABLE OPERATIONS - EHS

Environment, Health and Safety has always been a core value pursued by V-Guard since its inception. We have a robust EHS framework built on strong fundamentals of nurturing safety culture, no-compromise-approach to compliance, robust operating standards and rigorous change management.

A layered audit mechanism with senior management involvement and a continuous training protocol has built a higher level of EHS governance across all facilities. Our EHS scorecards and performance metrics that are integrated into a digital platform have enabled effective real-time monitoring. All these have enabled us to increase our manufacturing footprint while adhering to the highest EHS standards.

Last year, we developed a V-Guard EHS Maturity Framework which involves various levels of personnel and drives the culture of 'Zero Harm'. Bolstering the existing audit process, this framework benchmarks our systems with best-in-class standards and enables a deeper level of employee engagement. Workmen actively participate in focused engagement programs through multiple interventions throughout the year including the annual safety week celebration. Our matured factories are IMS certified for ISO 14001 (Environmental Management Systems) and 45001 (OHSAS) global standards. Preparations are ongoing for the newly set-up factories also to obtain the above certifications.

Sustainability is our next frontier, especially at the plants and is poised to be a vital aspect of strengthening our competitive edge. The 2.4 MW solar energy installation which has offset ~ 2,300 tonnes of CO2 emissions annually is a testimony of our commitment towards a greener future. This commitment to sustainability has further taken wings as we have started our formal ESG journey.

DIGITALISING TO BOOST MANUFACTURING EXCELLENCE

In line with the vision of becoming a digital enterprise, manufacturing is adopting a structured approach towards appropriate digitization. V-Guard has already kicked off the digital backward traceability project that will enable traceability of the end product to its sub-components, up to the parts supplier. The manufacturing excellence programs also drives pilot digitization projects in asset care that have improved asset availability, performance, and utilization. All the safety indicators, their closure and accountability are monitored in real time through the Suraksha 360 portal as well and drives the Zero-Harm agenda.

REINFORCING QUALITY EXCELLENCE

Our unwavering commitment to quality is central to our mission of delivering a superior product and service experience leading to increased loyalty and retention among our consumers, driving positive business outcomes.

WE HAVE MATURE QUALITY ASSURANCE FRAMEWORK ADHERING TO GLOBAL QUALITY BENCHMARK. THIS HAS HELPED IN BUILDING AN ORGANISATION-WIDE QUALITY ETHOS. TO FURTHER STRENGTHEN THE QUALITY STANDARDS, SEVERAL KEY INITIATIVES ARE IN PROGRESS ACROSS SIX PILLARS.

1. DIGITAL ENABLEMENT IN QUALITY MANAGEMENT

We have embarked on a digitally-enabled journey to strengthen our quality management function across the Quality Value Chain, encompassing product and process quality risk management, project management workflows, raw material tracking, product escalation matrix, product and process deviation resolution measures, process change management and competency enhancement monitoring.

2. SUPPLIER QUALITY MANAGEMENT

- Streamlined and digitalised the supplier on-boarding process ensuring a seamless connect with our partners.
- Put in place a centralised supplier quality team, who are ensuring regular supplier assessments and audits to ensure their compliance with our quality standards.
- Institutionalized an automated Production Part Approval Process (PPAP) across all key vendors. This helps to enhance the Product Reliability and reduce the consumer complaints.

3. PRODUCT RELIABILITY AND PREDICTIVE QUALITY ANALYTICS

We are leveraging data analytics and simulation models to predict and prevent quality issues before they occur.

- This further reduces product rejections and returns.
- It ensures product longevity thereby boosting consumer confidence.

4. CUSTOMER-CENTRIC QUALITY ASSURANCE

With the channel partners being an integral part of the value chain, we have taken measures to engage and orient them on our quality processes and standards.

- We have strengthened Channel Net Promotor Score-CNPS system complemented by frequent customer visits and robust feedback mechanisms.
- During our Annual Customer Week Celebration, we provide our customers with a deeper product orientation through factory visits and best practice sharing which further strengthens our equity with customers.

5. QUALITY CULTURE AND TRAINING

To foster a culture of Quality across the organization and to equip the workforce with requisite skill sets, we offer comprehensive training and development opportunities to the employees. Our notable initiatives include Six Sigma Training programme and Certified Auditor Programs which play a crucial role in this endeavour.

6. MANUFACTURING QUALITY PROCESS EXCELLENCE

We have hardwired a quality excellence process at our manufacturing facilities, encompassing Statistical Process Control, Measurement System Analysis, Process Failure Mode Effect Analysis, Trainings, Control Plan, Poka-yoke, Automation, Critical to Quality, etc. As a result, our plant quality maturity assessments now reflect the highest levels of quality compliance.

WE TAKE STEPS TO FOSTER A CULTURE OF CONTINUOUS IMPROVEMENT AND INNOVATION IN QUALITY PROCESSES AND PRODUCTS. SOME OF THESE INITIATIVES INCLUDE REWARDING AND RECOGNISING INNOVATIVE IDEAS, AND STANDARDISATION AND HORIZONTAL DEPLOYMENT OF BEST PRACTICES.

KPIs

47%
IMPROVEMENT
New Product Quality

12%
INCREASE
Customer Satisfaction Score

15%
REDUCTION
Critical Product Issues

100%
IN-HOUSE
Product Reliability Testing

ENHANCING THE V-GUARD BRAND PROPOSITION

In today's fast-paced digital era, the marketing landscape has undergone a profound transformation, driven by evolving consumer preferences and media consumption patterns. As the digital frontier continues to expand, companies must adapt their marketing strategies to remain relevant and impactful. V-Guard has proactively embraced this shift, recalibrating its brand efforts to align with the aspirations of a digitally-savvy audience. By strategically focusing on digital engagement, innovative content, and multi-channel integration, we have not only enhanced our brand presence but also deepened our connection with consumers across diverse demographics. Our efforts have led to greater brand resonance, improved consumer engagement, and stronger market positioning. Below, we highlight some key initiatives and achievements that have shaped our journey over the past year, further strengthening the V-Guard brand proposition:

MEDIA STRATEGY

Our media strategy is aimed to maximize impact and return on investment (ROI) by consolidating above-the-line (ATL) investments, strategically leveraging traditional media in priority markets and categories, and significantly enhancing our focus on digital and retail channels, guided by the evolving consumer purchase decision journey.

BRAND BUILDING THROUGH DIGITAL

As consumers spend more time online and interact with brands across multiple digital touchpoints, brand building is progressively transitioning to the digital medium. We have proactively leveraged digital platforms to expand our reach and engagement, ensuring our brand remains top-of-mind for consumers. We further enhanced our internal capabilities and agency content ecosystem resulting in increasing digital content production, tailored for various platforms. This approach allows us to meet agile content requirements and cater to the diverse digital media consumption habits of our target audience. Furthermore, we substantially increased our investment in digital marketing, targeting both millennials and Gen Z, the future evangelists of our products.

SCALING CONTENT MARKETING

- Growing adoption of digital platforms by both trade and end consumers has catalyzed a significant surge in demand for content. We have responded by strengthening our content marketing efforts, producing an impressive 900+ pieces of content during FY24.
- Ranging from captivating social media reels and posts to feature-rich unboxing videos, our content strategy is meticulously designed to address every stage of the consumer journey, empowering informed decision-making.

CAPITALIZING ON EMERGING TRENDS

- Executed a robust push towards Connected TV (CTV) advertising, to tap into premium audiences migrating to digital platforms.
- Ventured into storytelling through Reels, and leveraged Instagram Reels, to harness the burgeoning popularity of Short Form Videos.
- Maintained an 'always-on' approach with influencers, recognizing the significant impact of influencers on consumer decision-making with the younger audiences.
- Achieved industry-leading engagement benchmarks, driving discovery and awareness among our target audience, with special emphasis on unboxing videos and celebrity associations on Instagram reels.
- With increased migration to online consumption of News, we increased our investment on leading news portals on YouTube.

KEY CAMPAIGNS DURING FY24

- Significant advertising impetus was directed towards our electricals portfolio, leveraging our award-winning ad film across TV and digital platforms, during FY24.
- Above-the-line (ATL) activities were led by presence in the country's most iconic media property IPL, and also supported with a vibrant outdoor campaign across multiple key categories.
- Launch of our flagship offering in Fans, the 'Insight-G BLDC Fans,' was followed by several regional launches, and covered extensively by media to build awareness. It was also supported by aggressive print, digital and outdoor campaigns in focused investment markets.
- Consumer offers for Kitchen products in key south markets were supported by extensive promotion across TV, Print, Outdoor, Radio, and POSM channels.
- Advertising efforts were also directed towards key focus categories, including Electricals, Water Heaters, Fans and Stabilizers.

BOOSTING TRADE ENGAGEMENT

To foster a strong trade connect, we conducted extensive channel partner meetings, nationwide. We utilized digital engagement platforms like WhatsApp to keep our trade partners updated on product narratives and also leveraged the platform for engagement with our channel partners recognizing key events such as store launches, birthdays and anniversaries. Additionally, we also leveraged the marketing platform, Rishta to engage with our trade partners through tactical content, enhancing our overall trade engagement strategy.

ENHANCING RETAIL EXPERIENCE

Given the crucial role of the retail environment in shaping consumer perceptions and last-mile buying, we implemented store branding initiatives and deployed dummy displays across geography for our key strategic focus categories namely Fans, Water Heaters, Inverter Batteries & Electricals. This was in line with our strategy of prioritizing consumer engagement at the point of purchase. It has facilitated a seamless transition from consideration to conversion, driving positive outcomes for our brand.

EXPANDING REACH

The sales ecosystem is fast evolving due to multiple factors at play - income group pyramids are shifting coupled with changing lifestyle/consumption patterns, increased competition intensity with traditional player expanding their portfolio & advent of new-age players, and retail getting democratized due to flow of capital. It has led to traditional sales channels being impacted with newer channels driving most of the growth. Over the last few years, we have been pivoting ourselves to be future-ready.

Focussing on serving each channel efficiently and effectively, we have been working on our Go-To-Market, processes, and systems. This will deliver value to our consumers, across varied business segments, in a sustainable & profitable manner.

POWERING AHEAD ACROSS MARKETS & CHANNELS

Traditional trade - Our focus, during the year, remained on expanding our secondary market coverage across all geographies. We particularly targeted non-south regions and Tier 2 and Tier 3 towns. Both, our channel partner count and their productivity have further improved in FY24, primarily led by non-south. Our retail presence now extends to more than 1 Lakh outlets.

Modern Trade – In FY24, we remained committed to reinforcing our existing accounts by streamlining our Go-To-Market strategy. Our focus extended to strengthening our team across various functions within Modern Trade, including the roles of promoters. Additionally, we continued to enhance our capabilities in business systems and processes. These strategic efforts have enabled us to achieve robust revenue growth across relevant categories.

Canteen – Our significant investments in building the right capabilities and team, started yielding results. Last year, we made our foray into CSD and we are focusing progressively to expand our portfolio. We are also now present across major CPCs in the country. Our canteen business will be an important pillar for our growth, and we will continue to augment the team on the ground as part of our overall Go-To-Market plan.

e-commerce – With all the upcoming channels, e-commerce continues to be a significant driver of growth in a consumer-centric categories like kitchen appliances & consumer electrical appliances – fans and water heaters. We continue to reinforce our commercial operating model across major e-commerce marketplaces. This model is sell-out driven and allows us to maintain control over pricing and discounts, which is vital to sustaining our desired brand positioning, and facilitating multi-channel play, thus minimising channel conflict. In FY24, we even launched our own D2C website in same direction.

D2C platform

The launch of our D2C platform has laid the foundations for fast-paced growth in our e-commerce channel.

- D2C is enabling us to expand beyond marketplaces, and also by providing access to our consumers with more product categories which are not on marketplaces – Solar Power Systems & Solar Water Heaters.
- It is backed by a robust last-mile delivery infrastructure to directly cater to customers.

FORGING AHEAD ON OUR SELL-OUT PROGRAMMES

As part of our ongoing efforts, we have been creating and enhancing new-age sell-out systems for the past few years.

- **V-Guard Rishta Programme –** Through this multi-tier loyalty platform enabling engagement with electricians and plumbers and delivering a wide range of benefits to them. In FY24, the programme continued to grow and aid our electrical segment categories. We have also scaled up the programme to our partners in the Inverter & Battery segment.
- **V-Guard Pragati Programme –** In FY24, we continue to expand the reach of the secondary sales tracking programme across our channel partners and across all regions. The programme is progressing as planned.
- **V-Guard In-store Promoter (VIP) Programme –** In FY24, we continue to scale up our VIP programme focused on augmenting our sell-out capabilities in modern retail across the country. Besides improving the depth and breadth of the programme, we continue to see productivity improvement across regions.

ALONG WITH THE ABOVE INITIATIVES, WE ALSO UNDERTOOK POINTED ACTIONS ON TWO CATEGORIES TO ACCELERATE GROWTH AND COMPETITIVENESS

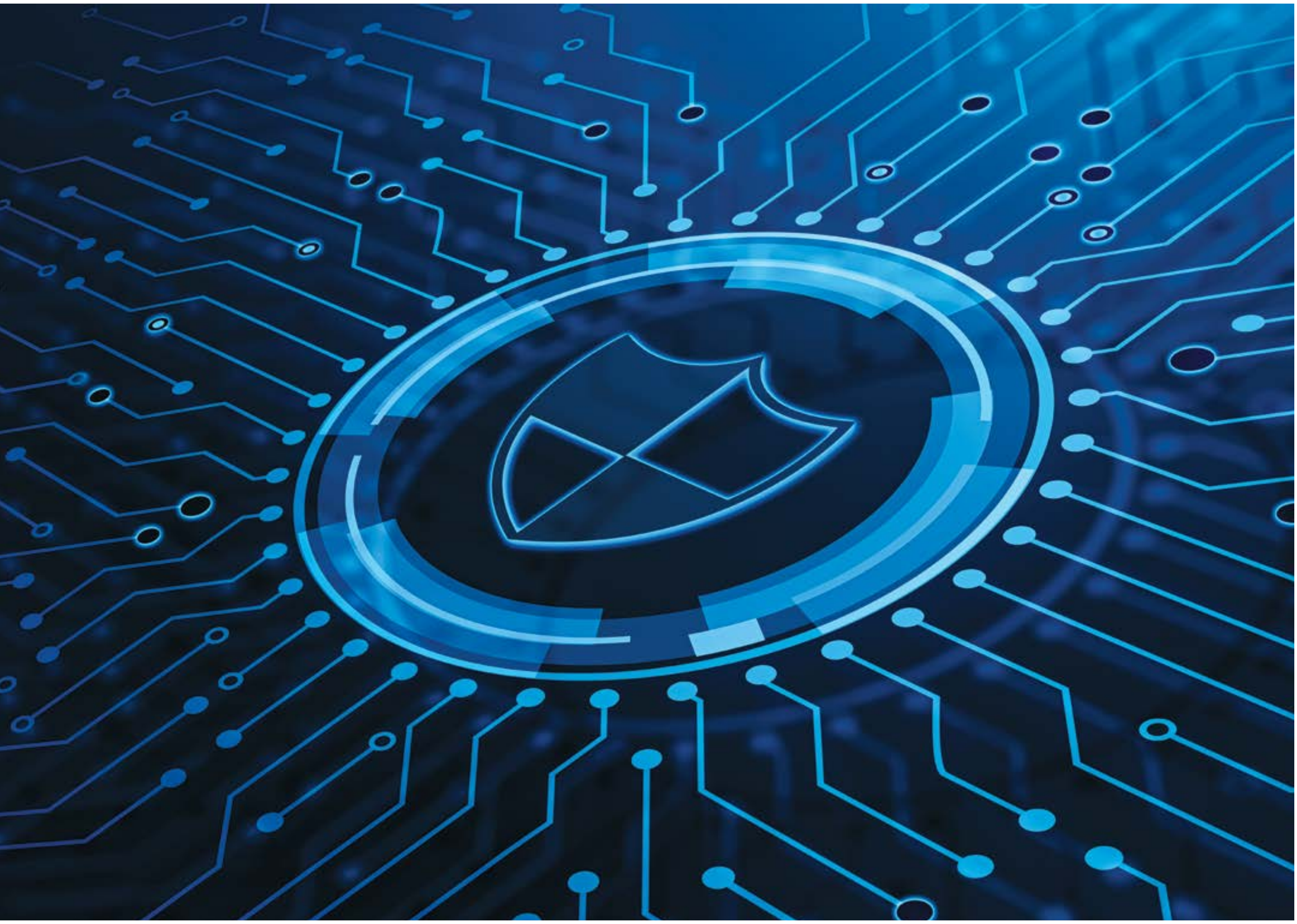
- We commissioned a business transformation project focused on our Inverter & Battery business during the year. It steered our progress across multiple sales efficiency levers – channel expansion, sales extraction, sales process, and sales force enablement, and also on cost improvement initiatives.
- We also continued to sharpen our micro market strategy plan in Solar Power Systems.

  We are already seeing faster growth traction across both the categories.

STEERING TOMORROW'S GROWTH, DIGITALLY!

VISION

V-Guard's digital transformation journey is forward-looking and comprehensive, aligning with the organization's values and strategic objectives. It focuses on two themes: Value Protection and Value Creation. Value Protection ensures best-in-class IT infrastructure, information security, and robust, always-on systems that support critical business processes. Value Creation leverages technology for competitive advantage, digitizing touchpoints, and driving business growth. Our continued emphasis on digitization has given us an edge in capabilities like traceability, after sales service, sales force automation, product lifecycle management (PLM), and mobility. V-Guard's tech DNA fosters a culture of innovation, collaboration, continuous improvement, and customer centricity.



CYBER SECURITY

V-Guard conducted a comprehensive security assessment and developed a roadmap to enhance cyber security maturity, including process changes, training, and technology adoption. Our revamped IT policy now emphasizes confidentiality, integrity, and accountability. We implemented Extended Detection and Response (XDR) for better visibility, analysis, and response across endpoints, workloads, and users, using pattern-based detection. Data Classification (DC) and Data Leak Protection (DLP) tools are enabled to ensure sensitive data handling and alert personnel about data flow within the organization.

ONGOING DIGITAL TRANSFORMATION PROGRAMS

Ongoing Digital Transformation Programs: Our Marketing Transformation is designed to empower our sales force through various automations, digital interventions and advanced analytics. End-to-End Product Life Cycle Management establishes a single source of truth (SSOT) for all products, materials and Bills of Material (BOM) within the organisation. Today, the QR code based Integrated **Track and Trace** solution allows to us track all our Finished Goods across the supply chain, we are also enabling digital warranty, service & sales, this capability is industry leading among our peer groups. V-Guard has chosen industry leading and **Scalable digital platforms**, that has ensured seamless integrations with the acquisitions and subsidiaries that came along the journey.

FUTURE POINTERS

Future Pointers: We are focused on leveraging our digital backbone for Advanced Analytics and real-time insights. The Tech-led HR Transformation will be a key program going forward strengthening our HR Processes. We plan to explore Robotic Process Automation (RPA) for standard repeatable tasks to boost productivity. Our aim is to be in the top quartile of the industry in information security, aiming for ISO 27001 certification.

WE IMPLEMENTED EXTENDED DETECTION AND RESPONSE (XDR) FOR BETTER VISIBILITY, ANALYSIS, AND RESPONSE ACROSS ENDPOINTS, WORKLOADS, AND USERS, USING PATTERN-BASED DETECTION. DATA CLASSIFICATION (DC) AND DATA LEAK PROTECTION (DLP) TOOLS ARE ENABLED TO ENSURE SENSITIVE DATA HANDLING AND ALERT PERSONNEL ABOUT DATA FLOW WITHIN THE ORGANIZATION.

ENGINEERING NEXT-LEVEL SUPPLY CHAIN

Given the critical importance of a smooth and seamless supply chain to the success of our business, we continue to invest in strengthening the same through innovation and upgradation. Planning, digitalisation, warehouse, transportation, and vendor relations are key facets of our supply chain intervention, and we initiated several programmes during FY24 to steer our supply chain to the next level.

ENGINEERING THE NEXT-LEVEL SUPPLY CHAIN

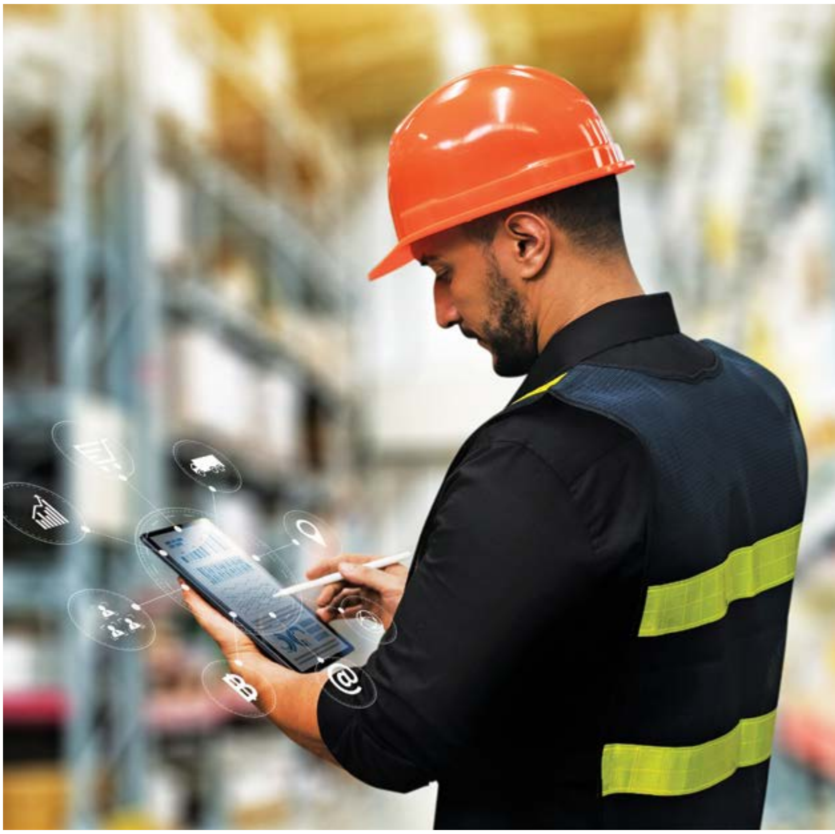
A smooth and efficient supply chain is crucial to the success of our business. In a constantly evolving ecosystem, it is imperative that we continually adapt our supply chain systems with the future in mind. A few years ago, we launched Udaan-1, a Supply Chain Transformation initiative that delivered significant benefits in terms of working capital and buying efficiencies. This was followed by other transformational interventions in Quality Assurance, Innovation, and New Product Development.

In FY24, we initiated the Digital Supply Chain 2.0 program to elevate our supply chain to the next level. This program focuses on key aspects such as planning, warehousing, transportation, and vendor relations.

DIGITAL SC 2.0 JOURNEY

Throughout the year, we accelerated our response to the evolving digital ecosystem. The adoption of new digital tools to enhance our supply chain was central to our efforts. Key initiatives and their outcomes include:

- **Integrated Supply Chain Planning Platform:** Deployed to improve service levels while reducing costs. We plan to incorporate AI and ML capabilities to enhance planning and optimization, leading to more precise and efficient operations.
- **Statistical Forecasting Capabilities:** Implemented to achieve more effective inventory planning amid market volatility and uncertainty, resulting in better alignment of inventory with market demand.
- **Material Requirement Planning (MRP):** Implemented at all our factories as part of our end-to-end digitization efforts. This synchronized raw material planning with demand planning and integrated it into our sales and operations planning process, ensuring more accurate and timely procurement.



- **Augmenting Warehousing and Logistics:**
  - **Transport Management Solution (TMS):** Implemented to enable data analytics, facilitating better planning and performance measurement, thereby improving overall logistics efficiency.
  - **Electric Vehicles (EVs):** Introduced at our warehouses for last-mile deliveries, enhancing sustainability and reducing carbon footprint.
  - **QR Scanning:** Adopted for tracking and tracing products throughout their lifecycle, improving traceability and inventory management.
- **Strategic Sourcing:** Established several programmes to ensure a more cost-effective, efficient, and streamlined chain of raw material procurement, leading to reduced costs and improved supplier relationships.
- **Sustainable Supply Chain:** Implemented a robust Supplier Code of Conduct that all Tier I vendors are required to sign. This ensures strict compliance with legal, statutory, and ESG norms, promoting sustainability and ethical practices across the supply chain.

These initiatives are leading to substantial enhancements in our supply chain operations, boosting efficiency, sustainability, and our ability to respond effectively to market dynamics.

BUILDING HUMAN CAPITAL FOR FUTURE

Human capital is a key enabler for business growth. We are embarking on a multi-year HR transformation journey that will establish a robust foundation along three key axes: Talent Management, Learning & Development, and HR Business Partnering. This transformation aims to develop a talent pipeline for the future, enable continuous learning and position HR as a strategic partner.

MAJOR INITIATIVES

- **HR Business Partnering:** Establishing a HRBP function which will work closely with Corporate functions and regions. This initiative aims to provide tailored HR support, enhance strategic alignment, and foster a cohesive and responsive environment to develop high performance teams.
- **HR Tech Transformation:** Work is underway to implementing a superior HRMS platform to enhance employee experience, streamline HR processes, and provide advanced HR analytics and data management.
- **ESG Goals and Focus Areas:** One of the seven identified pillars in V-Guard's ESG strategy is about People and Culture. A multi-year action plan in this pillar will focus on five key areas: (i) Talent Management, (ii) Learning & Development, (iii) Diversity, Equity, and Inclusion (DEI), (iv) Human Rights, and (v) Safety, thereby driving sustainable growth and fostering a positive organizational culture.

LEARNING AND DEVELOPMENT

At V-Guard, our content rich learning and education platform, Degreed offers a wide array of content covering Soft Skills, Functional Skills and Technical Skills serving as a crucial complement to our classroom training initiatives by reinforcing the skills and knowledge imparted. Degreed, has significantly impacted our workforce by engaging 4,776 learners through over 470 internal courses. This has resulted in an impressive 1,77,600 learner registrations and 2,63,845 learning hours over the past five years.

In the fiscal year 2024, our comprehensive development framework has delivered a series of learning interventions, amassing a total of over 1,75,000 learning man-hours. We provide robust foundational training programmes for all new hires to ensure organizational understanding and alignment. Our Centers of Excellence conduct a variety of competency-based training interventions to enhance attitudinal and behavioural skills apart from enhancing technical skills.

To cultivate a diverse, engaged, and future-ready workforce, we have introduced specialized leadership interventions. One notable initiative is the Finance Leadership Program, to cultivate next-generation finance professionals and leaders. Additionally, we have launched a Management Development Program (MDP) tailored for mid-level managers at our factory locations, in collaboration with IIM-Kashipur. This program equips managers with advanced managerial skills and strategic perspectives, enhancing their role effectiveness.

Our commitment to ethical standards and regulatory compliance is demonstrated through our comprehensive compliance programmes which boast a 100% completion rate. These programmes include Prevention of Sexual Harassment (POSH), Code of Business Conduct (COBC), IT Policy adherence, Human Rights advocacy, Anti-discrimination measures, and Equal Opportunity initiatives for both on-roll and off-roll employees. These initiatives aim to uphold ethical standards, foster a safe and inclusive work environment, and ensure compliance with regulatory requirements, thereby promoting dignity, fairness, and equality for all employees.

INDUSTRY – ACADEMIA SYNERGY

The symbiotic relationship between industry and academia is pivotal in fostering collaboration with the student community and cultivating future leaders. Through strategic partnerships and educational initiatives, we have established a robust ecosystem that nurtures emerging talent, preparing individuals to excel in the ever-evolving professional landscape.

CAMPUS ENGAGEMENT INITIATIVES

Our various campus engagement initiatives, including Industrial Live Projects, Alumni Talks and Leadership Talks, have significantly strengthened our connection with academia from previous years.

BIG IDEA COMPETITION

This annual competition challenges young minds to push the boundaries of innovation and explore new possibilities. Over a thousand teams from various campuses across India participated this year. This competition has been enabling us enhance employer visibility, talent discovery, and incorporation of innovative ideas since more than a decade now. Emerging talent benefits from prize money, feedback from senior leadership, pre-placement interview opportunities, and the chance to build their personal brand.

V-GUARD LEADERSHIP ACCELERATION PROGRAM (VLEAP)

VLEAP is designed to groom future leaders by hiring Management Trainees from premier B-Schools across India. This program focuses on attracting diverse, young talent and equipping them with the skills, knowledge, and experience to steer V-Guard's future. Participants in VLEAP gain from direct mentorship, leadership skill development, cross-functional experience, and professional growth opportunities.

SUMMER INTERNSHIP PROGRAM

Our internship program is a key element of our talent strategy, attracting exceptional talent from premier institutes and offering them invaluable hands-on experiences tailored to prepare them for future corporate roles. It serves as a testament to our commitment to nourishing young talent.

EMPOWERING COMMUNITIES.
TODAY AND TOMORROW.

V-Guard and its subsidiaries uphold the principles of inclusive growth and equitable development, recognizing that business success and community advancement are fundamentally interconnected. Our unwavering commitment and dedication to the communities in which we operate are central to our mission. We have established a well-defined Corporate Social Responsibility (CSR) agenda, which we diligently pursued through FY24.

~ 70,000 people

LIVES TOUCHED IN 19 STATES ACROSS INDIA IN FY24

AMONG THE KEY FLAGSHIP CSR PROGRAMMES UNDERTAKEN BY V-GUARD DURING THE YEAR WERE:

PROJECT SUNO

Project Suno aims to help the hearing disabled children by conducting a free Ear Screening Camp and providing hearing assistive devices to needy people. In FY24, in Tamil Nadu, our experts screened more than 33,000 students in 100 schools, and we provided Digital Hearing assistive devices to the underprivileged children. We have successfully completed projects in Uttar Pradesh (Kasingaj), Madhya Pradesh (Khargone, Ujjain and Indore), Telangana (Hyderabad) and Kerala in the last few years.

PROJECT NAVDHARSHAN

Project Navdharshan aims to enhance the quality of life of special needs children by providing quality school education, therapeutic support and vocational training. In FY24, we initiated a new project in Telangana and continued our expansion in Odisha. Approximately 1,860 students were provided Education, Therapeutic support and Vocational training in the last year.

GOVERNMENT SCHOOL SUPPORT PROJECT

V-Guard supported four Government Schools in Rajasthan by providing Mini Science Centre. Mini Science Centre cultivates an environment of innovation and creativity by providing hands-on learning experiences that engage students in active exploration, experimentation, and discovery. It benefited 400 students across schools fostering a deeper understanding of scientific concepts in a practical manner through plug-and-play models.

PROJECT TARANG

Project Tarang is a residential skill development program that provides classroom training and on-the-job training to ITI qualified candidates with an aim to equip them with requisite skills to find meaningful employment. The program is structured to provide 30 days of classroom training and 30 days on-the-job training to such youth enabling them with NSDC certification. Around 575 students trained through project Tarang in last five years.

RURAL DRINKING WATER PROJECT

V-Guard has been supporting local self-governments by constructing RO plants and borewells, thereby helping residents in villages to gain access to adequate drinking water facilities and effectively addressing water scarcity issues. In last year, the project was also undertaken in Karnataka and Tamil Nadu, benefiting ~ 4,000 people.

SUBSIDIARIES EXEMPLIFYING V-GUARD'S VALUES

FREE CLEFT RECONSTRUCTIVE SURGERY

We supported free cleft reconstructive surgery to 100 poor underprivileged children associated with an NGO 'Smile Train', in Delhi.

SUPPORT TO GOVT. SCHOOLS

We supported two government schools in Faridabad, Haryana by providing repair and construction work of classrooms and laboratory benefiting more than 2,400 students.

We constructed a multi-purpose room equipped with shelves and therapy equipment to a school in Kerala which caters to special needs children.

CATARACT SURGERIES

We supported Cataract surgeries to 170 underprivileged elders associated with Helpage India, a NGO.

PROJECT SWANIRBHAR

This project aims to enhance the quality of life for women by providing skill development and assistance in establishing small-scale enterprises.

The project imparted tailoring training to 30 underprivileged women and provided sewing machines, so that they can earn their livelihood.

OUR DEVELOPMENTAL AND WELFARE INITIATIVES DIRECTLY ADDRESS THE NEEDS OF PEOPLE, AND BENEFIT COMMUNITIES WHICH ULTIMATELY DETERMINES THE SUSTAINABILITY OF OUR CONTINUED PROGRESS. DURING FY24, V-GUARD AND ITS SUBSIDIARIES HAVE FOCUSED ON CHILDREN AND THE UNDERPRIVILEGED. WE BELIEVE THAT BY INVESTING IN THE HEALTH, EDUCATION AND WELLBEING OF CHILDREN, WE ARE CONTRIBUTING TO THE LONG-TERM SUSTAINABILITY OF THE COMMUNITIES.

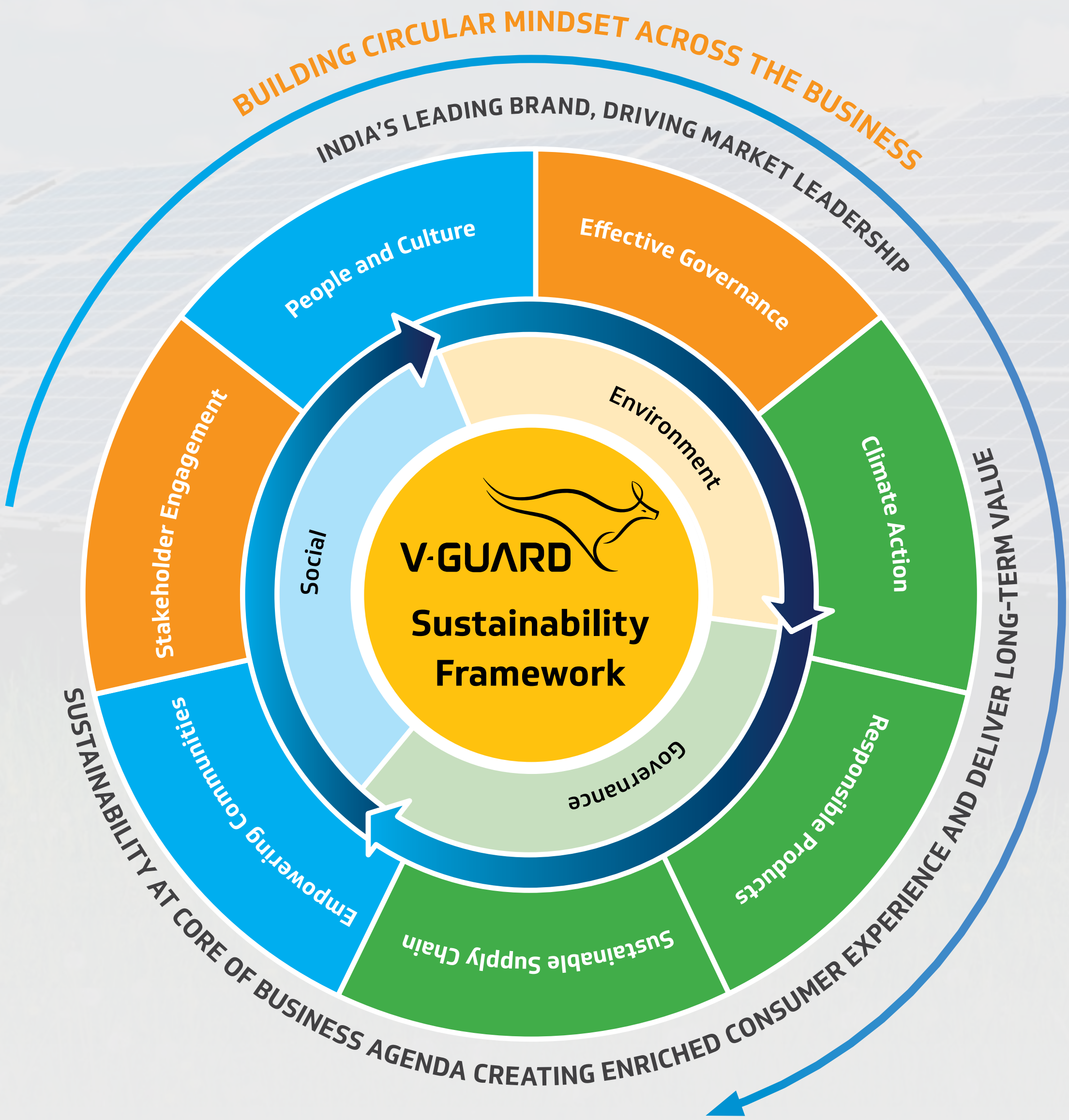
EMPLOYEE PARTICIPATION IN CSR

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

SUSTAINABLE TOMORROW

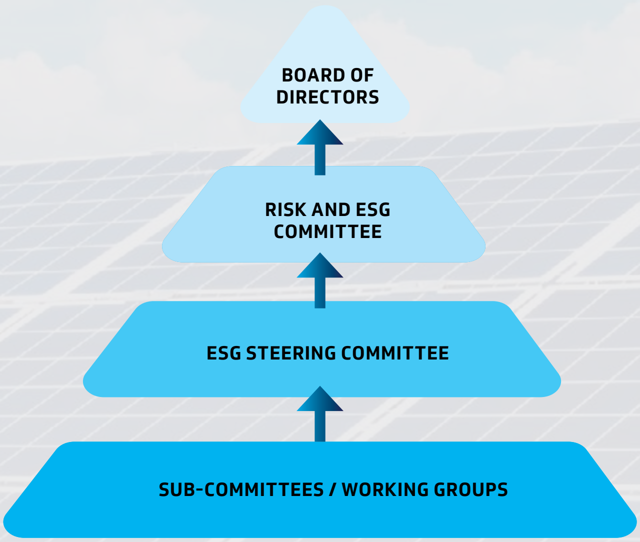
FY24 was a pivotal year in the journey of sustainability. During the fiscal year, we have defined ESG strategy and established a robust framework and governance structure that will guide the implementation over the next few years.

In the first phase, we have conducted a comprehensive assessment and engaged with key internal and external stakeholders to identify material aspects of our ESG impact. The Company identified 21 material aspects to model the strategies, policies, and goals to drive the sustainability agenda. These material aspects are grouped under seven pillars, covering climate action, responsible products, sustainable supply chain, empowering communities, people and culture, effective governance and stakeholder engagement. In the second phase, we will identify multiyear action plan under the seven pillars with specific projects and measurable ESG goals.



ESG GOVERNANCE

We have embedded an effective multi-tier governance model led by Risk and ESG Committee of the Board which serves to guide and monitor the sustainability agenda of the Company. Further, ESG Steering Committee constituting of cross-functional leaders, drive the sustainability initiatives supported by unit and department level sub-committees.



We envision the integration of a robust digital platform to facilitate the effective implementation and management of our sustainability efforts. This platform will enable streamlined data collection, progress tracking, and the generation of insightful reports on our ESG performance.

In Phase 2 of our charter, we are developing a multi-year action plan based on the identified key pillars to establish tangible goals.

CLIMATE ACTION AND RESOURCE EFFICIENCY

We will aim for zero waste to landfill, increase the use of recycled materials, augmenting the usage of renewable energy, and reduce fresh water withdrawal. These initiatives emphasize sustainability, resource efficiency, and circular economy support.

RESPONSIBLE PRODUCTS

We will enhance responsible attributes across our product portfolio by using eco-friendly materials, improving energy efficiency, and ensuring ethical sourcing. Our goal is to deliver high-quality products that positively impact the environment and society.

SUSTAINABLE SUPPLY CHAIN

We will commit to assessing our critical suppliers against the V-Guard Sustainable Supplier Code, ensuring adherence to stringent ESG standards. This fosters responsible practices, reduces risks, and promotes ethical conduct throughout our operations.

STAKEHOLDER ENGAGEMENT

We will strive to achieve top quartile rankings in stakeholder satisfaction surveys and leading ESG indices. By engaging stakeholders and implementing robust ESG practices, we aim to build strong, trusting relationships.

PEOPLE AND CULTURE

Our HR transformation which is underway also covers key actions on the People and Culture pillar of our ESG strategy. This will include the development of a robust framework and policies to enhance Diversity, Equity, and Inclusion (DEI). It also aims to create and implement a competency framework in order to develop future leaders. Beyond our own operations, we will establish an assurance mechanism on human rights principles across our extended value chain.

EFFECTIVE GOVERNANCE

We will aim to achieve the highest levels of governance, beyond compliance. This includes robust risk management and a commitment to ranking in the top quartile of ESG indices, reflecting our dedication to integrity, accountability, and long-term resilience.

These initiatives not only demonstrate our commitment to sustainability but also position us to achieve long-term success and create value for all our stakeholders.

SUNFLAME

As part of our long-term strategy to strengthen our kitchen appliances business, we acquired 100% shareholding of Sunflame Enterprises Private Limited (Sunflame) for ₹ 680.33 crore in January 2023. Incorporated in 1984, Sunflame is a prominent player in the kitchen appliances industry, known for its well-established brands “Sunflame” and “Superflame”. The Company has a strong presence in Northern and Western geographies, particularly in General Trade and CSD/CPC channels. Prior to the acquisition, Sunflame established a new manufacturing facility in IMT Faridabad for gas stoves, cooktops, chimneys, ICTs, and built-in hobs.

This acquisition not only broadens V-Guard’s product portfolio but also offers complementary geographical and channel advantages. V-Guard’s strong presence in the South and East, combined with Sunflame’s strength in the North and West, ensures comprehensive market coverage across India. Both companies can leverage each other’s networks and strengths to drive growth.

Post-acquisition, we addressed certain immediate priorities. Backend operations were streamlined, compliance and controls related processes were established, the leadership team was put in place, critical customer service challenges were addressed, and CSD/CPC & e-commerce operations were aligned with V-Guard’s ways of working. Additionally, we implemented SAP ERP and other IT solutions to ensure robust process and controls. These actions have laid a solid foundation for sustained growth and operational excellence.

PERFORMANCE OUTLOOK

The kitchen appliances industry experienced higher-than-normal demand during the COVID-19 period, followed by a slowdown in subsequent years. Sunflame was similarly affected by this overall downturn, compounded by certain internal factors. While the first half of FY24 saw a decline in turnover, this trend was arrested by Q3, and the business demonstrated strong growth in Q4. These results indicate that our integration actions are yielding positive outcomes.

We have initiated work on growth strategy which includes brand positioning, product portfolio expansion, geographical diversification, innovation, and channel optimization. We will also focus on unlocking synergies and enhancing profitability, driving sustained growth and achieving operational excellence.

AWARDS

V-Guard has been honoured as the winner of the prestigious Ambition Box Employee Choice Awards (ABECA) 2024.

The BLDC fan received the CII Design Excellence Award 2023 during the 23rd CII Design Summit & Awards.

V-Guard won the Bronze Award for Supply Chain Digital Transformation at the Businessworld Supply Chain Competitiveness Summit & Awards 2023, held on December 6, 2023.

The Chavadi Plant of the Wires and Cables Division (WCD) achieved remarkable success, winning three Gold Awards at the International Convention on Quality Circles 2023 in Beijing, China, held from October 30 to November 2, 2023.

V-Guard won the prestigious Pitch top 50 award celebrating excellence in marketing practice.

BOARD OF DIRECTORS

Chairman Emeritus

Mr. Kochouseph Chittilappilly

Independent Directors

Mr. Cherian N Punnoose
Chairman

Mr. C J George
Director

Mr. Ullas K Kamath
Director

Ms. Radha Unni
Director

Mr. George Muthoot Jacob, *Director*

Prof. Biju Varkkey
Director

Mr. Ishwar Subramanian
Director

Executive Directors

Mr. Mithun K Chittilappilly
Managing Director

Mr. Ramachandran V
Director & Chief Operating Officer

Mr. Antony Sebastian K
Whole-time Director

CORPORATE INFORMATION

CHAIRMAN EMERITUS

Mr. Kochouseph Chittilappilly

BOARD OF DIRECTORS

Mr. Cherian N Punnoose
Chairman

Mr. Mithun K Chittilappilly
Managing Director

Mr. Ramachandran V
Director & Chief Operating Officer

Mr. Antony Sebastian K
Whole-time Director

Mr. C J George
Independent Director

Mr. Ullas K Kamath
Independent Director

Ms. Radha Unni
Independent Director

Mr. George Muthoot Jacob
Independent Director

Prof. Biju Varkkey
Independent Director

Mr. Ishwar Subramanian
Independent Director

BOARD COMMITTEES

Audit Committee

Mr. Cherian N Punnoose
Chairman

Mr. Mithun K Chittilappilly
Member

Mr. C J George
Member

Mr. Ullas K Kamath
Member

Ms. Radha Unni
Member

Mr. George Muthoot Jacob
Member

Mr. Ishwar Subramanian
Member

Nomination and Remuneration Committee

Prof. Biju Varkkey
Chairman

Mr. Cherian N Punnoose
Member

Mr. C J George
Member

Mr. Ullas K Kamath
Member

Ms. Radha Unni
Member

Mr. Ishwar Subramanian
Member

Stakeholders' Relationship Committee

Mr. Cherian N Punnoose
Chairman

Mr. Mithun K Chittilappilly
Member

Mr. C J George
Member

Mr. George Muthoot Jacob
Member

Prof. Biju Varkkey
Member

Ms. Radha Unni
Member

Corporate Social Responsibility Committee

Mr. Mithun K Chittilappilly
Chairman

Mr. Cherian N Punnoose
Member

Mr. George Muthoot Jacob
Member

Prof. Biju Varkkey
Member

Mr. Antony Sebastian K
Member

Risk Management Committee

Mr. Ullas K Kamath
Chairman

Mr. Mithun K Chittilappilly
Member

Mr. Ramachandran V
Member

Mr. Sudarshan Kasturi
Member

Mr. George Muthoot Jacob
Member

Ms. Radha Unni
Member

CHIEF FINANCIAL OFFICER

Mr. Sudarshan Kasturi

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vikas Kumar Tak

STATUTORY AUDITORS

M/s. Price Waterhouse
Chartered Accountants LLP

LISTED AT

National Stock Exchange of India Limited

BSE Limited

REGISTERED OFFICE

42/962, Vennala High School Road,
Vennala, Ernakulam, Kerala - 682028
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E-mail: mail@vguard.in
www.vguard.in

REGISTRAR & TRANSFER AGENT

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

SUBSIDIARIES

GUTS Electro-Mech Limited
V-Guard Consumer Products Limited
Sunflame Enterprises Private Limited

ASSOCIATE COMPANY

Gegadyne Energy Labs Private Limited

PLANT LOCATIONS

Wires & Cable Division

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

Pump Division

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

Water Heater Division

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

Solar Water Heater Division

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

Solar Inverter Unit

- KG Chavadi, Palakkad Main Road Coimbatore – 641105

Stabilizer Division

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

Fan Division

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

Modular Switches

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

PLANT LOCATIONS (SUBSIDIARIES)

GUTS Electro-Mech Limited

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

V-Guard Consumer Products Limited

- Plot No. 1, 2, 27 and 28, Sector - 05, IIE, SIDCUL, Pantnagar, Udham Singh Nagar, Uttarakhand – 263153
- Block/Survey No.129/4, New S. No. 256, Part A, Khatta No. 527, Vapi, Morai, Valsad, Gujarat – 396191
- Sy No. 86 Part, 94 Part and 95 Part, Motheghanapur Village, Balanagar Mandal, Mahabubnagar, Telangana – 509202

Sunflame Enterprises Private Limited

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

BANKERS

HDFC Bank Ltd.
ICICI Bank Ltd.
Federal Bank Ltd.
Yes Bank Ltd.
State Bank of India
CITI Bank
HSBC Bank
Kotak Mahindra Bank Ltd.

Management Discussion & Analysis

1. Economic Review & Outlook

In the prevailing global economic milieu, the concept of resilience is widely discussed, yet formidable challenges persist. Geopolitical tensions, financial volatility and enduring inflationary pressures cast a pall over economic prospects. Notably, in February 2024, there was a marked increase in both the global supply chain pressures index (GSCPI) and the geopolitical risks index. These escalations were driven by a multitude of factors, including heightened cyber threats, the protracted conflict in the Middle East, notably the Gaza crisis and the looming spectre of heightened US-China tensions, particularly concerning Taiwan. Furthermore, disruptions in a pivotal global trade artery due to conflicts in the Red Sea precipitated a significant upsurge in container shipping costs, further complicating matters. Concurrently, consumer confidence waned in the US and the UK, juxtaposed with improved sentiments in the Eurozone, while central banks globally grappled with the intricate task of managing expectations regarding policy easing. Against this backdrop, geopolitical risks epitomized by conflicts such as the Israel-Hamas war, Iran-Israel conflicts and the ongoing Russia-Ukraine discord, assume paramount importance, shaping corporate and governmental strategies on supply chain and energy security. Such uncertainties reverberate throughout the economic fabric, potentially exerting profound effects on food prices, global trade and inflationary dynamics.

Global economic growth remains steady, projected at 3.2% for both 2024 and 2025, with a slight upward revision for 2024. Median headline inflation is expected to decline from 2.8% in 2024 to 2.4% in 2025, signalling a soft landing. Despite progress, many economies are yet to reach their target inflation rates. Nonetheless, economic activity continues to grow steadily, defying earlier concerns of stagflation and recession.

In late 2023, headline inflation approached pre-pandemic levels in most economies. Advanced economies saw inflation drop to 2.3% in Q4 2023 from a peak of 9.5% in Q2 2022, while emerging markets witnessed a decline to 9.9% from 13.7%. However, the majority of economies are still striving to meet their inflation targets, underscoring the resilience of the global economic landscape.

Looking ahead, global headline inflation is anticipated to decrease from 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025. Advanced economies are expected to return to their inflation targets sooner than emerging markets and developing economies, reflecting divergent inflationary.

India's domestic economic activity remains robust, buoyed by strong domestic demand and enhanced macroeconomic fundamentals. Financial markets are flourishing in response to these developments, with stocks experiencing a vigorous bull market driven by a broad-based boom. While large caps are performing well, mid and small caps are surging even faster, indicative of a growing equity culture. The share of foreign investors in the Indian stock market has decreased to its lowest level in a decade, reflecting increased buying by domestic institutions, including mutual funds.

As per the press release by the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, Government of India, real gross domestic product (GDP) has been estimated to grow by around 8% in FY24 as compared to the growth rate of 7% in FY23. Strong investment activity underpins this growth, with projections for real GDP growth in coming years.

Economic expansion in 2023-24, propelled by growth in manufacturing and services sectors, is reflected in the increase in Gross Value Added (GVA) by 6.9%, signalling a positive economic outlook with increased production, employment and income generation.

Inflation projection remains at 5.4% for 2023-2024, with the Monetary Policy Committee (MPC) emphasizing the need for active disinflationary measures to anchor inflation expectations. Despite external headwinds, domestic economic activity shows resilience.

Private final consumption expenditure (PFCE), the main driver of aggregate demand, has improved, supported by steady urban consumption and rising income levels in the informal sector. High frequency indicators of urban demand show sustained expansion, with robust growth in domestic air passenger traffic, passenger vehicle sales and household credit. Buoyant demand conditions are also reflected in Purchasing Managers' Indices (PMI), indicating optimism about near-term prospects.

The Indian Rupee (INR) is appreciating and ranks among the least volatile currencies, bolstered by increased foreign direct investment (FDI).

India's attractiveness for global investment is underscored by its large market, skilled workforce and technological innovation. The industrial sector, particularly manufacturing, has witnessed significant growth, attracting interest from global tech leaders. Sector-specific incentives and supportive policies, along with investments in logistics and infrastructure, further enhance India's economic prospects.

2. Sector Overview

The Consumer Durables Industry in India is experiencing significant growth, as highlighted by the Indian Brand Equity Foundation (IBEF), report from December 2023. According to the report, India's Consumer Electronics and Appliances Industry is on track to become the fifth-largest, globally by 2025, with a predicted market size of nearly US$ 17.93 billion by the same year. This growth is fuelled by a range of factors, including rising disposable incomes, discretionary spending, rural demand expansion and Government initiatives such as the National Policy of Electronics 2019 (NPE 2019).

The demand for consumer electronics and electrical segments is primarily influenced by factors like construction activity, power availability, consumer credit, and weather patterns. Additionally, Government reforms like the Goods and Services Tax (GST) and the Make in India initiative are expected to drive a shift from unorganized to organized players in the market. According to the IBEF – Consumer Durables, December 2023 report, non-metro markets are emerging as significant growth drivers, showing rapid consumption growth and potential for new business centres.

There is an increasing preference for premium consumer durables products, particularly in urban areas. This trend is driven by a significant rise in discretionary income and easy financing schemes which have led to shortened product replacement cycles and evolving lifestyles where consumer durables like ACs and LCD TVs are perceived as utility items rather than luxury possessions. The television industry, for instance, was expected to reach ₹ 1,227.34 billion (US$ 17.56 billion) by FY22, with anticipated TV production in India growing to US$ 10.22 billion by FY26.

Importantly, the Consumer Durables Industry is attracting global attention, with 100% foreign direct investment (FDI) allowed in electronics hardware manufacturing. This has led to substantial FDI inflows, totalling US$ 4.42 billion between April 2000 and September 2023 according to the IBEF report. Moreover, the Consumer Durables Industry faces growing competition as both domestic and international players vie for market dominance. To stay competitive, companies are adopting advanced technologies like artificial intelligence and automation to streamline production and cut costs.

Government support and initiatives play a crucial role in driving growth in the Consumer Durables Industry. Schemes like Make in India, Ujala, Atmanirbhar Bharat Abhiyaan, and Production Linked Incentive (PLI) Scheme for White Goods aim to promote domestic manufacturing and boost growth. Additionally, the shared economy model is gaining traction, with rentals of home appliances growing in urban areas, supported by some startups offering rental services.

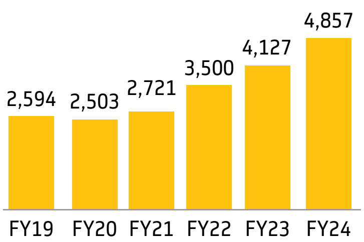
The focus on energy efficiency is another significant aspect of the industry's growth trajectory. Energy efficiency schemes and programs have led to substantial energy and monetary savings, as highlighted by the Ministry of Power's report on the Impact of Energy Efficiency Measures, 2022-23. The industry's commitment to sustainability is further underscored by initiatives such as the S&L Scheme for appliances, resulting in electricity savings of 81.64 BU and monetary savings of ₹ 54,323.65 crore. Similarly, the UJALA scheme for LED lamps led to electricity savings of 176.19 BU, resulting in monetary savings of ₹ 70,476 crore for the year 2022-23. These initiatives underscore the industry's steadfast commitment to sustainability by significantly reducing electricity consumption.

In conclusion, the Consumer Durables Industry in India is poised for continued growth and innovation, driven by evolving consumer preferences, technological advancements, Government support and a focus on energy efficiency. With favourable market dynamics and proactive initiatives, the industry is well-positioned to maintain its upward trajectory and compete globally.

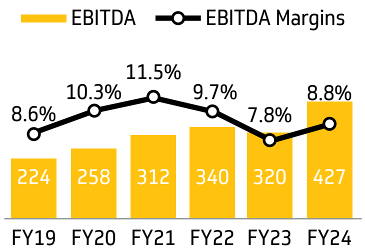
3. Review of Operations

Financial Performance (FY 2019-24)

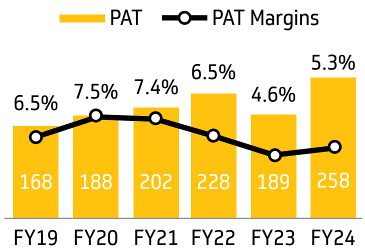
Revenue



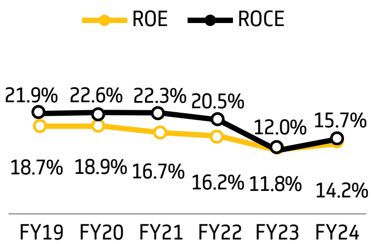
EBITDA and Margins



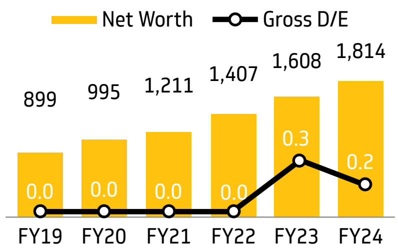
PAT and Margins



ROE & ROCE

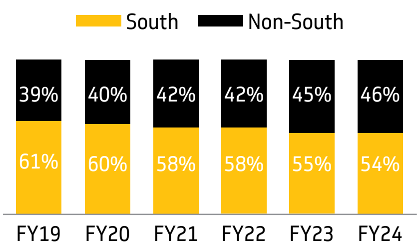


Net Worth & Debt-Equity Ratios

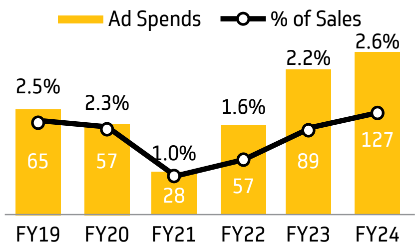


Operational Performance (FY 2019-24)

Expanding Geographic Presence



Ad Spends and as a % of Sales



Key Ratios (%)	FY24	FY23
Gross Margin	33.6%	30.1%
EBITDA Margin	8.8%	7.8%
Net Margin	5.3%	4.6%
Ad Expenditure (incl. promotions)/Total Revenues	2.6%	2.2%
Employee Cost/Total Operating Income	8.3%	7.3%
Other Expenditure/Total Operating Income	16.5%	15.0%
Tax Rate	24.2%	26.1%
Diluted EPS (₹)	5.88	4.35

Balance Sheet Snapshot (₹ cr)	31 Mar 2024	31 Mar 2023	31 Mar 2022
Net Worth	1,814.22	1,607.62	1,406.96
Gross Debt	291.03	419.61	11.79
Current Investments	30.17	0.12	-
Cash and cash equivalents	57.37	66.87	61.27
Net Cash Position	(203.49)	(352.62)	49.48
Fixed Assets	1,116.81	1,019.67	475.99

Balance Sheet Snapshot	31 Mar 2024	31 Mar 2023	31 Mar 2022
Debtor (days)	44	50	50
Inventory (days)	92	97	130
Creditor (days)	62	62	69
Working Capital Turnover (days)	74	85	111
RoE (%)	14.2%	11.8%	16.2%
RoCE (%)	15.7%	12.0%	20.5%

S. No.	Particulars	UOM	2023-24	2022-23
1	Debtors Turnover	Times	8.4	7.9
2	Inventory Turnover	Times	4.1	3.5
3	Interest Coverage Ratio	Ratio	8.7	15.8
4	Current Ratio	Ratio	1.6	1.8
5	Debt Equity Ratio	Ratio	0.2	0.3
6	Operating Margin i.e. EBITDA	%	8.8%	7.8%
7	Net Profit Margin	%	5.3%	4.6%
8	Return on Net Worth	%	14.2%	11.8%

Note: Explanation if difference is more than 25%

Interest coverage ratio has reduced from last year as the interest on borrowing for acquisition of Sunflame Enterprises Pvt Ltd. (Sunflame) was only for part of the year in FY23 as compared to FY24 where it is for the full year.

Debt equity ratio has improved compared to last year mainly due to repayment of working capital borrowings in FY24.

4. Dividend

The Company's Board has recommended final dividend of ₹ 1.40 per share. This translates to a payout for the Financial Year 2023-24 ~ ₹ 60.81 crore (₹ 56.36 crore in 2022-23). The dividend payout, for the year under review is ~ 24%.

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	FY24 (₹ Cr)	Contribution (%)	FY23 (₹ Cr)	Contribution (%)	YoY Growth (%)
Electronics	1,165.20	24.0%	994.30	24.1%	17.2%
Electricals	1,973.07	40.6%	1,799.38	43.6%	9.7%
Consumer Durables	1,444.28	29.7%	1,276.61	30.9%	13.1%
Sunflame	274.12	5.7%	56.90	1.4%	
Grand Total	4,856.67	100.0%	4,127.19	100.0%	17.7%

Electronics

The Electronics segment encompasses Voltage Stabilizers, Digital UPS Systems (including Inverter Batteries) and Solar Power Systems. These categories are significantly influenced by the availability and quality of power supply across the country, as well as the sales of consumer electronics such as air conditioners, refrigerators and televisions. Stabilizers and Digital UPS Systems, in particular, exhibit seasonality, experiencing heightened demand during the summer season.

During the fiscal year, the segment recorded a revenue of ₹ 1,165.20 crore, marking a 17.2% increase from the ₹ 994.30 crore reported in FY23. The segment margin improved to 14.1% from 13.2% in FY23, aided by a decline in commodity costs and benefits associated with the scale up of its state-of-the-art manufacturing facility for Stabilizer and Digital UPS at Pantnagar. The Inverter Batteries factory started commercial production towards the end of FY24 and is expected to scale up and deliver benefits in the coming years.

Stabilizers represent a cornerstone category for V-Guard where the Company holds a dominant position as market leader and competitors are primarily regional players with limited market reach. Manufacturing facilities in Sikkim and Pantnagar (the first factory established under V-Guard Consumer Products Ltd., VCPL) cater to diverse product offerings in this category, including stabilizers tailored for air conditioners, LED TVs, refrigerators, treadmills and washing machines.

With burgeoning consumption demand of consumer durables and the prevailing under-penetration of white goods, this product category is poised for sustained growth trajectory in the coming years.

The **Digital UPS Systems** (including Inverter Batteries) category has the potential to become a significant driver of future growth for V-Guard with a market characterised by limited penetration, frequent power outages and energy deficits. Recognising the significance of the premium segment as a pivotal growth driver for the category, the Company has invested in a state-of-the-art manufacturing facility as well as enhanced product offerings to meet the demands of its discerning customers. The Company has also invested in strategic interventions for the category with an aim to accelerate sales by fortifying its market presence and pursuing new avenues for expansion within this segment along with improvement in margins through various front-end and back-end initiatives.

In line with this strategy, the Company has set up a Battery manufacturing facility in Hyderabad under its wholly-owned subsidiary V-Guard Consumer Products Ltd. (VCPL). The unit commenced commercial productions towards end of FY24. It is gradually ramping up capacity utilisation and is expected to fully utilise its capacity by next year.

The Company has invested in Gegadyne Energy Labs Private Limited (GEL), which is an innovative deep-tech energy storage startup in alternative battery technology, headquartered in Mumbai. Its focus lies in developing energy storage solutions that offer enhanced battery performance across critical parameters such as total cost of ownership (TCO), lifecycle, reduced recharge time, battery safety and lower maintenance costs.

GEL has made significant progress towards achieving both technical and commercial milestones. Advancements in technology development have been notable, transitioning from basic laboratory scale to a pilot plant level. The next generation battery technology is expected to find applications in V-Guard products which will help deliver superior product performance.

Recognising the potential for future growth, the Company has invested an additional amount of ₹ 20 crore in GEL in FY24. This funding is earmarked for scaling up the pilot plant operations, product specifications improvement and groundwork & 'runway' for Series B Investment. The Company conducted a revaluation of its stake in GEL in accordance with Accounting Standards which resulted in a fair-value gain of ₹ 17.14 crore in FY24.

The Company stands poised to capitalise on the burgeoning opportunities within this segment, driven by the continued expansion of rural markets, the ongoing electrification of previously underserved villages, escalating demand for reliable power supply and the surge in demand in the premium and mid-premium segment.

The Company offers **Solar Power Systems**, both on-grid and off-grid, which align with Government of India's drive towards clean solar energy. The Minister of Finance has stressed on rooftop solarisation enabling 1 crore households to obtain up to 300 units of free electricity, per month (GOI, Interim Budget Speech - FY 2024-25, February 2024). V-Guard is well-positioned to benefit from the growing focus on rooftop solarisation with relevant product offerings aligning with Government incentives and stands to attract consumers looking to leverage these schemes, potentially leading to increased demand and market share for the Company.

Electricals

The Electricals segment comprises Wires, Pumps, Modular Switches and Switchgears. This segment is the largest contributor to the revenue of V-Guard. In FY24, segment revenues were at ₹ 1,973.07 crore as compared to ₹ 1,799.38 crore in FY23. The contribution to revenues stood at 40.6% vs. 43.6% in the previous year. The demand for the segment is largely dependent on the construction activity, weather conditions, water tables and consumer spending patterns. Segment margins for the fiscal year stood at 8.6% as compared to 7.7% in FY23, recovering largely due to softening of the commodity prices and targeted pricing actions.

The **Wires** category is the largest contributor to the revenues of the Company. The Company mainly operates in house wiring cables segment where demand is driven by electrification of houses and the growth in the real estate sector.

V-Guard has strategically located manufacturing facilities in Coimbatore (Tamil Nadu) and Kashipur (Uttarakhand). Its operational dynamics are closely intertwined with copper prices, the primary raw material. This correlation prompts a dynamic inventory management approach of up-stocking or de-stocking.

The Company had invested in capacity expansion for the category in earlier years and has sufficient capacity to meet the demand for the next few years. Outlook for the category remains optimistic, fuelled by expectations of heightened construction activities in near future.

Residential **Pumps** is another large category in Electricals segment. Demand for this category is predominantly seasonal, with the summer season significantly impacting the water table and thus driving sales. The Pump industry is largely controlled by local and regional brands nationwide where consumers have limited awareness and rely heavily on retailers or plumbers when making purchasing decisions. During the year, the Company witnessed revival in demand for domestic pumps owing to below normal rainfall during the monsoon and post monsoon period.

Switches and Switchgears are key priority growth categories for the Company. These categories naturally benefit from synergies with the wires business which helps in driving growth efficiently.

In FY23, V-Guard had acquired and merged Simon Electric Pvt Ltd (SEPL), a subsidiary of the global conglomerate Simon Group headquartered in Spain. In FY24, SEPL has seamlessly integrated into V-Guard's operations, with most backend processes aligned and the entire SEPL team becoming part of V-Guard. The Company maintains its original Go-to-market (GTM) approach, which will expand the category's reach. Leveraging SEPL's world-class manufacturing and quality systems, existing SEPL's switches platforms, 'Simon' brand license agreement as well as the technology collaboration agreement (with Simon Global), V-Guard aims to tap into the additional segments of the Switches market. The Company is actively pursuing growth strategies to capitalise on the synergistic benefits.

V-Guard has also invested in Guts Electro-Mech Ltd. (Hyderabad), a wholly-owned subsidiary which is in the business of manufacturing and supply of switchgear products like Miniature Circuit Breaker (MCB) and Residual Current Circuit Breaker (RCCB) which are electrical protection devices.

Above strategic investments further enhance the Company's ability to deliver innovative products in these high growth segments.

Consumer Durables

The Consumer Durables segment comprises Fans, Water Heaters, Air Coolers and Kitchen Appliances. In FY24, its revenue stood at ₹ 1,444.28 crore as compared to ₹ 1,276.61 crore in FY23, depicting a growth of 13.1%. The overall contribution to revenue was 29.7% vs. 30.9% as seen in FY23.

Margins for the segment improved sequentially from 0.6% in FY23 to 1.2% in FY24 with softening of commodity prices. Further improvement is however expected as the segment scales up and delivers operating leverage.

V-Guard's **Fans** category offers a diverse range of products, including ceiling, table, pedestal and wall fans (TPW), blending innovation with aesthetics. With a focus on consistent new launches, the brand remains at the forefront of providing stylish, functional and technologically advanced solutions.

The Company seamlessly transitioned to BEE-rated ceiling fans last year, introducing star-rated fans including BLDC models which deliver significant savings in power cost for consumers. Some of the recent launches like the premium Insight-G BLDC ceiling fans have been well received by customers thereby catapulting the Company to the list of leading players in the fan industry. With a state-of-the-art manufacturing facility for ceiling fans located in Roorkee focussing on premium offerings, the Company is poised for further expansion in the premium segment of the fan category riding on the increased demand for premium products which is expected to drive growth in both revenue and margins.

The Company has reduced its dependence on imports for TPW models over the last few years by developing required vendor base locally thereby reducing risks related to supply disruptions. The Company is also in the process of setting up its own TPW Fans unit in Hyderabad which will manufacture premium models of TPW fans.

V-Guard now has a competitive edge in terms of its finish, quality and cost in case of ceiling fans, especially in its premium and innovative offerings.

V-Guard is a prominent player in the **Water Heater** category, offering electric, solar water heaters and heat pumps. The Company has a wide range of product offerings across the spectrum from economy range to high-end electric water heater. The Company also is a leading player in solar water heaters and offers products for residential as well as institutional use.

With manufacturing facilities in Kala Amb (Himachal Pradesh), Sikkim and Perundurai (Tamil Nadu), V-Guard possesses robust in-house production capabilities and capacity. This infrastructure positions the company well for sustained growth, leveraging technological advancements to offer well-crafted products at competitive pricing.

Initiatives are underway to bolster the product line further, with a strategic emphasis on leadership in premium offerings to discerning, after consumers while enhancing the margins and market position.

The **Air Coolers** category offers a diverse range of products including desert, window-fitted, personal and room coolers. With its focus on providing efficient and affordable cooling solutions for homes and offices, this category presents a promising growth opportunity for V-Guard. The Company continues to invest in the category, churning out new models and designs year after year, and is therefore poised to capitalise on the expanding market for air coolers in the country.

The **Kitchen Appliances** category includes mixer-grinders, gas cooktops, induction cooktops, rice cookers, water purifiers and breakfast appliances, among others.

The manufacturing facility in Vapi, for Mixer Grinders and Gas Stoves, under its wholly-owned subsidiary V-Guard Consumer Products Ltd. (VCPL), started commercial production towards the end of FY24. Ramp-up of the facility will help the Company by bringing down the overall product cost, better control over quality and reduction in time to market for new models. This is expected to help grow the business much faster and improve profitability.

With the enthusiastic consumer response to V-Guard's recent product launches and synergies from Sunflame Enterprises Private Ltd., this category is well positioned to deliver robust growth in the coming years.

Water Purifiers are sold exclusively through e-commerce channel currently. The category has quickly shown good progress, leveraging on its superior quality offerings and competitive pricing with the V-Guard brand. The Company plans to refine the product portfolio further by continuously gathering feedback from the established channels and consumer base and eventually expanding into organised retail.

Sunflame

V-Guard completed acquisition of 100% stake in Sunflame Enterprises Private Ltd. (Sunflame) on January 12, 2023 for a total consideration of ₹ 680.33 crore. Sunflame brand has a rich legacy in the Kitchen and Small Domestic Appliances industry and its portfolio includes Gas Cooktops, Chimneys, Induction Cooktops, Hobs, Cookers, Cookware and Other Home and Small Appliances. Sunflame has a manufacturing facility in Faridabad, Haryana which manufactures Gas Cooktops, Chimneys, Induction Cooktops, OTGs and Cooking Range.

Business integration efforts progressed swiftly over FY24 starting with setting up a professional and experienced leadership team at Sunflame. It is presently focussing on enhancing its presence in E-commerce, Modern Trade (MT) and Regional Speciality Stores (RSS) outlets apart from its evolved CSD/CPC channels. Sunflame is in the process of expansion into the southern as well as eastern markets. Leveraging on V-Guard's existing e-commerce expertise, it has shown good results with initial launches on e-commerce platforms. Teams have also been established for MT and RSS channel where we expect quick traction and scale up. Additionally, a new team has been mobilized to focus on expanding sale of Sunflame products in Southern and Eastern India, building further on V-Guard's strong distribution network.

In FY24, the Company also undertook the finance and IT integration for Sunflame, while alongside renewing the portfolio, aligning the distribution channels and implementing necessary technology interventions. V-Guard has prioritised the enhancement of customer service function as well as the integration of other backend functions like sourcing, procurement and logistics.

During the year, the Kitchen Appliances sector faced industry-wide challenges with subdued demand and the same is reflecting in the performance of key industry players. Sunflame was also impacted by this slowdown in demand for the initial part of the year, but gradually picked up in second half ending with a healthy growth in the fourth quarter of FY24 over last year.

Margins for Sunflame continue to remain healthy and cash flows continue to be robust.

V-Guard has initiated a strategic intervention to develop a new integrated operating model, focusing on streamlining back-end operations while maintaining agility and improving quality and efficiency in the Go-To-Market (GTM) approach. This project is slated for completion in FY25.

6. Financial Performance

The year was marked by subdued demand for most of the period. However, we witnessed some resurgence in demand towards the end of FY24.

Revenue for the year was at ₹ 4,856.67 crore vs. ₹ 4,127.19 crore in the prior Financial Year. An increase of 17.7% YoY. The Electronics, Electricals and Consumer Durables segments depicted a growth of 17.2%, 9.7% and 13.1% YoY, respectively. Sunflame also registered a revenue growth, albeit on a low base, with revenue at ₹ 274.12 crore.

Contribution to revenues from the Non-South markets stood at 45.8% vs. 45.2% in FY23, at ₹ 2,097.72 crore. Contribution to revenues from the South markets stood at 54.2% vs. 54.8% in FY23, at ₹ 2,484.83 crore. These numbers are excluding the contributions from Sunflame.

Margins improved sequentially over the last year, helped by softening of commodity prices and pricing actions in certain categories. Gross margins for the year stood at 33.6% vs. 30.1% in FY23, an expansion of 350 bps YoY.

In the fiscal year, advertising and promotional (A&P) spends returned to normative levels of 2.6% compared to 2.2% in FY23. EBITDA margins for FY24 stood at 8.8%, representing a growth of 100 bps from 7.8% in FY23.

PBT for the year stood at ₹ 340.32 crore compared to ₹ 255.74 crore in FY23, a growth of 33.07%. PAT for FY24 stood at ₹ 257.58 crore, a growth of 36.2% over ₹ 189.05 in FY23.

The Company generated cash flow from operations amounting to ₹ 392.74 crore in FY24 as compared to ₹ 423.81 crore in FY23. As of March 31, 2024, net debt stands at ₹ 203.49 crore, compared to a net debt of ₹ 352.62 crore on March 31, 2023. The reduction in net debt is primarily attributed to the repayment of working capital borrowings during the Financial Year. Repayment of long-term debt related to Sunflame acquisition has commenced from April 2024.

In line with its unwavering commitment to sustained long-term growth, the Company continues to invest in augmenting capacity by investing in new factories and expansion of existing facilities. The Company anticipates further enhancement in its revenue and margins as these manufacturing facilities gain scale in the years to come.

Note: Financial performance detailed above is based on consolidated financial statements

7. Outlook

V-Guard, with its roots tracing back to 1977, boasts decades of experience and presence in the industry, exemplifying acumen, an established infrastructure, a top-tier talent pool at all levels, robust R&D and extensive channel and vendor networks. This rich legacy of innovation and excellence has enabled it to establish a nationwide presence with strong brand recognition, offering best-in-class products and services through a vast distributor and ASP network.

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

V-Guard prioritises investing in its people. This includes nurturing talent, upgrading skills and enhancing workforce engagement for a safe, healthy and equitable working environment.

V-Guard's business excellence is driven by its manufacturing prowess, evident in its state-of-the-art manufacturing units which contribute ~65% to revenues as of the fiscal year 2023-24. The Company endeavours to scale its manufacturing capabilities with efforts centred around enhancing customer experience across all touchpoints, online and offline.

With its plants located strategically across the country, the Company continues its journey towards better diversification and market expansion, particularly in the Non-South markets.

The Company's future-oriented strategy focuses on seizing emerging opportunities across business segments, leveraging technology and data analytics to understand consumer preferences and behaviour, for more targeted marketing campaigns to drive stronger brand affinity.

Looking ahead, V-Guard is poised for continued growth and success. The Company's robust cash flow generation and high credit ratings underscore its financial strength and stability, providing a solid foundation for future endeavours. With recently launched facilities in Hyderabad for Inverter Batteries and in Vapi for Kitchen Appliances, we anticipate significant ramp-up in production in the coming years. Moreover, targeted initiatives in Sunflame Enterprises Private Ltd. are expected to further drive margins and scale up operations. In line with our commitment to expand market presence, we are intensifying efforts to enhance visibility and retail footprint. To facilitate these objectives, the Company targets an annual capex of ~₹ 100 crore.

The Company's strategy includes adding ~3,000 to 4,000 new retailers annually, coupled with sales acceleration initiatives across various product categories. The total number of dealer-retailer touchpoints as of FY24 are ~1 lakh. Through increased investment in advertising and promotion (A&P), as well as bolstering its workforce, particularly in emerging product segments, such as Consumer Durables, it aims to solidify its position and capitalise on new opportunities in the retail landscape.

V-Guard strives to emerge as India's foremost brand of choice, esteemed and trusted across diverse market segments. With an unwavering dedication to delivering unparalleled consumer satisfaction and driving sustainable, profitable growth, the Company remains steadfast in its mission to maximise value for its shareholders.

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 business & product categories.
- Consumer centric organization with emphasis on after-sales service, quality, innovation, R&D and new product development.
- Strong pan-India footprint with investments in a well-entrenched distribution network spread across ~ 1,00,000 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 profitability.
- Experienced management team with strong understanding of the business complexities.
- Over the years, the Company has increased its in-house manufacturing and lessened its dependence on imports and outsourcing.

Opportunities

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

Expansion into Non-South markets: Non-South markets account for 45.8% 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. Increasing formalization of the market presents an opportunity for organized players to benefit-especially market leaders, with established brands and entrenched manufacturing and distribution capabilities.

E-Commerce: E-Commerce presents a significant growth opportunity since most of the high growth categories for the Company have a large share of revenue coming from e-commerce platforms. The Company continues to invest in expanding its footprint in e-commerce channel and expects to see healthy growth in the coming years.

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

9. Enterprise Risk Management

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

The key risks identified and its mitigation plan are as follows:

Key Risks	Risk Statement	Mitigation Plan
Emerging channels	The channel landscape is fast changing with multiple trade formats and inadequate presence in certain emerging channels; hence the need arises to focus on Go-To-Market, customer management & trade terms capabilities.	• Channel-centric focused organizational structure and agile operating model. • Robust insights mechanism and digital marketing capabilities. • Established SCM, Service & Sell-out systems. • Key Account Management and retail marketing capabilities. • Differentiated GTM Model (sell-out) & exclusive products.

Key Risks	Risk Statement	Mitigation Plan
Impact of digitization	Advent of digitization may bring about very significant changes to business model, including disruption in sales and distribution, fundamental process changes and shift in consumer behavior and products.	• Investing in capabilities required to scale up e-commerce operations. • Smart products roadmap to drive digital product plans. • Processes around digital content and digital customer acquisition. • Digitally driven Sell-out system and next-generation supply chain capabilities. • Enterprise analytics for better visibility and collaboration.
Hyper-competition in marketplace	Cost of doing business is rising and growth is impacted due to traditional electrical players expanding focus to adjacent categories, slew of e-Com players leveraging vendor ecosystem, consolidation of companies and MNCs shifting focus on Indian FMCE market.	• Adoption of digital Product Life Cycle Management for faster time to market. • Product value chain to enhance product differentiation. • Consumer-centric long term NPD pipeline. • Building sell-out management capability.
Margin recovery	Commodity price volatility, delayed pricing actions, dependency on trading operations can impact margins.	• Velocity of pass-through and timely pricing actions. • Monitoring of commodity price movements and market price tracking mechanism. • In-house manufacturing of established products through organic and inorganic routes. • Value engineering initiatives for cost reductions.
Information security	Due to the increased threat of cyber security incidents globally, IT downtime and data loss can adversely impact business operations.	• Robust Information Security Management Systems corresponding to global standards and industry benchmarks. • Disaster Recovery Plan for critical applications. • Building awareness among users. • Cyber threats are mitigated by deploying advanced systems, tools, and processes.

Environment, Social and Governance	Impact on business continuity and reputation due to Environmental & Social incidents and noncompliance of regulations.	• Transitioning to low-carbon operations to address climate-related risk by:
		  - Integrating renewable energy options.
		  - Water conservation projects.
		  - Encouraging circular waste management practices.
		• Well-established Environment, Health, and Safety compliance framework.
		• CSR initiatives to cater to the needs of the communities.
		• Multi-tier governance mechanism to consider the aspects beyond compliance.

Supply Security	External and internal factors can lead to supply disruption, impacting sales.	• Reducing dependency on imports through in-house manufacturing and developing domestic alternatives. • With the help of R&D, continuously developing alternate make, designs and models. • Using advanced tools for forecast and inventory management.
Inadequate Talent Pipeline	Non-availability of people with appropriate skills for evolving business requirements and growth.	• Locational flexibility supported by collaborative platforms and technology to attract talent. • Customized product and business-specific learning modules. • Focused employee value propositions.

10. Human Resources

Over the last year, HR has taken various initiatives for employee benefit and retention. During the year, your Company continued with succession planning & risk mitigation programme for critical senior leadership positions and continues with strategic initiatives for career development for high potential managers and creation of a talent pool.

Continuing with retaining and attracting talent pool, your Company continued with its ESOP plan and granted options as per ESOS 2013 to 10 employees during the year. The ESOS 2013 covers ~ 80 employees as on March 31, 2024.

The relationship of your Company with employees has been cordial during the year.

As on March 31, 2024, the total number of employees of the Company is 3,006 against 2,647 on March 31, 2023.

11. Audit & Internal Control System

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

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

The Company has a robust Internal Financial Controls monitoring framework. The Company continuously monitors process changes and updates the Risk and Control Matrices (RCMs) along with identification of process automation opportunities and enhanced management monitoring mechanisms to strengthen the control environment. Key controls across processes were evaluated during the year to provide assurance regarding compliance with the existing policies and significant operating procedures, and no significant weaknesses/deviations were noted in effectiveness of the controls. Further, the Statutory Auditors of the Company also conducted audit of the Internal Financial Controls over Financial Reporting of the Company as on March 31, 2024, and issued their report which forms part of the Independent Auditor's report.

Directors' Report

Your Directors take pleasure in presenting their 28th Annual Report on the business and operations of V-Guard Industries Ltd. ('the Company'), together with the Audited Financial Statements for the Financial Year ended March 31, 2024.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

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

(₹ in crore)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Revenue from operations	4,559.43	4,050.75	4,856.67	4,127.19
Other Income	51.84	14.76	34.03	16.23
Total Income	**4,611.27**	**4,065.51**	**4,890.70**	**4,143.42**
Operating expenditure	4,205.81	3,749.78	4,429.96	3,807.07
Operating profit before Depreciation, Interest & Tax	**405.46**	**315.73**	**460.74**	**336.35**
Finance Cost	37.46	15.92	39.54	16.19
Depreciation and amortization expense	66.95	58.44	80.88	64.42
Profit Before Tax	**301.05**	**241.37**	**340.32**	**255.74**
Tax Expense:				
a) Current Tax	70.80	35.90	85.00	40.26
b) Deferred Tax	(0.66)	26.15	(2.26)	26.43
Profit After Tax	**230.91**	**179.32**	**257.58**	**189.05**
Basic EPS (₹)	5.28	4.15	5.89	4.38
Diluted EPS (₹)	5.27	4.12	5.88	4.35

2. COMPANY PERFORMANCE

The key highlights of the Company's financial performance during the Financial Year 2023-24 are given below:

- The standalone revenue from operations increased by 12.6% from ₹ 4,050.75 Cr. to ₹ 4,559.43 Cr. in the Financial Year 2023-24. Whereas the consolidated revenue from operations increased by 17.7% from ₹ 4,127.19 Cr. to ₹ 4,856.67 Cr. in the Financial Year 2023-24.

- The consolidated EBITDA grew by 33.3% from ₹ 320.12 Cr. to ₹ 426.71 Cr. in the Financial Year 2023-24 and standalone EBITDA grew by 17.5% from ₹ 300.97 Cr. to ₹ 353.62 Cr. in Financial Year 2023-24.

- The consolidated Net Profit grew by 36.2% from ₹ 189.05 Cr. to ₹ 257.58 Cr. in the Financial Year 2023-24 and standalone Net Profit grew by 28.8% from ₹ 179.32 Cr. to ₹ 230.91 Cr. in Financial Year 2023-24.

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

3. TRANSFER TO RESERVES

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

4. SCHEME OF AMALGAMATION BETWEEN THE COMPANY AND SIMON ELECTRIC PVT. LTD. AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

The Hon'ble National Company Law Tribunal, Kochi (NCLT Kochi) vide its Order dated March 31, 2023 had approved the Scheme of Amalgamation between Simon Electric Pvt. Ltd. ("Transferor Company") and V-Guard Industries Ltd. ("Transferee Company") and their respective shareholders and creditors. Further, the Board of Directors in their meeting held on May 03, 2023, had issued and allotted 10,83,008 Equity shares of ₹1/- each to the shareholders of Transferor Company in the share swap ratio of 0.0076646:1. The Company also obtained listing and trading approval for the said shares.

5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2024, your Company has three wholly-owned Subsidiaries.:

1. GUTS Electro-Mech Ltd. (GUTS): GUTS continues to be a wholly-owned subsidiary of V-Guard Industries Ltd.

2. V-Guard Consumer Products Ltd. (VCPL): VCPL continues to be a wholly-owned subsidiary of V-Guard Industries Ltd.

3. Sunflame Enterprises Pvt. Ltd. (SEPL): SEPL continues to be a wholly-owned subsidiary of V-Guard Industries Ltd.

In the Financial Year 2020-21, your Company had entered into a share subscription and shareholder's agreement with Gegadyne Energy Labs Pvt. Ltd. (GEL), a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions and acquired 18.77% stake on a fully diluted basis in GEL. During the year under review, the Board of Directors in their Meeting held on October 31, 2023, on the recommendation of Audit Committee, accorded approval for further investment in GEL and pursuant to which total shareholding of the Company in GEL has increased to 24.32% on a fully diluted basis, as per the terms and conditions specified in the Investment Agreement and consequently, GEL has become an Associate Company of your Company as per provisions of Companies Act, 2013 (the Act) w.e.f. October 31, 2023.

Presently, the Company does not have any material subsidiary.

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

6. CHANGES TO THE SHARE CAPITAL

Authorised Share Capital:

During the year under review, there was no change in the authorised share capital of the Company. As on March 31, 2024 it stood at ₹ 1,91,50,00,000 (Rupees One Hundred and Ninety One Crore and Fifty Lakhs Only) divided into 1,91,50,00,000 (One Hundred and Ninety One Crore and Fifty Lakhs) Equity Shares of ₹ 1/- (Rupee One Only) each.

Issued, Subscribed and Paid-up Share Capital:

Details of allotment made during the year under review is given below:

a) Pursuant to Order dated March 31, 2023 by Hon'ble NCLT, Kochi Bench sanctioning the Scheme of Amalgamation, between Simon Electric Pvt. Ltd. (Transferor Company) and V-Guard Industries Ltd. (Transferee Company) and their respective shareholders and Creditors, the Board of Directors in their meeting held on May 03, 2023, issued and allotted 10,83,008 equity shares at face value of ₹ 1/- each to the shareholders of Transferor Company.

b) 11,28,540 equity shares of face value of ₹ 1/- each to the employees who exercised options under the ESOP scheme of the Company 'ESOS 2013'. The details are mentioned under Annexure-IV forming part of this report.

The Paid-up Capital of the Company as at March 31, 2024 was ₹43,43,85,980/-.

During the year under review, your Company had not issued any preference shares, debentures, bonds, warrants, equity shares with differential rights and sweat equity shares.

7. DIVIDEND

In line with the Dividend Distribution Policy of the Company, the Board of your Company in its meeting held on May 16, 2024 has recommended a final dividend of ₹1.40/- (One Rupee and Forty Paisa Only) @ 140% per equity share of ₹ 1/- (Rupee One Only) for the Financial Year 2023-24 payable to those members whose name/s appear in the Register of members/ list of beneficiaries as on July 25, 2024 i.e. the cut-off date/record date. The total final dividend payout will amount to ₹ 60.81 Cr. (approx.). The payment of final dividend is subject to the approval of members in the 28th Annual General Meeting ("AGM") of the Company to be held on August 01, 2024.

The Register of Members and Share Transfer Books will remain closed from July 26, 2024 (Friday) to August 01, 2024 (Thursday) (both days inclusive) for the purpose of payment of final dividend for the Financial Year 2023-24, if declared at the ensuing AGM.

Pursuant to the Finance Act, 2020 read with the Income-tax Act, 1961, the dividend paid or distributed by a company shall be taxable in the hands of the shareholders w.e.f. April 1, 2020. Accordingly, in compliance with the said provisions, your Company shall make the payment of dividend after deduction of tax at source at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to Notice of 28th Annual General Meeting and the Finance Act, 2020 and amendments thereto.

8. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The details of unpaid or unclaimed dividend(s) & shares transferred to IEPF during the year, pursuant to the applicable provisions of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and the dividend(s) which are due for transfer to IEPF in the forthcoming years, are provided in the Report of Corporate Governance forming part of this Annual Report. The Company transferred 27,793 equity shares to IEPF during the Financial Year 2023-24.

Details of Nodal Officer

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

9. PUBLIC DEPOSITS

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

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

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

11. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the Financial Year 2023-24.

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

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

13. CREDIT RATING

The Company's credit facilities are rated by M/s. ICRA Ltd. During the year under review, M/s. ICRA Ltd. had re-affirmed long term and short-term credit rating of your Company as [ICRA] AA (pronounced as ICRA double A) and [ICRA] A1+ (pronounced as ICRA A one plus) respectively w.e.f. January 29, 2024. The outlook on the long-term rating was also re-affirmed as 'Stable'.

14. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

15. BOARD OF DIRECTORS AND ITS COMMITTEES

a) Composition of the Board of Directors

As on March 31, 2024, the Board of Directors of the Company comprised of Ten Directors, with three Executive and seven Independent Directors. The composition of the Board of Directors meets the requirement of provisions of Regulation 17 of the Listing Regulations and Section 149 of the Act.

b) Change in office of Directors, Key Managerial Personnel and Senior Management Personnel of the Company during the year under review and details of Directors seeking Appointment/Re-appointment at the 28th Annual General Meeting

The members of the Company in their 27th Annual General Meeting held on August 24, 2023, re-appointed Mr. Ramachandran V (DIN:06576300), Whole-time Director and Chief Operating Officer, who retired by rotation as per the provisions of the Act.

The Board of Directors in their meeting held on May 30, 2023 appointed Mr. Ishwar Subramanian (DIN: 01473535) as Additional Director in the capacity of Non- Executive Independent Director for a period of five (5) years. The Company has received declaration from him confirming that he meets independence criteria laid down in Section 149(6) of the Act and Regulation 16 of Listing Regulations.

The Board of Directors in their meeting held on May 30, 2023 also appointed Mr. Antony Sebastian K (DIN: 01628332) as Additional Director in the capacity of Executive Director for a period of four (4) years. Subsequently, the members of the Company approved the appointment of Mr. Ishwar Subramanian (DIN:01473535) as Independent Director and Mr. Antony Sebastian K (DIN: 01628332) as Executive Director in the 27th Annual General Meeting of the Company held on August 24, 2023.

In compliance with the provisions of Section 152 of the Act, Mr. Antony Sebastian K (DIN: 01628332) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors recommends his re-appointment as Executive Director of the Company, liable to retire by rotation. The present term of the office of Mr. Ramachandran V (DIN: 06576300), Whole-time Director, who was appointed for a period of 4 (four) years from June 01, 2020 expires on May 31, 2024. Pursuant to the provisions of the Act and based on the recommendation of Nomination and Remuneration Committee, the Board proposes re-appointment of Mr. Ramachandran V (DIN: 06576300), Whole-time Director, for a further period of 4 years from June 01, 2024 to May 31, 2028. Mr. Ramchandran V is not debarred from holding of office of a Director pursuant to any order issued by Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any other such authority.

The above proposal of appointment/ re-appointment forms part of the Notice of the Annual General Meeting of the Company and the relevant resolutions are recommended for members approval thereon.

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

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

As on March 31, 2024, Mr. Mithun K Chittilappilly (DIN: 00027610), Managing Director, Mr. Ramachandran V (DIN: 06576300), Whole-time Director & COO, Mr. Antony Sebastian K (DIN: 01628332), Whole-time Director, Mr. Sudarshan Kasturi, Chief Financial Officer and Mr. Vikas Kumar Tak, Company Secretary are the Key Managerial Personnel (KMP) of your Company.

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

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

d) Declaration by Independent Directors

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

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

The Company has issued letters of appointment/ reappointment to Independent Directors in the manner as provided under Companies Act, 2013. The terms and conditions of the said appointment are hosted on website of the Company.

e) Certificate from Practicing Company Secretary

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

f) Number of Meetings of the Board of Directors

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

During the year under review, eight Board meetings were held on April 17, 2023, & adjourned meeting on April 18, 2023, May 03, 2023, May 30, 2023, August 09, 2023, August 30, 2023, October 31, 2023, February 01, 2024 and March 21, 2024. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations. The details of the Board meetings are given in the Report on Corporate Governance which forms part of this Report. The Company provides all the Board members the facility to participate in the meetings of Board and its committees through Video Conferencing/ Other Audio-Visual Means.

Pursuant to the requirements of Schedule IV to the Act and the Listing Regulations, separate meetings of the Independent Directors of the Company were held on April 17, 2023 and May 29, 2023, and the Independent Directors reviewed the matters enumerated under Schedule IV(VII)(3) to the Act and Regulation 25(4) of the Listing Regulations. All the Independent Directors attended the said meetings.

g) Statutory Committees of the Board

Pursuant to the requirements under the Act and the Listing Regulations, the Board of Directors have constituted various committees such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility ("CSR") Committee and Risk & ESG Committee. During the year under review, the Board of Directors had amended terms of reference of Risk Management Committee by including ESG related matters under the ambit of the Committee and the name of the Risk Management Committee was changed to Risk and ESG Committee. During the year under review, charter of Stakeholders Relationship Committee was amended.

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

h) Performance Evaluation

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

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

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

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

i) Familiarization Programme

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

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

j) Directors' Responsibility Statement

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

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

ii. That they had selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2023-24 and of the profit and loss of the Company for that period;

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

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

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

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

16. AUDIT RELATED MATTERS

a) Statutory Auditors

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

The Board has duly examined the Statutory Auditors' Report on the financial statements of the Company for the Financial Year 2023-24, which is self-explanatory. The Auditor's Report for the Financial Year ended March 31, 2024 does not contain any qualification, reservation or adverse remarks.

b) Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, on recommendation of the Audit Committee, the Board of Directors has re-appointed M/s. BBS & Associates, Cost Accountants, as Cost Auditor for the Financial Year 2024-25 to conduct audit of cost records maintained by the Company. The appointment and remuneration payable to the Cost Auditor was approved by the Board, based on the recommendation of the Audit Committee. The requisite resolution for ratification of remuneration payable to the Cost Auditor, by the members of the Company is set out in the Notice of the ensuing AGM. The Cost Auditor has certified that their appointment is within the limits of Section 141(3)(g) of the Act and that they are not disqualified from appointment within the meaning of the said Act.

The Cost Audit Report for the Financial Year 2022-23, issued by M/s. BBS & Associates, Cost Accountants, was duly filed with the Ministry of Corporate Affairs within the timeline. The Cost Audit Report does not contain any qualifications, reservations, or adverse remarks.

M/s. BBS & Associates, Cost Accountants are in the process of carrying out the cost audit for applicable products for the Financial Year 2023-24. The Report to be issued by M/s. BBS & Associates, Cost Accountants will be considered by the Board of Directors and the same will be filed with the Ministry of Corporate Affairs within stipulated time as prescribed in the Companies Act, 2013 and rules made thereunder.

c) Secretarial Auditors

Pursuant to the provisions of Section 204(1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 24A of the Listing Regulations, the Board had re-appointed M/s. Keyul M Dedhia & Associates, Company Secretaries, Mumbai, as Secretarial Auditors of the Company for the Financial Year 2023-24 as recommended by the Audit committee.

The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Secretarial Audit Report for the Financial Year 2023-24 is annexed as **Annexure-I** which forms part of this report.

d) Internal Auditors

Pursuant to the provisions of Section 138 of the Act, the Board of Directors, on recommendation of the Audit Committee appointed M/s Mahajan & Aibara Advisers LLP, Mumbai, as the Internal Auditors of the Company for the Financial Year 2023-24.

17. REPORTING OF FRAUDS

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

18. POLICY MATTERS

a) Nomination, Remuneration and Evaluation Policy

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

b) Vigil Mechanism / Whistle Blower Policy

Your Company, as required under Section 177 (9) of the Act and Regulation 22 of the Listing Regulations, has established a Whistle Blower Policy, which enables the Directors and Employees to report instances of unethical behaviour, fraud or violation of Company's Code of Conduct. The policy provides for direct access to the Chairperson of the Audit Committee and for safeguarding the employees and Directors who raises grievances, against victimization. The policy has been circulated amongst the employees of the Company working at various locations, divisions/units.

During the period under review, one complaint was received, and the same was resolved as on March 31, 2024.

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

c) Corporate Social Responsibility Policy

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

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

d) Risk Management Policy

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

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

During the period under review, the Risk Management Policy was placed before the board and no changes were made/suggested in this policy.

e) Dividend Policy

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

19. OTHER MATTERS

a) Internal Financial Controls

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

Further, the Statutory Auditors of the Company also reviewed Internal Controls over Financial Reporting of the Company as on March 31, 2024 and issued their report which forms part of the Independent Auditor's report.

b) Particulars of Loans, Guarantees and Investments

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

During the period under review, your Board of Directors had provided working capital loan of ₹ 2.3 Cr. to GEL which was repaid in due time.

During the period under review, your Board of Directors made further investment of ₹ 20 Cr. in GEL for scaling up pilot plant operations, Product specifications improvement and groundwork & 'runway' for Series B Investment. With this total shareholding of the Company in GEL is 24.32% on fully diluted basis.

During the period under review, your Board of Directors had withdrawn Corporate Guarantee extended to VCPL for a limit not exceeding ₹ 50 Cr. as the Company became self-sustained and does not require support from its Holding Company in securing bank facilities. There is no change in the investment in Wholly-Owned Subsidiaries.

Further, details of loans and investments as on March 31, 2024, are set out in the Note 6 & 7 to the standalone financial statements of the Company.

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

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

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries and an Associate Company, for the Financial Year 2023-24 is given in Form AOC-1 which forms an integral part of this Annual Report.

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

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

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

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

e) Employee Stock Option Scheme 2013

During the year under review, the members of the Company in their meeting held on August 24, 2023 amended the existing Employee Stock Option Scheme 2013 ("ESOS 2013") by creating additional number of options for making further grant to the extent of 57,00,000 options convertible into equity shares of ₹ 1/- each under ESOS 2013. The members also approved granting of options under ESOS 2013 to the permanent eligible employees of subsidiary company (ies) working in India or outside India. Further, your Company also aligned the existing Scheme 'ESOS 2013' with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB Regulations").

During the year under review, the Nomination and Remuneration Committee granted the following options to eligible employees at ₹ 1/- each under ESOS 2013:

a) 27,657 options on May 29, 2023,
b) 1,40,326 options on July 27, 2023
c) 65,415 options on October 30, 2023, and
d) 36,915 options on January 31, 2024

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

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

a) 3,73,952 equity shares at face value.
b) 5,67,000 equity shares at a premium of ₹ 67.75/-
c) 19,588 equity shares at a premium of ₹ 70.36/- and
d) 1,68,000 equity shares at a premium ₹ 120.8/-

During the year, 26,181 no. of options granted at ₹ 1/- each were cancelled due to separation of employees. As per ESOS 2013, the cancelled options are added back to the ESOP pool and shall be available for making any future grants.

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

f) Code of Conduct

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

All members of the Board and Senior Management personnel have affirmed their compliance with the Code as on March 31, 2024. A declaration to this effect, signed by the Managing Director in terms of the Listing Regulations is given in the Report of Corporate Governance forming part of this Annual Report. The Code is made available on the Company's website at https://www.vguard.in/uploads/downloads/CODE_OF_CONDUCT.pdf

g) Extract of Annual Return

Pursuant to Section 134 and Section 92(3) of the Act read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the Annual Return of the Company containing the particulars prescribed, in Form MGT-7, as on March 31, 2023, is made available on the Company's website at https://www.vguard.in/uploads/investor_relations/Annual-Return-2023-1.pdf

The draft of Form MGT-7, as on March 31, 2024, is made available on the Company's website at https://www.vguard.in/uploads/investor_relations/Annual_Return_2024.pdf

h) Management Discussion and Analysis Report

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

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

i) Related Party Transactions

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

A statement with respect to all related party transactions is presented before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of transactions. All the related party transactions entered during the Financial Year were on arm's length basis and in the ordinary course of business. The details are provided in Form AOC-2, as an **Annexure-V**, as prescribed under Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Disclosures as per Ind-AS 24 have been made in note 46 of the financial statements for the year ended March 31, 2024.

In accordance with the requirements of the Listing Regulations, the Company has also adopted a Policy on Materiality and dealing with Related Party Transactions and the same has been placed on the website of the Company at https://www.vguard.in/uploads/investor_relations/POLICY-MATERIALITY-DEALING-RELATED-PARTY-TRANSACTIONS.pdf

j) Corporate Governance

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

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

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

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

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

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

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

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, one complaint was received in March 2024 and the same was pending to be resolved as on March 31, 2024.

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

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

p) Adjudication: During the year under review, your Company has filed adjudication application with the Hon'ble Registrar of Companies, Kerala, for violation of provisions of Section 152(6) of the Companies Act, 2013 and rules made thereunder and awaiting its order as on March 31, 2024.

20. COMPLIANCE WITH SECRETARIAL STANDARDS

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

21. LISTING OF SHARES

The equity shares of the Company are listed on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE). The listing fee for the Financial Year 2024-25 is paid to both the Stock Exchanges.

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

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

23. PREVENTION OF INSIDER TRADING

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

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

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

25. IMPLEMENTATION OF CORPORATE ACTION

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

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

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

27. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Place: Kochi	Chairman	Managing Director
Date: May 16, 2024	DIN: 00061030	DIN: 00027610

Annexure I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

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

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

Based on our limited verification of the Company's Books, Papers, Minute Books, Forms and Returns filed with applicable regulatory authority(ies) and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2024 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We herewith report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2024, as per the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. The Essential Commodities Act, 1955.

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

We have also examined compliance with the applicable clauses:

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

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

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

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

We further report that, the Company has filed adjudication application with the Hon'ble Registrar of Companies, Kerala, for violation of provisions of Section 152(6) of the Companies Act, 2013 and rules made thereunder and is awaiting its Order.

We further report that

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

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

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

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

We further report that during the 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

Keyul M. Dedhia
Proprietor
FCS No: 7756 COP No: 8618
UDIN: F007756F000385861
Peer Review Certificate No: 876/2020

May 16, 2024, Mumbai.

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

'Annexure A'

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

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

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

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

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

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

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

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

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

Keyul M. Dedhia
Proprietor
FCS No: 7756 COP No: 8618
UDIN: F007756F000385861
Peer Review Certificate No: 876/2020

May 16, 2024, Mumbai

Annexure II

Annual Report on Corporate Social Responsibility (CSR) Activities

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

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

   The Company's CSR initiatives cover three broad program heads, i.e., Edu care & Skill Development, Health Care, Build India & Relief. During the Financial Year under review, the focus was on promoting education and skill development, supporting differently-able children, delivering healthcare to economically disadvantaged populations, enhancing quality of life for socially and economically marginalized groups, implementing livelihood enhancement projects and providing drinking water. These efforts aim to positively impact communities and contribute to sustainable development.

2. **Composition of CSR Committee:**

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

* The Board of Directors in its meeting held on October 31, 2023, inducted Prof. Biju Varkkey and Mr. Antony Sebastian K as members of the CSR Committee.

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

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

Sl. No.	Particulars	Weblink
1	CSR Committee and CSR Policy	https://www.vguard.in/uploads/investor_relations/CSR-Policy.pdf
2	CSR Projects	https://www.vguard.in/uploads/investor_relations/CSR-Annual-Action-Plan-2023-24-re.pdf

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

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

Sl No.	Particulars	Amount (₹ in Lakhs)
a	Average net profit of the Company as per section 135(5)	27,176.11
b	Two percent of average net profit of the company as per section 135(5)	543.52
c	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	-
d	Amount required to be set off for the Financial Year, if any	3.29
e	Total CSR obligation for the Financial Year (5b+5c-5d)	540.23

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

Sl No.	Particulars	Amount (₹ in Lakhs)
a	Amount spent on CSR project, both ongoing and other than ongoing project	537.99
b	Amount spent in Administrative Overheads	10.40
c	Amount spent on Impact Assessment, if applicable	N. A.
d	Total amount spent for the Financial Year [(a)+(b)+(c)]	548.39

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

Total Amount Spent for the Financial Year. (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
548.39	-		-		

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

Sl No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	543.52
(ii)	Total CSR obligation for the Financial Year*	540.23
(iii)	Total amount spent for the Financial Year	548.39
(iv)	Excess amount spent for the Financial Year [(iii)-(ii)]	8.16
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(vi)	Amount available for set off in succeeding Financial Years [(iv)-(v)]	8.16

* Total CSR obligation is provided after setting off ₹ 3.29 lakhs excess amount spent in previous Financial Year.

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

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

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

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

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

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

For and on behalf of the Board of Directors

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

Sd/-
Cherian N Punnoose
Member – CSR Committee and
Independent Director
(DIN: 00061030)

Place: Kochi
Date: May 16, 2024

Annexure III

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

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

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

2. DEFINITIONS

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

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

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

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

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

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

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

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

3. OBJECTIVE OF THE POLICY

The objective of the policy is to;

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

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

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

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

4. FINAL DIVIDEND

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

Process for approval of payment of Final Dividend

- Board to recommend quantum of Final Dividend payable to shareholders in its meeting in line with this Policy;

- Based on the profits arrived at as per the audited financial statements;
- Shareholders to approve in Annual General Meeting;
- Once in a Financial Year.
- Dividend is subject to TDS and shareholder is liable to pay tax on Dividend Income as per the amended provisions of Income Tax Act, 1961.

5. INTERIM DIVIDEND

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

Process of approval of payment of Interim Dividend

- Board may declare Interim Dividend at its discretion in line with this Policy;
- Based on profits arrived at as per quarterly (or half- yearly) financial statements including exceptional items;
- One or more times in a Financial Year. As per Income Tax Act, 1961 dividend declared, paid or distributed by a Company, shall be taxable in the hands of the shareholders. The Company shall, deduct TDS/ Withholding Tax (TDS/WHT) at the time of payment of dividend at the applicable tax rates.

6. DECLARATION OF DIVIDEND

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

i) Current Financial Year's profit:

  a) after providing for depreciation in accordance with law and

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

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

  b) remaining undistributed; or

iii) out of i) & ii) both.

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

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

7. FACTORS TO BE CONSIDERED WHILE DECLARING OR RECOMMENDING DIVIDEND

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

a. External Factors

i. Economic, business and market conditions

ii. Agreement with lenders

iii. Industry trend

iv. Statutory Restrictions

b. Internal Factors

i. Profit earned during the year and accumulated reserves

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

iii. Past dividend trends

iv. Cost of raising funds from alternate sources

v. Net worth, cash flow position and Debt equity ratio

vi. Business acquisition plans

vii. Providing for unforeseen events or contingencies of the Company

8. DIVIDEND RANGE

The Company aims in ensuring sustainable wealth creation for its shareholders and with this objective, would distribute an optimum level of profits among the shareholders and retain the balance for meeting the expansion requirements. Subject to applicable laws, the Board may at its discretion choose to recommend a dividend out of the Company's free reserves. The Board of Directors will have absolute discretion to recommend or declare dividend considering Internal & external factors.

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

9. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

In line with the Policy of the Company, there may be certain circumstances under which the shareholders of the Company may not expect dividend, including but not limited to:

a. Adverse market conditions and business uncertainty.

b. The Company is in higher need of funds for acquisition/ diversification/ expansion/ investment opportunities/ deleveraging or capital expenditures.

c. The Company proposes to utilize surplus cash in entirety for alternative forms of distribution such as buy-back of securities.

d. The Company has incurred losses or in the stage of inadequacy of profits.

e. Changing government regulations.

f. Any other extraordinary circumstances etc.

Even under such circumstances, the Board may at its discretion, and subject to applicable laws, choose to recommend a dividend out of the Company's free reserves.

10. UNCLAIMED/UNPAID DIVIDEND

The Dividend (Final/Interim) declared by the Company for any Financial Year, is deposited into a separate bank account and the same is disbursed to the eligible shareholders within the statutory limit of 30 days, either through electronic mode or by issuing dividend warrants.

Dividend amount which remains unpaid / unclaimed in the dividend account after 30 days from the date of transfer of the amount to the dividend account, shall be transferred to unpaid dividend account. Any shareholder who has not collected the dividend, can make a claim for receipt of the same, to the Company.

Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund (IEPF).

The Company shall inform the concerned shareholder three months before the due date of transfer of shares regarding the shares liable to be transferred to IEPF for which dividend has remained unpaid and unclaimed for seven consecutive years or more as on the date of transfer, at their latest available address and also simultaneously publish a notice in the leading newspaper in English and regional language having wide circulation and on their website giving details of such shareholders and shares due for transfer.

11. REVIEW AND AMENDMENT

The Board may review this policy on periodical basis, considering various external and internal factors. However, in case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Place: Kochi	Chairman	Managing Director
Date: May 16, 2024	DIN: 00061030	DIN: 00027610

Annexure IV

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 48 of Standalone Financial Statements 2023-24 which forms the part of this Annual Report.

2 Material Changes in the Scheme

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

3 Diluted EPS on issue of shares pursuant to ESOS: ₹ 5.27

4 (i) Details related to ESOS

Sr. No.	Particulars	ESOS 2013
1	Details of the Shareholders Approval	May 14, 2013, July 26, 2016, April 30, 2017, December 09, 2017, August 12, 2020 and August 24, 2023
2	Total number of Options approved under the scheme Additional options granted on account of Corporate Action of Bonus Issue	2,18,50,000 no. of options 33,66,710 no. of options
3	Vesting requirements	Options granted under the scheme would be vested for not less than one year and not more than 4 (four) years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company. Options granted shall be capable of being exercised within a period of six years from the date of Vesting.
4	Exercise Price / Pricing Formula	The Company has granted options both at Market price and face value, as detailed below: **No. of options** — **Particulars** 1,50,31,606 — At Market Price 86,06,422 — At Face Value
5	Maximum Term of Options granted	As per the terms attached to each of the grants, the total term of the options for the grants is 10 years. (Exercise period will be for a period of 6 years from each year of vesting)
6	Source of Shares	Primary
7	Variation in terms of options	No Variation
8	Method used for accounting of ESOS	Fair Value Method
9	**For Options granted during the year weighted average exercise prices and weighted average fair value of the options shall be disclosed seperately for options whose exercise price either equals or is less than the market price of the stock.**	

Sr. No.	Particulars	ESOS 2013 (in ₹)
I	**Weighted average exercise price of Options whose**	
a	Exercise price equals market price	Nil
b	Exercise price is greater than market price	Nil
c	Exercise price is less than market price	1/-
II	**Weighted average fair value of options whose**	
a	Exercise price equals market price	Nil
b	Exercise price is greater than market price	Nil
c	Exercise price is less than market price	281.97

(ii) Employee-wise details of options granted during the Financial Year 2023-24 to:

(i) Senior Managerial Personnel

	Name of employee & Designation	No. of options	Exercise Price per Option (in ₹)
a	Venkateshwaran Sundaram, Vice President - HR	24,678	1/-
b	Rohit Pandit, CEO, Sunflame Enterprises Pvt. Ltd.	42,500	1/-
c	Atul Shekhar Singh, Asst Vice President & CIO Designate	36,915	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	R. Balaji, Asst Vice President, Marketing	27,657	1/-
b	Venkateshwaran Sundaram, Vice President - HR	24,678	1/-
c	Vimal Dixit, General Manager - Marketing (Switches)	36,307	1/-
d	Gowtham Sivabalan, Manufacturing Excellence Lead	22,635	1/-
e	Meenesh Chaudhary, Dy General Manager - Marketing	17,968	1/-
f	Sajesh R, Manager - Supplier Development, SCM	15,610	1/-
g	Babu Araval, General Manager & Branch Head, Marketing	23,128	1/-
h	Rohit Pandit, CEO, Sunflame Enterprises Pvt. Ltd.	42,500	1/-
i	Vikram Singh, Sr General Manager and Head Sales, Marketing	22,915	1/-
j	Atul Shekhar Singh, Asst Vice President & CIO Designate	36,915	1/-

(iii) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

	Name of employee & Designation	Total number of Options
	Nil	

(iv) 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 (₹)	285.44
	Expected Volatility %	29.43%
	Riskfree Rate %	7.06%
	Exercise Price (₹)	1.00
	Expected Life (In Years)	5.45
	Expected Dividend %	0.46%
b)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Volatility is based on historical prices for the period equivalent to the expected life of the options
c)	The method used and the assumptions made to incorporate the effects of expected early exercise;	It is assumed that the options will be exercised within the exercise period
d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No other features incorporated

5. Options Movement During the year

Sr. No.	Particulars	ESOS 2013
1	Number of options outstanding at the beginning of the period	57,46,257
2	Number of options Granted during the year	2,70,313
3	Number of options vested during the year	6,90,741
4	Number of options exercised during the year*	11,28,540
5	Number of shares arised as a result of exercise of options	11,28,540
6	Number of options lapsed during the year	-
7	Number of options cancelled during the year	26,181
8	Money realised by exercise of options (INR)	6,12,15,402
9	Number of options outstanding at the end of the year	48,61,849
10	Number of options exerciseable at the end of the year	28,28,409
11	Loan repaid by the trust during the year from the exercise price received	NA

*Note: During the year under review, the Board of Directors of the Company allotted 2,40,181 no. of options in their meeting held on March 21, 2024 to the eligible employees who exercised the vested options of which the Listing approval from stock exchanges were received after the closure of Financial Year.

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

Place: Kochi
Date: May 16, 2024

Annexure V

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: NIL

Sl. No.	Particulars	Remarks
a)	Name(s) of the related party and nature of relationship	NA
b)	Nature of contracts/ arrangements/ transactions :	
c)	Duration of the contracts/ arrangements/ transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

Sl. No.	Particulars	Remarks
a)	Name(s) of the related party and nature of relationship	NA
b)	Nature of contracts/ arrangements/ transactions	
c)	Duration of the contracts/ arrangements/ transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date(s) of approval by the Board, if any	
f)	Amount paid as advances, if any	

For and on behalf of the Board of Directors

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Place: Kochi
Date: May 16, 2024

Annexure VI

DISCLOSURE PURSUANT TO SECTION 134 (3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

I. Steps taken or impact on Conservation of Energy:

We firmly believe that protecting the environment is a shared responsibility and we are committed to do our part in building a sustainable future. The Company with all its manufacturing plants play a vital role in reducing the adverse impact on the environment.

The below list summarises the new initiatives and process improvements undertaken by the Company to drive energy efficiency in operations for the Financial Year 2023-24.

a. New Measures adopted in 2023-24

i. Replaced the old chiller with energy efficient chiller.

ii. Standardization of cycle times in coiling machines.

iii. Yield improvement strategies adopted to attain productivity enhancement and energy efficiency.

iv. Introduced advanced methods in shortening the length of quality test procedures of stabilizers.

v. Optimized design and processes in production of Stabilizers increased productivity and also reduced usage of electric consumption.

vi. Reduced 26% running time of electric equipment by introduction of inhouse product assembly fixture.

vii. Developed an advanced version of a storage smart water heater with enhanced features for scheduling, aimed at conserving energy compared to conventional water heaters. Also launched BIS & BEE rated (3 Star) energy efficient Solar Water Heater series.

viii. New 5 Star rated Electric Water Heater series launched.

ix. Launched energy efficient BLDC fans.

b. Process improvement measures undertaken in 2023-24

i. Continued to optimise the air compressor operation through VFD (Variable Frequency Drive) and controller.

ii. Replacement of Metal halide lamps and traditional tube lights with LED lights in plants and offices.

iii. Cooling tower was installed in place of the existing water chiller.

iv. Obtained advanced BEE rating of existing Electric Water Heater (EWH).

v. Installation of additional capacitor banks to reduce power consumption.

vi. Introduced EV stabilizers to improve EV charging efficiency.

II. Steps taken for utilizing alternate energy sources;

i. Actions are being undertaken to reduce greenhouse gas emissions by investing in renewable energy projects such as solar panels and wind turbines.

ii. Alternate energy sources like roof top solar panels and wind mills are being used at manufacturing facilities.

iii. Launched new IOT Smart product in Fan, DUPS, Stabilizer, Water Heater segments with mobile app platforms for both in Android and IOS. Thereby, maximizing utilization of solar power by selecting the suitable modes in the mobile application according to the customer requirements and reducing energy consumption based on usage.

iv. Energy efficient Products launched in Solar Water Heater Segment and Normal DUPS segment

v. Energy saving by implementation of photovoltaic (PV) energy source, thereby reducing the electrical energy consumption.

III. Estimated savings made by various energy conservation initiatives (~)

a. Energy generated through renewable means: 10,163.10 Gigajoules

   i. Solar energy: 7,584.60 Gigajoules

   ii. Wind energy: 2,578.50 Gigajoules

b. Water Savings : 1,964.76 Kiloliters

c. Mitigation of CO2 emission : 2,323 Tonnes

IV. Capital investment on Energy Conservation Equipment

During the year under review, total capital invested in energy conservation projects is ₹11.5 Lakhs, at various plants.

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.

- Commenced research on ultra-low power intelligent solar pump technology.
- Development of IoT based data acquisition system for diagnostics and prognostics of rotating equipment.
- Development of BLDC Ceiling fans adaptable with both the remote controller and wall mount regulator.
- Development of eco-friendly packaging solutions.
- Conducted Arc vent optimization and Arc quenching study of MCB for performance improvement.
- Redesign of MCBs through the use of alternate materials and design simplification.
- Introduced new core pressing machine with less noise compared to conventional hammering methods.
- Wi-Fi enabled stabilizer with geo-fencing and energy monitoring.
- Reduction of component joints to reduce soldering.

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

- Performance alterations of pumps and thermal design optimization enabled better product life and minimal copper consumption.
- Utilization of open-source software helped the company in reducing dependency on proprietary softwares.
- Cost reduction with improved performance and efficiency through optimized magnetic circuits in induction motors utilizing FEA tools (Fine Element Analysis tools).
- Development of Induction motor based 5 Star Ceiling fan helped to provide high-energy efficient product with better durability.

- Developed new eco-friendly packaging solutions to reduce plastic consumption and felling of trees.
- RoHS and REACH are European regulations that require manufacturers, importers, and distributors to comply with maximum concentrations of hazardous substances in products. The relevant Company products are RoHS/REACH compliant, which offer environmental benefits by eliminating hazardous substances, reducing waste, and promoting safer disposal, while also enhancing health by minimizing exposure to harmful chemicals like lead, mercury, and cadmium.
- HFFR Cables (Halogen Free Flame Retardant) emit negligible smoke during fires, facilitating easier evacuation and mitigating risks to human life.
- Import reduction:- CCTV and Co-axial cables were developed with indigenous vendor as a part of import substitution and availing of cost reduction benefits.

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

Details of technology imported	Year of Import	Whether technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
High Precision Torque Transducer	2021	Yes	NA
High performance power analyser	2021	Yes	NA
High precision motor test device	2022	Yes	NA
Portable Grease Test Kit	2022	Yes	NA
High precision progressive stamping tool	2023	Yes	NA
High precision Anemometer	2023	Yes	NA

IV. The expenditure incurred on Research and Development:

a. Capital : ₹ 1.38 Cr.

b. Recurring : ₹ 23.78 Cr.

c. Total : ₹ 25.17 Cr.

d. % of R&D expenditure to total sales : 0.55%

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 : ₹ 10.33 Cr.

Foreign Exchange outgo : ₹ 268.50 Cr.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Place: Kochi	Chairman	Managing Director
Date: May 16, 2024	DIN: 00061030	DIN: 00027610

Annexure VII

DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars	
(i)	Ratio of the remuneration of each Director to the median remuneration of the employee of the Company for the Financial Year.	**Name**	**Ratio to Median**
		Mr. Mithun K Chittilappilly	109.23
		Mr. Ramachandran V*	271.11
		Mr. Antony Sebastian K**	14.38
		Mr. Cherian N Punnoose	5.13
		Mr. C J George	1.56
		Mr. Ullas K Kamath	2.16
		Ms. Radha Unni	2.23
		Mr. George Muthoot Jacob	1.95
		Prof. Biju Varkkey	1.42
		Mr. Ishwar Subramanian**	0.57
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	**Name**	**Percentage (%)**
		Mr. Mithun K Chittilappilly	18.93%
		Mr. Ramachandran V	180.52%
		Mr. Antony Sebastian K**	NA
		Mr. Cherian N Punnoose	21.94%
		Mr. C J George	51.72%
		Mr. Ullas K Kamath	46.63%
		Ms. Radha Unni	59.09%
		Mr. George Muthoot Jacob	46.28%
		Prof. Biju Varkkey	76.99%
		Mr. Ishwar Subramanian**	NA
		Mr. Sudarshan Kasturi	20.88%
		Mr. Vikas Kumar Tak#	NA
(iii)	Median Remuneration for the Financial Year	₹ 7,05,351.02	
(iv)	Percentage increase in the median remuneration of employees in the Financial Year	10.53%	
(v)	Number of permanent employees on the rolls of the Company.	3,006 (As on March 31, 2024)	
(vi)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentage increase in the salary of employees other than managerial cadre in the Financial Year was "12.17%" Average percentage increase in the salary of managerial personnel in the Financial Year was "73.44%"^	

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(vii)	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration is as per the Nomination Remuneration and Evaluation Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

* The increase in remuneration to Mr. Ramachandran V is due to exercise of employee stock options having perquisite value of ₹ 1,537.48 lakhs.

** Mr. Antony Sebastian K was appointed as Whole-Time Director w.e.f. May 30, 2023 and Mr. Ishwar Subramanian was appointed as Independent Director w.e.f. May 30, 2023.

\# Mr. Vikas Kumar Tak was appointed as Company Secretary and Compliance Officer of the Company w.e.f. February 2, 2023.

^ Average percentage increase in the salary of managerial personnel in the Financial Year is 73.44% due to exercise of employee stock options of yesteryears by Mr. Ramachandran V. Average increase without considering ESOP perquisites will be 18.92%.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Date : May 16, 2024	Chairman	Managing Director
Place : Kochi	(DIN : 00061030)	(DIN: 00027610)

Report on Corporate Governance

Report on Corporate Governance of V-Guard Industries Ltd. (V-Guard /the Company) for the Financial Year ended March 31, 2024, as stipulated in the relevant provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time ('the Listing Regulations'), is set out below:

I. CORPORATE GOVERNANCE PHILOSOPHY

The Governance Philosophy of the Company is to conduct business with honesty, fairness, and transparency, adhering to the highest ethical standards and legal requirements in all our dealings. We continuously evaluate and enhance our Corporate Governance practices to adapt with evolving regulatory requirements, industry standards, and stakeholder expectations. We consider Corporate Governance as a strategic ingredient that underpins our success and sustainability. The Company always endeavours to align the practices in line with the changing business environment and ensures that the interests of all stakeholders are safeguarded and the stakeholders are taken along in its journey to newer heights.

At V-Guard, we are committed to upholding the highest standards of Corporate Governance, guided by principles of transparency, accountability, integrity, and respect for the interests of all stakeholders. Our Corporate Governance Philosophy serves as the foundation of our operations, ensuring that we conduct business in a responsible and ethical manner to create sustainable long-term value for our shareholders, employees, customers, consumers and the communities in which we operate. Your Company recognize that sound Corporate Governance is essential for fostering long-term sustainability and driving value creation. In addition to regulatory compliance, your Company endeavours to meet highest standards of ethical and responsible conduct throughout the organization in letter and spirit.

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

II. BOARD OF DIRECTORS

a) Composition of the Board

The composition of the Board of your Company is in conformity with Regulation 17 of the Listing Regulations. Every member of the Board is having experience and expertise in their respective fields. The Company's policy is to maintain an optimum combination of Executive and Non-Executive/ Independent Directors. As on March 31, 2024, the Board comprised of 3 (three) Executive Directors, 7 (seven) Non-Executive Independent Directors including 1 (one) Woman Independent Director. Out of the three Executive Directors, one Director is from promoter category and the other two are in the professional category. The Chairman of the Board is Non-Executive Independent Director. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and expertise in varied fields enabling it to discharge its responsibilities and provide effective leadership for long-term vision with highest standards of governance. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

During the Financial Year under review, upon the recommendation of Nomination and Remuneration Committee, Mr. Antony Sebastian K and Mr. Ishwar Subramanian were appointed as Additional (Executive Professional) Director and Additional (Non-Executive Independent) Director, respectively, in the meeting of Board of Directors held on May 30, 2023. The members approved the appointment of Mr. Antony Sebastain K and Mr. Ishwar Subramanian as Executive Director and Independent Director, respectively, in the 27th Annual General Meeting (AGM) held on August 24, 2023. 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, 2024 are as follows:

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

b) Attendance of each Director at the meeting of the Board and last AGM

During the year under review, the Board of Directors met **8 (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 24, 2023)
Mr. Cherian N Punnoose	8	Yes
Mr. Mithun K Chittilappilly	8	Yes
Mr. Ramachandran V	7	Yes
Mr. Antony Sebastian K*	6	Yes
Mr. C J George	6	Yes
Mr. Ullas K Kamath	7	No
Ms. Radha Unni	8	No
Mr. George Muthoot Jacob	7	Yes
Prof. Biju Varkkey	7	Yes
Mr. Ishwar Subramanian*	4	Yes

* Mr. Antony Sebastian K and Mr. Ishwar Subramanian were inducted to the Board of Directors of the Company on May 30, 2023.

c) Number of Directorship, Membership and Chairmanship held by the Directors in the Board and Committees of other companies & details of Directorship held by the Directors in other Listed Companies as on March 31, 2024

i) No. of Directorship, Membership and Chairmanship held by the Directors in other Companies:

Name & Position of the Director	Category	Directorship on Board and Membership/ Chairmanship of Board Committees in other companies as on March 31, 2024		
		Director	Committee Member	Committee Chairman
Mr. Cherian N Punnoose **Chairman**	Non-Executive Independent	Nil	Nil	Nil
Mr. Mithun K Chittilappilly **Managing Director**	Promoter and Executive Director	2	Nil	Nil
Mr. Ramachandran V **Whole-time Director & Chief Operating Officer**	Executive Director	3	Nil	Nil
Mr. Antony Sebastian K **Whole-time Director**	Executive Director	Nil	Nil	Nil
Mr. C J George **Director**	Non-Executive Independent	4	3	Nil
Mr. Ullas K Kamath **Director**	Non-Executive Independent	5	4	2
Ms. Radha Unni **Director**	Non-Executive Independent	1	1	Nil
Mr. George Muthoot Jacob **Director**	Non-Executive Independent	7	3	Nil
Prof. Biju Varkkey **Director**	Non-Executive Independent	1	Nil	Nil
Mr. Ishwar Subramanian **Director**	Non-Executive Independent	1	Nil	Nil

Directorship, Membership and Chairmanship in other companies shown above do not include Alternate Directorship, Private Limited Companies that are neither a subsidiary nor a holding company of a Public Company, Companies incorporated under Section 8 of the Companies Act, 2013 (the Act) and Companies incorporated outside India.

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

Necessary disclosures regarding Directorship and Committee positions in other Companies as on March 31, 2024 have been made by the Directors. As per the disclosures received from them, none of the Directors of the Company is a member of more than 10 (Ten) Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairperson of more than 5 (Five) Committees across all listed companies and unlisted public Companies in which he / she is a Director. Directorship, Membership and Chairmanship held by the Directors of the Company, in other companies are within the limits prescribed.

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

ii) **Details of Directorship held by the Directors in other Listed Companies as on March 31, 2024**

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. Antony Sebastian K	Nil	Nil	Nil
Mr. C J George	Geojit Financial Services Ltd.	Promoter -Executive	Managing Director
	Aster DM Healthcare Ltd.	Non-Executive Independent	Independent Director
Mr. Ullas K Kamath	Veranda Learning Solutions Ltd.	Non-Executive Independent	Independent Director
	Wonderla Holidays Ltd.	Non-Executive Independent	Independent Director
Ms. Radha Unni	The Western India Plywoods Ltd.	Non-Executive Independent	Independent Director
Mr. George Muthoot Jacob	Muthoot Finance Ltd.	Executive Director	Executive Director
Mr. Biju Varkkey	ESAF Small Finance Bank Ltd.	Non-Executive Independent	Independent Director
Mr. Ishwar Subramanian	Nil	Nil	Nil

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

d) Number and dates of Meeting of Board of Directors

During the year under review, the Board of Directors met eight times i.e. April 17, 2023, April 18, 2023 (Adjourned Meeting), May 03, 2023, May 30, 2023, August 09, 2023, August 30, 2023, October 31, 2023, February 01, 2024 and March 21, 2024.

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

In case of special and urgent business matters, approval of the Board/Committees is taken by passing a resolution by circulation, as permitted by law, which is noted in the next Board/Committee meeting.

During the year under review, separate meetings of the Independent Directors of the Company were held on April 17, 2023 and May 29, 2023, and the Independent Directors present in the meeting discussed the matters enumerated in the Schedule IV to the Act and Regulation 25(3) of the Listing Regulations. The Independent Directors reviewed the performance of:

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

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

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

e) Disclosure of relationship between Directors Inter-se

None of the Directors have any inter–se relationship.

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

None of the Non-Executive Independent Directors of the Company is holding Equity shares in the Company. The Company has not issued any convertible instruments.

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

The Company has conducted several programmes from time to time for all the Independent Directors of the Company, to enable them to familiarize with the nature of the industry in which the Company operates, its business model etc., and the role to be played by them. Their rights and responsibilities were intimated through the Letter of Appointment issued to them. During the year under review, the Company had conducted session on overall performance of Company, strategic initiatives, status of manufacturing plants, policy updates, financial analysis, further investment proposals, ESOP presentations, and regulatory updates. The details of such familiarization programmes are disclosed on the Company's website at https://www.vguard.in/uploads/downloads/Familiarisation-Program.pdf

List of core skills, competencies, and expertise of Board of Directors:

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

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

Skills and Description	Mr. Cherian N Punnoose	Mr. Mithun K Chittilappilly	Mr. Ramachandran V	Mr. Antony Sebastian K	Mr. C J George	Mr. Ullas K Kamath	Ms. Radha Unni	Mr. George Muthoot Jacob	Prof. Biju Varkkey	Mr. Ishwar Subramanian
Strategy & Transformation Experience in developing and reviewing long term business strategy for sustainable growth and profitability of businesses in a highly competitive landscape. Enabling organisational and functional capability building through transformation initiatives.	√	√	√	√	√	√	√	√	√	√

Skills and Description	Mr. Cherian N Punnoose	Mr. Mithun K Chittilappilly	Mr. Ramachandran V	Mr. Antony Sebastian K	Mr. C J George	Mr. Ullas K Kamath	Ms. Radha Unni	Mr. George Muthoot Jacob	Prof. Biju Varkkey	Mr. Ishwar Subramanian
Innovation & Technology Understanding the Management of product innovation value chain, emerging technology and business risks thereof, their commercial and disruptive potential to enable evaluation/ propose new technologies/ innovation ideas for adoption in the manufacture of various product categories.		√	√	√						
Finance Evaluating the financial viability of various strategic proposals, review of capital budgets, financial results/ statements, risk management and mitigations.	√	√	√		√	√	√	√	√	√
Sales/ Marketing Developing strategies to protect and grow brand equity and distribution reach. Understanding evolution in channels and strategies required to protect and grow the business.	√	√	√			√				√
Corporate Governance Understanding and promoting best in class practices across various functional areas to enhance enterprise governance.	√	√	√	√	√	√	√	√	√	√
Digital application to consumer goods value chain Understand developments across the digital landscape and their potential to disrupt consumer businesses. Evaluate plans and priorities to leverage digital effectively for growth and efficiency. Promote adoption of appropriate digital priorities consistent with consumer business value chain.		√	√			√				

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

The Independent Directors, appointed in the Board have fulfilled all the necessary condition and criteria as enumerated under Regulation 16(1)(b) of the Listing Regulations and have provided their declaration in relation to their Independence as required under Regulation 25(8) of the Listing Regulations. The Independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All the Independent Directors are Independent and not related to any members of the Board and they have registered themselves with the IICA for the purpose of Independent Director registration, which is mandated by the Ministry of Corporate Affairs and are exempted from online self-assessment proficiency test.

Based on the declarations received from the Independent Directors, the Board has confirmed the veracity of such disclosures and confirmed that the Independent Directors fulfil the conditions of independence specified in the Act and the Listing Regulations and are independent of the management of the Company.

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

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

III. AUDIT COMMITTEE

a) Brief description of terms and reference

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of the Listing Regulations read with Section 177 of the Act and over the years the Committee has been reconstituted and its Charter/ terms of reference has been amended from time to time to align it with the requirements of the applicable laws, rules and regulations.

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

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

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

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

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

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

    b) Changes, if any, in accounting policies and practices and reasons for the same;

    c) Major accounting entries involving estimates based on the exercise of judgement by management;

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

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

    f) Disclosure of any related party transactions;

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

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

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

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

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

9) Scrutiny of inter-corporate loans and investments;

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

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

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

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

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

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

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

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

18) Reviewing the functioning of the whistle blower mechanism;

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

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

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

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

b) Composition, Name of Members and Chairperson

The present composition of the Audit Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's Audit Committee consists of 7 (seven) Directors, of which 6 (six) are Non-Executive Independent Directors. All the members of the Audit Committee have adequate knowledge in the areas of finance and accounting. Mr. Cherian N Punnoose is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

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

The Composition of Audit Committee as on March 31, 2024, is as under:

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

*Mr. Ishwar Subramanian, Non–Executive Independent Director was appointed as a member of the Audit Committee by the Board of Directors in its meeting held on October 31, 2023.

c) Meetings and Attendance during the year

During the year under review, the Committee Members met five times, i.e. May 29, 2023 & May 30, 2023 (Adjourned Meeting), August 08, 2023 & August 09, 2023 (Adjourned Meeting), August 30, 2023, October 30, 2023 & October 31, 2023 (Adjourned Meeting), January 31, 2024 & February 01, 2024 (Adjourned Meeting). 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, 2024, were reviewed by the Committee members at the adjourned meeting held on May 16, 2024. Attendance of Committee members at the meetings held during the year under review is as follows:

Name	No. of meetings entitled to attend	No. of meetings attended
Mr. Cherian N Punnoose	5	5
Mr. Mithun K Chittilappilly	5	5
Mr. C J George	5	4
Mr. Ullas K Kamath	5	5
Ms. Radha Unni	5	5
Mr. George M Jacob	5	5
Mr. Ishwar Subramanian	1	0

IV. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) of the Listing Regulations read with Section 178 of the Act and over the years the Committee has been reconstituted and its Charter/ terms of reference has been amended from time to time to align with the requirements of the applicable laws, rules and regulations.

a) Brief description of terms and reference

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

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

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

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

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

    c) consider the time commitments of the candidates.

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

4) Devising suitable policy on board diversity;

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

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

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

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

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

b) Composition, name of members and Chairperson

The present composition of the Nomination and Remuneration Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Regulations. The Company's Nomination & Remuneration Committee consists of 6 (six) Members and all are Non-Executive Independent Directors. Prof. Biju Varkkey is the Chairman of the Nomination & Remuneration

Committee. The Company Secretary acts as the Secretary to the Nomination & Remuneration Committee.

The Composition of the Committee as on March 31, 2024, is as under:

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

* Mr. Ishwar Subramanian, Non-Executive Independent Director was appointed as a member of the Nomination and Remuneration Committee by the Board of Directors in its meeting held on October 31, 2023.

c) Meetings and attendance during the year

The members of Nomination and Remuneration Committee met Four times i.e. May 29, 2023, July 27, 2023, October 30, 2023 and January 31, 2024. The requisite quorum was there for all the meetings. Attendance of the members at the meetings held during the year under review is as follows:

Name	No. of meetings in which member was entitled to attend	No. of meetings attended
Prof. Biju Varkkey	4	4
Mr. Cherian N Punnoose	4	4
Mr. C J George	4	2
Mr. Ullas K Kamath	4	4
Ms. Radha Unni	4	4
Mr. Ishwar Subramanian	1	0

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. The annual evaluation of the performance of the Independent Directors was done through an external agency as per the provisions of the Act and the Listing Regulations.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has constituted the Stakeholders' Relationship Committee to look into various aspects of interest of investors such as non-receipt of dividend, notices and annual report, approve transmission of shares, issue of duplicate shares, etc. and over the years, the Committee has been reconstituted and its Charter/ terms of reference has been amended from time to time to align it with the requirements of the applicable laws, rules and regulations.

a) Terms of reference

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

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

2. Review of measures taken for effective exercise of voting rights by shareholders.

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

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

b) Composition and name of members and Chairperson

The present composition of the Stakeholders Relationship Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and Listing Regulations. The Committee consists of 6 (six) Members comprising of 5 (five) Non–Executive Independent Directors and 1 (one) Executive Director as members. The composition of the Stakeholders' Relationship Committee as on March 31, 2024 is as follows:

Name	Category	Position
Mr. Cherian N Punnoose	Non-Executive Independent	Chairman
Mr. Mithun K Chittilappilly	Executive	Member
Mr. C J George	Non-Executive Independent	Member
Ms. Radha Unni*	Non-Executive Independent	Member
Mr. George Muthoot Jacob	Non-Executive Independent	Member
Prof. Biju Varkkey	Non-Executive Independent	Member

* The Board of Directors in its meeting held on October 31, 2023, inducted Ms. Radha Unni, Non-Executive Independent Director as member of Stakeholders' Relationship Committee.

c) Name and designation of the Compliance Officer

Mr. Vikas Kumar Tak, Company Secretary is the Compliance Officer of the Company.

d) Meeting and attendance during the year

During the year under review, the Committee met once i.e. on August 08, 2023. The requisite quorum was there for the meeting. Attendance of the members at the said meeting is as follows:

Name	No. of meeting in which member was entitled to attend	No. of meeting attended
Mr. Cherian N Punnoose	1	1
Mr. Mithun K Chittilappilly	1	1
Mr. C J George	1	0
Ms. Radha Unni	NA	NA
Mr. George Muthoot Jacob	1	1
Prof. Biju Varkkey	1	0

e) Redressal of Investor Grievances

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

Sl. No.	Complaints received	Status
1	No. of investor complaints as on April 01, 2023	0
2	No. of investor complaints received during the year	160
3	No. of investor complaints resolved during the year	160
4	No. of investor complaints pending as on March 31, 2024	0

VI. RISK & ESG COMMITTEE

The Risk & ESG Committee of the Company is constituted in line with the provisions of Regulation 21 of the Listing Regulations and the Committee has been reconstituted and its Charter/ terms of reference has been amended from time to time to align it with the requirements of the applicable laws, rules and regulations. In order to broaden the scope of the Committee, the Board had included ESG related terms of reference in Risk Management Committee and thus, the name of the Committee was changed to Risk & ESG Committee.

a) Brief description of terms of references

The terms of reference of Risk & ESG Committee are as follows:

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

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

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

(c) Business continuity plan.

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

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

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

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

vi. The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk & ESG Committee;

vii. To guide and set the tone of the sustainability agenda and strategy;

viii. To review and monitor the operational, regulatory, and reputational risks and impacts of ESG on the Company and provide insight and guidance with respect to the Company's management of such risks and impacts;

ix. To oversee the Company's ESG framework, policies, practices, performance and reporting with respect to ESG goals.

b) Composition and name of members and chairperson

The present composition of the Risk & ESG Committee is in accordance with the Listing Regulations. The Committee consists of 6 (six) members comprising 3 (three) Non–Executive Independent Director, 2 (two) Executive Directors and 1 (one) Key Managerial Person as members. The composition of the Risk & ESG Committee as on March 31, 2024 is as follows:

Name	Category	Position
Mr. Ullas K Kamath	Non-Executive Independent	Chairman
Mr. Mithun K Chittilappilly	Executive Director	Member
Mr. Ramachandran V	Executive Director	Member
Ms. Radha Unni*	Non-Executive Independent	Member
Mr. George Muthoot Jacob*	Non-Executive Independent	Member
Mr. Sudarshan Kasturi	Chief Financial Officer	Member

*The Board of Directors in its meeting held on October 31, 2023, inducted Ms. Radha Unni and Mr. George Muthoot Jacob, Non-Executive Independent Directors as members of Risk & ESG Committee.

c) Meeting and attendance during the year

During the year under review, the Committee met three times i.e. August 14, 2023, January 31, 2024 and March 04, 2024. The gap between two meetings was not more than 180 days and requisite quorum was there for all the meetings. Attendance of the members at the meetings held during the year under review is as follows:

Name	No. of meeting in which member was entitled to attend	No. of meeting attended
Mr. Ullas K Kamath	3	3
Mr. Mithun K Chittilappilly	3	3
Mr. Ramachandran V	3	3
Ms. Radha Unni	2	2
Mr. George Muthoot Jacob	2	1
Mr. Sudarshan Kasturi	3	3

During the year, the Risk Management Policy of the Company was reviewed by the Committee and as it being abreast, no changes were proposed in the said Policy. The Risk Management Policy of the Company articulates the Company's approach to address uncertainties in its endeavours to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of various stakeholders within the Company, the structure for managing risks and framework with respect to Risk Management. The Policy emphasizes on identification of the key risks and its mitigation plan.

VII. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013 ('the Act') and the Committee has been reconstituted and its Charter/ terms of reference has been amended from time to time to align it with the requirements of the applicable laws, rules and regulations.

a) Brief description of terms of references

The terms of reference of CSR Committee are as follows:

i. To formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.

ii. To recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.

iii. To monitor the CSR Policy of the Company from time to time.

b) Composition and name of members and chairperson

The present composition of the Corporate Social Responsibility Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder. The Committee consists of 5 (five) members comprising 3 (three) Non–Executive Independent Director and 2 (two) Executive Directors as members. The composition of the CSR Committee as on March 31, 2024 is as follows:

Name	Category	Position
Mr. Mithun K Chittilappilly	Executive Director	Chairman
Mr. Cherian N Punnoose	Non-Executive Independent	Member
Mr. George Muthoot Jacob	Non-Executive Independent	Member
Prof. Biju Varkkey*	Non-Executive Independent	Member
Mr. Antony Sebastian K*	Executive Director	Member

*The Board of Directors in its meeting held on October 31, 2023, inducted Prof. Biju Varkkey, Non-Executive Independent Director and Mr. Antony Sebastian K, Executive Director as members of CSR Committee.

c) Meetings and attendance during the year

During the year under review, the Committee met twice i.e. May 29, 2023 and October 30, 2023. The requisite quorum was present at the said meetings. Attendance of the members at the meetings held during the year under review is as follows:

Name	No. of meeting in which member was entitled to attend	No. of meeting attended
Mr. Mithun K Chittilappilly	2	2
Mr. Cherian N Punnoose	2	2
Mr. George Muthoot Jacob	2	2
Prof. Biju Varkkey	NA	NA
Mr. Antony Sebastian K	NA	NA

VIII. SENIOR MANAGEMENT OF THE COMPANY

Particulars of Senior Management of the Company is available on the website of the Company at https://www.vguard.in/investor-relations/disclosure-others.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated June 14, 2023 the Company has intimated appointment of Mr. Atul Shekhar Singh as Asst. VP - IT & Chief Information Officer with effect from December 13, 2023 and retirement of Mr. P T George, Vice President HR & Admin with effect from November 30, 2023 to the Stock Exchanges.

IX. REMUNERATION OF DIRECTORS

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

Mr. Cherian N Punnoose, Independent Director is eligible for payment of remuneration by way of commission during the Financial Year 2023-24. Commission to the Non-Executive Directors of the Company is not exceeding 1% of the net profits of the Company.

All the Non-Executive Directors were paid sitting fees for attending the meetings of the Board and Committees of the Board.

Apart from above, there are no other pecuniary relationship or transactions between any Non-Executive Directors and the Company during the year under review.

b) Criteria of making payments to Non-Executive Directors

The Company has adopted Nomination, Remuneration and Evaluation Policy, which describes the criteria of making payments to Non-Executive Directors. The Policy is available on the website of the Company at the link https://www.vguard.in/uploads/investor_relations/Nomination-Remuneration-Evaluation-Policy.pdf

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

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

c) Details of Remuneration paid to the Directors

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

(₹ in Lakhs)

Name	Salary	Retirement Benefits #	Perquisites $	Commission^	Sitting fees	Total
Mr. Cherian N Punnoose	-	-	-	19.97	16.25	36.22
Mr. Mithun K Chittilappilly	281.97	28.13	13.61	446.73	-	770.44
Mr. Ramachandran V	344.84	29.89	1,537.55	-	-	1,912.28
Mr. Antony Sebastian K	96.26	5.16	-	-	-	101.43
Mr. C J George	-	-	-	-	11.00	11.00
Mr. Ullas K Kamath	-	-	-	-	15.25	15.25
Ms. Radha Unni	-	-	-	-	15.75	15.75
Mr. George Muthoot Jacob	-	-	-	-	13.75	13.75
Prof. Biju Varkkey	-	-	-		10.00	10.00
Mr. Ishwar Subramanian					4.00	4.00
Total	**723.08**	**63.18**	**1,551.16**	**466.70**	**86.00**	**2,890.12**

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

$ Perquisite value of options exercised by Mr. Ramachandran V under ESOS 2013 amounting to ₹ 1,537.48 Lakhs is included in the remuneration disclosed above.

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

The terms and conditions for appointment of Managing Director and Executive Directors are as approved by shareholders from time to time.

The Company had re-appointed Mr. Mithun K Chittilappilly as Managing Director for a period of five years with effect from April 01, 2021 and his notice period is four months. Mr. Ramachandran V was reappointed as Whole-time Director and Chief Operating Officer for a period of four years with effect from June 01, 2020 and the Notice period is four months. The Company had appointed Mr. Antony Sebastian K as Whole-time Director for a period of four years with effect from May 30, 2023 and his notice period is one month.

As per the terms and reference of appointment, no notice of severance fee is payable to Mr. Mithun K Chittilappilly, Mr. Ramachandran V and Mr. Antony Sebastian K.

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

No ESOP Options were granted during the Financial Year 2023-24 to any Directors. During the period under review, Mr. Ramachandran V has exercised Options granted in previous years.

Variable Pay of ₹ 95.50 Lakhs and ₹ 16.52 Lakhs was provided for Mr. Ramachandran V and Mr. Antony Sebastian K as per the criteria approved by the shareholders in their meetings held on August 12, 2020 and August 24, 2023, respectively.

X. GENERAL BODY MEETING

Details of Annual General Meeting held during the last three years

Financial Year	Date and Time	Address	Details of Special Resolutions
2022-23	August 24, 2023, 11.00 A. M.	The Annual General Meeting was held through Video Conference/ Other Audio Visual Means. The deemed venue of the meeting shall be the Registered Office of the Company at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028.	a) Appointment of Mr. Ishwar Subramanian (DIN: 01473535) as Non-Executive Independent Director of the Company. b) Grant of Options to employees of subsidiary company(ies) under the Employee Stock Option Scheme, 2013. c) Creation of further number of options for grant under the existing Employee Stock Option Scheme of the Company
2021-22	July 28, 2022, 11.00 A. M.	The Annual General Meeting was held through Video Conference/ Other Audio Visual Means. The deemed venue of the meeting shall be the Registered Office of the Company at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028.	a) Increase the managerial remuneration payable to Mr. Ramachandran V (DIN: 06576300), Whole-time Director in excess of 5% of the net profits of the Company.
2020-21	August 5, 2021, 03.30 P. M.	The Annual General Meeting was held through Video Conference/ Other Audio Visual Means. The deemed venue of the meeting shall be the Registered Office of the Company at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028.	a) Re-appointment of Ms. Radha Unni (DIN: 03242769) as Independent Director. b) Increase the managerial remuneration payable to Mr. Ramachandran V (DIN: 06576300), Whole-time Director in excess of 5% of the net profits of the Company. c) Payment of remuneration by way of commission to Ms. Joshna Johnson Thomas, Past Non-Executive Director for the Financial Year 2020-21, above fifty percent of the total annual remuneration by way of commission payable to all the Non-Executive Directors of the Company.

All the Special Resolutions were passed with the requisite majority.

Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the Financial Year 2023-2024.

Postal Ballot:

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

XI. MEANS OF COMMUNICATION

a) Quarterly Results

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

b) Newspaper wherein results are normally published

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

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

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

XII. GENERAL SHAREHOLDER INFORMATION

a) Date, Venue and Time of the 28th Annual General Meeting

Day and Date	Thursday, August 1, 2024
Time	11:00 A.M.
Mode & Venue	Meeting is being conducted through Video Conference/ Other Audio Visual Means pursuant to applicable circulars issued by Ministry of Corporate Affairs from time to time. The deemed venue for the meeting shall be registered office of the Company.

b) Board Meeting and Financial calendar

The Financial Year of the Company Starts from April 01 of a year and ends on March 31 of the following year.

Calendar of Board Meeting to adopt the accounts (tentative and subject to change) for the Financial Year 2024-25 is as follows:

For the quarter ended	Proposed Dates
June 30, 2024	July 24, 2024
September 30, 2024	October 29, 2024
December 31, 2024	January 30, 2025
March 31, 2025	May 15, 2025

c) Dividend for the Financial Year 2023-24

Considering the Dividend Policy of the Company, the Board has recommended final dividend of ₹ 1.40/- (140%) per equity share which is subject to the approval of the shareholders at the ensuing Annual General Meeting, and if approved, will be payable on or before August 30, 2024. The Company has formulated a policy on Distribution of Dividend and the same is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Dividend-policy.pdf and forms part of this Annual Report.

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

Date of Book Closure

The Register of Members will remain closed from July 26, 2024 to August 1, 2024 (both days inclusive) and dividend will be paid to the members whose name(s) appear in the Register of Members/ Register of Beneficial Owners as on record date i.e. July 25, 2024.

Unpaid dividend Amount

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

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

Financial Year	Dividend per Share (Amt in ₹)	Nature	Date of Declaration of Dividend	Last date for claiming the amount	Due date of transfer to IEPF	Account balance as on March 31, 2024 (Amount in ₹)
2016-17	0.70	Final	July 31, 2017	September 05, 2024	October 05, 2024	6,91,610.10
2017-18	0.70	Final	July 31, 2018	September 05, 2025	October 05, 2025	6,07,118.40
2018-19	0.80	Final	July 24, 2019	August 29, 2026	September 28, 2026	5,54,013.60
2019-20	0.90	Interim	February 14, 2020	March 21, 2027	April 20, 2027	7,41,276.00
2020-21	1.20	Final	August 5, 2021	September 10, 2028	October 10, 2028	5,96,857.00
2021-22	1.30	Final	July 28, 2022	September 02, 2029	October 02, 2029	5,94,573.10
2022-23	1.30	Final	August 24, 2023	September 29, 2030	October 29, 2030	17,79,687.00

The Company has transferred an amount of ₹ 4,07,124/- for Interim Dividend and ₹ 2,13,007.50 for Final Dividend for the Financial Year 2015-16, which were lying in Unpaid Dividend Account, to IEPF. The Unclaimed dividend in respect of the final dividend for Financial Year 2016-17 is due for transfer to IEPF on September 05, 2024 in terms of Section 124(6) of the Act. Claims against Unpaid/ Unclaimed dividend pertaining to Financial Year 2016-17 may be lodged at the Registered Office or at the Office of Registrar and Transfer Agent of the Company on or before September 05, 2024.

Members whose dividend is unpaid, may write to the Company at its Registered Office or to M/s. Link InTime India (P) Ltd., RTA of the Company by giving details of their bank account for claiming dividend.

Further the aforesaid provisions will also be followed for the balance unclaimed amount of ₹ 23,406/- on account of sale proceeds of the fractional shares with respect to the Bonus Issue made on March 17, 2017. The said amount will become due to transfer to IEPF by May 31, 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 have not claimed dividend for seven consecutive years from the Financial Year 2016-17, indicating that such shares shall be transferred to IEPFA. The shareholders can claim dividend on or before September 05, 2024, 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 https://www.vguard.in/ in the page 'Investor Relations'.

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

During the year under review, the Company was required to transfer 28,593 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 2016-17 to 2022-23. However, the Company could transfer only 27,793 equity shares to

IEPFA, as 800 equity shares could not be transferred to the demat account of IEPFA, as the shareholder's demat account was under suspension since October 2009. The Company had intimated IEPFA the details of such shares by filing e-form IEPF-3. The voting rights on the shares transferred to IEPFA shall remain frozen till the shareholders claim those shares from IEPFA, by filing e-Form IEPF-5, as prescribed under the Rules. The details of shares transferred to IEPFA is available on the website of the Company at https://www.vguard.in/investor-relations/shareholder-information-new.

The procedures to be followed by the shareholder for filing of e-form IEPF-5 for claiming both unpaid dividend and the shares from IEPFA is detailed on the website of the Company at https://www.vguard.in/investor-relations/shareholder-information-new.

Pursuant to Schedule VI, Regulation 39 of the Listing Regulations, there were 20,440 unclaimed/undelivered equity shares in 'Unclaimed Securities Suspense Escrow Account for V-Guard Industries Limited' as on March 31, 2024 which belongs to twenty shareholders. No claim was raised by any of those shareholders during the period under review. The voting rights on the equity shares outstanding in the aforementioned Suspense Account as on March 31, 2024, shall remain frozen till the rightful owner of such shares claims the shares.

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

Equity Shares of the Company are quoted on the National Stock Exchange of India Ltd. (NSE) and the BSE Ltd., since March 13, 2008. Listing fees for the Financial Year 2024-25 have been paid to both the Stock Exchanges. Address of the Stock Exchanges are as follows:

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

Custodial Fees

The Company has paid the custodial fees to the National Security Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the Financial Year 2024-25.

e) Details of Stock code

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

BSE Ltd. : Scrip code: 532953

National Stock Exchange of India Ltd. : Symbol VGUARD/Series: EQ

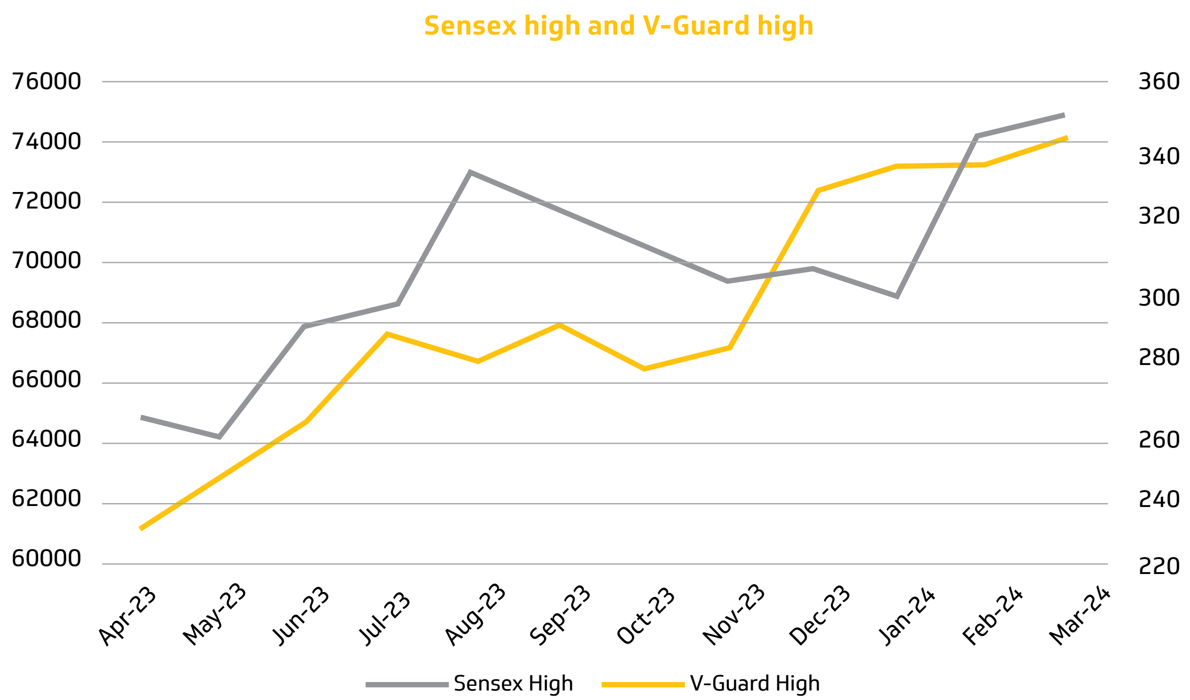
Company's ISIN : INE951I01027

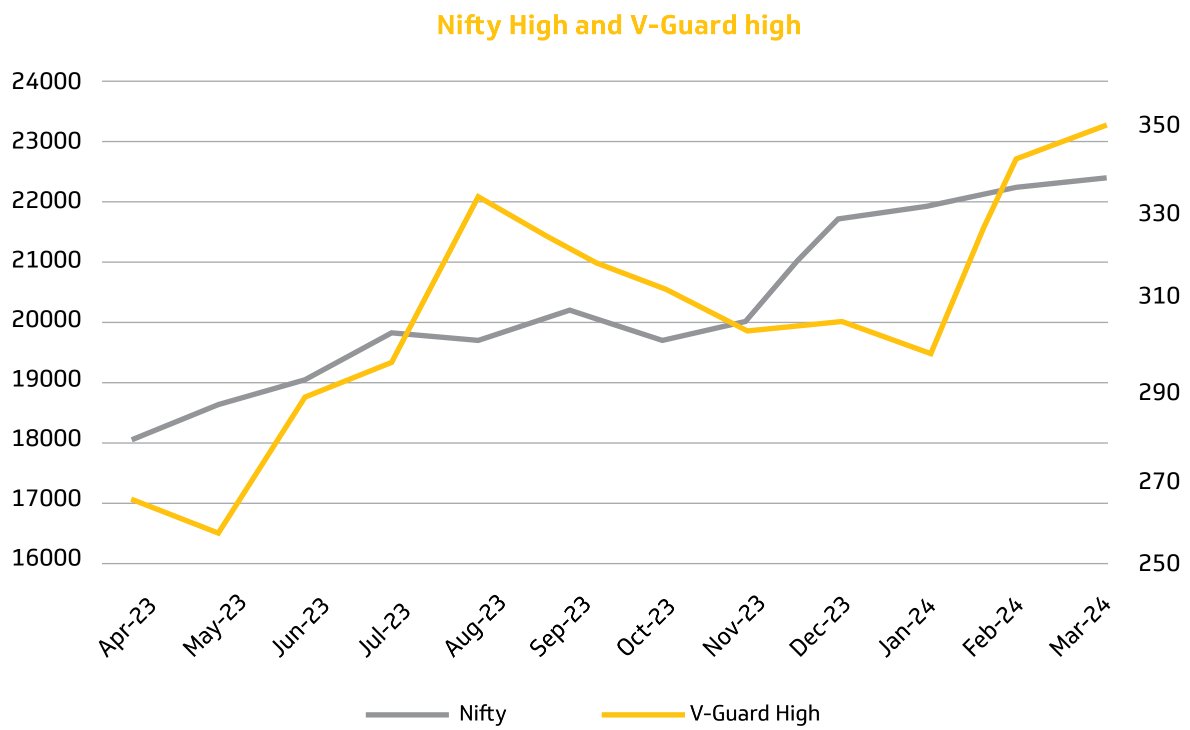
f) Market price data-high, low during each month in the Financial Year 2023-24

Monthly high and low quotations during each month during the Financial Year 2023-24 at the National Stock Exchange of India Ltd and BSE Ltd are as follows:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April – 2023	264.45	250.00	262.95	246.65
May – 2023	256.30	239.00	256.00	240.05
June – 2023	290.85	249.50	290.90	249.55
July – 2023	296.95	277.30	295.75	272.60
August – 2023	335.00	276.25	335.35	275.85
September – 2023	322.80	300.65	322.80	300.55
October – 2023	313.50	281.00	313.00	280.15
November – 2023	304.40	283.10	303.00	282.20
December – 2023	306.00	283.35	306.25	283.50
January – 2024	297.85	285.80	297.95	286.00
February – 2024	344.40	291.05	344.55	291.35
March – 2024	352.00	303.10	352.00	302.55

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





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

i) Registrar and Share Transfer Agent

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

j) Share transfer

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

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

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

In accordance with the SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024) the Company had opened a Suspense Escrow Demat Account with the DP for transfer of shares lying unclaimed for more than 120 days from the date of issue of Letter of Confirmation to the shareholders in lieu of physical share certificates to enable them to make a request to DP for dematerialising their shares.

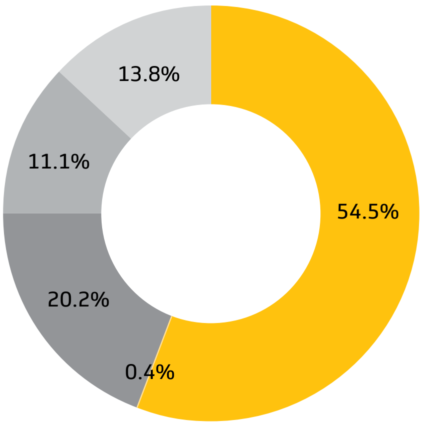
During the Financial Year ended March 31, 2024, Nil shares were lying in the Suspense Escrow Demat Account of the Company, hence, no request was received for release of shares from the said Suspense Escrow Demat Account of the Company.

k) Distribution of shareholding as on March 31, 2024

Sl. no.	Shareholding of Nominal shares		Number of shareholders	% of shareholders	Number of shares	% of shares
	From	To				
1	1	5,000	1,20,576	99.31	1,98,68,755	4.58
2	5,001	10,000	358	0.30	25,70,588	0.59
3	10,001	20,000	187	0.15	26,34,620	0.61
4	20,001	30,000	61	0.05	15,35,603	0.35
5	30,001	40,000	36	0.03	12,24,669	0.28
6	40,001	50,000	21	0.02	9,58,522	0.22
7	50,001	100,000	64	0.05	43,58,987	1.00
8	100,001	Above	111	0.09	40,12,34,236	92.37
Total			**1,21,414**	**100.00**	**43,43,85,980**	**100.00**

Category of shareholder as on March 31, 2024

Category	No. of shares	% of total no. of shares
Promoter & Promoter Group	23,66,37,552	54.48
Corporate bodies & LLP	18,49,448	0.43
Banks, Financial Institutions, Insurance Companies, Mutual Funds, AIF	8,76,34,088	20.17
Indian public & other	4,82,68,159	11.11
NRI/OCB/ FII/foreign nationals	5,99,96,733	13.81
Total	**43,43,85,980**	**100.00**



l) Dematerialisation of shares and liquidity

The shares of the Company are in compulsory dematerialisation segment and actively traded in National Stock Exchange of India Ltd., and BSE Ltd. The status of shares held in dematerialised and physical form as on March 31, 2024 are given below:

Particulars	No. of shares	Percentage
Issued Capital	*43,43,85,980	100%
Listed Capital (Exchange-wise)	*43,41,45,799	99.94%
Shares held in Dematerialised form	43,37,80,477	99.86%
Shares held in Physical form	3,65,322	0.08%

*Allotment of 2,40,181 equity shares under ESOS 2013 made on March 21, 2024 was listed on National Stock Exchange of India Ltd. and BSE Ltd. on April 03, 2024.

m) There were no outstanding Global Depository Receipts/American Depository Receipts/warrants or any convertible instruments as at and for the Financial Year ended March 31, 2024.

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

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

o) Plant Locations

The details of manufacturing /plant locations (of the Company and its wholly-owned subsidiaries) and registered office are given in Page no. 39 of the Annual Report.

p) Address for investor correspondence is as follows:

The Company Secretary
V-Guard Industries Ltd.

42/962, Vennala High School Road,

Vennala, Kochi, Kerala – 682 028

Phone: 0484-433 5000; 200 5000

e-mail: secretarial@vguard.in,
cscompliance@vguard.in

q) List of credit rating obtained by the company with revision during the Financial Year.

The Company's bank facilities are rated by Investment Information and Credit Rating Agency of India Ltd. (ICRA Ltd.). ICRA Ltd. has re-affirmed the long-term rating of the Company as [ICRA]AA (pronounced ICRA double A) and short-term rating as [ICRA]A1+ (pronounced ICRA A one plus). The outlook on the long-term rating was also re-affirmed as 'Stable'.

XIII. 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 at https://www.vguard.in/uploads/investor_relations/POLICY-MATERIALITY-DEALING-RELATED-PARTY-TRANSACTIONS.pdf The related party transactions entered during the year under review are in the ordinary course of business and on arms' length basis. Further, a statement on all related party transactions is presented before the Audit Committee of the Company on quarterly basis for its review.

Also, refer note 46 of the Standalone financial statements as at March 31, 2024 which forms part of this Annual Report for details of related party transactions.

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

The Company has complied with all the requirements of the Stock Exchanges and SEBI on matters relating to Capital Markets. There were no penalties imposed or strictures passed against the Company by SEBI, Stock Exchanges on which the shares of the Company are listed or any statutory authority in this regard, during the last 3 years.

c) Details of establishment of vigil mechanism 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.

During the period under review, one complaint was received, and the same was resolved as on March 31, 2024.

Vigil Mechanism adopted by the Company is hosted on the website of the Company at https://www.vguard.in/uploads/investor_relations/WHISTLEBLOWER-POLICY.pdf

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted non-mandatory requirements detailed in point no. XII of this report.

e) Details of policy for determining material subsidiaries

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

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

M/s. GUTS Electro-mech Ltd., M/s. V-Guard Consumer Products Ltd. and M/s. Sunflame

Enterprises Pvt. Ltd. continue to be Wholly-Owned Subsidiaries of the Company.

The Audit Committee reviews the consolidated financial statements of the Company and the investments, if any made by unlisted subsidiary companies.

The minutes of the Board and committee meetings of the subsidiary companies, along with the details of the significant transactions and arrangement entered by the Company are shared with the Board of Directors of the Company. The Company does not have a material subsidiary as on March 31, 2024.

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

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

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

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

h) Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a Certificate from M/s. Keyul M Dedhia & Associates, Practicing Company Secretaries (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, 2024. Certificate obtained from the Practising Company Secretary forms part of this Report.

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

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

j) Total fees paid to Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP with Firm Registration No. 012754N/N500016, was appointed as Statutory Auditor of the Company from the conclusion of 26th Annual General Meeting until the conclusion of 31st Annual General Meeting of the Company to be held in the Financial Year 2027-28. Fees paid to Statutory Auditor is provided in note no 37 of the Standalone financial statements for the Financial Year ended March 31, 2024 which forms part of this Annual Report.

Fees paid/ provided to M/s. Price Waterhouse Chartered Accountants LLP with Firm Registration No. 012754N/ N500016, for conducting Statutory Audit of V-Guard Consumer Products Ltd. and Sunflame Enterprises Pvt. Ltd. (Wholly-owned Subsidiaries) is ₹ 18 Lakhs and ₹ 28 Lakhs, respectively.

k) Redressal of Grievances under Sexual Harassment Policy:

The Company has in place, a policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. 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	1
2	No. of grievances disposed of during the Financial Year	0
3	No. of complaints pending at end of Financial Year	1

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

During the year under review, the listed entity and its subsidiaries has not given any loans and advances to firms/companies in which directors are interested except the loan provided by V-Guard Industries Ltd. to M/s. Gegadyne Energy Labs Pvt. Ltd., the Company in which Mr. Narender Singh Negi, Director of M/s. V-Guard Consumer Products Ltd. and M/s. Sunflame Enterprises Pvt. Ltd. is also a Director, an amount of ₹ 2.3Cr. and the said loan was given for an interim period and the rate of interest charged was at arms length basis.

The details of Loans, Investments and Guarantees are provided in Directors Report forming part of this Annual Report.

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

The Company does not have a material subsidiary as on March 31, 2024.

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 Non-Executive Independent Director and not related to the Managing Director/ Whole-time Director of the Company. A clear distinction exists between the roles and duties of the Chairperson and those of Managing Director.

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

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

XIII. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

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

XIV. DETAILS OF OTHER COMPLIANCES

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

a) Code of conduct for Directors and Senior Management

The Board has put in place a Code of Conduct for Directors and Senior Management of the Company in line with the provisions of the Act and the Listing Regulations. The Code is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Code-Conduct-for-Board-Senior-Management.pdf

b) Notice of interest by Senior Management Personnel

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

c) Prevention of insider trading

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

During the year under review, the Company has provided Training sessions to employees who are categorized as Insiders in order to apprise them about the various provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

d) Risk management

The Board has adopted Risk Management Policy of the Company and has implemented the procedures to inform the members of Audit

Committee and Board about the risk assessment and mitigations. The members of the Committee consist of two Executive Directors, three Independent Directors and one Key Managerial Personnel [Chief Financial Officer] of the Company.

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

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

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

f) Submission of quarterly compliance report on Corporate Governance

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

g) Management Discussion and Analysis Report

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

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

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

i) The Company had already in place Directors and Officers Liability Insurance (D&O) which is renewed annually. Further, as per the applicable provisions of the Companies Act, 2013 and in compliance with Regulation 25(10) of the Listing Regulations, the Company continues to take D & O insurance policy on behalf of all Directors including Independent Directors, and Officers of the Company for indemnifying any of them against any liability that may arise in course of fulfilling their duties towards the Company.

j) The Company has not been informed of any agreement under Regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations which impacting the management or control of the Company or imposing any restriction or creating any liability upon the Company.

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 16, 2024 and is annexed to this report.

XVI. DECLARATION OF CODE OF CONDUCT

In compliance with the provisions of Schedule V(D) of the Listing Regulations, the declaration signed by the Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management is annexed to this Report.

For and on behalf the Board of Directors

	Sd/-	Sd/-
	Cherian N Punnoose	**Mithun K Chittilappilly**
Place : Kochi	Chairman	Managing Director
Date: May 16, 2024	(DIN: 00061030)	(DIN: 00027610)

Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's code of conduct

This is to confirm that all the Members of the Board and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the Financial Year ended March 31, 2024.

For V-Guard Industries Limited
Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Place: Kochi
Date: May 16, 2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of,

V-Guard Industries Limited

Corporate Identity Number: L31200KL1996PLC010010

42/962, Vennala High School Road, Vennala, Kochi, Kerala- 682 028.

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ending on March 31, 2024, have been debarred or disqualified from being appointed or continuing as Director(s) of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our test check basis verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Keyul M. Dedhia
Proprietor
FCS No: 7756, COP No: 8618
UDIN: F007756F000385969
Peer Review Certificate No: 876/2020

May 16, 2024, 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, 2024 and that to the best of our knowledge and belief:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period under review which are fraudulent, illegal and violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and steps have been taken or is proposed to be taken to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   1) That there are no significant changes in the internal control over financial reporting during the period under review.

   2) That there are no significant changes in the accounting policies during the period under review and the same has been disclosed in the notes to financial statements; and

   3) That we are not aware of instances of any significant fraud with involvement therein of the management or any employee having any significant role in the Company's internal control system over financial reporting.

For **V-Guard Industries Limited**

	Sd/-	Sd/-
Date: May 16, 2024	**Mithun K Chittilappilly**	**Sudarshan Kasturi**
Place: Ernakulam	Managing Director	Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

V-Guard Industries Limited

Corporate Identity Number: L31200KL1996PLC010010

42/962, Vennala High School Road, Vennala, Ernakulam, Kochi, Kerala- 682 028.

We have examined the compliance with conditions of Corporate Governance by V-Guard Industries Limited ('the Company'), for the financial year ended on March 31, 2024, as per Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations during the financial year ended March 31, 2024.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and shall not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

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

Keyul M. Dedhia
Proprietor
FCS No: 7756, COP No: 8618
UDIN: F007756F000385980
Peer Review Certificate No: 876/2020

May 16, 2024, Mumbai.

Business Responsibility & Sustainability Report (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L31200KL1996PLC010010
2.	Name of the Listed Entity	V-Guard Industries Limited
3.	Year of incorporation	February 12, 1996
4.	Registered office address	42/962, Vennala High School Road, Vennala, Ernakulam Kochi, Kerala – 682 028
5.	Corporate address	42/962, Vennala High School Road, Vennala, Ernakulam Kochi, Kerala – 682 028
6.	E-mail	cscompliance@vguard.in
7.	Telephone	0484 433 5000
8.	Website	www.vguard.in
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Ltd. and BSE Ltd.
11.	Paid-up Capital	₹ 43,43,85,980
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ramachandran V Telephone: 0484 433 5000 Email: cscompliance@vguard.in
13.	Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Electronics	Stabilizers, Digital UPS and Solar Power Systems	25%
2	Electrical	PVC Insulated Cables, Switch Gears, Pumps and Modular Switches	43%
3	Consumer Durables	Electric Water Heaters, Solar Water Heaters, Fans, and Kitchen appliances.	32%

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

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Electronics	2710, 2720, 2790	25%
2	Electrical	2710, 2732, 2812	43%
3	Consumer Durables	2599, 2815, 27502, 27503	32%

III. Operations

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

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

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States/UTs)	Pan India
International (No. of Countries)	5 No.s (Nepal, Bhutan, Bangladesh, Myanmar, Jamaica)

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

Export sales (INR in Lakhs)	FY 23-24
Sales outside India	11.90 Crores
% to sales	0.26%

c. A brief on types of customers

a. Distributive Trade (including Dealers, Distributors and Direct Marketing Associates)
b. Modern Trade and Regional Speciality chains
c. E-commerce users
d. Central Police Canteens
e. Canteen Stores Department
f. Institutions

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	2,540	2,353	92.64%	187	7.36%
2.	Other than Permanent (E)	1,462	1,309	89.53%	153	10.47%
3.	Total employees (D + E)	**4,002**	**3,662**	**91.50%**	**340**	**8.50%**
	WORKERS					
4.	Permanent (F)	466	455	97.64%	11	2.36%
5.	Other than Permanent (G)	2,464	1,790	72.65%	674	27.35%
6.	Total workers (F + G)	**2,930**	**2,245**	**76.62%**	**685**	**23.38%**

b. Differently abled Employees and Workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	1	1	100%	0	0%
3.	**Total differently abled employees (D + E)**	**1**	**1**	**100%**	**0**	**0%**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	1	0	0%	1	100%
5.	Other than permanent (G)	1	0	0%	1	100%
6.	**Total differently abled workers (F + G)**	**2**	**0**	**0%**	**2**	**100%**

21. *Participation/Inclusion/Representation of women*

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (BOD)	10	1	10%
Key Management Personnel (KMP)	5*	0	0%

*KMP includes 3 executive directors.

22. *Turnover rate for permanent employees and workers*

	FY 2024			FY 2023			FY 2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.17%	9.14%	15.65%	15.29%	10.19%	14.92%	12.63%	9.52%	12.41%
Permanent Workers	3.93%	9.09%	4.05%	1.50%	0%	1.46%	1.58%	10%	1.80%

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Guts Electro-Mech Limited	Subsidiary	100%	Yes
2	V-Guard Consumer Products Limited	Subsidiary	100%	Yes
3	Sunflame Enterprises Private Limited	Subsidiary	100%	Yes
4	Gegadyne Energy Labs Private Limited	Associate	24%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (in ₹): 4,559.43 Crores

(iii) Net worth (in ₹): 1,768.07 Crores

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No)	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes, https://www. vguard.in/uploads/policies/Stakeholder-Engagement-Policy.pdf	-	-	-	-	-	-
Communities		-	-	-	-	-	-
Shareholders		160*	0	-	40	0	-
Employees and workers		72	2	Enquiry going on for 2 employee grievances that was raised during Q4'24	65	0	-
Customers		11,127	255	Number represents service calls escalation related to products by consumers	7,945	573	Number represents service calls escalation related to products by consumers
Value Chain Partners		-	-	Although no formal grievances were raised, in the ordinary course of business the partners raise issues relating to seasonal business volumes, working capital support, investment requirements etc. which get resolved.	-	-	Although no formal grievances were raised, in the ordinary course of business the partners raise issues relating to seasonal business volumes, working capital support, investment requirements etc. which get resolved.
Others	NA	-	-	-	-	-	-

*Complaints raised by investors majorly include queries related to unpaid dividends, annual report and dematerialization of shares.

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

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

S No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Decarbonization	Opportunity	Transitioning to low carbon operations through implementing operational eco-efficiency and enhancing the share of renewable energy.	-	Positive
		Risk	Evolving regulatory landscape.	The company has developed a decarbonization strategy focusing on increasing the share of renewable energy and reducing carbon emissions.	Negative
2.	Water Stewardship	Risk	Risks pertaining to unavailability of fresh water and increase in the cost of water.	The company has been practicing water conservation measures focused on reducing freshwater withdrawal through various resource efficiency and other measures including rainwater harvesting.	Negative
3.	Circularity	Opportunity	Focusing towards shifting from linear model 'Take › make › dispose' to a circular model of 'Make › use › return'. For the better use of resources, extend material usage life and also contribute towards reducing associated emissions and waste generation.	-	Positive

S No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Sustainable Supply Chain	Risk	To minimize negative impacts on the environment, to ensure ethical and fair labour practices, and to create economic value for all stakeholders.	Strengthening further our policies, procedures and protocols across the value chain. Also, effectively engaging with suppliers to enhance the ESG performance.	Negative
5.	Sustainable Products	Opportunity	Integrating sustainability as an inherent characteristics of product design, raw material sourcing and development.	-	Positive
6.	Sustainable Packaging	Opportunity	Standardizing, eliminating, substituting, and minimizing the primary, secondary and tertiary packaging of a product.	-	Positive
7.	Human Rights	Risk	Violation of human rights triggers conflicts and instability and causes severe risk to the overall reputation of the organization.	The company's Code of Conduct & Ethics and the HR policies and processes adequately address the aspects of human rights.	Negative
8.	Employee Training and Development	Opportunity	Investing in employees for their development through various capacity-building sessions, leadership programs and also through effective feedback.	-	Positive
9.	Diversity, Equity, and Inclusion (DEI)	Opportunity	Implementing diversity, equity and inclusion by employing people from diverse gender in the organization.	-	Positive

S No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10.	Health, Safety, and Wellbeing	Risk	Poor health and safety management system leads to various risks such as disruption due to hazards and accidents, reputation risk, financial risk that result in reduced productivity, and decreased employee satisfaction.	Implementing effective health and safety management system, providing appropriate training to employees, conducting safety audits, and fostering a culture of safety in workplace.	Negative
11.	Talent Management	Opportunity	Employing a diverse group of talents fosters all-round development of the entity bringing in diverse innovations.	-	Positive
12.	Corporate Social Responsibility	Opportunity	Development of communities through strategic implementation of healthcare, education, and skill development brings out better leadership attributes of the entity and increases brand value, customer loyalty and public trust.	-	Positive
13.	Corporate Governance	Opportunity	Robust Governance structure is fundamental for the seamless functioning and performance of the organization. It shall result in building a strong market reputation and relationship with investors and other stakeholders.	-	Positive

S No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
		Risk	Poor corporate governance can pose several risks including legal and financial risks, reputational damage, decreased stakeholder trust, and decreased shareholder value.	A well-defined multi-tier governance mechanism in place across the organization.	Negative
14.	Business Ethics	Risk	Lacking in business ethics poses risks of deteriorating trust among employees and loyalty among customers.	The company has a Code of Conduct for employees, Directors and Senior Management that outlines preservation of business ethics.	Negative
15.	Compliance Management	Risk	Failure to comply with regulations, standards and policies may lead to legal implications, financial loss, reputation loss and penalties.	Robust compliance management system is in place across operations. Effective monitoring mechanism also includes periodic internal audits and reporting which aid in building a culture of ethics and compliance.	Negative
16.	Risk Management	Risk	To better understand business / ESG-related shifts, impacts, and dependencies that may affect a business's ability to achieve its strategy or objectives.	The company's Risk Management framework has been designed to establish a process that addresses the Company's business needs and responsibilities, while being simple and pragmatic. The framework is aligned to leading risk management standards and practices.	Negative

S No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
17.	Innovation, R&D	Opportunity	Exploring alternatives and breakthrough initiatives to enhance sustainable coefficient will help to deliver a positive impact on the customers and society.	-	Positive
18.	Data Privacy and Cybersecurity	Risk	Data breach, data loss, cyber-attacks could lead to unavailability of data or exposure of sensitive data to the unauthorized individuals.	The company has a robust cybersecurity management system. Cyber Threats are mitigated by deploying various systems, tools and processes such as Data classification (DC), Data Leakage Protection (DLP), Data Backup and Recovery (DR), end point protection, access management, secured network connectivity, firewalls, password management and Vulnerability assessments.	Negative
19.	Digital Transformation	Opportunity	Integration of digital technology throughout all aspects of an organization, resulting in significant changes to how the organization functions and delivering long-term value.	-	Positive

S No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
20.	Disclosures	Risk	Improper disclosures with inadequate reporting impacts the performance and reputation of the organization.	Transparent governance policies and procedures. Adequate reporting and disclosures in alignment with global frameworks like GRI/TCFD/IIRC.	Negative
21.	Brand and Reputation	Opportunity	A strong brand name attracts more customers, investors and captures better market preferences.	-	Positive
		Risk	A poor brand results in negative stakeholder feedbacks, decrease in loyalty and trust and losing of existing stakeholders.	Reviews and feedbacks from external stakeholders, conducting customer satisfaction survey and engaging with external stakeholders to understand the evolving markets.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)*	Y	N	Y	Y	Y	N	N	Y	N
c. Web Link of the Policies, if available	https://www.vguard.in/home/policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4. Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	Yes. Policies have been developed considering relevant national and international standards and meet national regulatory requirements such as the Factories Act,1948, ISO Standards, BIS, BEE, Companies Act, 2013, the Listing Regulations, and various other Statutes.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer to the Managing Director's Statement in the Annual Report								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer to the Managing Director's Statement in the Annual Report								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	Mr. Mithun K Chittilappilly Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Mr. Mithun K Chittilappilly Managing Director								

10. Details of Review of NGRBCs by the Company:

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

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Y (Secretarial Audit by M/s. Keyul M Dedhia & Associates on board policies)	Y (BIS and BEE assessments by regulatory agencies)	Y (ISO Audits by Bureau Veritas)	Y (Secretarial Audit by M/s. Keyul M Dedhia & Associates on Board policies)	Y (ISO Audits by Bureau Veritas)	Y (ISO Audits by Bureau Veritas)	NA	Y (Effectiveness assessment by Innovative Project Management Services)	Y (IT Maturity and Policy assessments by Deloitte and internal audit of IT by M&A)

* All policies are either approved by the Board committee or Management committee.

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)	Not Applicable								
Any other reason (please specify)	Not Applicable								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentages of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	3	All Principles Awareness on ESG and material topics, Periodic updates on policy and regulations.	100%
Key Managerial Personnel (KMPs)	7	All Principles Insider Trading, POSH, Code of Business Conduct, Human Right, Equal Opportunity, Health and Safety and IT Policy trainings are conducted annually. Awareness on ESG and material topics are created by Brand & Communication team through mailers and videos.	100%
Employees other than BoD and KMPs	8	All Principles Insider Trading, POSH, Code of Business Conduct, Human Right, Equal Opportunity, Health and Safety and IT Policy trainings are conducted annually. Regular newsletter and mailers are sent for data awareness and IT security. Awareness on ESG and material topics are created by Brand & Communication team through mailers and videos. ESG awareness during finance townhall.	100%
Workers	133	Principle 1, 3, 5, 6 and 9 POSH, Code of Business Conduct, Human Right, Equal Opportunity and Health and Safety trainings are conducted annually. All workers are also required to undergo periodic trainings as per EHS programmes.	100%

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

Monetary

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

b. Non-Monetary

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

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

Not Applicable

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

Yes, the Company has adopted a Code of conduct applicable to the Board of Directors, Senior Management Personnel, and employees of the Company as well. The objective of this Code is to define acceptable conduct and ethical behavior expected from employees. Weblink for code of conduct- https://www.vguard.in/uploads/policies/Code-Conduct-Employees.pdf

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

	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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

	FY 2024 Current Financial Year		FY 2023 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	-	NIL	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	-	NIL	-

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

Not Applicable

8. **Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Number of days of accounts payables*	56	55

*Basis trailing 12 months

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Concentration of Purchases*	a. Purchases from trading houses as % of total purchases	8.06%	9.71%
	b. Number of trading houses where purchases are made from	130	112
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	93.65%	89.39%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	88.82%	89.72%
	b. Number of dealers / distributors to whom sales are made	8,357	8,023
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributor	8.08%	8.81%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)**	13.10%	5.37%
	b. Sales (Sales to related parties / Total Sales)**	0.20%	0.18%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)***	-	-
	d. Investments (Investments in related parties / Total Investments made)****	96.70%	100.00%

* Purchases include the material purchases made in both financial years. Trading houses are the intermediaries used by the Company to facilitate procurement.

**All related party purchases and sale transactions are with our subsidiary companies.

***Balances at year-end have been considered.

**** Investments include investments in subsidiaries and associate companies. Balances at year-end have been considered.

Leadership Indicators

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

Yes, the Company has formulated the policies to manage the conflict of interest, applicable on stakeholders of the Company.

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

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

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

	FY 2024 Current Financial Year	FY 2023 Previous Financial Year	Details of improvements in environmental and social impacts
R&D*	26%	19%	Various R&D and capital expenditure projects were undertaken to improve safety of consumer, plastic reduction in products, improve energy efficiency, development of solar products etc.
Capex**	3%	8%	

*Employee benefit-related expenses are excluded from R&D.

**As a percentage of total Capex for tangible assets

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

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

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

Yes, 73% of our material sourcing during FY24 was through sustainable sourcing, and we will be continuing to improve further. We have included the vendors who have incorporated our Supplier Code of Conduct in their agreements and who have published their sustainability program publicly. We are also in the process of implementing a supplier assessment as part of our Sustainability program.

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

V-Guard has partnered with government-authorized recyclers, as a part of plastic waste management, E waste management & battery waste management collection program. In FY2023-24, we reclaimed 600 MT of plastic waste, 5,693.3 MT of e-waste, and 2,953.32 MT of battery waste through authorized channels.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

   If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

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

Leadership Indicators

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Lead (for Battery manufacturing)	100%	100%
Castings (for pumps)	29%	31%
Plastic (Switches)*	12%	-

*Switches plant was acquired and merged during the current financial year.

2. **Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed of.**

	FY 2024 Current financial Year			FY 2023 Previous financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastic waste	-	600.00MT	-	-	295.00MT	-
E-waste	-	5,693.30MT	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Others (Battery Waste)	-	2,953.32MT	-	-	2,285.65MT	-

Note - V-Guard has initiated the process of EPR for e-waste (for FY 2024) and battery waste (for FY 2023 and FY 2024) from the current financial year.

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

Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/ A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/ A)	No. (F)	% (F/ A)
Permanent employees*											
Male	2,353	2,352	99.96%	2,352	99.96%	NA	NA	NA	NA	NA	NA
Female	187	187	100%	187	100%	187	100%	NA	NA	122	65.24%
Total	**2,540**	**2,539**	**99.96%**	**2,539**	**99.96%**	**187**	**100%**	**NA**	**NA**	**122**	**4.80%**
Other than Permanent employees											
Male	1,309	1,309	100%	1,309	100%	NA	NA	NA	NA	NA	NA
Female	153	153	100%	153	100%	153	100%	NA	NA	35	22.88%
Total	**1,462**	**1,462**	**100%**	**1,462**	**100%**	**153**	**100%**	**NA**	**NA**	**35**	**2.39%**

*Paternity policy has been introduced from April 2024

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

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers*											
Male	455	455	100%	455	100%	NA	NA	NA	NA	NA	NA
Female	11	11	100%	11	100%	11	100%	NA	NA	10	90.91%
Total	**466**	**466**	**100%**	**466**	**100%**	**11**	**100%**	**NA**	**NA**	**10**	**2.15%**
Other than Permanent workers											
Male	1,790	1,790	100%	1,790	100%	NA	NA	NA	NA	NA	NA
Female	674	674	100%	674	100%	674	100%	NA	NA	646	95.85%
Total	**2,464**	**2,464**	**100%**	**2,464**	**100%**	**674**	**100%**	**NA**	**NA**	**646**	**26.22%**

*Paternity policy has been introduced from April 2024

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.

	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.30%	0.16%

2. **Details of retirement benefits.**

Benefits	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No.of employees covered as a % of total employees	No. of workers Covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100% employees are covered based on eligibility as per respective legislation	100% employees are covered based on eligibility as per respective legislation	Yes	100% employees are covered based on eligibility as per respective legislation	100% employees are covered based on eligibility as per respective legislation	Yes
Gratuity			NA*			NA*
ESI			Yes			Yes

*Note - We are maintaining a gratuity fund with LIC

3. **Accessibility of workplaces**

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

Wheelchair ramps are available in Head Office, corporate office, and in all plant locations, except Chavadi and Haridwar plants, to assist people with physical disabilities. The company is in the process of building infrastructure in other locations.

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

Yes. The company has an equal opportunity and anti-discrimination policy which is available at https://www.vguard.in/uploads/policies/Equal-Oppurtunity-Anti-discrimination-Policy.pdf

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	67%	NA	NA
Total	100%	67%	NA	NA

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

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

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

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

In the current reporting period, none of the employees are part of any associations/unions. However, we recognize the right of employees and workers to have freedom of association and collective bargaining at the workplace.

8. Details of training given to employees and workers:

Category	FY 2024 Current Financial Year					FY 2023 Previous Financial Year				
	Total (A)*	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,353	2,353	100%	2,353	100%	2,063	2,063	100%	2,063	100%
Female	187	187	100%	187	100%	163	163	100%	163	100%
Total	**2,540**	**2,540**	**100%**	**2,540**	**100%**	**2,226**	**2,226**	**100%**	**2,226**	**100%**
Workers										
Male	455	455	100%	400	88%	411	411	100%	411	100%
Female	11	11	100%	11	100%	10	10	100%	10	100%
Total	**466**	**466**	**100%**	**411**	**88%**	**421**	**421**	**100%**	**421**	**100%**

The above data represents only permanent employees and workers; however, health and safety trainings are given to all non permanent employees and workers as well.

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

Category	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	Total (A)	No. (B)*	% (B/A)	Total (C)	No. (D)*	% (D/C)
Employees						
Male	2,353	2,353	100%	2,063	2,063	100%
Female	187	187	100%	163	163	100%
Total	**2,540**	**2,540**	**100%**	**2,226**	**2,226**	**100%**
Workers						
Male	455	455	100%	411	411	100%
Female	11	11	100%	10	10	100%
Total	**466**	**466**	**100%**	**421**	**421**	**100%**

*All permanent employees and workers are eligible for performance and career development review based on their date of joining.

10. Health and safety management system:

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

Yes, we have implemented internal occupational health and safety management systems at all factories, warehouses, and offices. V-Guard has a well-established EHS policy and procedures to ensure the health and safety of employees, reduce workplace accidents and incidents, comply with relevant regulations, and promote a safety culture within the organization. Five of our factories have ISO 45001 certificates and we are in the process of implementing the same for the rest of the factories. To enhance the tracking, monitoring, and efficacy of internal and external audits, we are in the process of deploying a digital module for ISO audit management in the EHS digital platform (Suraksha 360).

The medical examination of all employees has been completed in accordance with regulations, and necessary interventions have been implemented based on the results. A customized maintenance system has been established to ensure the safe and reliable operation of equipment. Continuous assessment of health and safety management is conducted using a defined maturity model and subject matter experts. A periodic management review is facilitated by the Corporate EHS (Environmental Health & Safety) team and chaired by the Managing Director and COO of the company. All stakeholders participate to review plant performance and ensure appropriate actions. Critical safety escalations are promptly reviewed by the Management Committee, consisting of senior leadership, for swift mitigation.

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

Hazard Identification and Risk Assessment (HIRA) system has been implemented at all manufacturing locations to identify routine and non-routine activity hazards and associated risks and their assessment. Online HIRA module has been implemented in the EHS digital platform to track all factory risks, action plan implementation and to facilitate periodic reviews. In addition to basic safety systems such as layered safety audits, the Work Permit System, JSA (Job Safety Assessment), incident reporting, and workplace surveillance and monitoring by plant and centralized corporate EHS (Environment, Health, and Safety) team, further measures have been implemented to enhance overall safety.

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

Yes, V-Guard has established a digital platform for reporting near misses, unsafe acts & unsafe conditions to reduce the potential risks at the workplace. All employees are trained to identify and report near misses, unsafe acts and unsafe conditions.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, permanent employees, permanent workers and non-permanent employees including their dependent family members are covered under group Mediclaim policies, which gives them access to cashless claims across 9500+ network hospitals. Further, permanent employees and permanent workers have access to the Company provided free annual health checkups, their family members can access this facility at company-negotiated rates at empanelled diagnostic centres.

Non-permanent workers have access to medical/maternity benefits under ESIC.

Many of our facilities are equipped with gyms and wellness centres to support our employees' physical health, and many programs both in person and on digital platform, towards improving mental well-being. Qualified medical practitioners also address the workforce and ensure awareness of non-occupational and lifestyle diseases / disorders. Additionally, employees are encouraged to participate in regular fitness programs, such as Zumba and Yoga.

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

Safety Incident/Number	Category	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0.188*
Total recordable work-related injuries	Employees	0	0
	Workers	1	6*
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*The LTIFR and total recordable injuries reported for workers in FY 2023 and FY 2022, was based on incidents happened at plant locations, however in the current year report, we are disclosing the same based on incidents happened in all V-Guard locations for both the years.

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

Safety is infused into every person at the workplace through structured training programs throughout the lifecycle of the employee in the workplace. Induction and periodic safety training and awareness programs are mandatory for all workforce, with training adherence monitored at all plants. As a means of inculcating ownership, we also have a "One-Day Safety Officer" program where the workmen themselves take the role of a safety marshal for a day. We have established a well-defined EHS management system driven by EHS policy with a robust monitoring mechanism. The digitized 'Suraksha -360' platform captures the leading indicators like near misses, unsafe acts, and conditions towards driving sensitivity towards building a strong safety culture. A well-defined risk identification and mitigation plan driven through the Job-Safety-Analysis, HIRA and HAZOP studies ensures process safety for the employees. We have also implemented a safety maturity assessment framework for our factories. Work Permit systems, Machine Guards, internal audit and external audit systems are in place to proactively mitigate workplace incidents. Necessary Lux levels, Noise levels, and workplace air quality levels are ensured for workplace hygiene. Fire detection and firefighting systems are provided in all units, along with emergency response training. Mock drills that are conducted on a regular and periodic schedule ensure the right emergency preparedness at the facilities. We have also constituted a Safety Committee with equal participation of management representatives and workers, with a dedicated team of experienced professionals to review and improve EHS performance.

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

	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	25	0	-	30	0	-
Health & Safety	9	0	-	3	0	-

Note - Based on the revised categorization of complaints, last year figures have been restated.

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 % factories and warehouses were audited by EHS department and also 100 % factories and corporate office were audited by third party auditors for statutory compliance requirement, EHS maturity assessment also has been completed for all factories.
Working Conditions	100 % factories and warehouses were audited by EHS department and also 100 % factories and corporate office were audited by third party auditors for statutory compliance requirement, EHS maturity assessment also has been completed for all factories.

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

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

Leadership Indicators

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

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

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company obtains all necessary documents as per contract labor regulations from its service providers to ensure statutory dues such as PF, ESI, Gratuity etc., are deducted and deposited in a timely manner.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024 Current Financial Year	FY 2023 Previous Financial Year	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Employees	0	0	0	0
Workers	0	0	0	0

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

Essential Indicators

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

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

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	• Annual shareholder meeting • Investor presentations and conference calls • Press releases and newsletters • Annual Report • Intimation to Stock exchanges and website of the Company	Annually- AGM, Annual report Quarterly- Investor presentation and conference calls. As per requirement - Others	• Disclose significant information • Avoid conflict of interest • Transparency • Complaints and grievances • Governance • Internal control, internal audit and risk management
Vendors/ Suppliers and Consultants/ Agency Partners	No	• Regular interaction through online and offline meetings, phone calls, e-mails • Conferences and workshops • Training and awareness programmes • Supplier Audits • Consultative engagements for defined objectives basis business priorities • Marketing communication/Market research/Media Planning execution	As per requirement	• Well-defined and detailed procurement procedures • Sustainable and transparent business operations • Procurement of environmentally and socially sustainable products • Timely and complete payment to suppliers • Complaints and grievances • Understanding consumer pain points and gaps • Improve brand perception
Customers	No	• Customer satisfaction surveys • Marketing and advertising • Customer service centers • Complaint handling and feedback • Electronic Communication - Social media, WhatsApp, Calls and SMS • Company website	As per requirement	• Safe, reliable and environmentally friendly products • Meet quality requirements • Dedicated customer support • Innovation, research and development • Complaints and grievances • Avoid misleading communication
Employees and workers	No	• Intranet portal • Trainings and development programmes • Performance management system • Emails, written communication • Newsletters, circulars and internal publications • Employee engagement initiatives • Functional and cross-functional committees	As per requirement	• Professional training and development • Performance evaluation • Equal opportunities • Work ethics and discipline • Occupational health and safety matters • Complaints and grievances • Adherence to laws and regulations
Government and Regulatory authorities	No	• Meetings and formal dialogue • Representation through various trade bodies Workshops • Written communications • Periodic Reporting	As per requirement	• Adherence to laws and regulations • NGRBC Principles • Insights on Policy improvements

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Industry associations	No	• Meetings and formal dialogue • Written communications	As per requirement	• Environment-Friendly Business Practices • Skill development • NGRBC Principles
Media	No	• Written Communications • Interviews and Forums • Press Conferences • Publications and Announcements • Media releases	As per requirement	• Clarity and transparency • NGRBC Principles
NGOs and communities	No	• Conferences and workshops • Communication via telephone, email, etc. • Community-participation events • CSR partnerships - Contribution towards various causes	As per requirement	• Assistance to society and communities • Waste management • Disaster-relief initiatives • Skill development • Medical and public welfare activities • Opportunities for the vulnerable and marginalized in society

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   V-Guard engages with internal and external stakeholders and receives feedback periodically on the economic, environmental, and social aspects. We have a Risk Management and ESG Committee of the board to oversee the Company's ESG framework, policies, practices, performance, and reporting. The Committee reviews and monitors the operational, regulatory, and reputational risks and impacts of ESG on the Company and provides insight and guidance on the Company's management of the same.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   V-Guard conducted stakeholder engagement and materiality assessment (SEMA) to identify and prioritize sustainability issues that are relevant and significant to both the business and its stakeholders. Based on the outcome of these exercises, the company identifies and defines the material topics that need actions on priority. These material topics assist the development of strategies, policies, objectives, and goals necessary to cascade the sustainability commitment across the operations. The company also implements a comprehensive monitoring mechanism to track the progress and ensure that the strategies and policies effectively address the material topics of concern.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   V-Guard identifies underprivileged communities around its business locations that are disadvantaged, vulnerable, and marginalized stakeholders and continuously engages with all such stakeholders in identifying their needs and priorities. As part of V-Guard's Corporate Social Responsibility (CSR) initiatives, the organization invests in strengthening community outreach, catering to the needs of the community around it. The organization remains steadfastly committed to creating an enabling environment for the inclusive growth of the communities around it.

Principle 5: Businesses should respect and promote human rights.

Essential Indicators

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

Category	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	2,540	2,540	100%	2,226	429	19%
Other than permanent	1,462	1,462	100%	1,191	0	0%
Total employees	**4,002**	**4,002**	**100%**	**3,417**	**429**	**13%**
Workers						
Permanent	466	466	100%	421	33	8%
Other than permanent	2,464	2,464	100%	2,171	0	0%
Total workers	**2,930**	**2,930**	**100%**	**2,592**	**33**	**1%**

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

Category	FY 2024 Current Financial Year					FY 2023 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	2,353	0	0%	2,353	100%	2,063	0	0%	2,063	100%
Female	187	0	0%	187	100%	163	0	0%	163	100%
Other than Permanent										
Male	1,309	0	0%	1,309	100%	1,092	0	0%	1,092	100%
Female	153	0	0%	153	100%	99	0	0%	99	100%
Workers										
Permanent										
Male	455	0	0%	455	100%	411	0	0%	411	100%
Female	11	0	0%	11	100%	10	0	0%	10	100%
Other than Permanent										
Male	1,790	1,238	69%	552	31%	1,581	805	51%	776	49%
Female	674	627	93%	47	7%	590	496	84%	94	16%

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

a. **Median remuneration / wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	3	7,70,43,521	-	-
Key Managerial Personnel**	2	2,41,75,977	-	-
Employees other than BoD and KMP	2,348	8,03,892	187	6,75,148
Workers	455	3,62,842	11	3,35,098

*Out of 10 directors, we have 3 executive directors who are paid remuneration, and the rest are independent directors to whom the company pays sitting fees and commission. For more details, please refer to the Corporate Governance Report.

**We have 5 KMPs in FY 2024, out of which 3 are directors hence have included their median remuneration along with BODs.

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Gross wages paid to females as % of total wages	5.05%	5.34%

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

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

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

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

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

	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	Filed during the year	Pending Resolution at the end of year	Remarks	Filed during the year	Pending Resolution at the end of year	Remarks
Sexual Harassment	1	1	Filed on 25th March 2024. Enquiry ongoing	0	0	-
Discrimination at workplace	0	0	-	0	0	-

	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
	Filed during the year	Pending Resolution at the end of year	Remarks	Filed during the year	Pending Resolution at the end of year	Remarks
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees / workers	0.10%	0
Complaints on POSH upheld	Enquiry ongoing	NA

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

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

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

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

10. Assessments of the year

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

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

Not Applicable

Leadership Indicators

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

   No complaints were received in relation to human rights.

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

   Wheelchair ramps are available in the Head Office, corporate office and in all plant locations except Chavadi and Haridwar to assist people with physical disabilities. The company is in the process of building infrastructure in other locations also.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

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

Parameter	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
From renewable sources (In GJ)		
Total electricity consumption (A)	11,560.91	11,918.86
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	11,560.91	11,918.86
From non-renewable sources (In GJ)		
Total electricity consumption (D)	64,048.08	53,865.22
Total fuel consumption (E)	20,775.06	22,386.84
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F) (In GJ)	84,823.14	76,252.06
Total energy consumed (A+B+C+D+E+F) (In GJ)	96,384.05	88,170.92
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)*	21.14	21.77
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)**	443.08	456.36
Energy intensity in terms of physical output***	48,105.60	76,350.91
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note 1: We have included all our factory, corporate offices, branches and warehouse locations for reporting purposes. The data reported last year has been revised to reflect more accurate figures.

* Energy intensity per Crore rupee of turnover

** For calculating revenue-adjusted Purchasing power parity (PPP), conversion factor as per World Bank website (Source: https://data.worldbank.org/indicator/PA.NUS.PPP) has been considered.

*** Energy intensity per Crore units. For physical output, we have considered the units of different products produced across our manufacturing facilities. For wires and cables, 1 coil is considered as 1 unit.

Note 2: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

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

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

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

Parameter	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Water withdrawal by source (in kiloliters)		
(i) Surface water	1,278.00	650.10
(ii) Groundwater	96,944.77	81,932.50
(iii) Third party water (Municipal water supplies)	25,142.97	26,008.41
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	1,23,365.74	1,08,591.01
Total volume of water consumption (in kiloliters)*	1,23,365.74	1,08,591.01
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)**	27.06	26.82
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)***	567.12	562.05
Water intensity in terms of physical output****	61,572.25	94,033.52
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note 1: We have included all our factory, corporate offices, branches and warehouse locations for reporting purposes, basis which we have restated FY 23 figures.

*Includes water consumed for domestic, gardening, process, and fire water. Water withdrawal and consumption are estimated to be equal.

Water consumption quantity for branches and warehouses have been estimated based on headcount multiplied with consumption liters per head yearly based on Central Ground water Authority guidelines (https://cgwa-noc.gov.in/landingpage/Guidlines/NBC2016WatRequirement.pdf).

**Water intensity per Crore Rupee of turnover.

***For calculating revenue-adjusted Purchasing power parity (PPP), conversion factor as per World Bank website (Source: https://data.worldbank.org/indicator/PA.NUS.PPP) has been considered.

**** Water intensity per Crore units. For physical output, we have considered the units of different products produced across our manufacturing facilities. For wires and cables, 1 coil is considered as 1 unit.

Note 2: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

4. **Provide the following details related to water discharged:**

Parameter	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Water discharge by destination and level of treatment (in kilo liters)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	34,929.82	28,522.00
- With treatment – please specify level of treatment - Tertiary treatment*	25,159.33	18,645.00
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment (Water sent for treatment to Central Effluent Treatment Plant)	2,440.80	306.00
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – Tertiary treatment*	1,242.80	2,878.00
Total water discharged (in kilo liters)	63,772.75	50,351.00

Note 1: We have included all our factory, corporate offices, branches and warehouse locations for reporting purposes. The water discharged for 2 factory locations and all branch and warehouse locations are considered as 80% of the water withdrawal from source based on CPCB database report dated 24th December, 2009.

* The STP/ETP treated water of approximately 18,243 kl is used for gardening, toilet flushing and process in FY24.

Note2: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

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

At present we don't have Zero Liquid Discharge mechanism, however as per the pollution control board consent conditions, we responsibly reuse the treated water. Our 9 manufacturing locations and corporate office are well-equipped with water management systems with the aim of reducing freshwater withdrawal. Across our facilities, we have established robust operational efficiency measures, rainwater harvesting systems, recycle and reuse measures ensuring effective usage and lawful disposal of water.

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

Parameter	Please specify unit	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
NOx	MT	1.79	1.42
SOx	MT	0.85	0.65
Particulate matter (PM2.5)	MT	8.16	8.98
Persistent organic pollutants (POP)	We undertake third party lab testing for each of these air emission parameters including NOx and SOx for all locations periodically to ensure the parameters are within the permissible limits. We also submit the reports to the concerned authority.		
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others			

Note 1: We have included all our factory, corporate offices, branches and warehouse locations for reporting purposes. From current year, we have started monitoring emissions for our branches and warehouses.

Note 2: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

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

Parameter	Unit	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	1,736.01	1,837.01
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	14,588.73	12,119.67
Total Scope 1 and Scope 2 emissions	Metric tons of CO2 equivalent	16,324.74	13,956.69
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)*	Metric tons of CO2 equivalent/ turnover in crores	3.58	3.45
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)**	Metric tons of CO2 equivalent/ turnover adjusted for PPP in crores	75.05	72.24
Total Scope 1 and Scope 2 emission intensity in terms of physical output* **	Metric tons of CO2 equivalent/ units produced in crores	8,147.73	12,085.68
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note 1 : We have included all our factory, corporate offices, branches and warehouse locations for reporting purposes. The data reported last year has been revised to reflect more accurate figures.

* Scope 1 and 2 emission intensity per Crore rupee of turnover

** For calculating revenue adjusted Purchasing power parity (PPP), conversion factor as per World Bank website (Source: https://data.worldbank.org/indicator/PA.NUS.PPP) has been considered.

*** Scope 1 and 2 emission intensity per Crore units. For physical output, we have considered the units of different products produced across our manufacturing facilities. For wires and cables, 1 coil is considered as 1 unit.

Note 2 : Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

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

Actions are being undertaken to reduce greenhouse gas emissions by investing in renewable energy projects such as solar panels and wind turbines. 12% of energy consumed during the current year is from these renewable sources which offsets about 2,323 tons of CO2 during FY 2023-24- and 2414 tons during FY 2022-23. In addition to the existing solar plant installations at Kochi Head office, Perundurai and Roorkee factories, we have also commissioned solar plants at Chavadi and Kashipur factories of capacity 1484 kWp & 344 kWp respectively during the year. In the current year, we observed a slight reduction in the consumption of renewable energy which was a result of the delay experienced in the strategic transition from third-party renewable energy purchase to the own rooftop solar plant at the Chavadi factory. ISO 50001 certification is obtained for wires and cables manufacturing units at Chavadi and Kashipur locations and PVC compounding manufacturing unit at Chavadi location. To increase the utilization of Renewable Energy/ Green Energy we have introduced 50+ new products in the market that are based on solar energy within Grid tie inverter/ Solar DUPS segments and added VFD implementation in the Air compressor at our pump manufacturing unit, Perundurai.

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

Parameter	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Total Waste generated (in metric tons)		
Plastic waste **(A)**	162.90	136.60
E-waste **(B)**	17.11	17.30
Bio-medical waste **(C)**	0.00	0.00
Construction and demolition waste **(D)**	0.00	0.00
Battery waste **(E)**	277.92	393.30
Radioactive waste **(F)**	0.00	0.00
Other Hazardous waste. Haz. Waste from process + Haz. Waste from pollution control equipment, + Filter bed sand+ Filter bags etc. **(G)**	173.52 (Used oil, ETP sludge, Paint Sludge, Empty Chemical container, Oil-soaked cotton, Contaminated rags)	176.90 (Used oil, ETP sludge, Paint Sludge, Empty Chemical container, Oil-soaked cotton, Contaminated rags)
Other Non-hazardous waste generated **(H).** MS Scrap + Aluminum scrap (Break-up by composition i.e., by materials relevant to the sector)	2,496.43	2,348.20
Total (A+B + C + D + E + F + G + H)	3,127.88	3,072.30
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)*	0.69	0.76
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)**	14.38	15.90
Waste intensity in terms of physical output***	1,561.14	2,660.43
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-

Parameter	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled	457.94	547.20
(ii) Re-used	-	-
(iii) Other recovery operations	2,496.43	2,348.20
Total	**2,954.37**	**2,895.40**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations****	173.52	176.90
Total	**173.52**	**176.90**

Note: 1 We have included all our factory, corporate offices, branches and warehouse locations for reporting purposes. We have revised the classification of waste disposal/recovery for the data reported in FY 2023 to reflect more accurate figures.

*Waste intensity per Crore rupee of turnover.

**For calculating revenue adjusted Purchasing power parity (PPP), conversion factor as per World Bank website (Source: https://data.worldbank.org/indicator/PA.NUS.PPP) has been considered.

*** Waste intensity per Crore units. For physical output, we have considered the units of different products produced across our manufacturing facilities. For wires and cables, 1 coil is considered as 1 unit.

**** Other disposal includes hazardous waste given to PCB authorized third parties as per regulatory requirements.

Note 2: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

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

Hazardous waste, E-Waste, battery waste and Plastic Waste are disposed through authorized vendors and Non-hazardous waste is disposed through V-Guard approved vendors. V-Guard is monitoring the waste generation and waste disposal across its unit, and also monitoring the hazardous chemicals for reducing its usage. The company has adopted measures across its units for waste segregation at the source.

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

V-Guard has no operations in eco-sensitive areas.

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

Environment impact assessment is not applicable in projects as per the Environment (Protection) Rules, 1986, hence it is not conducted.

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

Yes

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilo liters):

For each facility / plant located in areas of water stress, provide the following information:

(i) **Name of the area:** Chavadi, Perundurai, Kashipur, Roorkee, Haridwar

(ii) **Nature of operations:** Manufacturing Locations

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Water withdrawal by source (in kiloliters)		
(i) Surface water	1,278.00	650.00
(ii) Groundwater	37,023.95	33,413.45
(iii) Third party water	14,942.10	15,515.00
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters)	53,244.05	49,578.45
Total volume of water consumption (in kiloliters)	53,244.05	49,578.45
Water intensity per rupee of turnover (Water consumed / turnover)*	11.68	12.24
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – Tertiary treatment	10,516.85	10,236.30
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	2,440.80	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – Tertiary treatment	1,127.00	2,878.00
Total water discharged (in kiloliters)	**14,084.65**	**13,114.30**

Note 1: We have included all our factory locations for reporting purposes. The water discharged for Haridwar factory location is calculated based on 80% of the water withdrawal from source based on CPCB database report dated 24th December, 2009.

* Water intensity per Crore rupee of turnover.

Out of the total water discharged, approximately 82% of water is reused for gardening, process and flushing purposes. We have developed 3 ponds in water stress areas with a capacity of approximately 74 thousand Kiloliters, out of which approximately 70 thousand kiloliters were developed in current year. We have also conserved 1278 kiloliters of water through rainwater harvesting in the water-stressed areas. These initiatives are part of our constant endeavor to achieve water positivity in water-stress areas in the upcoming years.

Note 2: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

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

Not present in ecologically sensitive areas.

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

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action, if any
1.	Increase the Energy Efficiency of Products	• Introduction of tankless water heaters • Launched BEE rated Solar Water Heater series, improved the BEE rating of existing EWH, and introduced a new 5-star rated EWH series • Launched multiple BLDC fan platforms, significantly reducing household energy consumption	Reduction in energy consumption	NA
2.	Renewable Energy Projects	• Introduced multiple new products in grid-tie inverters and upgraded normal DUPS with solar compatibility through retrofit solutions. • New Products launched in Solar Water Heater Segment.	Increase the utilization of Renewable Energy/ Green Energy	NA
3.	Eco-friendly Packaging/ Packaging Material Reduction	• Wires & Cables: Usage of reprocessed paper in Wire and cables packaging • JMG: Corrugated packaging used instead of Thermocol/EPS • Pedestal Fans: Development of Eco-friendly packaging alternatives	Use of biodegradable packing material to avoid environmental impact	NA
4.	VFD implementation in Air compressor	• Added VFD and controller module in 15kW compressor system	Annual savings of approx. 10,220 units	NA
5.	Product life Enhancement Projects	• Introduced Vitreous Enamel coated storage tank instead of SS/GI tanks in solar water Heater segment.	Increase the life span of the product.	NA
6.	IOT Based Projects	• Launched new IOT Smart product in Fan, DUPS, Stabilizer, Water Heater segments with mobile app platforms for both in Android and iOS.	Optimum utilization of power and maximum utilization of Solar Power by selecting the suitable modes in the mobile application according to the customer requirements and reducing energy consumption based on usage.	NA
7.	Energy Conservation	• Improving power factor through installing additional capacitor banks • Optimization & standardization of cycle time in machinery. • Synchronization of buncher blower fan with machine run. • Replacement of chiller with cooling tower. • Reducing the running time of the air compressor dryer by providing air ducts above the dryer vent.	Annual savings of 2,02,576 units	NA

4. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   To establish business contingency of operations of critical IT applications and to handle the disaster recovery scenarios, V-Guard has a defined Disaster Recovery plan. We also have Security Management System (ISMS) policy for ensuring confidentiality, integrity and availability of critical information.

   We also conduct regular trainings and circulate newsletters for creating awareness on Information security to our employees.

5. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   Nil

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

Essential Indicators

1.

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

V-Guard is a member of 8 trade associations.

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

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

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

   Not Applicable since there were no cases of anti-competitive conduct by V-Guard in FY 2023-24.

Leadership Indicators

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

   Nil

Principle 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

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

   Not Applicable

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

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

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

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

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

Parameter	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Directly sourced from MSMEs/ small producers	23%	22%
Directly from within India	93%	94%

Note – In the FY 2023 report, we considered only material sourcing from MSME and local vendors, however in the current year report, we are considering all procurements (both material and services).

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:**

Location	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Rural	29.56%	31.82%
Semi-urban	11.82%	9.95%
Urban	50.72%	50.27%
Metropolitan	7.90%	7.96%

Note – Wage cost includes basic pay and allowances paid to employees, and wages of workers paid to contractors/service providers of manpower supply.

Leadership Indicators

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

   Not Applicable

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

Sl No.	State	Aspirational District	Amount Spent in INR
1	Jharkhand	Dumka	2,59,000
2	Jharkhand	Pakur	52,500
3	Jharkhand	Godda	28,000
4	Odisha	Koraput	9,47,517
5	Tamil Nadu	Ramanathapuram	8,32,897
6	Uttarakhand	Udham Singh Nagar	31,32,097
7	Uttarakhand	Haridwar	17,75,756

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

   Nil

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

   We did not have any cases of intellectual property related disputes in FY 2023-24

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

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	V-Guard Edu care	11,054	91%
2	V-Guard Health care	40,832	95%
3	V-Guard Build India & Relief	16,650	89%
4	V -Guard Women Empowerment	225	100%

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

Essential Indicators

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

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

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

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

   d. Buddy and smart App at Dealer Points

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

Parameter	As a percentage to total turnover
Environmental and social parameters relevant to the product	21%
Safe and responsible usage	75%
Recycling and/or safe disposal	19%

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

	FY 2024 (Current Financial Year)		Remarks	FY 2023 (Current Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential Services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	11,127	255	Number represents service calls escalation related to products by consumers	7,945	573	Number represents service calls escalation related to products by consumers

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

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

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

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

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

No data breaches are found.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches : Not Applicable

b. Percentage of data breaches involving personally identifiable information of customers : Not Applicable

c. Impact, if any, of the data breaches: Not Applicable

Leadership Indicators

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

Information pertaining to all our products is routinely updated on V-Guard's official website and can be found via other channels.

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

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

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

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

- Website Banner
- Call Centre
- WhatsApp messages

4. Does the entity display product information on the product over & above what Is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief? Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, V-Guard provide safety and product usage manuals to our consumers with detailed information on a product's installation, operation, maintenance, and safe disposal.

Our customer service team reaches out to 5 to 6 lakh consumers annually and successfully records their responses. This exercise is carried out for major categories that involve service and installation.

Independent Auditor's Report

To the Members of V-Guard Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of V-Guard Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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

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

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

   (a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

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

   (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

10. 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.

11. 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.

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

Report on other legal and regulatory requirements

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

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

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

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

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

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

    (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14 (b) above on reporting under Section 143(3) (b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

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

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 41B to the standalone financial statements.

        ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts (including derivative contracts).

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

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 56(vii)(A) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

        (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 56(vii)(B) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

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

vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained for changes to certain records and changes made by certain users with specific access, if any. During the course of performing our procedures, except for the aforesaid instances of audit trail not maintained at the application level where the question of our commenting on whether the audit trail has been tampered with does not arise, we did not notice any instance of audit trail feature being tampered with in cases where the audit trail feature was enabled. With respect to direct database changes, in the absence of adequate documentation in relation to the database, we are unable to comment on the audit trail feature and, accordingly, the question of our commenting on whether the audit trail feature was tampered with, does not arise. Also, refer Note 55 to the standalone financial statements.

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

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

Sd/-
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN : 24064311BKFWFO6434

Place : Kochi
Date : May 16, 2024

Annexure A to Independent Auditor's Report Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of V-Guard Industries Limited on the standalone financial statements as of and for the year ended March 31, 2024

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

1. We have audited the internal financial controls with reference to standalone financial statements of V-Guard Industries Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Sd / -
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN No: 24064311BKFWFO6434

Place : Kochi
Date : May 16, 2024

Annexure B to Independent Auditors' Report Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of V-Guard Industries Limited on the standalone financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 on Property, Plant and Equipment and Right of use assets and Note 4 on Investment property to the standalone financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5.00 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. Further, the Company is yet to submit the returns or statements for the quarter ended March 31, 2024 with such banks and hence the question of our commenting under clause 3(ii)(b) of the Order to the extent it relates to the last quarter of the financial year does not arise. Also, refer Note 56(ii) to the standalone financial statements.

iii. (a) The Company has made investments in one associate company and four mutual fund schemes and granted unsecured loans to one associate and 155 employees during the year. The Company has not stood guarantee or provided security to any party during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances are as per the table given below:

Description	Amount (₹ In Crores)
Aggregate amount of loans granted/ provided during the year	
- Associate company	2.30
- Employees	1.44
Balance outstanding as at balance sheet date in respect of the above loans	
- Associate company	-
- Employees	1.12

Also, refer Note 7, 15 and 58 to the standalone financial statements.

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.

(c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) The loans granted during the year, including to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. No loans were granted to promoters.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, cess, professional tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues of professional tax, employees' state insurance and cess which have not been deposited on account of any dispute. The particulars of dues of income tax, entry tax, value added tax, service tax, goods and services tax, central excise duty, customs duty and provident fund as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crores)	Amount paid (₹ in Crores)	Period to which the amount relates (FY)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	61.59	15.12	2007-08, 2009-10 to 2017-18 and 2020-21	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service tax	0.42	0.01	2014-15, 2015-16 and 2016-17	Commissioner of GST and Central Excise (Appeals) , Bhubaneswar
Central Goods and Services taxes Act, 2017	Goods and Services tax	0.32	0.02	2017-18	Commissioner of Customs and Central Excise (Appeals) , Coimbatore
		0.12	-	2017-18	Commissioner of GST and Central Excise (Appeals), Kolkata
		0.11	-	2017-18	Commissioner of GST and Central Excise (Appeals) – Coimbatore
		0.02	-	2017-18	Commissioner of GST and Central Excise (Appeals), Hyderabad
		0.03	0.03	2020-21	Commissioner of GST and Central Excise (Appeals), Mysore
		0.03	0.03	2022-23	Commissioner of GST and Central Excise (Appeals), Dehradun
		0.16	0.16	2023-24	Commissioner of GST and Central Excise (Appeals), Muzaffarnagar
Central Excise Act, 1944	Central Excise duty	0.36	0.01	2016-17 and 2017-18	Central Excise and Service Tax Appellate Tribunal , Kolkata
Customs Act 1962	Customs duty	0.08	0.03	2013-14, 2018-19 and 2019-20	Commissioner of Customs Appeals , Chennai
		0.23	0.21	2016-17	Central Excise and Service Tax Appellate Tribunal , Allahabad
Central Sales Tax Act , 1956	Central Sales tax	0.08	0.01	2011-12 and 2012-13	Odisha Sales Tax Tribunal - Cuttack
Orissa Entry Tax Act, 1999	Entry Tax	1.55	0.10	2011-12 and 2012-13	Odisha Sales Tax Tribunal - Cuttack
Orissa Value Added Tax Act, 2004	Value added tax	3.55	0.41	2011-12, 2012-13, 2014-15 and 2015-16	Odisha Sales Tax Tribunal - Cuttack
Bihar Entry Tax - Goods Act, 1993	Entry Tax	0.39	0.06	2014-15 and 2015-16	Joint Commissioner of Commercial Taxes (Appeals), Patna
Bihar Value Added Tax Act, 2005	Value added tax	0.77	-	2015-16	Additional Commissioner of State Taxes (Appeals), Patna
		0.08	0.08	2017-18	Commercial Taxes Tribunal, Patna

Name of the statute	Nature of dues	Amount (₹ in Crores)	Amount paid (₹ in Crores)	Period to which the amount relates (FY)	Forum where the dispute is pending
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	0.13	0.03	2006-07 to 2009-10	Appellate Tribunal (Commercial Taxes), Telangana
Uttarakhand Value Added Tax Act, 2005	Value added tax	0.04	0.01	2014-15	Joint Commissioner Commercial Taxes (Appeals), Haldwani
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	0.07	0.03	2008-09 to 2011-12	Central Government Industrial Tribunal , Chandigarh
		0.07	-	2009-10 to 2011-12	Central Government Industrial Tribunal , Kochi

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans during the year ended March 31, 2024 and there was no unutilized balance of term loan obtained in earlier years as on April 1, 2023. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate. The Company did not have any joint ventures during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. The Company did not have any joint ventures during the year.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Sd / -
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN : 24064311BKFWFO6434

Place : Kochi
Date : May 16, 2024

Standalone Balance Sheet

as at March 31, 2024

(₹ in Crores)

Particulars		Notes	As at March 31, 2024	As at March 31, 2023
A.	ASSETS			
1.	**Non-current assets**			
	Property plant and equipment	3	333.10	340.92
	Capital work-in-progress	3	23.88	12.17
	Investment property	4	0.28	0.28
	Other intangible assets	5	31.22	17.62
	Intangible assets under development	5	12.37	3.65
	Right of use assets	3	70.69	87.86
	Financial assets			
	(a) Investments	6A	888.55	851.38
	(b) Loans	7	0.84	1.03
	(c) Other financial assets	8	17.88	19.31
	Current tax assets (net)	9	30.96	30.37
	Deferred tax assets (net)	10	8.83	7.35
	Other non-current assets	11	16.25	9.98
			1,434.85	**1,381.92**
2.	**Current assets**			
	Inventories	12	709.47	689.41
	Financial assets			
	(a) Investments	6B	30.04	-
	(b) Trade receivables	13	553.58	519.79
	(c) Cash and cash equivalents	14A	35.07	23.65
	(d) Other bank balances	14B	0.56	0.45
	(e) Loans	15	1.16	1.57
	(f) Other financial assets	16	1.75	5.70
	Other current assets	17	119.41	92.44
			1,451.04	**1,333.01**
	TOTAL ASSETS		**2,885.89**	**2,714.93**
B.	EQUITY AND LIABILITIES			
1.	**Equity**			
	Equity share capital	18	43.44	43.22
	Other equity	19	1,724.63	1,544.78
	TOTAL EQUITY		**1,768.07**	**1,588.00**
2.	**Non-current liabilities**			
	Financial liabilities			
	(a) Borrowings	21	137.26	272.91
	(b) Lease liabilities	22	47.58	65.43
	(c) Other financial liabilities	23	-	25.40
	Provisions	24	14.88	13.66
			199.72	**377.40**
3.	**Current liabilities**			
	Financial liabilities			
	(a) Borrowings	25	153.77	146.70
	(b) Lease liabilities	22	17.09	15.52
	(c) Trade payables	26		
	(i) Total outstanding dues of micro enterprises and small enterprises		60.40	56.22
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		423.59	376.89
	(d) Other financial liabilities	27	104.93	38.46
	Other current liabilities	28	74.36	53.81
	Provisions	29	81.69	61.93
	Current tax liabilities (net)	30	2.27	-
			918.10	**749.53**
	TOTAL LIABILITIES		**1,117.82**	**1,126.93**
	TOTAL EQUITY AND LIABILITIES		**2,885.89**	**2,714.93**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 16, 2024

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 16, 2024

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Crores)

	Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Income**			
	(a) Revenue from operations	31	4,559.43	4,050.75
	(b) Other income	32	51.84	14.76
	Total income		**4,611.27**	**4,065.51**
2	**Expenses**			
	(a) Cost of raw materials consumed		1,300.24	1,223.44
	(b) Purchase of stock-in-trade		1,875.37	1,567.50
	(c) Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods	33	(36.22)	89.12
	(d) Employee benefits expenses	34	376.76	294.86
	(e) Depreciation and amortization expenses	35	66.95	58.44
	(f) Finance costs	36	37.46	15.92
	(g) Other expenses	37	689.66	574.86
	Total expenses		**4,310.22**	**3,824.14**
3	**Profit before tax (1 - 2)**		**301.05**	**241.37**
4	**Income tax expenses**	39		
	(a) Current tax expenses		70.80	35.90
	(b) Deferred tax expense / (credit)		(0.66)	26.15
	Total income tax		**70.14**	**62.05**
5	**Profit for the year (3 - 4)**		**230.91**	**179.32**
6	**Other comprehensive income**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	(a) Re-measurement (losses) / gains on defined benefit plans	44	(3.44)	(0.48)
	(b) Bargain purchase gain on business combination	49	-	20.46
	(c) Income tax effect		0.82	0.07
	Other comprehensive income for the year, net of tax		**(2.62)**	**20.05**
	Total comprehensive income for the year, net of tax (5 + 6)		**228.29**	**199.37**
7	**Earnings per equity share (basic and diluted) (₹) :** (Nominal value of equity share - ₹ 1 each)	47		
	Basic earnings per share		5.28	4.15
	Diluted earnings per share		5.27	4.12

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 16, 2024

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 16, 2024

Standalone Statement of changes in equity

for the year ended March 31, 2024

A) Equity Share Capital

Particulars	No. of shares	₹ in Crores
As at April 1, 2022	**43,15,41,934**	**43.15**
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	6,32,498	0.07
As at March 31, 2023	43,21,74,432	43.22
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	**11,28,540**	**0.11**
Add: Equity shares issued as consideration for business combination (Refer Note. 49)	10,83,008	0.11
As at March 31, 2024	**43,43,85,980**	**43.44**

B) Other Equity

(₹ in Crores)

Particulars	Attributable to the equity holders						Total
	Securities premium	General reserve	Retained earnings	Capital reserve	Share based payments reserve	Shares pending issuance	
As at April 1, 2022	**132.54**	**64.89**	**1,125.02**	**-**	**36.91**	**-**	**1,359.36**
Net profit for the year	-	-	179.32	-	-	-	179.32
Other comprehensive income for the year							
Remeasurement (loss) / gain on defined benefit plans (net of taxes)	-	-	(0.41)	-	-	-	(0.41)
Bargain purchase gain on business combination (Refer Note 49)	-	-	-	20.46	-	-	20.46
Total comprehensive income	**-**	**-**	**178.91**	**20.46**	**-**	**-**	**199.37**
Equity shares issued under ESOS 2013	1.94	-	-	-	-	-	1.94
Final dividend (Refer Note 20)	-	-	(56.10)	-	-	-	(56.10)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	7.44	-	-	-	(7.44)	-	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	-	13.37	-	13.37
Shares pending to be issued as consideration for business combination (Refer Note. 49)	-	-	-	-	-	26.84	26.84
As at March 31, 2023	**141.92**	**64.89**	**1,247.83**	**20.46**	**42.84**	**26.84**	**1,544.78**
Net profit for the year	-	-	230.91	-	-	-	230.91
Other comprehensive income for the year							
Remeasurement (loss) / gain on defined benefit plans (net of taxes)	-	-	(2.62)	-	-	-	(2.62)
Total comprehensive income	**-**	**-**	**228.29**	**-**	**-**	**-**	**228.29**
Equity shares issued under ESOS 2013	6.01	-	-	-	-	-	6.01
Final dividend (Refer Note 20)	-	-	(56.36)	-	-	-	(56.36)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	10.19	-	-	-	(10.19)	-	-

Standalone Statement of changes in equity

for the year ended March 31, 2024

Particulars	Attributable to the equity holders						Total
	Securities premium	General reserve	Retained earnings	Capital reserve	Share based payments reserve	Shares pending issuance	
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	-	2.02	-	2.02
Shares issued as consideration for business combination (Refer Note. 49)	26.73	-	-	-	-	(26.84)	(0.11)
As at March 31, 2024	**184.85**	**64.89**	**1,419.76**	**20.46**	**34.67**	**-**	**1,724.63**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 16, 2024

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 16, 2024

Standalone Statement of Cash Flows for the year ended March 31, 2024

(₹ in Crores)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
A. Cash flow from operating activities				
Profit before tax		301.05		241.37
Adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortization expenses	66.95		58.44	
Loss on property, plant and equipment sold / scrapped / written off (net)	0.64		0.13	
Finance costs	37.46		15.92	
Finance income	(0.59)		(1.78)	
Carrying value adjustment of put option liability	-		0.48	
Gain on sale of investments	(1.89)		(5.33)	
Dividend received during the year from the subsidiary	(21.13)		-	
Fair value gain on investment	(17.14)		-	
(Gain) / loss on lease modifications / termination	(1.34)		(0.15)	
Liabilities / provisions no longer required written back	(0.13)		(0.12)	
Loss allowance for trade receivables (net)	5.28		(7.46)	
Impairment allowance for doubtful advances (net)	(0.81)		(3.09)	
Loss / (gain) on foreign currency transaction	0.44		-	
Share based payments expense	2.02		13.37	
		69.76		**70.41**
Operating profit before working capital changes		**370.81**		**311.78**
Movement in working capital				
Decrease / (increase) in inventories	(20.06)		164.29	
Decrease / (increase) in trade receivables	(39.07)		(41.41)	
Decrease / (increase) in loans to employees and others	0.60		0.59	
Decrease / (increase) in other financial assets	2.67		(4.67)	
Decrease / (increase) in other assets	(26.35)		40.32	
Increase / (decrease) in trade payables	50.58		(18.03)	
Increase / (decrease) in other financial liabilities	42.27		(13.79)	
Increase / (decrease) in provisions	17.52		13.55	
Increase / (decrease) in other liabilities	20.55		9.29	
		48.71		**150.14**
Cash generated from operations		**419.52**		**461.92**
Income tax paid (net of refunds)		(69.12)		(45.97)
Net cash flow from / (used in) operating activities (A)		**350.40**		**415.95**
B. Cash flow from investing activities				
Purchase of property, plant and equipment, intangible assets including capital work-in-progress, intangible assets under development and capital advances	(84.04)		(52.87)	
Proceeds from sale of property, plant and equipment	0.58		1.52	
Investment in equity shares of subsidiary companies	-		(730.54)	
Investment in associate	(20.01)		-	
(Purchase) / sale of current investments (net)	(28.16)		5.33	
Acquisition of cash balance as part of business combination	-		0.71	
Redemption of / (investment in) fixed deposits with maturity more than 3 months (net)	2.60		(0.01)	

Standalone Statement of Cash Flows for the year ended March 31, 2024

(₹ in Crores)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
Loan granted to associate	(2.30)		-	
Loan repaid by associate	2.30		-	
Finance income	0.58		1.71	
Dividend received during the year from the subsidiary	21.13		-	
Net cash flow (used in) / from investing activities (B)		**(107.32)**		**(774.15)**
C. Cash flow from financing activities				
Proceeds from exercise of share options (including share application money)	6.12		2.00	
Payment of principal portion of lease liabilities	(15.49)		(11.20)	
(Repayment) / proceeds of short term borrowings (net)	(129.62)		136.70	
Proceeds / (repayment) of long term borrowings	-		272.91	
Finance costs paid	(36.42)		(15.93)	
Dividends paid on equity shares	(56.25)		(56.08)	
Net cash flow from / (used in) financing activities (C)		**(231.66)**		**328.40**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**11.42**		**(29.80)**
Cash and cash equivalents at the beginning of the year		**23.65**		**53.45**
Cash and cash equivalents at the end of the year		**35.07**		**23.65**
Components of cash and cash equivalents: (Refer Note 14)				
(a) Cash on hand		0.09		0.01
(b) Balances with bank:				
In current accounts		29.99		23.64
In fixed deposits with original maturity of less than 3 months		4.99		-
		35.07		**23.65**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 16, 2024

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 16, 2024

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

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, Roorkee and Haridwar, Uttarakhand; at Kala Amb, Himachal Pradesh; at SIPCOT Industrial growth center, Perundurai, Tamil Nadu and at Majitar, Rangpo and Mamring in Sikkim. The Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The standalone financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on May 16, 2024.

2. ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

2.1 Basis of preparation

a) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as applicable to the standalone financial statements.

b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) certain financial assets and liabilities (including derivative instruments) measured at fair value

(ii) defined benefit plans – plan assets measured at fair value

(iii) share-based payments.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest crores upto two decimal places (INR 00,00,000), except when otherwise indicated.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments, do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.2 Summary of material accounting policies

a) Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The company manufactures and sells a range of electronic, electrical and consumer durables. Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. The performance obligation for revenue from sale of services is satisfied over time and payment is generally due upon completion of service and acceptance of the customer. Revenue is thus recognized as the service is performed and there are no unsatisfied performance obligations.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

(i) Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as volume discount, gifts, other schemes etc. Revenue from contract with customer is presented after deducting cost of all these schemes.

(ii) Right to return assets and refund liability

The Company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of good sold) is also recognised for the right to recover the goods from the customer

(iii) Financing Components

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(iv) Contract Liabilities

Contract liability is recognised when there are billings in excess of revenues and the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(v) 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.

b) Property, plant and equipment

Freehold land is carried at historical cost. All other property, plant and equipment is recognised at cost, less accumulated depreciation and impairment loss, if any. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any.

Depreciation Methods, estimated useful lives and residual value

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation.

The estimated useful lives are as mentioned below:

Asset Category	Useful life estimated by the management (in years)
Factory buildings	30
Other buildings	60
Plant and equipment*	5 to 20
Computers	3 to 6
Office equipment*	6
Furniture & fixtures	10
Vehicles	8 to 10

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

* For these classes of assets, where the estimated useful lives are different from lives prescribed under Schedule II of the Companies Act 2013, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience and the risk of technological obsolescence.

See note 2.3(e) for the other accounting policies relevant to property, plant and equipment.

c) 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.

Amortisation method and useful lives

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
Technical knowhow	10 years

See note 2.3 (g) for the other accounting policies relevant to intangible assets and note 2.3 (t) for the company's policy regarding impairment.

d) Leases

The Company's lease primarily comprises of land, building and vehicles. Lease contracts are typically made for fixed period of 11 months to 3 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less, without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

See note 2.3 (i) for the other accounting policies relevant to leases

e) *Financial Assets*

(i) Classification of financial assets at amortised cost

The company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise trade receivables, loans and security deposits. See note 2.3 (k) for other accounting policies relevant to financial assets.

(ii) Classification of financial assets at fair value through profit or loss

The company classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments (preference shares and mutual funds) that do not qualify for measurement at either amortised cost or FVOCI, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI

f) *Inventory*

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,

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less estimated costs of completion and the estimated costs necessary to make the sale.

g) *Trade Receivables*

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables and contract assets, the company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

h) *Investment in Subsidiaries and associates*

The investment in subsidiaries and associate are carried at cost as per IND AS 27, less impairment loss, if any. See note 2.3 (j) for the other accounting policies relevant to Investment in Subsidiaries and associates.

2.3 Other Accounting Policies

This note provides a list of other accounting policies adopted in the preparation of these standalone financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) *Government Grants*

Government Grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

b) *Interest and dividend income*

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Dividend income is recognised when the right to receive payment is established.

c) *Retirement and other employee benefits*

Defined contribution schemes

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company has no obligation, other than the contribution payable to the fund towards such schemes. The Company recognizes contribution payable as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit scheme

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund maintained with Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, as the Company believes that it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

d) *Share-based payments*

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Share based payments reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of

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equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

e) *Property, plant and equipment*

The Company's accounting policy for land is explained in note 2.2(b). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

f) *Investment Property*

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable, borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. Investment property as at March 31, 2024 and March 31, 2023 comprise of land.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

g) *Other Intangible Assets*

The Company's accounting policy for intagibles is explained in note 2.2(c). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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.

h) *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the

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period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) *Leases*

The Company's accounting policy for leases is explained in note 2.2(d).

As a Lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

- Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

As a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) *Investment in Subsidiaries and associates*

The Company's accounting policy for Investment in Subsidiaries and associates is explained in note 2.2(h). An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control over those policies.

Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee and
- the ability to use its power over the investee to affect the amount of the investor's returns.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) *Financial Assets*

The Company's accounting policy for Investment in Subsidiaries and associates is explained in note 2.2(e). Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely

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payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to loans, deposits, trade and other receivables.

Financial assets at fair value through other comprehensive income (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- The asset's contractual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments. Investments in other entity and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss. Fair value of mutual funds is determined based on the net asset value of the funds.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e, removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the

Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit losses (ECL) model for measurement and recognition of impairment loss.

The Company follows "simplified approach" for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. For financial assets measured as at amortised cost and contractual revenue receivables ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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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.

Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

l) *Derivative financial instruments*

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

m) *Income Tax*

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the uncertainty.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is

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not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

n) *Cash and Cash Equivalents*

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

o) *Cash dividend and non-cash distribution*

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders in case of final dividend and by the board of directors in case of interim dividend. A corresponding amount is recognised directly in equity.

p) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of an entity comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Company
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If consideration transferred is less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

r) Segment accounting

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products. Further:

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- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under un-allocable expenditure.

- Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.

- Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.

- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

- Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

s) *Provisions*

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provision

Provision for assurance type warranty-related costs are recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to four years.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

t) *Impairment of non-financial assets*

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

u) Foreign currencies

The Company's financial statements are presented in INR which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses a monthly average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial 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

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with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

v) *Fair value measurement*

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

The Company has a team comprising of members of senior management that determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale/ distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted investments and financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The team decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Revenue from sale of products

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return also.

In estimating the variable considerations, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with trade schemes, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not

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feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk , volatility etc. Changes in assumptions/ judgements about these factors could effect the reported fair value of financial instruments.

c) *Defined benefit plans*

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These mainly include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligation are given in Note 44.

d) *Taxes*

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress

(₹ in Crores)

	Property, plant & equipment								Right of use asset				Capital work- in-progress
	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Leasehold land	Leasehold buildings	Leased vehicles	Total	
Gross block													
As at April 1, 2022	**19.16**	**135.86**	**260.46**	**13.39**	**0.68**	**14.39**	**21.34**	**465.28**	**19.56**	**54.80**	**6.67**	**81.03**	**8.64**
Additions	-	6.49	28.04	2.22	-	1.48	3.08	41.31	-	35.22	3.24	38.45	20.69
Disposals	-	(0.13)	(4.05)	(0.05)	-	(0.48)	(0.61)	(5.32)	-	(2.68)	(0.20)	(2.88)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(17.16)
Acquisition through business combination (Refer Note 49)	-	5.30	3.35	0.13	0.15	0.07	0.04	9.04	5.56	-	-	5.56	-
As at March 31, 2023	**19.16**	**147.52**	**287.80**	**15.69**	**0.83**	**15.46**	**23.85**	**510.31**	**25.12**	**87.33**	**9.71**	**122.16**	**12.17**
Additions	-	4.71	21.30	1.82	0.44	1.84	5.22	35.33	-	7.73	1.10	8.83	13.98
Disposals	-	(0.22)	(2.53)	(0.18)	(0.05)	(0.45)	(0.96)	(4.39)	-	(16.22)	(0.19)	(16.41)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(2.27)
As at March 31, 2024	**19.16**	**152.01**	**306.57**	**17.33**	**1.22**	**16.85**	**28.11**	**541.25**	**25.12**	**78.84**	**10.62**	**114.58**	**23.88**
Accumulated depreciation													
As at April 1, 2022	**-**	**20.12**	**83.19**	**6.39**	**0.50**	**8.92**	**14.50**	**133.62**	**2.41**	**16.84**	**1.52**	**20.77**	**-**
Charge for the year	-	5.05	27.91	1.45	0.07	1.85	3.10	39.43	0.84	12.05	2.19	15.09	-
Disposals	-	(0.02)	(2.70)	(0.04)	-	(0.30)	(0.60)	(3.66)	-	(1.47)	(0.09)	(1.56)	-
As at March 31, 2023	-	25.15	108.40	7.80	0.57	10.47	17.00	169.39	3.26	27.42	3.62	34.30	-
Charge for the year	-	5.64	29.07	1.92	0.14	1.87	3.29	41.93	1.04	14.20	2.49	17.73	-
Disposals	-	(0.22)	(1.38)	(0.14)	(0.05)	(0.41)	(0.97)	(3.17)	-	(8.00)	(0.14)	(8.14)	-
As at March 31, 2024	**-**	**30.57**	**136.09**	**9.58**	**0.66**	**11.93**	**19.32**	**208.15**	**4.30**	**33.62**	**5.97**	**43.89**	**-**
Net block													
As at March 31, 2023	**19.16**	**122.37**	**179.40**	**7.89**	**0.26**	**4.99**	**6.85**	**340.92**	**21.86**	**59.91**	**6.09**	**87.86**	**12.17**
As at March 31, 2024	**19.16**	**121.44**	**170.48**	**7.75**	**0.56**	**4.92**	**8.79**	**333.10**	**20.82**	**45.22**	**4.65**	**70.69**	**23.88**

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Notes:

(i) Capital work-in-progress (CWIP) as at March 31, 2024 represents property, plant and equipment under construction at various plants, warehouses and office buildings.

(ii) Capital work-in-progress ageing schedule.

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	13.98	9.38	0.52	-	23.88
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11.54	0.63	-	-	12.17
Projects temporarily suspended	-	-	-	-	-

(iii) Capital work-in-progress completion schedule whose expected completion date is overdue as at March 31, 2024:

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Vitreous enamel coated solar water heater project at Perundurai	1.95	8.19	-	-	10.14

Capital work-in-progress completion schedule whose expected completion date is overdue as at March 31, 2023:

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Vitreous enamel coated solar water heater project at Perundurai	8.19	-	-	-	8.19

(iv) The Company has not capitalised any borrowing cost in the current and previous year.

(v) Right of use asset includes:-

(a) Leasehold land which represents land obtained on long term lease from Government authorities and others.

(b) Leasehold building which represents properties taken on lease for its factories, offices and warehouses, accounted for in accordance with principle of Ind AS 116 'Leases'. Refer Note 43.

(c) Leased vehicles which represent cars taken on lease for use by employees.

(vi) During the year ended March 31, 2024, the Company has capitalized expenses amounting to ₹ 0.13 crores (March 31, 2023 - 0.21) to the cost of property, plant and equipment / capital work-in-progress. Consequently, expenses disclosed under Note 36, other expenses are net of amounts capitalized by the Company.

(vii) Land, buildings, plant and equipments with a carrying amount of ₹ 267.16 crores as at March 31, 2024 (March 31, 2023 - 277.47) are subject to a hypothecation to secure the Company's bank loans.

(viii) Also refer Note 41.A on capital commitments.

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Note 4 : Investment property

(At cost)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	0.28	0.28
Additions (subsequent expenditure)	-	-
Balance as at the end of the year	**0.28**	**0.28**

Note: Investment Property represents land at Coimbatore acquired by the Company in earlier years. The carrying amount of the investment property is a reasonable approximation of fair value.

Note 5 : Other intangible assets and Intangible assets under development

(₹ in Crores)

Particulars	Other intangible assets				Intangible assets under development
	Technical knowhow	Computer software	Trademark	Total	
Gross block (Cost)					
As at April 1, 2022	**-**	**20.28**	**0.05**	**20.33**	**7.84**
Purchase / additions	-	13.45	-	13.45	1.11
Acquisition through business combination (Refer Note 49)	-	0.01	-	0.01	-
Capitalised during the year	-	-	-	-	(5.30)
As at March 31, 2023	**-**	**33.74**	**0.05**	**33.79**	**3.65**
Purchase / additions	10.00	10.89	-	20.89	12.37
Capitalised during the year	-	-	-	-	(3.65)
As at March 31, 2024	**10.00**	**44.63**	**0.05**	**54.68**	**12.37**
Accumulated amortization					
As at April 1, 2022	**-**	**12.20**	**0.05**	**12.25**	**-**
Charge for the year	-	3.92	-	3.92	-
As at March 31, 2023	**-**	**16.12**	**0.05**	**16.17**	**-**
Charge for the year	0.83	6.46	-	7.29	-
As at March 31, 2024	**0.83**	**22.58**	**0.05**	**23.46**	**-**
Net block					
As at April 1, 2023	**-**	**17.62**	**-**	**17.62**	**3.65**
As at March 31, 2024	**9.17**	**22.05**	**-**	**31.22**	**12.37**

Notes:

(i) Intangible assets under development ageing (IAUD) schedule

(₹ in Crores)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	12.37	-	-	-	12.37
Projects temporarily suspended	-	-	-	-	-

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(₹ in Crores)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.11	1.09	1.45	-	3.65
Projects temporarily suspended	-	-	-	-	-

(ii) There are no projects under intangible assets under development where the completion is overdue or has exceeded its cost compared to its original plan

(iii) Also refer Note 41.A on capital commitments.

(iv) Remaining useful life of intangible assets ranges from 1 to 10 years (March 31, 2023 : 1 to 5 years) as at the year end.

Note 6: Investment

A. Non-Current

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Investments carried at cost/deemed cost		
(a) Equity investments in subsidiary companies		
Unquoted		
Guts Electro-Mech Limited		
1,965,242 (March 31, 2023 : 1,965,242) equity shares of ₹ 10 each fully paid up (Refer Note 42)	8.85	8.85
V-Guard Consumer Products Limited		
121,089,961 (March 31, 2023 : 121,089,961) equity shares of ₹ 10 each fully paid up (Refer Note 42)	121.09	121.09
Sunflame Enterprises Private Limited		
15,65,000 (March 31, 2023 : 15,650 equity shares of ₹ 100 each fully paid up) equity shares of ₹ 1 each fully paid up (Refer Note 42)	688.04	688.04
	817.98	**817.98**
(b) Equity investments in associate company		
Unquoted		
Gegadyne Energy Labs Private Limited		
7 (March 31, 2023 : 7) equity shares of ₹ 10 each fully paid up	0.08	0.08
	0.08	**0.08**
Investments carried at fair value through profit and loss		
(a) Investments in Preference shares of associate company		
Unquoted		
Gegadyne Energy Labs Private Limited		
1151 (March 31, 2023 : 2,900) Optionally Convertible Cumulative Preference Shares ("OCCPS") of ₹ 500 each fully paid up and 2900 (March 31, 2023 : Nil) Compulsarily Convertible Cumulative Preference Shares ("CCCPS") of ₹ 500 each fully paid up	70.49	33.32
(Refer Note below)	**70.49**	**33.32**
	888.55	**851.38**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note : During the year ended March 31, 2024 the company has invested an amount of ₹ 20.01 crores in Gegadyne Energy Labs Private Limited (GEL). Post investment, the company holds 24.32% shareholding (on fully diluted basis) in GEL. GEL has accordingly become an associate company of V-Guard Industries Limited with effect from November 21, 2023. Gegadyne is a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions.

B. Current

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Investments carried at fair value through profit and loss:		
Investments in Mutual Funds (unquoted)		
(a) ABSL Liquid Direct Growth Fund	10.02	-
2,57,258.4 [March 31, 2023 : Nil] units		
(b) HDFC Liquid Direct Growth Fund	10.01	-
21,132.45 [March 31, 2023 : Nil] units		
(c) SBI Liquid Direct Growth Fund	10.01	-
26,495.29 [March 31, 2023 : Nil] units		
Total	**30.04**	**-**

(i) Carrying value of unquoted investments are as below:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Investments in Subsidiary Companies:		
Aggregate carrying value of unquoted investments	817.98	817.98
(b) Investments in Associate Company:		
Aggregate carrying value of unquoted investments	70.57	33.40
(c) Investments in Others:		
Aggregate carrying value of unquoted investments	30.04	-

(ii) There is no impairment in the value of investments during the years ended March 31, 2024 and March 31, 2023.

Note 7: Loans (Non-current)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	0.84	1.03
Total	**0.84**	**1.03**

Notes:

(i) There are no loans as at March 31, 2024 and March 31, 2023 which have significant increase in credit risk or which are credit impaired.

(ii) Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Company. The carrying value may be affected by the changes in the credit risk of the counter parties.

(iii) Other loans under Note 15 represents unsecured loan given to Mr. Gopal Singh, the landlord [as at March 31, 2024 - Nil (March 31, 2023: ₹ 0.58 crores)], 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.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 8: Other non-current financial assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Security deposits (unsecured, considered good) (carried at amortised cost)	17.20	16.03
(b) Non-current bank balance (carried at amortised cost) (Refer Note 14B)	0.68	3.28
Total	**17.88**	**19.31**

Note: There are no financial assets as at March 31, 2024 and March 31, 2023 which have significant increase in credit risk or which are credit impaired.

Note 9: Income tax assets (net)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax (net of provisions)	30.96	30.37
Total	**30.96**	**30.37**

Note 10: Deferred tax asset / (liability) (net)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax effect of items constituting deferred tax assets		
Impairment allowance for doubtful trade receivables, loans and advances	9.14	8.09
Disallowances under Section 43B of the Income Tax Act, 1961	11.05	6.76
Others including Lease liabilities	20.82	25.51
	41.01	40.36
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of property, plant and equipment and Right of use assets	(29.45)	(33.01)
Financial Assets at Fair Value through Profit or Loss	(2.73)	-
	(32.18)	(33.01)
Net deferred tax assets / (liabilities) [Refer Note 39(d) and 39(e)]	**8.83**	**7.35**

Note 11: Other non-current assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
(a) Capital advances	13.18	7.10
(b) Deposits with statutory / Government authorities	2.63	2.46
(c) Prepaid expenses	0.44	0.42
Total	**16.25**	**9.98**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 12: Inventories

(Valued at lower of cost and net realisable value)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Raw materials	111.69	128.23
(b) Work-in-progress	41.67	37.74
(c) Finished goods	167.06	193.62
(d) Stock-in-trade	374.47	315.62
(e) Packing materials and consumables	14.58	14.20
Total	**709.47**	**689.41**

Notes:

(i) The above includes goods in transit as under:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	2.66	0.48
Stock-in-trade	14.53	15.23
Packing materials and consumables	0.03	0.34
Total	**17.22**	**16.05**

(ii) During the year ended March 31, 2024 ₹ 5.65 crores (March 31, 2023: ₹ 2.08 crores) was recognised as an expense for inventories carried at net realisable value.

(iii) Inventories are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Note 13: Trade receivables

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Secured, considered good	11.62	11.02
Unsecured, considered good	571.92	533.75
	583.54	**544.77**
Less: Impairment allowance (allowance for bad and doubtful debts) (Refer Note 52C)		
Unsecured, considered good based on expected credit loss provisioning	29.96	24.98
	29.96	**24.98**
Total	**553.58**	**519.79**

Notes:

(i) Trade receivables are generally on terms of 15 to 90 days and are non-interest bearing except in case of overdue payments.

(ii) Trade receivables are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(iii) Refer Note 46 for receivables from related parties.

(iv) Offsetting financial assets and financial liabilities: The Company provides certain incentives to selected customers, the amounts payable by the Company as at March 31, 2024 of ₹ 96.65 crores (March 31, 2023: ₹ 75.32 crores) are offset against receivables from the customers and only the net amounts are settled.

Trade receivables ageing schedule

(₹ in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total as at March 31, 2024
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	447.35	101.55	5.41	2.42	0.23	1.52	558.48
ii) Disputed trade receivables - considered good	-	-	-	3.92	0.55	20.59	25.06
Total	**447.35**	**101.55**	**5.41**	**6.34**	**0.78**	**22.11**	**583.54**

(₹ in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total as at March 31, 2023
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	448.57	69.25	1.35	0.69	0.44	1.59	521.89
ii) Disputed trade receivables - considered good	-	-	-	0.64	3.60	18.64	22.88
Total	**448.57**	**69.25**	**1.35**	**1.33**	**4.04**	**20.23**	**544.77**

Note 14: Cash and cash equivalents and Other bank balances

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
A. Cash and cash equivalents		
(a) Cash on hand	0.09	0.01
(b) Balances with banks:		
On current accounts	29.99	23.64
In fixed deposits with original maturity of less than 3 months	4.99	-
Total	**35.07**	**23.65**
B. Other bank balances		
(a) Unpaid dividend accounts	0.56	0.45
(b) Fixed deposits (Refer note below)	0.68	3.28
Total	**1.24**	**3.73**
Less: Amount disclosed under other non-current financial assets (Refer Note 8)	(0.68)	(3.28)
Total	**0.56**	**0.45**

Note: Fixed deposits of ₹ 0.68 crores (March 31, 2023: ₹ 3.28 crores) has been lien marked with banks towards various guarantees in favour of vendors, statutory authorities and others.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 15: Loans (Current)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	1.16	0.99
(b) Other loans (Refer Note 7(i))	-	0.58
Total	**1.16**	**1.57**

Note: There are no loans as at March 31, 2024 and March 31, 2023 which have significant increase in credit risk or which are credit impaired. Also refer Note 7 (ii).

Note 16: Other current financial assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (carried at amortised cost)		
(a) Interest accrued	0.21	0.20
(b) Receivable pursuant to merger (Refer Note 49)	-	5.22
(c) Others	1.54	0.28
Total	**1.75**	**5.70**

Note:

(i) There are no current financial assets as at March 31, 2024 and March 31, 2023 which have significant increase in credit risk or which are credit impaired.

(ii) Refer Note 46 for receivables from related parties.

Note 17: Other current assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless other wise stated		
(a) Advance to suppliers		
Considered good	46.51	44.80
Considered doubtful	6.36	7.17
	52.87	**51.96**
Less: Provision for doubtful advances	(6.36)	(7.17)
	46.51	**44.80**
(b) Balances with Government authorities	46.14	25.98
(c) Prepaid expenses	17.67	14.01
(d) Right to return asset	7.73	6.67
(e) Others	1.36	0.97
Total	**119.41**	**92.44**

Note: Refer Note 46 for receivables from related parties.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 18: Share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ in Crores	Number of shares	₹ in Crores
(a) Authorised:				
Equity shares of ₹ 1/- (March 31, 2023: ₹ 1/-) each with voting rights	1,91,50,00,000	191.50	1,91,50,00,000	191.50
(b) Issued, subscribed and fully paid-up:				
Equity shares of ₹ 1/- (March 31, 2023: ₹ 1/-) each with voting rights	43,43,85,980	43.44	43,21,74,432	43.22

Pursuant to the Scheme of Amalgamation between the Company and Simon Electric Private Limited, the authorised share capital of the Company increased to ₹ 191.50 crores divided into 1,91,50,00,000 equity shares of ₹ 1 each (Refer Note 49).

(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, 2024		As at March 31, 2023	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the period	43,21,74,432	43.22	43,15,41,934	43.15
Issued during the period	22,11,548	0.22	6,32,498	0.07
Outstanding at the end of the period	**43,43,85,980**	**43.44**	**43,21,74,432**	**43.22**

(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, 2023: ₹ 1 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity share holders will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Class of shares / name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Mr. Kochouseph Chittilappilly	4,09,05,394	9.42%	4,54,05,394	10.51%
Mr. Arun K Chittilappilly	3,77,77,828	8.70%	3,77,77,828	8.74%
Mr. Mithun K Chittilappilly	8,63,89,878	19.89%	8,63,89,878	19.99%
Kotak Mahindra Mutual Fund	2,82,18,086	6.50%	2,61,19,060	6.04%
SBI Mutual Fund	3,94,35,567	9.08%	4,00,52,082	9.27%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

(i) The Company has issued 6,368,878 shares of face value of ₹ 1 each (March 31, 2023: 6,498,801 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(ii) The Company has issued 1,083,008 shares to the share holders of simon Electric private Limited as part of the merger. Refer Note 49

(e) Shares reserved for issue under options and contracts

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer Note 48.

Equity shares are issued as on March 31, 2024 pursuant to the Scheme of Amalgamation between the Company and Simon Electric Private Limited (Refer Note 49).

(f) Details of shares held by promoters:

As at March 31, 2024

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	4,54,05,394	(45,00,000)	4,09,05,394	9.42%	(1.09%)
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.52%	(0.01%)
Promoter group					
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.70%	(0.04%)
Mr. Mithun K Chittilappilly	8,63,89,878	-	8,63,89,878	19.89%	(0.10%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.79%	(0.02%)
Mr. Mithun Kochouseph Chittilappilly, Trustee of Anekha Chittilappilly Trust	2,13,00,000	-	2,13,00,000	4.90%	(0.03%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.26%	(0.03%)

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

As at March 31, 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	4,54,05,394	-	4,54,05,394	10.51%	(0.02%)
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.53%	(0.00%)
Promoter group					
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.74%	(0.01%)
Mr. Mithun K Chittilappilly	8,63,89,878	-	8,63,89,878	19.99%	(0.03%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.81%	(0.01%)
Mr. Mithun Kochouseph Chittilappilly, Trustee of Anekha Chittilappilly Trust	2,13,00,000	-	2,13,00,000	4.93%	(0.01%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.29%	(0.01%)

Note 19: Other Equity

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium		
Opening Balance	141.92	132.54
Exercise of Options under ESOS 2013	6.01	1.94
Transfer from Share based payments reserve on exercise of options under ESOS 2013	10.19	7.44
Shares issued as consideration for business combination (Refer Note 49)	26.73	-
Closing Balance	**184.85**	**141.92**
General Reserve		
Opening Balance	64.89	64.89
Change during the year(net)	-	-
Closing Balance	**64.89**	**64.89**
Retained Earnings		
Opening Balance	**1247.83**	**1125.02**
Net Profit for the year	230.91	179.32
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement (loss) / gain on defined benefit plans (net of taxes)	(2.62)	(0.41)
Final dividend	(56.36)	(56.10)
Closing Balance	**1419.76**	**1247.83**
Capital Reserve		
Opening Balance	20.46	-
Change during the year (Refer Note 49)	-	20.46
Closing Balance	**20.46**	**20.46**
Share based payments reserve		
Opening Balance	42.84	36.91

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
Transfer from Share based payments reserve on exercise of options under ESOS 2013	(10.19)	(7.44)
Compensation cost on stock options granted (net) (Refer Note 34)	2.02	13.37
Closing Balance	**34.67**	**42.84**
Share pending Issuance		
Opening Balance	26.84	-
Shares issued as consideration for business combination (Refer Note 49)	(26.84)	26.84
Closing Balance	-	26.84
Total	**1,724.63**	**1,544.78**

Nature and purpose of reserves:

Securities premium: The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: Represents the amounts transferred from the retained earnings in accordance with the Companies (Transfer of Profits to Reserves) Rules 1975, as per the requirements of the erstwhile Companies Act, 1956.

Retained earnings: Represents the profits / losses of the Company earned till date, net of appropriations. Further, remeasurement gains / (losses) of defined benefit plans are presented as part of retained earnings.

Capital reserve: The excess of fair value of net assets acquired over consideration paid in business combination is recognised as capital reserve.

Share based payments reserve: The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to share based payments reserve. The outstanding balance represents the cumulative compensation cost of stock options granted but not yet vested / exercised.

Shares pending issuance : Represents the equity shares pending to be issued as on March 31, 2023 pursuant to business combination (Refer Note 49).

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 20: Distribution made and proposed

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Dividends on equity shares declared and paid:		
Final dividend for the year ended March 31, 2023 - ₹ 1.30 per share of face value of ₹ 1 each (March 31, 2022 - ₹ 1.30 per share of face value of ₹ 1 each)	56.36	56.10
Total	**56.36**	**56.10**
Proposed dividends on equity shares:		
Proposed dividend for the year ended March 31, 2024 - ₹ 1.40 per share of face value of ₹ 1 each (March 31, 2023 - ₹ 1.30 per share of face value of ₹ 1 each) (Refer note below)	60.81	56.18
Total	**60.81**	**56.18**

Note: Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at the balance sheet date.

Note 21: Non-current borrowings

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(carried at amortised cost)		
Secured		
(a) Term loan from a bank	89.65	89.29
(b) Term loan from a financial institution	184.30	183.62
Less : Current Maturities of Long term-debt (included in current borrowings) (Refer Note 25)		
(a) Term loan from a bank	(44.73)	-
(b) Term loan from a financial institution	(91.96)	-
Total	**137.26**	**272.91**

Notes:

(i) Terms of loans are listed below:

(₹ in Crores)

Particulars	Terms of repayment	Interest rate	As at March 31, 2024	As at March 31, 2023
Term loan of ₹ 90.00 crores	Maturity : January, 2026 Terms : 8 equal quarterly instalments starting from April 2024	8.5% p.a. Repo rate + 200 bps	89.65	89.29
Term loan of ₹ 185.00 crores	Maturity : January, 2026 Terms : 8 equal quarterly instalments starting from April 2024	9.26% p.a. 91 day T-Bill rate + 239 bps	184.30	183.62

(ii) Security of term loans is detailed below:

(a) Term loan from bank : Mortgage on certain immovable properties and charge on all existing and future plant, machinery and equipment.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(b) Term loan from financial institution : Mortgage on certain immovable properties and charge on all existing and future plant, machinery and equipment.

(iii) change in liabilities arising from financing activities are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Lease liabilities		Borrowings	
Balance outstanding as at beginning of the year	80.95	56.35	419.61	10.00
Addition on account of new leases during the year	8.83	37.27	-	-
Deletion on account of termination of leases during the year	(9.62)	(1.48)	-	-
Cash inflow from borrowings	-	-	77.59	517.95
Finance costs	6.62	6.66	27.95	7.82
Cash outflows	(22.11)	(17.85)	(234.12)	(116.16)
Balance outstanding as at end of the year	64.67	80.95	291.03	419.61
Disclosed as:				
Current borrowings (Refer Note 25)	-	-	153.77	146.70
Non-current borrowings (Refer Note 21)	-	-	137.26	272.91
Current portion of lease liabilities (Refer Note 22)	17.09	15.52	-	-
Non-current portion of lease liabilities (Refer Note 22)	47.58	65.43	-	-
Total	**64.67**	**80.95**	**291.03**	**419.61**

Note 22: Lease liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(carried at amortised cost)		
(a) Non-current portion of lease liabilities (Refer Note 21 (iii) and 43)	47.58	65.43
(b) Current portion of lease liabilities (Refer Note 21 (iii) and 43)	17.09	15.52
Total	**64.67**	**80.95**

Note 23: Other non-current financial liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(carried at amortised cost)		
(a) Deferred consideration payable (Refer Note 42)	-	25.40
Total	**-**	**25.40**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 24: Provisions (Non-current)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Provision for warranty (Refer Note 29)	14.88	13.66
Total	**14.88**	**13.66**

Note 25: Current borrowings

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(carried at amortised cost)		
secured		
Current maturities of long term debt		
(a) Term loan from a bank (Refer Note 21(i))	44.73	-
(b) Term loan from a financial institution (Refer Note 21(i))	91.96	-
Unsecured		
(a) Channel financing facility from bank (Refer note (iv) below)	17.08	48.22
(b) Purchase invoice financing from banks - (Refer notes (i) and (ii) below)	-	98.48
Total	**153.77**	**146.70**

Notes:

(i) Terms of borrowings are listed below:

			Balance as at	
Particulars	**Terms of repayment**	**Interest rate**	**March 31, 2024**	**March 31, 2023**
Purchase invoice financing	Repayable on the 90th day from the disbursement	7.6% p.a.	-	98.48

(ii) Purchase invoice financing from banks is an arrangement where banks remit the amount due to suppliers on due dates and the Company repays the amount to banks at an agreed later date.

(iii) The Company has not made any defaults in the repayment of loans availed during the year.

(iv) Channel financing facility from bank represents financing arrangement with limited recourse to the Company. The Company therefore continues to recognise receivables in their entirety in its balance sheet with corresponding liability presented as borrowings.

(v) Also refer Note 21 (iii).

Note 26: Trade payables

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(carried at amortised cost)		
(a) Total outstanding dues of micro enterprises and small enterprises	60.40	56.22
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises:		
-Related parties	17.25	9.84
-Others	406.34	367.05
	423.59	**376.89**
Total	**483.99**	**433.11**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Notes:

(i) Trade payables are non interest bearing and are normally settled in 7 days to 120 days. For explanations on the Company's risk management process, refer Note 52.

(ii) Trade payables are unsecured and for amounts due to related parties, refer Note 46.

(iii) Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Crores)

Particulars		As at March 31, 2024	As at March 31, 2023
(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	60.22	56.04
	Interest due on above	0.32	0.32
		60.54	**56.36**
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under the MSMED Act, 2006	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of the accounting year	0.32	0.32
(e)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Notes:

A. Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

B. Principal amount due to micro and small enterprises and interest thereon of ₹ 1.05 crores and ₹ 0.32 crores as on March 31, 2023 represents amounts acquired by way of business combination (Refer Note 49).

C. Principal amount due to micro and small enterprises includes dues of micro and small enterprises included under other financial liabilities (Refer Note 27 (ii)).

Trade payables ageing schedule

(₹ in Crores)

Particulars		Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2024
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)	Micro enterprises and small enterprises	50.47	9.93	-	-	-	60.40
ii)	Others	321.18	83.03	6.75	4.27	8.36	423.59
iii)	Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv)	Disputed dues - Others	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2023
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	53.31	2.91	-	-	-	56.22
ii) Others	306.71	55.72	5.06	3.03	6.37	376.89
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

Note 27: Other current financial liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(carried at amortised cost)		
(a) Unpaid dividends (Refer note (i) below)	0.56	0.45
(b) Trade / Security deposits received	13.74	13.70
(c) Capital creditors (Refer note (ii) below)	1.07	2.38
(d) Employee benefits payable (Refer Note 46 for related party balances)	61.46	21.32
(e) Deferred consideration payable (Refer Note 42 (iii))	27.38	-
(f) Other payables (Refer Note 46 for related party balances)	0.72	0.61
Total	**104.93**	**38.46**

Notes:

(i) Unpaid dividend represents unpresented dividend warrants and does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

(ii) Capital creditors includes outstanding dues of micro enterprises and small enterprises of ₹ 0.14 crores (March 31, 2023: ₹ 0.14 crores) Refer Note 26(iii).

Note 28: Other current liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Statutory dues*	38.93	29.58
(b) Contract liability	22.38	14.47
(c) Refund liabilities arising from right to return assets	11.59	9.67
(d) Others	1.46	0.09
Total	**74.36**	**53.81**

*Represents dues relating to Goods and Services tax, Provident Fund, Employee State Insurance, withholding taxes etc.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 29: Provisions (Current)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Provision for employee benefits		
(i) Provision for compensated absences (Refer note below)	22.83	18.62
(ii) Provision for gratuity (Refer Note 44)	12.53	8.14
(b) Other provisions		
(i) Provision for warranty (Refer note below)	46.33	35.15
(ii) Provision for indirect tax litigations	-	0.02
Total	**81.69**	**61.93**

Notes:

(i) Provision for compensated absences

The obligations for compensated absences cover the Company's liability for paid leaves. The entire amount of the provision is presented as current as the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The current portion of provision per the actuarial valuation report, included in the total obligation for compensated absences, is ₹ 3.10 crores (March 31, 2023 – ₹ 2.45 crores).

(ii) Provision for warranty:

A provision is recognized for expected warranty claims and after sales services on products sold during the year, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within five years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current information available about defective returns based on the warranty period for the respective products sold.

The table below gives information about movement in provision for warranty : (₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	48.81	38.92
Additional provision recognized	69.39	62.96
Amounts used during the year	(56.99)	(53.07)
Balance as at the end of the year	**61.21**	**48.81**
Disclosed as:		
Non-current (Refer Note 24)	14.88	13.66
Current	46.33	35.15

Note 30: Current tax liabilities (net)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Income Tax (net of advance tax)	2.27	-
Total	**2.27**	**-**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 31: Revenue from operations

(₹ in Crores)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Revenue from contracts with customers		
	Sale of products	4,524.28	4,015.34
	Sale of services	4.44	2.43
	Sale of scrap*	23.53	28.57
		4,552.25	**4,046.34**
(b)	Government budgetary support (Refer note (i) below)*	7.18	4.41
Total		**4,559.43**	**4,050.75**

* Represents other operating revenues.

Notes:

(i) Government budgetary support represents benefits provided by the Central Government of India to the Company in respect of its manufacturing units in the state of Sikkim in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 5, 2017 which were earlier eligible for excise duty exemption.

(ii) Refer Note 45 for disaggregated revenue information.

(iii) **Timing of revenue recognition is as below:**

(₹ in Crores)

Particulars	For the year ended March 31, 2024			
	Electronics	Electricals	Consumer Durables	Total
Timing of revenue recognition				
Goods transferred at a point in time	1,159.12	1,947.22	1,441.47	4,547.81
Services transferred over time	2.82	1.11	0.51	4.44
Total revenue from contracts with customers	**1,161.94**	**1,948.33**	**1,441.98**	**4,552.25**

(₹ in Crores)

Particulars	For the year ended March 31, 2023			
	Electronics	Electricals	Consumer Durables	Total
Timing of revenue recognition				
Goods transferred at a point in time	995.74	1,772.36	1,275.81	4,043.91
Services transferred over time	1.81	0.50	0.12	2.43
Total revenue from contracts with customers	**997.55**	**1,772.86**	**1,275.93**	**4,046.34**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 45):

(₹ in Crores)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Electronics	Electricals	Consumer Durables	Electronics	Electricals	Consumer Durables
External customers	1,166.58	1,948.33	1,444.52	1,001.14	1,773.00	1,276.61
Government budgetary support	(4.64)	(0.00)	(2.54)	(3.59)	(0.14)	(0.68)
Total revenue from contracts with customers	**1,161.94**	**1,948.33**	**1,441.98**	**997.55**	**1,772.86**	**1,275.93**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(iv) Contract balances

The following are the contract balances:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables (Current) (Refer Note 13)	553.58	519.79
Contract liabilities (Current) (Refer Note 28)	22.38	14.47

Contract liabilities represents advance received from customers for sale of products. During the year ended March 31, 2024, revenue recognised from the amount included in contract liability at the beginning of the year is ₹ 13.45 crores (March 31, 2023: ₹ 15.89 crores).

(v) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contract price	4,915.49	4,307.45
Adjustments:		
Discounts, rebates and trade incentives	(351.65)	(251.45)
Refund liabilities	(11.59)	(9.66)
Total revenue from contracts with customers	**4,552.25**	**4,046.34**

(vi) Performance obligation

The performance obligation for sale of products and scrap are satisfied upon delivery / dispatch of goods depending upon terms with customers and payment is generally due within 15 to 90 days from delivery. Some contracts provide customers with a right of return, volume based discounts, rebates and other promotion incentive schemes, which give rise to variable consideration subject to constraint. The contracts do not have a significant financing component. The Company offers standard warranty on selected products. The Company makes provision for same as per the principles laid down under Ind AS 37. The performance obligation for services is satisfied over time and payment is generally due upon completion of service and acceptance of the customer. There are no unsatisfied performance obligations as at March 31, 2024 and March 31, 2023.

Note 32: Other income

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on sale of investments	1.89	5.33
Dividend from Subsidiary	21.13	-
Fair value Gain on Investment	17.14	-
Interest income from financial assets at amortised cost:		
(i) Interest income on overdue trade receivables	5.93	3.73
(ii) Interest income from banks on deposits	0.13	1.35
(iii) Interest income on loans	0.46	0.43
Mould hire charges	0.09	0.10
Liabilities / provisions no longer required written back	0.13	0.12

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Gain on foreign currency transactions and translation (net)	-	0.79
Miscellaneous income	4.94	2.91
Total	**51.84**	**14.76**

Note 33: Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the end of the year:		
Finished goods	167.06	193.62
Work-in-progress	41.67	37.74
Stock-in-trade	374.47	315.62
Total (A)	**583.20**	**546.98**
Inventories at the beginning of the year:		
Finished goods	193.62	259.80
Work-in-progress	37.74	49.40
Stock-in-trade	315.62	323.74
Total (B)	**546.98**	**632.94**
Acquired through business combination (Refer Note 49)		
Finished goods	-	1.06
Work-in-progress	-	2.10
Total (C)	**-**	**3.16**
(Increase) / decrease in inventories		
Finished goods	26.56	67.24
Work-in-progress	(3.93)	13.76
Stock-in-trade	(58.85)	8.12
Net (increase) / decrease (C + B - A)	**(36.22)**	**89.12**

Note 34: Employee benefits expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Salaries, wages and bonus	336.39	255.07
(b) Contributions to provident and other funds	15.98	13.32
(c) Share based payment expense (Refer Note 48)	2.02	13.37
(d) Gratuity expense (Refer Note 44)	5.55	4.67
(e) Staff welfare expenses	16.82	8.43
Total	**376.76**	**294.86**

Notes: Also refer Note 40.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 35: Depreciation and amortization expenses

(₹ in I Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Depreciation of property, plant and equipment (Refer Note 3)	41.93	39.43
(ii) Depreciation of right of use assets (Refer Note 3)	17.73	15.09
(iii) Amortization of intangible assets (Refer Note 5)	7.29	3.92
Total	**66.95**	**58.44**

Note 36: Finance costs

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on income tax	-	0.20
Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss:		
(i) Interest on borrowings	27.95	7.82
(ii) Interest on lease liability (Refer Note 43)	6.62	6.66
(iii) Interest - others	2.89	1.24
Total	**37.46**	**15.92**

Note 37: Other expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of packing materials and consumables	60.47	63.72
Power and fuel	22.11	18.01
Rent (Refer Note 43)	13.55	16.88
Repairs and maintenance		
Plant and machinery	4.29	3.69
Building	2.05	1.44
Others	37.18	30.33
Rates and taxes	4.05	3.47
Travelling and conveyance	49.89	38.82
Freight and forwarding charges	102.41	86.70
Advertisement and business promotion expenses	108.08	87.52
Donations and contributions	0.02	0.01
CSR expenditure (Refer Note 38)	5.48	5.50
Legal and professional fees	40.38	31.19
Directors' sitting fees	0.86	0.56
Payments to statutory auditors (Refer note (i) below)	0.91	0.86
Loss on foreign currency transactions and translation (net)	2.59	-
Loss on property, plant and equipment sold / scrapped / written off (net)	0.64	0.13
Loss allowance for trade receivables (net)	5.28	(7.46)
Impairment allowance for doubtful advances (net)	(0.81)	(3.09)
Outsourced manpower cost	86.53	72.50
Warranty expenses	69.39	62.96
Contributions to political parties (Refer note (ii) below)	-	0.00
Miscellaneous expenses	74.31	61.12
Total	**689.66**	**574.86**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Notes:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Payments to statutory auditors comprises:		
Statutory audit fees	0.51	0.44
Tax audit fees	-	0.05
Limited review fees	0.24	0.21
Fees for other services (certifications)	-	0.02
Reimbursement of expenses	0.16	0.14
Total	**0.91**	**0.86**
(ii) Contribution to political parties		
National Democratic Alliance	-	-
United Democratic Front	-	0.00
Left Democratic Front	-	0.00
Total	**-**	**0.00**

(iii) Also Refer Note 40

Note 38: Details of CSR expenditure

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Gross amount required to be spent during the year	5.44	5.47
b) Amount spent during the year:		
(i) In cash		
-Construction / acquisition of any asset	-	-
-On purposes other than (i) above	5.48	5.50
(ii) Yet to be paid in cash		
-Construction / acquisition of any asset	-	-
-On purposes other than (i) above	-	-
c) Details related to spent / unspent obligations:		
(i) Contribution to public trust	-	-
(ii) Contribution to charitable trust	-	-
(iii) Contribution to Section 8 Company (Refer Note 46)	5.39	5.43
(iv) Others	0.09	0.07
(v) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-

d) Details of CSR expenditure under Section 135(5) of the Companies Act, 2013 in respect of other than ongoing projects

Opening Balance as on April 1, 2024	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent
-	-	5.44	5.48	0.04

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Opening Balance as on April 1, 2023	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent
-	-	5.47	5.50	0.03

e) Refer Note 46(3) for nature of projects under CSR

Note 39: Income taxes

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:

(a) Statement of profit and loss

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current income tax		
Current income tax charge	70.80	35.90
Deferred Tax		
Relating to origination and reversal of temporary differences	(0.66)	26.15
Income tax expense reported in the statement of profit and loss	**70.14**	**62.05**

(b) OCI section

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax related to items recognised in OCI during the year	0.82	0.07

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before income tax	301.05	241.37
Applicable tax rate	25.168%	25.168%
Computed tax expense at statutory rate	75.77	60.75
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Corporate Social Responsibilty Expenditure	1.38	1.39
Dividend from Subsidiary	(5.32)	-
Other items	(1.69)	(0.09)
Income tax charged to the Statement of profit and loss	**70.14**	**62.05**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(d) Reconciliation of deferred tax asset / (liability) (net):

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance as at beginning of the year	7.35	8.63
Acquired through business combination (Refer Note 49)	-	24.80
Tax income / (expense) during the year recognised in Statement of profit and loss	0.66	(26.15)
Tax income / (expense) during the year recognised in other comprehensive income	0.82	0.07
Closing balance as at end of the year	**8.83**	**7.35**

(e) Movement of deferred tax asset / (liability) (net) for the year ended March 31, 2024 and March 31, 2023:

(₹ in Crores)

Particulars	Difference between book balance and tax balance of property, plant and equipment and right of use assets	Financial Assets at Fair Value through Profit or Loss	Impairment allowance for doubtful trade receivables, loans and advances	Disallowances under Section 43B of the Income Tax Act, 1961	Brought forward losses and unabsorbed depreciation	Others including lease liabilities	Net Deferred Tax Balance
As at April 1, 2022	**(26.59)**	**-**	**10.82**	**5.42**	**-**	**18.98**	**8.63**
Acquired through business combination (Refer Note 49)	(0.42)	-	0.20	0.27	24.50	0.24	24.80
(Charged) or credited:							
- to profit or loss	(6.00)	-	(2.94)	1.00	(24.50)	6.29	(26.15)
- to other comprehensive income	-	-	-	0.07	-	-	0.07
As at March 31, 2023	**(33.01)**	**-**	**8.08**	**6.77**	**-**	**25.51**	**7.35**
(Charged) or credited:							
- to profit or loss	3.56	(2.73)	1.05	3.47	-	(4.69)	0.66
- to other comprehensive income	-	-	-	0.82	-	-	0.82
As at March 31, 2024	**(29.45)**	**(2.73)**	**9.13**	**11.06**	**-**	**20.82**	**8.83**

Note 40: Details of research and development expenditure

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employee benefits expenses	18.23	14.63
Travelling expenses	1.09	0.96
Others	4.47	5.05
Total	**23.79**	**20.65**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 41: Commitments and contingencies

A) Capital commitments (Net of advances)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	55.59	17.11

B) Contingent Liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Litigations (see note below)		
(a) Claims against the Company not acknowledged as debt	0.18	2.75
(b) Direct tax matters under dispute / pending before Income Tax Authorities	55.77	43.24
(c) Indirect tax matters for demands raised by goods and services tax / sales tax / VAT department pending before various appellate authorities	8.45	10.46
(d) Others	0.14	0.14
Total	**64.54**	**56.59**

Notes:

(i) The Company is involved in taxation and other disputes, lawsuits, proceedings etc. including commercial matters and claims relating to Company's products that arise from time to time in the ordinary course of business. Management is of the view that such claims are not tenable and will not have any material adverse effect on the Company's financial position and results of operations. It is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.

(ii) The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

(iii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 42: Investment in subsidiaries

a) These financial statements are separate financial statements prepared in accordance with Ind AS-27 "Separate Financial Statements".

b) The Company's investment in subsidiaries are as follows:

Name of the Subsidiaries	Country of incorporation	Portion of ownership interest as at March 31, 2024	Portion of ownership interest as at March 31, 2023	Method used to account for the investment
Guts Electro-Mech Limited (Refer note (i) below)	India	100%	100%	At cost
V-Guard Consumer Products Limited (Refer note (ii) below)	India	100%	100%	At cost
Sunflame Enterprises Private Limited (Refer note (iii) below)	India	100%	100%	At cost

i) The Company had acquired 74% equity stake in Guts Electro-Mech Limited ("Guts") on August 31, 2017. Guts is a public limited company engaged in the business of Switch Gear. The Company's Board of Directors at its meeting held on July 27, 2022 approved acquisition of balance 26% equity shares of Guts by exercising call option in accordance with the Share purchase and subscription agreement dated August 31, 2017. Consequently, Guts has become a wholly-owned subsidiary of the Company.

(ii) Pursuant to the approval of the Board of directors in their meeting held on July 02, 2021, the Company incorporated a wholly owned subsidiary by the name of V-Guard Consumer Products Limited ("VCPL") on July 19, 2021 and invested in 121,089,961 equity shares of ₹ 10 each. VCPL is incorporated with an objective of engaging in establishment and carrying on the business of manufacturing, selling and dealing in various consumer electrical, electronics, electromechanical products and home and kitchen appliances of all kinds both electrical and non-electrical and such other allied products.

(iii) Pursuant to the approval of the Board of directors in their meeting held on December 09, 2022, the Company completed the acquisition of 100% shareholding of Sunflame Enterprises Private Limited on January 12, 2023 for an aggregate consideration of ₹ 688.04 crores (including deferred consideration of ₹. 25.00 crores (excluding the interest component of ₹ 2.38 crores (March 31, 2023 : ₹ 0.40 crores)) and costs related to acquisition ₹ 7.71 crores) computed after the closing adjustments relating to working capital and net debt as described in the Share Purchase Agreement dated December 9, 2022. Accordingly, Sunflame Enterprises Private Limited has become a wholly-owned subsidiary of the Company with effect from January 12, 2023.

Note 43: Leases

(i) The Company's lease asset primarily consist of leases for vehicles, land and buildings for factories, branch offices and warehouses having the various lease terms. Certain real estate leases have renewal and / or termination options, which are assessed to determine if those options would affect the duration of the lease term. Renewal and termination options in real estate leases create flexibility in the Company's real estate portfolio, allowing the Company to readily adapt to changing business needs. The Company also has lease for vehicles, which have an average lease term of 4 years. The Company also has certain leases with lease terms of 12 months or less. The Company applies the short term lease recognition exemptions for these leases.

(ii) Refer Note 3 for carrying amount and movements of right of use assets during the years ended March 31, 2024 and March 31, 2023.

(iii) Refer Note 22 for carrying amount and movements of lease liabilities during the years ended March 31, 2024 and March 31, 2023.

(iv) Amounts recognised in statement of profit and loss during the year: (₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on right of use assets (Refer Note 35)	17.73	15.09
Finance cost accrued during the year (included in finance costs) (Refer Note 36)	6.62	6.66
Expense related to short term leases (included in other expenses) (Refer Note 37)	13.55	16.88
(Gain) / loss on lease modifications (Refer Note 32)	(1.34)	(0.15)
Total	**36.56**	**38.48**

(v) Non-cash investing activities during the year: (₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Acquisition of right of use assets	8.83	38.45
Disposal of right of use assets	(16.41)	(2.88)
Total	**(7.58)**	**35.57**

(vi) The maturity analysis of lease liabilities are disclosed in Note 52A.

(vii) The weighted average incremental borrowing rate applied to lease liabilities is 9%.

(viii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(ix) The Company had total cash outflows for leases of ₹ 35.66 crores during the year ended March 31, 2024 (March 31, 2023 ₹ 34.73 crores)

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 44: Employee benefit plans

Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Components of employer expense:		
Current service cost	5.12	4.40
Net interest expense / (income) on net defined benefit obligations	0.43	0.27
Total expense recognised in the Statement of Profit and Loss	**5.55**	**4.67**
Actual contribution and benefit payments for year:		
Actual benefit payments	2.02	1.55
Actual contributions	4.76	3.19
Net (liability) / asset recognised in the Balance Sheet:		
Present value of defined benefit obligation	(52.75)	(43.20)
Fair value of plan assets	40.22	35.06
Net (liability) / asset recognised in the Balance Sheet	**(12.53)**	**(8.14)**
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	43.20	36.79
Current service cost	5.12	4.40
Interest cost on DBO	3.00	2.41
Transfer to subsidiary	(0.17)	(0.13)
Acquired through business combination (Refer Note 49)	-	0.76
Actuarial losses / (gains)	3.62	0.52
Benefits paid	(2.02)	(1.55)
Present value of DBO at the end of the year	**52.75**	**43.20**
Change in fair value of assets during the year:		
Plan assets at beginning of the year	35.06	31.24
Return on plan assets greater / (lesser) than discount rate	0.18	0.04
Actual company contributions	4.76	3.19
Interest income on plan assets	2.57	2.14
Transfer to subsidiary	(0.33)	-
Benefits paid	(2.02)	(1.55)
Plan assets at the end of the year	**40.22**	**35.06**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Composition of the plan assets is as follows:		
Insurer managed assets	**100%**	**100%**
Remeasurement (losses) / gains in other comprehensive income		
Return on plan assets greater / (lesser) than discount rate	0.18	0.04
Actuarial (loss) / gain on obligations arising from changes in experience adjustments	(3.27)	(1.74)
Actuarial gain / (loss) on obligations arising from changes in financial assumptions	(0.35)	1.22
Total amount recognised in OCI	**(3.44)**	**(0.48)**

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The below sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined benefit obligation	52.75	43.20

(₹ in Crores)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Impact on defined benefit obligation (increase / (decrease))due to change in discount rate	5.66	(4.94)	3.18	(2.81)
Impact on defined benefit obligation (increase / (decrease)) due to change in salary escalation rate	(4.94)	5.65	(2.79)	3.10

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Funding arrangements and Funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Maturity profile of defined benefit obligation

(₹ in Crores)

Expected cash flows (value on undiscounted basis)	As at March 31 2024	As at March 31 2023
Within 1 year	5.86	4.64
Within 2 years	6.33	5.16
Within 3 years	6.23	5.22
Within 4 years	6.70	5.55
Within 5 years	7.71	6.06
Within 6 to 10 years	46.15	37.63

Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2023: 7 years).

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial assumptions:		
Discount rate	7.00%	7.10%
Salary escalation rate	9.00%	9.00%
Attrition	Marketing - 16% & Non-Marketing - 8%	Marketing - 16% & Non-Marketing - 8%
Mortality Table	Indian Assured Lives Mortality (2006-08) modified Ultimate	Indian Assured Lives Mortality (2006-08) modified Ultimate
Estimate of amount of contribution in the immediate next year (₹ in Crores)	12.53	8.14

Notes:

i) Plan assets are fully represented by balance with the Life Insurance Corporation of India.

ii) The long term estimate of the expected rate of return on fund assets has been arrived at based on the prevailing yields on these assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.

iii) The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iv) **Plan Characteristics and Associated Risks:** The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. **Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. If bond yields fall, the defined benefit obligation will tend to increase.

b. **Salary Inflation risk :** The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors. Higher than expected increases in salary will increase the defined benefit obligation

c. **Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Note 45: 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, Consumer Durables as follows:

Electronics Segment includes Stabilizers, Digital UPS, UPS and Solar Inverters;

Electricals Segment includes PVC Insulated Cables, Switch Gears, Pumps and Modular Switches; and

Consumer Durables Segment includes Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Glass-top Gas Stoves, Rice Cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers.

The Management Committee of the Company monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product and have been identified as per the quantitative criteria specified in the Ind AS. The management has complied with the aggregation criteria as specified in Ind-AS 108 and the same has been applied based on the nature of products, considering their end users and as considered relevant and appropriate for the industry the Company operates in.

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and property, plant and equipment. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liability.

Current taxes, deferred taxes, investment in subsidaries and others, cash and bank balances and certain other financial assets and liabilities are not allocated to segments as they are also managed on Company basis.

Capital expenditure consists of addition of property, plant and equipment, capital work in progress, intangible assets, intangible assets under development and capital advances.

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 Standalone Financial Statements

as of and for the year ended March 31, 2024

Year ended March 31, 2024 (₹ in Crores)

Particulars	Electronics	Electricals	Consumer Durables	Eliminations	Total
Revenue					
External customers	1,166.58	1,948.33	1,444.52	-	4,559.43
Inter-segment	-	-	-	-	-
Total revenue	**1,166.58**	**1,948.33**	**1,444.52**	**-**	**4,559.43**
Income / (Expenses)					
Depreciation and amortisation	(2.42)	(12.01)	(13.43)	-	(27.86)
Impairment allowance for doubtful trade receivables and provision for doubtful advances (net)	(1.14)	(1.91)	(1.42)	-	(4.47)
Segment profit	**135.53**	**160.98**	**17.27**	**-**	**313.78**
Total assets	**414.98**	**552.77**	**664.43**	**-**	**1,632.18**
Total liabilities	**150.61**	**232.15**	**215.21**	**-**	**597.97**
Other disclosure: Capital expenditure	(1.04)	23.12	7.31	-	29.39

Year ended March 31, 2023 (₹ in Crores)

Particulars	Electronics	Electricals	Consumer Durables	Eliminations	Total
Revenue					
External customers	1,001.14	1,773.00	1,276.61	-	4,050.75
Inter-segment	-	-	-	-	-
Total revenue	**1,001.14**	**1,773.00**	**1,276.61**	**-**	**4,050.75**
Income / (Expenses)					
Depreciation and amortisation	(2.95)	(10.65)	(13.07)	-	(26.67)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	2.61	4.62	3.32	-	10.55
Segment profit	**125.82**	**135.09**	**9.78**	**-**	**270.69**
Total assets	**386.34**	**551.31**	**600.78**	**-**	**1,538.43**
Total liabilities	**123.17**	**196.73**	**194.49**	**-**	**514.39**
Other disclosure: Capital expenditure	0.19	28.14	21.11	-	49.44

Reconciliation of amount reflected in the financial statements

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Reconciliation of profit		
Segment profit	313.78	270.69
Other unallocable income	47.62	16.08
Other unallocable expenses	(22.89)	(29.48)
Finance cost	(37.46)	(15.92)
Profit before tax	**301.05**	**241.37**

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(₹ in Crores)

Particulars		As at March 31, 2024	As at March 31, 2023
(b)	**Reconciliation of assets**		
	Segment operating assets	1,632.18	1,538.43
	Investment in Subsidiaries	817.98	817.98
	Investment property	0.28	0.28
	Investments - Current & Non-Current	100.61	33.40
	Deferred tax asset	8.83	7.35
	Cash and cash equivalents	35.07	23.65
	Other bank balances	0.56	0.45
	Current tax assets (net)	30.96	30.37
	Property, plant and equipment, Capital work-in-progress, Intangible assets, Intangible assets under development and Right of use assets	188.42	176.59
	Other unallocable assets	71.00	86.43
	Total assets	**2,885.89**	**2,714.93**
(c)	**Reconciliation of liabilities**		
	Segment operating liabilities	597.97	514.39
	Borrowings	291.03	474.68
	Current tax liabilities	2.27	-
	Lease liability	33.90	47.45
	Provision for leave benefits	22.83	18.62
	Provision for gratuity	12.53	8.14
	Other unallocable liabilities	157.29	63.65
	Total liabilities	**1,117.82**	**1,126.93**

Revenue from external customer

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	4,547.53	4,046.38
Outside India	11.90	4.37

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. No individual customer contributes to more than 10% of the Revenue.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Note 46: Related party transactions

(a) Details of related parties:

Description of Relationship	Names of Related Parties
Key Management Personnel (KMP)	Mr. Mithun K. Chittilappilly - Managing Director
	Mr. Ramachandran V - Director and Chief Operating Officer
	Mr. Sudarshan Kasturi - Chief Financial Officer (Refer Note 2 below)
	Ms. Jayasree K - Company Secretary (ceased to be KMP w.e.f February 02, 2023) (Refer Note 2 below)
	Mr. Vikas Kumar Tak - Company Secretary (Refer Note 2 below)
	Mr. Antony Sebastian - Executive Director (w.e.f from May 30, 2023)
Relatives of KMP with whom transactions have taken place during the year	Mr. Kochouseph Chittilappilly - Father of Mr. Mithun K Chittilapilly
	Ms. Sheela Kochouseph - Mother of Mr. Mithun K Chittilapilly
	Mr. Arun K. Chittilappilly - Brother of Mr. Mithun K Chittilapilly
	Ms. Vidyavathi Vaidyanathan - Wife of Mr. Ramachandran V
	Ms. Radhika Ramachandran - Daughter of Mr. Ramachandran V
Non - Executive Directors	Mr. Cherian N Punnoose
	Mr. Ullas K Kamath
	Mr. C J George
	Mr. George Jacob Muthoot
	Prof. Biju Varkey
	Mr. Ishwar Subramanian (w.e.f May 30, 2023)
	Ms. Radha Unni
Subsidiaries	Guts Electro-Mech Limited (Refer Note 42)
	V-Guard Consumer Products Limited (Refer Note 42)
	Sunflame Enterprises Private Limited (Refer Note 42)
Associates	Gegadyne Energy Labs Private Limited (w.e.f November 21, 2023)
Entities in which KMP/ relatives of KMP can exercise significant influence	K Chittilappilly Trust
	Arav Chittilappilly Trust
	Anekha Chittilapilly Trust
	V-Guard Foundation (Refer Note 3 below)

The Company has not entered in to any transactions with companies in which KMP / relatives of KMP can exercise significant influence.

Notes forming part of the Standalone Financial Statements

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(b) Transactions with related parties during the year

(₹ in Crores)

Name of the Related Party	Nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023
Mr. Kochouseph Chittilappilly	Dividends paid	5.90	5.90
	Emoluments	0.74	0.64
Mr. Mithun K Chittilappilly	Dividends paid	11.23	11.23
	Salaries and allowances	3.37	2.84
	Company contribution to provident fund	0.28	0.23
	Commission	4.47	3.82
Mr. Ramachandran V	Dividends paid	0.22	0.21
	Salaries and allowances	4.06	2.41
	Company contribution to provident fund	0.30	0.28
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	15.37	4.20
	Issue of Equity shares including premium	5.94	1.49
Mr. Sudarshan Kasturi	Dividends paid	0.00	0.00
	Salaries and allowances	2.93	2.30
	Company contribution to provident fund	0.15	0.13
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	1.30	1.20
	Issue of Equity shares including premium	0.01	0.01
Ms. Jayasree K	Dividends paid	-	0.01
	Salaries and allowances	-	0.30
	Company contribution to provident fund	-	0.01
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	-	0.11
	Issue of Equity shares including premium	-	0.00
Mr. Vikas Kumar Tak	Salaries and allowances	0.50	0.06
	Company contribution to provident fund	0.02	0.00
Mr. Antony Sebastian	Dividend Paid	0.06	-
	Salaries and allowances	0.96	-
	Company contribution to provident fund	0.05	-
Relatives of KMP (Excluding Mr. Kochouseph Chittilappilly)	Dividends paid	6.42	6.42
Entities in which KMP/ relatives of KMP can exercise significant influence	Dividends paid	7.88	7.88

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as of and for the year ended March 31, 2024

(₹ in Crores)

Name of the Related Party	Nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023
Non - Executive Directors	Dividends paid	-	0.02
	Sitting fees	0.86	0.57
	Commission	0.20	0.18
Guts Electro-Mech Limited	Purchase of goods	70.05	45.04
	Sale of goods	0.67	0.23
	Sale of services	0.73	0.34
	Sale of property, plant and equipment	-	0.35
	Reimbursement of expenses by subsidiary	0.75	0.71
V-Guard Consumer Products Limited	Investment in Equity Shares	-	61.29
	Purchase of goods	343.91	100.84
	Sale of goods	5.76	5.11
	Sale of services	2.61	1.73
	Reimbursement of expenses by subsidiary	0.16	0.25
	Rent received	0.03	0.03
Sunflame Enterprises Private Limited	Reimbursement of expenses by subsidiary	3.98	0.24
	Sale of property, plant and equipment	0.01	-
	Sales of services	0.24	-
	Dividend Received	21.13	-
	Rent Received	0.01	-
Gegadyne Energy Labs Private Limited	Investment in Preference shares	20.01	-
	Loan Given	2.30	-
	Interest on Loan	0.03	-
	Loan Repayment	2.30	-

(c) Related party balances

(₹ in Crores)

Name of the Related Party	Nature of transactions	As at March 31, 2024	As at March 31, 2023
Mr. Kochouseph Chittilappilly	Emoluments payable	0.74	0.64
Mr. Mithun K Chittilappilly	Commission payable	4.47	3.82
Non - Executive Directors	Commission payable	0.20	0.18
Guts Electro-Mech Limited	Corporate guarantee given on behalf of related party	-	8.00
	Trade receivables	2.29	0.58
	Other current assets	-	0.70
	Trade payables	6.57	-
V-Guard Consumer Products Limited	Corporate guarantee given	-	50.00
	Rent deposit	0.01	0.01
	Trade receivables	1.58	3.24
	Trade payables	10.68	9.84
Sunflame Enterprises Private Limited	Other current Financial asset	1.54	0.24

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Notes:

1. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. The details of KMP compensation is as below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term employee benefits	16.29	11.75
Post-employment benefits	0.81	0.66
Share based payment expense	16.67	5.52

2. Represents additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year.

3. The Company has formed V-Guard Foundation, a Company incorporated under Section 8 of the Companies Act, 2013, as its principal arm for implementing the Company's CSR programs / projects in compliance with Section 135 of the Companies Act, 2013. Two directors of the Company are the directors of V-Guard Foundation. During the year ended March 31, 2024, the Company has contributed ₹ 5.39 crores (March 31, 2023: ₹ 5.43 crores) towards expenditure for CSR activities. V-Guard Foundation has undertaken various CSR projects like V-Guard Educare and Skill Development, V-Guard Build India, V-Guard Health Care and V-Guard Women Empowerment.

4. The 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 47: Earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit for the year (₹ in crores)	230.91	179.32
Weighted average number of equity shares outstanding*	43,69,74,476	43,17,63,620
Basic earnings per share (₹)	**5.28**	**4.15**
Net Profit for the year (₹ in crores)	230.91	179.32
Weighted average number of equity shares outstanding	43,83,27,754	43,50,07,084
Diluted earnings per share (₹)	**5.27**	**4.12**
Weighted average number of equity shares in calculating basic EPS	43,69,74,476	43,17,63,620
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	13,53,278	32,43,464
Weighted average number of equity shares in calculating diluted EPS	**43,83,27,754**	**43,50,07,084**

*Includes effect of vested employee stock options, considered as 'in-substance' issued equity shares.

Note 48: Share based payments

The members of the Company by way of a special resolution under Section 81(1)(A) of the Companies Act, 1956, passed on 14th May, 2013 through postal ballot procedure, approved Employees Stock Option Scheme, 2013 (ESOS 2013) for grant of stock options to eligible employees of the Company. According to the Scheme, the eligible employees will be entitled to options as given below subject to satisfaction of prescribed vesting conditions. All options granted under ESOS 2013 can be exercised within 6 years from the date of vesting. The number of shares allocated for allotment under

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

the ESOS 2013 is 1,97,87,023 equity shares of ₹ 1/- each. The schemes are monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting conditions
Grant II	2015-16	04-May-15	2,81,266	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.
			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 X	2017-18	22-Jan-18	2,50,768	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant 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 XIV	2019-20	06-Nov-19	31,444	1.00	Over 4 years	
Grant XV	2020-21	22-May-20	12,59,200	172.05	Over 4 years	100% of the entitlements are time based grants which will vest over 4 years.
			2,60,000	1.00	Over 4 years	100% of the entitlements based on the Company's performance at the end of 4 years.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting conditions
Grant XVI	2020-21	27-Aug-20	10,62,635	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant XVII	2020-21	03-Feb-21	3,16,325	1.00	Over 4 years	
Grant XVIII	2020-21	19-Mar-21	24,907	1.00	Over 4 years	
Grant XIX	2021-22	30-Jul-21	1,47,685	1.00	Over 4 years	
Grant XX	2021-22	28-Oct-21	1,14,365	1.00	Over 4 years	
Grant XXI	2021-22	02-Feb-22	2,51,143	1.00	Over 4 years	
Grant XXII	2021-22	25-Mar-22	59,980	1.00	Over 4 years	
Grant XXIII	2022-23	19-May-22	91,407	1.00	Over 4 years	
Grant XXIV	2022-23	27-Jul-22	86,868	1.00	Over 4 years	
Grant XXV	2022-23	02-Feb-23	1,23,651	1.00	Over 4 years	
Grant XXVI	2023-24	29-May-23	27,657	1.00	Over 4 years	
Grant XXVII	2023-24	27-Jul-23	1,40,326	1.00	Over 4 years	
Grant XXVIII	2023-24	29-Oct-23	65,415	1.00	Over 4 years	
Grant XXIX	2023-24	31-Jan-24	36,915	1.00	Over 4 years	

The details of the activity under the Scheme are summarized below:

Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited / expired during the year	Exercised during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life (in years)
1.00	2,44,021	2,70,313	26,181	3,73,952	1,14,201	2,46,010	6.88
	(22,68,284)	(3,01,926)	(1,27,117)	(3,48,623)	(20,94,470)	(2,44,021)	(7.35)
71.36	19,588	-	-	19,588	-	-	-
	(86,463)	-	-	(66,875)	(19,588)	(19,588)	(1.09)
68.75	17,01,000	-	-	5,67,000	11,34,000	11,34,000	1.19
	(19,18,000)	-	-	(2,17,000)	(17,01,000)	(17,01,000)	(1.71)
121.79	6,72,000	-	-	1,68,000	5,04,000	5,04,000	1.27
	(6,72,000)	-	-	-	(6,72,000)	(6,72,000)	(1.79)
172.05	6,29,600	-	-	-	6,29,600	9,44,400	4.64
	(12,59,200)	-	-	-	(12,59,200)	(6,29,600)	(5.64)

Note: The numbers in parenthesis pertains to the previous year ended March 31, 2023

Weighted average fair value of the options granted during the year was 281.98 (March 31, 2023: ₹ 230.78).

Weighted average equity share price at the date of exercise of options during the year was ₹ 291.78 (March 31, 2023: ₹ 247.06).

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Binomial model:

Notes forming part of the Standalone Financial Statements

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Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Risk-free interest rate (%)	6.80 % to 7.32 %	6.80 % to 7.24 %
Expected life of options (years)	4.01 to 7.01	4.01 to 7.01
Expected volatility (%)	27.57% to 30.02%	29.90 % to 31.91 %
Dividend yield	0.44 % to 0.52 %	0.48 % to 0.56 %

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome . The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date, indicative of future trends, which may not necessarily be the actual outcome.

Note 49: Acquisition of Simon Electric Private Limited through Scheme of Amalgamation

In accordance with the Scheme of Amalgamation (Scheme) between the Company and Simon Electric Private Limited (Simon) as approved by Hon'ble National Company Law Tribunal, Simon was merged with business of the Company with effect from March 25, 2023 (appointed date), in consideration of 0.76646 equity shares of the Company of ₹ 1 each fully paid up for every 100 equity shares held in Simon of ₹ 10 each fully paid up.

The Scheme will enable the Company to expand its presence in the switches and home automation products market while also helping to enter a premium modular switches segment. It is also expected to result in revenue and cost synergies.

Pursuant to the Scheme, the authorised share capital of the Company was increased to ₹191.50 crores divided into 1,91,50,00,000 equity shares of ₹ 1 each. In discharge of the consideration, the Company has allotted 10,83,008 equity shares to the shareholders of Simon. The fair value of consideration amounts to ₹ 26.84 crores.

As per the provisions of the Scheme, transfer of the above business into the Company has been accounted in accordance with Ind AS 103, 'Business Combinations', with effect from the appointed date.

Assets acquired and liabilities assumed

The fair values of identifiable assets and liabilities of Simon as at the date of acquisition were:

(₹ in Crores)

Particulars	Amount recognised on acquisition
Assets	
Property plant and equipment	9.04
Right of use assets	5.56
Intangible assets	0.01
Inventories	3.82
Trade receivables (net of provision for expected credit loss of ₹ 0.82 crores)	3.63
Cash and cash equivalents	0.72
Other financial assets	5.54
Current tax assets (net)	0.01
Deferred tax asset (net)	24.81
Other assets	0.23
	53.37

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(₹ in Crores)

Particulars	Amount recognised on acquisition
Liabilities	
Provisions	1.09
Trade payables	3.85
Other financial liabilities	0.72
Other current liabilities	0.41
	6.07
Total identifiable net assets at fair value	47.30
Bargain purchase gain arising on acquisition	(20.46)
Purchase consideration	**26.84**

Notes:

(i) Bargain purchase gain on acquisition of 20.46 crores is mainly on account of deferred tax assets of 24.50 crores recognised on carried forward losses and unabsorbed depreciation of Simon. The same was not recognised as an asset in Simon books considering absence of virtual certainty regarding future taxable income to set off these carried forward losses and unabsorbed depreciation.

(ii) If the acquisitions had occurred on April 1, 2022, consolidated pro-forma revenue and loss contribution from Simon for the year ended March 31, 2023 would have been 14.82 crores and 8.36 crores respectively. These amounts have been calculated using the Simon's results and adjusting them for the additional depreciation that would have been charged assuming the fair value adjustments to property, plant and equipment and right of use asset had applied from April 1, 2022.

Note 50: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Crores)

Particulars	Carrying value		Fair value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets at FVTPL				
Other investments	100.53	33.32	100.53	33.32
Financial assets at amortised cost				
Loans	2.00	2.60	2.00	2.60
Cash and bank balances	35.63	24.10	35.63	24.10
Other financial assets	18.95	21.73	18.95	21.73
Trade receivables	553.58	519.79	553.58	519.79
Total	**710.69**	**601.54**	**710.69**	**601.54**
Financial liabilities at amortised cost				
Borrowings	291.03	419.61	291.03	419.61
Other financial liabilities	104.93	63.86	104.93	63.86
Trade payables	483.99	433.11	483.99	433.11
Total	**879.95**	**916.58**	**879.95**	**916.58**

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.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

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 51 (iv).

The fair value of loans, lease liabilities and borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate. The fair value of put option liability is determined based on the present value of the amount payable on exercise of the option. There are no unobservable inputs that impact fair value.

Note 51: Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities, measured at fair value on the balance sheet date:

(₹ in Crores)

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets carried at cost for which fair value are disclosed					
Investment property (Refer Note 4 (i))	31-Mar-24	0.28	-	-	0.28
	31-Mar-23	0.28	-	-	0.28
Fair value of financial assets disclosed					
FVTPL - Other investments	31-Mar-24	100.53	-	30.04	70.49
	31-Mar-23	33.32	-	-	33.32
Assets carried at amortised cost for which fair value are disclosed					
Cash and bank balances	31-Mar-24	35.63	-	-	35.63
	31-Mar-23	24.10	-	-	24.10
Other financial assets	31-Mar-24	19.63	-	-	19.63
	31-Mar-23	25.01	-	-	25.01
Loans	31-Mar-24	2.00	-	-	2.00
	31-Mar-23	2.60	-	-	2.60
Trade receivables	31-Mar-24	553.58	-	-	553.58
	31-Mar-23	519.79	-	-	519.79
Liabilities carried at amortised cost for which fair value are disclosed					
Trade payables	31-Mar-24	483.99	-	-	483.99
	31-Mar-23	433.11	-	-	433.11
Borrowings	31-Mar-24	291.03	-	-	291.03
	31-Mar-23	419.61	-	-	419.61
Other financial liabilities	31-Mar-24	104.93	-	-	104.93
	31-Mar-23	63.86	-	-	63.86

(i) There have been no transfers between Level 1, Level 2 and Level 3 during the year. Also refer Note 50.

(ii) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iv) The significant unobservable inputs used in the fair value measurement of investment categorised within Level 3 of the fair value hierarchy together with sensitivity analysis are as shown below:

Description of significant unobservable inputs to valuation:

Particulars	Valuation techniques	Significant unobservable inputs	Range	Sensitivitiy of the input to fair value
FVTPL Investments	Precedent transaction analysis method	Premium for Management, product / technology, size of opportunity, competition etc.	Premium of 40%-60%	10% increase in premium will have a significant impact on the fair value of the investments.

Note 52: 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, 2024 and March 31, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable investments, such as mutual funds, with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

As at March 31, 2024, the Company had ₹ 523.22 crores (March 31, 2023: ₹ 382.00 crores) of undrawn committed borrowing / credit facilities including non fund based facilities.

Notes forming part of the Standalone Financial Statements

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The table below summarises the maturity profile of Company's financial liabilities:

(₹ in Crores)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2024				
a) Borrowings	171.63	142.63	-	314.26
b) Lease liabilities	21.39	42.94	19.06	83.39
c) Trade payables	483.99	-	-	483.99
d) Other financial liabilities	104.93	-	-	104.93
Total	**781.94**	**185.57**	**19.06**	**986.57**
As at March 31, 2023				
a) Borrowings	147.91	320.89	-	468.80
b) Lease liabilities	22.33	61.80	21.31	105.43
d) Trade payables	433.11	-	-	433.11
e) Other financial liabilities	38.46	25.40	-	63.86
Total	**641.81**	**408.09**	**21.31**	**1,071.20**

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of following: interest rate risk, foreign currency risk and commodity price risk. Financial instruments affected by market risk include loans, borrowings, trade payables and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's term loans which are at floating interest rates.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

(₹ in Crores)

Particulars	Effect on profit before tax	
	1% increase	**1% decrease**
March 31, 2024	2.74	(2.74)
March 31, 2023	3.71	(3.71)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risks arising from exposures to US Dollars and Chinese Yuan from the Company's import of goods. The Company manages this foreign currency risk by using foreign currency forward contracts to hedge its import liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities net of amounts hedged is as follows:

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(₹ in Crores)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
March 31, 2024	(6.29)	6.29
March 31, 2023	(2.93)	2.93

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of domestic cable and other electronic items and therefore require a continuous supply of copper, being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper, the Company has entered into various purchase contracts for this material for which there is an active market. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price for each month.

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and certain customers are covered under credit insurance. An impairment analysis is performed at each reporting date by grouping a large number of minor receivables into homogenous groups and assess them for impairment collectively. The Company creates allowance based on lifetime expected credit loss based on a provision matrix after considering adjustment under credit insurance. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13. The Company does not hold any collateral as security except for the deposits and bank guarantees received from customers in certain instances. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several locations and operate in largely independent markets.

The movement for change in allowance for expected credit loss is as follows:

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	24.98	32.73
Acquired through business combination (Refer Note 49)	-	0.82
Change in allowance for expected credit loss during the year	5.28	(7.46)
Bad debts written off	(0.30)	(1.11)
Balance as at the end of the year	**29.96**	**24.98**

Notes forming part of the Standalone Financial Statements

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The Company follows the following provision matrix as on the reporting date:

Particulars	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due
Default rate	0.02%	2%	2.50%	5%	10%	30%	35%	70%	100%

Other financial assets

Credit risk from balances with banks and financial institutions and in respect of loans and deposits are managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only in highly marketable liquid fund instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Note 53: Capital management

For the purpose of the Company capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company monitors Capital using Gearing ratio, which is net debt divided by total capital plus net debt.

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	291.03	419.61
Less: Cash and cash equivalents and other bank balances	35.63	24.10
Net debt (A)	**255.40**	**395.51**
Equity	1,768.07	1,588.00
Capital and Net debt (B)	**2023.47**	**1,983.51**
Gearing ratio (A/B)	**0.13**	**0.20**

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Note 54: Ratios

(₹ In Crores)

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change
Current ratio	Current assets	Current liabilities	1.58	1.78	-11%
Debt - Equity ratio (Refer Note below)	Total debt	Shareholder's equity	0.16	0.26	-38%
Debt service coverage ratio (Refer Note below)	Earnings available for debt service = Net profit after taxes + depreciation and amortization expenses + finance costs + other non-cash operating expenses	Debt service = Interest and lease payments + principal repayments	1.32	1.80	-27%
Return on equity ratio	Net profit after tax	Average shareholder's equity	0.14	0.12	17%
Inventory turnover ratio	Cost of goods sold	Average inventory	4.49	3.74	20%
Trade receivable turnover ratio	Net sales	Average trade receivables	8.50	8.11	5%
Trade payable turnover ratio	Net purchases	Average trade payables	6.85	6.54	5%
Net capital turnover ratio	Net sales	Working capital = Current assets - Current liabilities	8.56	6.94	23%
Net profit ratio	Net profit after tax	Net sales	5%	4%	1%
Return on capital employed	Earnings before interest and tax	Capital employed = Net worth + Total borrowings	16%	13%	3%
Return on investment	Income generated from invested funds	Average invested funds (excluding investment in subsidiaries and other investments)	1.22	1.15	7%

Notes: Variance in the above ratios is on account of reduction is on account of decrease in borrowings.

Note 55 : Audit Trail

As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility that has operated throughout the financial year for all relevant transactions except:

1. for changes to certain tables where audit trail is not activated as part of default settings of the ERP vendor. In this regard, the Company has prospectively enabled audit trail post year end March 31, 2024.
2. for transactions by certain users having specific access used for debugging and troubleshooting and
3. for direct database changes to the ERP database, where adequate technical documentation is not available to enable audit trail. The company has however put in place controls to ensure that changes to database are only through the ERP application where audit trail is enabled.

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Note 56: Other statutory information

(i) Details of Benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has borrowings from banks and financial institution on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company during the year with banks and financial institution are in agreement with the books of accounts.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Comapny has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

(vi) Compliance with approved scheme of arrangements

The effect of such Scheme of Arrangement as mentioned in Note 49 have been accounted for in the books of account of the Company in accordance with the Scheme of Amalgamation between Simon Electric Private Limited, the Company and their respective Shareholders and Creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and in accordance with accounting standards.

(vii) Utilisation of borrowed funds and share premium

A. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

   (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(x) Valuation of property, plant and equipment, right of use assets, intangible assets and investment property

The Company has not revalued its property, plant and equipment (including right of use assets), intangible assets and investment property during the current or previous year.

(xi) Core Investment Company

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. It does not have any CICs, which are part of the Company.

(xii) Title deeds of immovable properties

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 3 and 4, are held in the name of the Company.

(xiii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiv) Utilisation of borrowings availed from banks and financial institution

The borrowings obtained by the Company from banks and financial institution have been applied for the purposes for which such loans were was taken.

Note 57: Disclosures pursuant to Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013

As at March 31, 2023, the Company has provided guarantee amounting to ₹ 8.00 crores (Maximum amount outstanding: ₹ 8.00 crores) to a bank for the borrowings availed by the subsidiary of the Company - Guts Electro-Mech Limited ("Guts") which was closed during the current year. The borrowing is availed by Guts for working capital requirements and purchase of machineries. Further, as at March 31, 2023, the Company has provided guarantee amounting to ₹ 50.00 crores (Maximum amount outstanding: ₹ 50.00 crores) to a bank for the borrowings availed by the subsidiary of the Company - V-Guard Consumer Products Limited ("VCPL") which was closed during the current year. The borrowing is availed by VCPL for working capital requirements. Neither Guts nor VCPL has any investment in the shares of the Company. The Company has not given any loans and advances in the nature of loans to subsidiaries or companies / firms in which directors are interested. Also refer Note 7 and Note 15.

Note 58: Disclosure required under Section 186 (4) of the Companies Act, 2013

(i) Details of Investments as per Section 186 (4) of Companies Act, 2013

Investment in Subsidiaries and Associates

Name of the investee	As at March 31, 2024		As at March 31, 2023	
	Investment made	Outstanding balance	Investment made	Outstanding balance
Guts Electro-Mech Limited	-	8.85	-	8.85
V-Guard Consumer Products Limited	-	121.09	61.29	121.09
Sunflame Enterprises Private Limited	-	688.04	688.04	688.04
Gegadyne Energy Labs Private Limited	21.01	70.57	-	33.40

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2024

(ii) Details of loans (gross) as per Section 186 (4) of Colmpanies Act, 2013

Name of Borrower	Relationship	Purpose	Rate of Interest	Term / Repayment schedule	As at March 31, 2024	As at March 31, 2023
Gegadyne Energy Labs Private Limited	Associate	Working capital	9%	Principal and interest to be repaid by November 30, 2023.	-	-

Note: The Company has given a loan of ₹ 2.30 crores to Gegadyne Energy Labs Private Limited during the year, which was fully repaid during the current year itself. Refer Note 46(b).

(iii) The Company has also provided guarantee to subsidiary companies Guts Electro-Mech Limited and V-Guard Consumer Products Limited of ₹ 8.00 crores and ₹ 50.00 crores respectively as at March 31, 2023 which was closed during the current year.

Note 59: During the year under review, the Company was required to transfer 28,593 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 2016-17 to 2022-23. However, the Company could transfer only 27,793 equity shares, as 800 equity shares could not be transferred as the shareholder's demat account was under suspension since October 2009.

Note 60: Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 16, 2024

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 16, 2024

Independent Auditor's Report

To the Members of V-Guard Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of V-Guard Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate company (refer Note Number 55 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associate company as at March 31, 2024, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its associate company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters section below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Revenue from sale of products (as described in note 31 of the consolidated financial statements) The Holding Company 's revenue principally comprises sale of goods. The revenue from sale of goods is recognised in accordance with the accounting principles under Ind AS 115, "Revenue from contracts with customers" and is measured at the transaction price net of trade discounts and volume rebates as per trade schemes, refund liabilities and taxes or duties collected on behalf of government authorities and is recognised at a point in time when the entity satisfies the performance obligation by transferring control of promised goods to customers. The control in respect of sale of goods is generally transferred when the products are delivered to customers in accordance with the terms of contract with customers. We have considered revenue recognition as a key audit matter due to significant audit risk around revenue recognition requiring greater audit effort and attention on account of the risk of revenue being recorded in incorrect periods and due to estimates involved in calculation of liability for trade schemes.	Our audit procedures among others, included the following: • Understanding and evaluating the design and testing the operating effectiveness of Holding Company's controls around revenue recognition including accounting for trade discounts and volume rebates. • Assessing the Holding Company's accounting policy for revenue recognition including the policy for recording trade discounts and volume rebates in accordance with Ind AS 115 "Revenue from Contracts with Customers". • Selecting samples of revenue transactions during the year and inspecting underlying documents which include invoices, shipping documents/ customers' acceptance, as applicable, to determine that the revenue is recognised in accordance with the agreed terms. • Testing selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in accordance with agreed terms, in the appropriate financial period. • Testing on a sample basis the calculation of the liability for trade discounts and volume rebates at year end with approved trade schemes and underlying sales data, including testing of completeness and arithmetical accuracy of the data used by the Holding Company's Management. • Testing on a sample basis credit notes issued to customers/ payments made for incentives as per the approved trade schemes. Based on the above procedures performed, we did not identify any material exceptions in revenue recognition of sale of goods.
Assessment of impairment of goodwill and intangible assets with indefinite useful life (Refer Note 5 to the consolidated financial statements) As at March 31, 2024, the consolidated financial statements include goodwill of ₹ 249.14 crores and intangible assets with indefinite useful life of ₹ 366.00 crores pertaining to acquisition of Sunflame Enterprises Private Limited ("Sunflame") in the prior year.	Our audit procedures among others, included the following: • Understanding and evaluating the design and testing the operating effectiveness of the controls on the impairment assessment process, including preparation of the DCF model; • Evaluating the Company's accounting policy in respect of impairment assessment of goodwill and intangible assets with indefinite useful life; • Understanding the cash flow projections and assumptions used in the DCF model, evaluating the mathematical accuracy and reading the report of the management's expert;

Key audit matter	How our audit addressed the key audit matter
In accordance with the requirements of Ind AS 36 'Impairment of Assets', the management has allocated the said goodwill and intangible assets to the underlying Cash Generating Unit (CGU) and tested the same for impairment using a Discounted Cash Flow (DCF) model. Based on such testing, the recoverable amount of the CGU is higher than the carrying amount of the said assets and accordingly no adjustment for impairment is considered necessary by the Company. The DCF model requires the Company to make significant assumptions such as discount rate, projected revenue growth and margins over the estimation period and terminal revenue growth rate which involves high estimation uncertainty affected by future market and economic conditions and hence, are inherently uncertain. We considered this as a key audit matter because of the significant level of judgments used in assumptions that can lead to changes in the assessment of the recoverable amount.	• Together with auditor's valuation experts, testing the appropriateness of the DCF model and key assumptions therein and performing sensitivity analysis over key assumptions to corroborate that the recoverable amount of the CGU is within a reasonable range; and • Evaluating the related presentation and disclosures in the consolidated financial statements. Based on the above procedures performed, the management's impairment assessment of the goodwill and intangible assets was found to be reasonable.

Other Information

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

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated

financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate company are responsible for assessing the ability of the Group and of its associate company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for overseeing the financial reporting process of the Group and of its associate company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

    (a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

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

    (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate company to cease to continue as a going concern.

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

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

14. We did not audit the standalone financial statements of a subsidiary whose financial statements reflect total assets of ₹ 36.75 crores and net assets of ₹ 27.22 crores as at March 31, 2024, total revenue of ₹ 95.52 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 6.50 crores and net cash flows amounting to ₹ 1.10 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of Section 143(3) of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

15. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of ₹ 0.00 crores for the year ended March 31, 2024 as considered in the consolidated financial statements, in respect of an associate company whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of Section 143(3) including Rule 11 of the Companies (Audit and Auditors) Rules, 2014 of the Act including report on Other Information in so far as it relates to the aforesaid associate company, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central

Government of India in terms of Section 143(11) of the Act, we give in the "Annexure B", a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

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

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

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

    (e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 17 (b) above on reporting under Section 143(3) (b) and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

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

    i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note Number 41b to the consolidated financial statements.

    ii. The Group was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract (including derivative contracts).

    iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year.

    iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in Note 53(vii)(A) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Notes 53(vii)(B) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.

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

vi. Based on our examination, which included test checks and that performed by the respective auditor of the subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Group have used accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software.

(i) Holding company and a subsidiary have used accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained for changes to certain records and changes made by certain users with specific access, if any.

(ii) In case of a subsidiary company, the accounting software used for the period April 1, 2023 to December 4, 2023 did not have a feature of audit trail (edit log) facility and, therefore, the question of our commenting on whether the audit trail had operated during that period or was tampered with, does not arise. For the period December 5, 2023 to March 31, 2024, the Company has migrated its data to a new accounting software which has the feature of recording audit trail (edit log) facility, except that the audit trail is not maintained for changes to certain records and changes made by certain users with specific access, if any.

(iii) With respect to direct database changes, in case of holding company and its two subsidiaries, in the absence of adequate documentation, we are unable to comment on the audit trail feature and, accordingly, the question of our commenting on whether the audit trail feature was tampered with, does not arise.

Further, during the course of our audit, we, and the respective auditor of the subsidiary, except for the aforementioned instances of audit trail not maintained at the application level where the question of our commenting on whether the audit trail has been tampered with does not arise, we did not notice any instance of audit trail feature being tampered with in cases where the audit trail feature was enabled. Also refer note 54 to the consolidated financial statements.

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

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

Sd/-
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN No. : 24064311BKFWFP4450

Place : Kochi
Date : May 16, 2024

Annexure A to Independent Auditor's Report Referred to in paragraph 17(g) of the Independent Auditor's Report of even date to the members of V-Guard Industries Limited on the consolidated financial statements as of and for the year ended March 31, 2024

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of V-Guard Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under Section 143(3)(i) of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial

statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

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

Sd/-
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN No. : 24064311BKFWFP4450

Place : Kochi
Date : May 16, 2024

Annexure B to Independent Auditors' Report Referred to in paragraph 16 of the Independent Auditors' Report of even date to the members of V-Guard Industries Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2024

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number in the respective CARO reports
1.	Guts Electro-Mech Limited	U52520TG1987PLC007245	Subsidiary	May 6, 2024	(vii)(a)
2	Sunflame Enterprises Private Limited	U74899DL1984PTC018992	Subsidiary	May 6, 2024	(iii)(a) and (vii)(a)

The statutory audit report on the financial statements for the year ended March 31, 2024 of Gegadyne Energy Labs Private Limited, an associate of the Holding Company has not been issued until the date of this report. Accordingly, no comments for the said associate have been included for the purpose of reporting under this clause.

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

Sd/-
Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN No. : 24064311BKFWFP4450

Place : Kochi
Date : May 16, 2024

Consolidated Balance Sheet

as at March 31, 2024

(₹ in Crores)

Particulars		Notes	As at March 31, 2024	As at March 31, 2023
A.	ASSETS			
1.	**Non-current assets**			
	Property, plant and equipment	3	511.43	459.24
	Capital work-in-progress	3	24.75	23.70
	Investment property	4	1.68	1.78
	Goodwill	5	252.80	252.80
	Other intangible assets	5	435.03	425.79
	Intangible assets under development	5	12.37	3.65
	Right of use assets	3	133.23	107.29
	Financial assets			
	(a) Investments	6A	70.56	33.40
	(b) Loans	7	0.85	5.06
	(c) Other financial assets	8	19.20	20.20
	Current tax assets (net)	9	31.20	30.76
	Deferred tax assets (net)	10A	9.76	8.20
	Other non-current assets	11	20.97	29.83
			1,523.83	**1,401.70**
2.	**Current assets**			
	Inventories	12	811.83	767.44
	Financial assets			
	(a) Investments	6B	30.17	0.12
	(b) Trade receivables	13	595.82	557.00
	(c) Cash and cash equivalents	14A	47.45	39.54
	(d) Other bank balances	14B	9.92	27.33
	(e) Loans	15	1.17	1.68
	(f) Other financial assets	16	1.30	6.38
	Other current assets	17	139.79	105.74
			1,637.45	**1,505.23**
	TOTAL ASSETS		**3,161.28**	**2,906.93**
B.	EQUITY AND LIABILITIES			
1.	**Equity**			
	Equity share capital	18	43.44	43.22
	Other equity	19	1,770.78	1,564.40
	TOTAL EQUITY		**1,814.22**	**1,607.62**
2.	**Non-current liabilities**			
	Financial liabilities			
	(a) Borrowings	21	137.26	272.91
	(b) Lease liabilities	22	89.92	66.84
	(c) Other financial liabilities	23	-	25.40
	Deferred tax liabilities (net)	10B	101.70	103.26
	Provisions	24	16.14	14.22
			345.02	**482.63**
3.	**Current liabilities**			
	Financial liabilities			
	(a) Borrowings	25	153.77	146.70
	(b) Lease liabilities	22	20.34	16.53
	(c) Trade payables	26		
	(i) Total outstanding dues of micro enterprises and small enterprises		87.83	64.07
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		462.19	424.27
	(d) Other financial liabilities	27	109.57	42.52
	Other current liabilities	28	79.39	57.79
	Provisions	29	85.44	63.48
	Current tax liabilities (net)	30	3.51	1.32
			1,002.04	**816.68**
	TOTAL LIABILITIES		**1,347.06**	**1,299.31**
	TOTAL EQUITY AND LIABILITIES		**3,161.28**	**2,906.93**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 16, 2024

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 16, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Crores)

	Particulars		Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Income				
	(a)	Revenue from operations	31	4,856.67	4,127.19
	(b)	Other income	32	34.03	16.23
	Total income			**4,890.70**	**4,143.42**
2	Expenses				
	(a)	Cost of raw materials consumed		1,694.02	1,361.33
	(b)	Purchase of stock-in-trade		1,577.87	1,444.43
	(c)	Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods	33	(47.86)	79.04
	(d)	Employee benefits expenses	34	402.85	302.54
	(e)	Depreciation and amortization expenses	35	80.88	64.42
	(f)	Finance costs	36	39.54	16.19
	(g)	Other expenses	37	803.08	619.73
	Total expenses			**4,550.38**	**3,887.68**
3	Profit before tax (1 - 2)			**340.32**	**255.74**
4	Income tax expenses		39		
	(a)	Current tax expenses		85.00	40.26
	(b)	Deferred tax expense / (credit)		(2.26)	26.43
	Total income tax			**82.74**	**66.69**
5	Profit for the year before share of profit / (loss) of associate (net) (3-4)			**257.58**	**189.05**
6	Share of profit / (loss) of Associates (net)			(0.00)	-
7	Profit for the year (5+6)			**257.58**	**189.05**
8	Other comprehensive income				
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
	(a)	Re-measurement (losses) / gains on defined benefit plans	44	(3.63)	(0.49)
	(b)	Bargain purchase gain on business combination	42	-	20.46
	(c)	Income tax effect		0.86	0.07
	Other comprehensive income for the year, net of tax			**(2.77)**	**20.04**
9	Total comprehensive income for the year, net of tax (7 + 8)			**254.81**	**209.09**
10	Profit for the year, net of tax attributable to:				
	Equity holders of the parent company			257.58	189.12
	Non controlling interests			-	(0.07)
11	Total comprehensive income for the year, net of tax attributable to:				
	Equity holders of the parent company			254.81	209.16
	Non controlling interests			-	(0.07)
12	Earnings per equity share (basic and diluted) (₹) :		47		
	(Nominal value of equity share - ₹ 1 each)				
	Basic earnings per share			5.89	4.38
	Diluted earnings per share			5.88	4.35

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 16, 2024

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 16, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

A) Equity Share Capital

Particulars	No. of shares	₹ in Crores
As at April 1, 2022	**43,15,41,934**	**43.15**
Add: Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	6,32,498	0.07
As at March 31, 2023	**43,21,74,432**	**43.22**
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	11,28,540	0.11
Add: Equity shares issued as consideration for business combination (Refer Note. 42)	10,83,008	0.11
As at March 31, 2024	**43,43,85,980**	**43.44**

B) Other Equity

(₹ in Crores)

Particulars	Attributable to the equity holders of the parent company									
	Securities premium	General reserve	Retained earnings	Capital reserve	Share based payments reserve	Shares pending issuance	Put option liability	Total	Non controlling interests	Total
As at April 1, 2022	**132.54**	**64.89**	**1,132.62**	**-**	**36.91**	**-**	**(3.17)**	**1,363.79**	**5.47**	**1,369.26**
Net profit for the year	-	-	189.12	-	-	-	-	189.12	(0.07)	189.05
Other comprehensive income for the year										
Remeasurement (losses) / gains on defined benefit plans (net of taxes)	-	-	(0.42)	-	-	-	-	(0.42)	-	(0.42)
Bargain purchase gain on business combination (Refer Note 42)	-	-	-	20.46	-	-	-	20.46	-	20.46
Total comprehensive income	**-**	**-**	**188.70**	**20.46**	**-**	**-**	**-**	**209.16**	**(0.07)**	**209.09**
Equity shares issued under ESOS 2013	1.94	-	-	-	-	-	-	1.94	-	1.94
Final dividend (Refer Note 20)	-	-	(56.10)	-	-	-	-	(56.10)	-	(56.10)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	7.44	-	-	-	(7.44)	-	-	-	-	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	-	13.37	-	-	13.37	-	13.37
Derecognition of Put option liability on Non controlling interests	-	-	(3.17)	-	-	-	3.17	-	-	-
Derecognition of Non controlling interests	-	-	5.40	-	-	-	-	5.40	(5.40)	-
Shares pending to be issued as consideration for business combination (Refer Note 42)	-	-	-	-	-	26.84	-	26.84	-	26.84
As at March 31, 2023	**141.92**	**64.89**	**1,267.45**	**20.46**	**42.84**	**26.84**	**-**	**1,564.40**	**-**	**1,564.40**
Net profit for the year	-	-	257.58	-	-	-	-	257.58	-	257.58
Other comprehensive income for the year										
Remeasurement (losses) / gains on defined benefit plans (net of taxes)	-	-	(2.77)	-	-	-	-	(2.77)	-	(2.77)
Total comprehensive income	**-**	**-**	**254.81**	**-**	**-**	**-**	**-**	**254.81**	**-**	**254.81**
Equity shares issued under ESOS 2013	6.01	-	-	-	-	-	-	6.01	-	6.01
Final dividend (Refer Note 20)	-	-	(56.36)	-	-	-	-	(56.36)	-	(56.36)

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

Particulars	Attributable to the equity holders of the parent company									
	Securities premium	General reserve	Retained earnings	Capital reserve	Share based payments reserve	Shares pending issuance	Put option liability	Total	Non controlling interests	Total
Transfer from Share based payments reserve on exercise of options under ESOS 2013	10.19	-	-	-	(10.19)	-	-	-	-	-
Compensation cost on stock options granted (net) (Refer Note 34)	-	-	-	-	2.03	-	-	2.03	-	2.03
Shares issued as consideration for business combination (Refer Note 42)	26.73	-	-	-	-	(26.84)	-	(0.11)	-	(0.11)
As at March 31, 2024	**184.85**	**64.89**	**1,465.90**	**20.46**	**34.68**	**-**	**-**	**1,770.78**	**-**	**1,770.78**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 16, 2024

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 16, 2024

Consolidated Statement of Cash Flows for the year ended March 31, 2024

(₹ in Crores)

	Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
A.	**Cash flow from operating activities**				
	Profit before tax		340.32		255.74
	Adjustments to reconcile profit before tax to net cash flows				
	Depreciation and amortization expenses	80.88		64.42	
	Loss on property, plant and equipment sold / scrapped / written off (net)	0.86		0.18	
	Finance costs	39.54		16.19	
	Finance income	(2.75)		(2.42)	
	Fair value gain on investments	(17.14)		-	
	Carrying value adjustment of put option liability	-		0.48	
	Gain on sale of investments	(1.89)		(5.45)	
	(Gain) / loss on lease modifications / termination	(1.35)		(0.15)	
	Liabilities / provisions no longer required written back	(0.42)		(0.25)	
	Loss allowance for trade receivables (net)	5.92		(7.75)	
	Provision for doubtful advances (net)	(0.81)		(3.09)	
	Share based payments expense	2.02		13.37	
			104.86		75.53
	Operating profit before working capital changes		**445.18**		**331.27**
	Movement in working capital				
	Decrease / (increase) in inventories	(44.39)		128.11	
	Decrease / (increase) in trade receivables	(44.74)		(30.18)	
	Decrease / (increase) in loans to employees and others	4.72		0.45	
	Decrease / (increase) in other financial assets	3.27		(6.38)	
	Decrease / (increase) in other assets	(33.08)		32.60	
	Increase / (decrease) in trade payables	62.09		15.21	
	Increase / (decrease) in other financial liabilities	41.07		(11.99)	
	Increase / (decrease) in provisions	20.27		13.96	
	Increase / (decrease) in other liabilities	21.60		(0.40)	
			30.81		141.38
	Cash generated from operations		**475.99**		**472.65**
	Income tax paid (net of refunds)		(83.25)		(48.84)
	Net cash flow from / (used in) operating activities (A)		**392.74**		**423.81**
B.	**Cash flow from investing activities**				
	Purchase of property, plant and equipment, intangible assets including capital work-in-progress, intangible assets under development and capital advances	(128.23)		(102.63)	
	Proceeds from sale of property, plant and equipment	0.83		1.47	
	Acquisition of non controlling interests of subsidiary company	-		(6.20)	
	Investment in associate / subsidiaries	(20.01)		(655.34)	
	Acquisition of cash balance as part of business combination	-		10.85	
	(Purchase of) / proceeds from sale of investments (net)	(28.16)		5.33	
	Redemption of / (investment in) fixed deposits with maturity more than 3 months (net)	20.11		(26.74)	
	Loan granted to associate	(2.30)		-	
	Loan repaid by associate	2.30		-	
	Finance income	2.85		2.10	
	Net cash flow (used in) / from investing activities (B)		**(152.61)**		**(771.16)**

Consolidated Statement of Cash Flows for the year ended March 31, 2024

(₹ in Crores)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
C. Cash flow from financing activities				
Proceeds from exercise of share options (including share application money)	6.12		2.00	
(Repayment of) / proceeds from short term borrowings (net)	(129.62)		134.91	
Proceeds from / (repayment of) long term borrowings	-		272.90	
Payment of principal portion of lease liabilities	(15.95)		(11.45)	
Finance costs paid	(36.52)		(16.19)	
Dividends paid on equity shares	(56.25)		(56.08)	
Net cash flow (used in) / from financing activities (C)		**(232.22)**		**326.09**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**7.91**		**(21.26)**
Cash and cash equivalents at the beginning of the year		39.54		60.80
Cash and cash equivalents at the end of the year		**47.45**		**39.54**
Components of cash and cash equivalents: (Refer Note 14)				
(a) Cash on hand		0.09		0.02
(b) Balances with banks:				
In current accounts		42.37		39.52
In fixed deposits with original maturity of less than 3 months		4.99		-
		47.45		**39.54**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 16, 2024

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 16, 2024

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of V-Guard Industries Limited ('V-Guard' or 'the Company' or 'the Holding Company' or 'the Parent Company') and its subsidiaries, Guts Electro-Mech Limited ('Guts'), V-Guard Consumer Products Limited ('VCPL') and Sunflame Enterprises Private Limited ('Sunflame') (collectively, the 'Group') for the year ended March 31, 2023. The Company is a public company domiciled in India with its registered office at Vennala High School Road, Kochi, Kerala. The Group is engaged in the manufacturing, trading and selling of a wide range of products as given below:

Segment	Products
Electronics	Stabilizers, Digital UPS, 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
Sunflame	Products sold under trademark Sunflame and Superflame.

The Group's manufacturing facilities are located at K.G. Chavady, Coimbatore, Tamil Nadu; at Kashipur, Roorkee, Haridwar and Pantnagar, Uttarakhand; at Kala Amb, Himachal Pradesh; at SIPCOT Industrial growth center, Perundurai, Tamil Nadu, Hyderabad, Telangana; at Majitar, Rangpo and Mamring in Sikkim; at IMT, Faridabad; at vapi, Gujarat and at Mahabubnagar, Hyderabad in telengana. The Holding Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The consolidated financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on May 16, 2024.

2. ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

2.1 Basis of preparation

a) *Compliance with Ind AS*

The consolidated financial statements of the Group comply in all material aspectswith the Indian Accounting Standards

(IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as applicable to the consolidated financial statements.

b) *Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) certain financial assets and liabilities (including derivative instruments) measured at fair value

(ii) defined benefit plans – plan assets measured at fair value

(iii) share-based payments.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest crores upto two decimal places (INR 00,00,000), except when otherwise indicated.

(c) *Current versus non-current classification*

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a

liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments, do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- 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

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

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
- 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 material accounting policies

a) Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group manufactures and sells a range of electronic, electrical and consumer durables. Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. The performance obligation for revenue from sale of services is satisfied over time and payment is generally due upon completion of service and acceptance of the customer. Revenue is thus recognized as the service is performed and there are no unsatisfied performance obligations.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

(i) Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as volume discount, gifts, other schemes etc. Revenue from contract with customer is presented after deducting cost of all these schemes.

(ii) Right to return assets and refund liability

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of good sold) is also recognised for the right to recover the goods from the customer.

(iii) Financing Components

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(iv) Contract Liabilities

Contract liability is recognised when there are billings in excess of revenues and the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(v) 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.

b) Property, plant and equipment

Freehold land is carried at historical cost. All other property, plant and equipment is recognised at cost, less accumulated depreciation and impairment loss, if any. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any.

Depreciation Methods, estimated useful lives and residual value

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Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation.

The estimated useful lives are as mentioned below:

Asset category	Useful life estimated by the management (in years)
Factory buildings	30
Other buildings	60
Plant and equipment*	5 to 20
Computers	3 to 6
Office equipment*	5 to 10
Furniture & fixtures	10
Vehicles	8 to 10

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

* For these classes of assets, where the estimated useful lives are different from lives prescribed under Schedule II of the Companies Act 2013, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience and the risk of technological obsolescence.

See note 2.4(e) for the other accounting policies relevant to property, plant and equipment.

c) *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in business combination are initially recognised at 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 Statement of Profit and Loss in the period in which the expenditure is incurred.

Amortisation method and useful lives

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life as follows:

Asset category	Useful life (in years)
Software	5 years
Trademark	Indefinite/10 years
Technical knowhow	10 years
Customer relationships / Distribution network	5 to 10 years
Non Compete	5 years

See note 2.4(g) for the other accounting policies relevant to intangible assets and note 2.4 (g) for the company's policy regarding impairment.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or earlier, when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cashgenerating 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.

d) Leases

The Group's lease primarily comprises of land, building and vehicles. Lease contracts are typically made for fixed period of 12 months to 3 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less, without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

See note 2.4(i) for the other accounting policies relevant to leases

e) Financial Assets

(i) Classification of financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

  Financial assets classified at amortised cost comprise trade receivables, loans and security deposits

(ii) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments (preference shares and mutual funds) that do not qualify for measurement at

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either amortised cost or FVOCI, and

- equity investments for which the entity has not elected to recognise fair value gains and See Note 2.4(j) for the other accounting policies relevant to financial assets.

f) *Inventory*

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.

g) *Trade Receivables*

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables and contract assets, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.4 Other Accounting Policies

This note provides a list of other accounting policies adopted in the preparation of these standalone financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) *Government Grants*

Government Grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

b) *Interest and dividend income*

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Dividend income is recognised when the right to receive payment is established.

c) Retirement and other employee benefits

Defined contribution schemes

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Group has no obligation, other than the contribution payable to the fund towards such schemes. The Group recognizes contribution payable as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit scheme

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund maintained with Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as

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long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, as the Group believes that it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

d) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Share based payments reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

e) Property, plant and equipment

The Group's accounting policy for land is explained in note 2.3(b). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

f) *Investment Property*

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable, borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. Investment property as at March 31, 2024 and March 31, 2023 comprise of Land and building..

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

g) *Other Intangible Assets*

The Group's accounting policy for intagibles is explained in note 2.3(c). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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 Group can demonstrate:

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- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

  Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Leases

The Group's accounting policy for leases is explained in note 2.3(d)

As a Lesseee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

  Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

- Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

As a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned..

j) *Financial Assets*

The Group's accounting policy for financial assets is explained in note 2.3(e).

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the

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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:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- The asset's contractual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments. Investments in other entity and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss. Fair value of mutual funds is determined based on the net asset value of the funds.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e, removed from the Group's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies the expected credit losses (ECL) model for measurement and recognition of impairment loss.

The Group follows "simplified approach" for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

  As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed

  ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. For financial assets measured as at amortised cost and contractual revenue receivables ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

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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 Groups'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 Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

k) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

l) Income Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the uncertainty.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when 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.

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- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

m) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

n) Cash dividend and non-cash distribution

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders in case of final dividend and by the board of directors in case of interim dividend. A corresponding amount is recognised directly in equity.

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o) *Earnings Per Share*

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Group (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) *Business combinations*

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of an entity comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement.

  Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

  The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If consideration transferred is less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

  Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

  Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

q) *Segment accounting*

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products. Further:

- Segment revenue includes sales and other income directly identifiable with / allocable

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to the segment including inter-segment revenue.

- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under un-allocable expenditure.
- Income which relates to the Group as a whole and not allocable to segments is included in un-allocable income.
- Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.
- Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

r) Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provision

Provision for assurance type warranty-related costs are recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to four years.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

s) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

,For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

t) *Foreign currencies*

The Group's financial statements are presented in INR which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses a monthly average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line

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with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

u) *Fair value measurement*

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

The Group has a team comprising of members of senior management that determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale/distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted investments and financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The team decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Revenue from sale of products

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return also.

In estimating the variable considerations, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with trade schemes, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in

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establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk , volatility etc. Changes in assumptions/ judgements about these factors could effect the reported fair value of financial instruments.

c) *Defined benefit plans*

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These mainly include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligation are given in Note 43.

d) *Taxes*

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress

(₹ in Crores)

	Property, plant & equipment								Right of Use asset				Capital work- in-progress
	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Leasehold land	Leasehold buildings	Leased vehicles	Total	
As at April 1, 2022	**22.26**	**148.26**	**287.74**	**13.71**	**0.92**	**15.10**	**22.08**	**510.07**	**37.13**	**54.81**	**6.67**	**98.61**	**9.15**
Additions	-	16.54	34.51	2.84	0.08	2.82	4.10	60.89	-	37.68	3.24	40.92	32.63
Disposals	-	(0.13)	(3.60)	(0.05)	-	(0.48)	(0.61)	(4.87)	-	(2.68)	(0.20)	(2.88)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(18.08)
Acquisition through business combination (Refer Note 42)	37.57	24.51	6.59	0.50	1.01	0.25	0.10	70.53	5.56	-	-	5.56	-
As at March 31, 2023	**59.83**	**189.18**	**325.24**	**17.00**	**2.01**	**17.69**	**25.67**	**636.62**	**42.69**	**89.81**	**9.71**	**142.21**	**23.70**
Additions	-	6.46	77.71	6.21	0.81	4.37	7.00	102.56	-	54.28	1.10	55.38	14.84
Disposals	-	(0.22)	(3.42)	(0.22)	(0.54)	(0.49)	(0.96)	(5.85)	-	(16.97)	(0.19)	(17.16)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(13.79)
As at March 31, 2024	**59.83**	**195.42**	**399.53**	**22.99**	**2.28**	**21.57**	**31.71**	**733.33**	**42.69**	**127.12**	**10.62**	**180.43**	**24.75**
Accumulated depreciation													
As at April 1, 2022	**-**	**20.57**	**85.93**	**6.51**	**0.51**	**9.12**	**14.63**	**137.27**	**2.52**	**16.84**	**1.53**	**20.89**	**-**
Charge for the year	-	6.16	30.39	1.52	0.16	2.11	3.34	43.68	1.08	12.31	2.19	15.58	-
Disposals	-	(0.02)	(2.59)	(0.04)	-	(0.30)	(0.62)	(3.57)	-	(1.46)	(0.09)	(1.55)	-
As at March 31, 2023	**-**	**26.71**	**113.73**	**7.99**	**0.67**	**10.93**	**17.35**	**177.38**	**3.60**	**27.69**	**3.63**	**34.92**	**-**
Charge for the year	-	7.11	32.69	2.47	0.29	2.31	3.83	48.70	1.25	16.67	2.49	20.41	-
Disposals	-	(0.22)	(2.05)	(0.18)	(0.31)	(0.46)	(0.96)	(4.18)	-	(8.00)	(0.13)	(8.13)	-
As at March 31, 2024	**-**	**33.60**	**144.37**	**10.28**	**0.65**	**12.78**	**20.22**	**221.90**	**4.85**	**36.36**	**5.99**	**47.20**	**-**
Net Block													
As at March 31, 2023	**59.83**	**162.47**	**211.51**	**9.01**	**1.34**	**6.76**	**8.32**	**459.24**	**39.09**	**62.12**	**6.08**	**107.29**	**23.70**
As at March 31, 2024	**59.83**	**161.82**	**255.16**	**12.71**	**1.63**	**8.79**	**11.49**	**511.43**	**37.84**	**90.76**	**4.63**	**133.23**	**24.75**

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Notes:

(i) Capital work-in-progress (CWIP) as at March 31, 2024 represents property, plant and equipment under construction at various plants, warehouses and office buildings.

(ii) Capital work-in-progress ageing schedule

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	14.85	9.38	0.52	-	24.75
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	23.07	0.63	-	-	23.70
Projects temporarily suspended	-	-	-	-	-

(iii) Capital work-in-progress completion schedule whose expected completion date is overdue as at March 31, 2024:

(₹ in Crores)

Particulars	Amount in CWIP to be completed in				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Vitreous enamel coated solar water heater project at Perundurai	1.95	8.19	-	-	10.14

Capital work-in-progress completion schedule whose expected completion date is overdue as at March 31, 2023:

(₹ in Crores)

Particulars	Amount in CWIP to be completed in				Total as at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Hyderabad plant	10.84	-	-	-	10.84
Vapi plant	0.17	-	-	-	0.17
Vitreous enamel coated solar water heater project at Perundurai	8.19	-	-	-	8.19

(iv) The Group has not capitalised any borrowing cost in the current and previous year.

(v) Right of use asset includes:-

(a) Leasehold land which represents land obtained on long term lease from Government authorities and others

(b) Leasehold building which represents properties taken on lease for its factories, offices and warehouses, accounted for in accordance with principle of Ind AS 116 'Leases'. Refer Note 43.

(c) Leased vehicles which represent cars taken on lease for use by employees.

(vi) During the year, the Group has capitalized the following expenses to the cost of property, plant and equipment / capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

(₹ in Crores)

Particulars	FY 2023-24	FY 2022-23
Employee benefits expenses	1.35	0.20
Legal and Professional fees	1.00	0.50
Others	2.52	0.26
Total	**4.87**	**0.96**

Notes forming part of the Consolidated Financial Statements

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(vii) Land, buildings, plant and equipments with a carrying amount of ₹ 267.16 crores as at March 31, 2024 (March 31, 2023 - ₹ 277.47 are subject to a hypothecation to secure the Group's bank loans.

(viii) Refer Note 41.A on capital commitments.

Note 4 : Investment property (at cost)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Land	0.28	0.28
(ii) Building		
Gross carrying value		
Gross Block at the beginning of the year	**1.50**	**-**
Acquistion through business combination (Refer Note 42)	-	1.50
Gross Block at the end of the year	**1.50**	**1.50**
Accumulated Depreciation		
Accumulated Depreciation at the beginning of the year	**-**	**-**
Depreciation for the year	(0.10)	-
Accumulated Depreciation at the end of the year	**(0.10)**	**-**
Net carrying value	**1.40**	**1.50**
Net balance as at the end of the year	**1.68**	**1.78**

Note: Investment Property represents land at Coimbatore and commercial property acquired by the Group in earlier years. The carrying amount of the investment property is a reasonable approximation of fair value.

Note 5 : Goodwill; Other intangible assets and Intangible assets under development

(₹ in Crores)

Particulars	Other intangible assets						Goodwill	Intangible assets under development
	Technical knowhow	Computer software	Trade-mark	Customer relationship	Non Compete	Total		
Gross block								
As at April 1, 2022	**-**	**20.40**	**0.05**	**1.54**	**0.91**	**22.90**	**3.66**	**7.84**
Purchase / additions	-	13.45	-	-	-	13.45	-	1.11
Acquisition through business combination (Refer Note 42)	-	0.03	371.00	38.00	-	405.03	249.14	-
Capitalised during the year	-	-	-	-	-	-	-	(5.30)
As at March 31, 2023		**33.88**	**371.05**	**39.54**	**0.91**	**445.38**	**252.80**	**3.65**
Purchase / additions	10.01	10.90	-	-	-	20.91	-	12.37
Capitalised during the year	-	-	-	-	-	-	-	(3.65)
As at March 31, 2024	**10.01**	**44.78**	**371.05**	**39.54**	**0.91**	**466.29**	**252.80**	**12.37**
Accumulated amortization								
As at April 1, 2022	**-**	**12.23**	**0.05**	**1.31**	**0.84**	**14.43**	-	-
Charge for the year	-	4.24	0.11	0.81	-	5.16	-	-
As at March 31, 2023	**-**	**16.47**	**0.16**	**2.12**	**0.84**	**19.59**	-	-
Charge for the year	0.84	6.47	0.51	3.85	-	11.67	-	-
As at March 31, 2024	**0.84**	**22.94**	**0.67**	**5.97**	**0.84**	**31.26**	-	-
Net block								
As at March 31, 2023	**-**	**17.41**	**370.89**	**37.41**	**0.07**	**425.79**	**252.80**	**3.65**
As at March 31, 2024	**9.17**	**21.84**	**370.38**	**33.57**	**0.07**	**435.03**	**252.80**	**12.37**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Notes:

(i) Intangible assets under development (IAUD) ageing schedule

(₹ in Crores)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	12.37	-	-	-	12.37
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.11	1.09	1.45	-	3.65
Projects temporarily suspended	-	-	-	-	-

(ii) There are no projects under intangible assets under development where the completion is overdue or has exceeded its cost compared to its original plan.

(iii) Refer Note 41.A on capital commitments.

(iv) Trademark acquired through business combination during the previous year include an amount of ₹ 366.00 crores which has been considered to have an indefinite life and is annually tested for impairment. Remaining useful life of other intangible assets ranges from 1 to 10 years, as at the year end.

(v) Refer Note 42 on goodwill acquired through business combination.

(vi) Impairment testing of goodwill and intangible assets with indefinite useful lives

Goodwill and Trademark acquired on acquisition of Sunflame having indefinite useful lives have been allocated to a separate single cash generating unit (CGU) i.e Sunflame. The Group has performed an annual impairment test to ascertain the recoverable amount of such goodwill and trademark. The recoverable amount is determined based on value in use calculation. These calculations uses management assumptions and post tax cash flow projections based on budgets approved by management covering a 5 years period. Cash flow projection beyond 5 years time period are extrapolated using the estimated long term growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. Management has determined following assumptions for impairment testing of CGU as stated below:

Assumption	March 31, 2024	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	14.81%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	5%	Long term growth rate has been taken basis on overall economic growth rate, industry trend & expected long-term inflation in India.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The calculations performed indicate that there is no impairment of CGU of the Group. Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of CGU. Based on this analysis, management believes that reasonable possible change in any of above assumption would not cause any material possible change in carrying value of CGU over and above its recoverable amount.

Notes forming part of the Consolidated Financial Statements

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Note 6: Investments

A. Non-Current

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Investments carried at cost / deemed cost		
Equity investments in associate companies		
Unquoted		
Gegadyne Energy Labs Private Limited		
7 (March 31, 2023 : 7) equity shares of ₹ 10 each fully paid up	0.08	0.08
	0.08	0.08
Investments carried at fair value through profit and loss		
(a) Investments in Preference shares of associate company		
Unquoted		
Gegadyne Energy Labs Private Limited		
1151 (March 31, 2023 : 2,900) Optionally Convertible Cumulative Preference Shares ("OCCPS") of ₹ 500 each fully paid up and 2900 (March 31, 2023 : Nil) Compulsarily Convertible Cumulative Preference Shares ("OCCPS") of ₹ 500 each fully paid up	70.48	33.32
(Refer Note below)	70.48	33.32
Investments (at amortised cost) (unquoted):		
Investments in National Savings certificate	-	0.00
Total	**70.56**	**33.40**

Note: During the year ended March 31, 2024 , the Group has invested an amount of ₹ 20.01 crores in Gegadyne Energy Labs Private Limited (GEL). Post investment, the company holds 24.32% shareholding (on a fully diluted basis) in GEL. GEL has accordingly become an associate company of the Group with effect from November 21, 2023. Gegadyne is a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions. GEL is not a material associate of the group and hence, the disclosures under Ind AS 112 is not provided.

B. Current

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Investments carried at fair value through profit and loss:		
Investments in Mutual Funds (unquoted)		
(a) ABSL Liquid Direct Growth Fund	10.02	-
2,57,258.4 [March 31, 2023 : Nil] units		
(b) HDFC Liquid Direct Growth Fund	10.01	-
21,132.45 [March 31, 2023 : Nil] units		
(c) SBI Liquid Direct Growth Fund	10.01	-
26,495.29 [March 31, 2023 : Nil] units		
(d) SBI Liquid Direct Growth Fund	0.13	0.12
347 (March 31, 2023: 347) units		
Total	**30.17**	**0.12**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

(i) Carrying value and market value of unquoted investments are as below:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Investments in Associate Companies:		
Aggregate carrying value of unquoted investments	70.56	33.40
(b) Investments in others:		
Aggregate carrying value of unquoted investments	30.17	0.12

(ii) There is no impairment in the value of investments during the years ended March 31, 2024 and March 31, 2023.

Note 7: Loans (Non-current)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	0.85	1.06
(b) Other loans (Refer Note (i) below)	-	4.00
Total	**0.85**	**5.06**

Notes:

(i) Others represents the below loans:

(a) inter-corporate loans given to M/s Universal Build well Pvt. Ltd., M/s International Land Developers Pvt Ltd. and M/s ALM Infotech City Pvt Ltd as at March 31, 2024: Nil (March 31, 2023: ₹ 4.00 Crores).

(b) unsecured loan given to Mr. Gopal Singh, the landlord [as at March 31, 2024 - Nil (March 31, 2023: ₹ 0.58 crores)], 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. Refer Note 15.

(ii) There are no loans as at March 31, 2024 and March 31, 2023 which have significant increase in credit risk or which are credit impaired.

(iii) Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Group. The carrying value may be affected by the changes in the credit risk of the counter parties.

Note 8: Other non-current financial assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	18.51	16.92
(b) Non-current bank balance (Refer Note 14B)	0.69	3.28
Total	**19.20**	**20.20**

Note: There are no financial assets as at March 31, 2024 and March 31, 2023 which have significant increase in credit risk or which are credit impaired.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Note 9: Income tax assets (net)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax (net of provisions)	31.20	30.76
Total	**31.20**	**30.76**

Note 10: Deferred tax asset / (liability)

10A: Deferred tax asset (net)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax effect of items constituting deferred tax assets		
Impairment allowance for doubtful trade receivables, loans and advances	9.36	8.10
Disallowances under Section 43B of the Income Tax Act, 1961	11.27	6.95
Others including lease liabilities	22.14	26.58
	42.77	**41.63**
Set-off of deferred tax liability pursuant to set-off provisions		
On difference between book balance and tax balance of property, plant and equipment and Right of use assets	(30.28)	(33.43)
Financial Assets at Fair Value through Profit or Loss	(2.73)	-
	(33.01)	**(33.43)**
Net deferred tax asset [Refer Note 39(f)]	**9.76**	**8.20**

10B: Deferred tax (liability) (net)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of property, plant and equipment and right of use assets	(9.16)	(0.79)
On difference between book balance and tax balance of intangible assets (Refer note 42)	(102.94)	(102.71)
Others	0.00	(0.03)
	(112.10)	**(103.53)**
Set-off of deferred tax asset pursuant to set-off provisions		
Disallowances under Section 43B of the Income Tax Act, 1961	0.17	0.06
Others including lease liabilities	10.23	0.21
	10.40	**0.27**
Net deferred tax (liability) [Refer Note 39(g)]	**(101.70)**	**(103.26)**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Note 11: Other non-current assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
(a) Capital advances	17.41	26.11
(b) Deposits with statutory / Government authorities	2.63	2.46
(c) Prepaid expenses	0.93	1.26
Total	**20.97**	**29.83**

Note 12: Inventories

(Valued at lower of cost and net realisable value)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Raw materials	166.37	171.28
(b) Work-in-progress	55.30	43.27
(c) Finished goods	173.56	258.51
(d) Stock-in-trade	399.32	278.54
(e) Packing materials and consumables	17.28	15.84
Total	**811.83**	**767.44**

Notes:

(a) The above includes goods in transit as under:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	3.69	0.48
Stock-in-trade	16.30	15.23
Packing materials and consumables	0.03	0.34
Total	**20.02**	**16.05**

(b) During the year ended March 31, 2024, ₹ 5.92 crores (March 31, 2023: ₹ 2.25 crores) was recognised as an expense for inventories carried at net realisable value.

(c) Inventories amounting to ₹ 766.11 crores as at March 31, 2024 (₹ 725.61 crores as at March 31, 2023) are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Notes forming part of the Consolidated Financial Statements

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Note 13: Trade receivables

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Secured, considered good	21.12	28.21
Unsecured, considered good	605.60	554.17
	626.72	**582.38**
Less: Impairment allowance (allowance for bad and doubtful debts) (Refer Note 51C)		
Unsecured, considered good based on expected credit loss provisioning	30.90	25.38
	30.90	**25.38**
Total	**595.82**	**557.00**

Notes:

(i) Trade receivables are generally on terms of 7 to 90 days and are non-interest bearing except in case of overdue payments.

(ii) Trade receivables amounting to ₹ 565.34 crores as at March 31, 2024 (₹ 545.20 crores as at March 31, 2023) are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

(iii) Offsetting financial assets and financial liabilities: The Group provides certain incentives to selected customers, the amounts payable by the Group as at March 31, 2024 of ₹ 98.03 crores (March 31, 2023: ₹ 75.32 crores) are offset against receivables from the customers and only the net amounts are settled.

(iv) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person; nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables ageing schedule

(₹ in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total as at March 31, 2024
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables – considered good	468.17	122.35	6.37	2.70	0.55	1.52	601.66
ii) Disputed trade receivables – considered good	-	-	-	3.92	0.55	20.59	25.06
Total	**468.17**	**122.35**	**6.37**	**6.62**	**1.10**	**22.11**	**626.72**

(₹ in Crores)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total as at March 31, 2023
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables – considered good	455.05	97.12	3.43	1.86	0.45	1.60	559.51
ii) Disputed trade receivables – considered good	-	-	-	0.64	3.60	18.63	22.87
Total	**455.05**	**97.12**	**3.43**	**2.50**	**4.05**	**20.23**	**582.38**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Note 14: Cash and cash equivalents and Other bank balances

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
A. Cash and cash equivalents		
(a) Cash on hand	0.09	0.02
(b) Balances with banks		
On current accounts	42.37	39.52
In fixed deposits with original maturity of less than 3 months	4.99	-
Total	**47.45**	**39.54**
B. Other bank balances		
(a) Unpaid dividend accounts	0.56	0.45
(b) Fixed deposits (Refer note below)	10.05	30.16
Total	**10.61**	**30.61**
Less: Amount disclosed under other non-current financial assets (Refer Note 8)	(0.69)	(3.28)
Total	**9.92**	**27.33**

Notes:

(i) Fixed deposits of ₹ 0.68 crores (March 31, 2023: ₹ 3.28 crores) has been lien marked with banks towards various guarantees in favour of vendors, statutory authorities and others.

Note 15: Loans (Current)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	1.17	1.10
(b) Other loans (Refer Note 7 (i))	-	0.58
Total	**1.17**	**1.68**

Note: There are no loans as at March 31, 2024 and March 31, 2023 which have significant increase in credit risk or which are credit impaired. Also refer Note 7 (iii).

Note 16: Other current financial assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	0.30	0.00
(b) Receivable pursuant to merger (Refer Note 42)	-	5.22
(c) Other receivables	0.79	0.96
(d) Interest accrued	0.21	0.20
Total	**1.30**	**6.38**

Note: There are no current financial assets as at March 31, 2024 and March 31, 2023 which have significant increase in credit risk or which are credit impaired.

Notes forming part of the Consolidated Financial Statements

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Note 17: Other current assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless other wise stated		
(a) Advance to suppliers		
Considered good	49.11	45.88
Considered doubtful	7.16	7.96
	56.27	**53.84**
Less: Provision for doubtful advances	(7.16)	(7.96)
	49.11	**45.88**
(b) Balances with Government authorities	62.74	37.49
(c) Prepaid expenses	18.56	14.73
(d) Right to return asset	7.82	6.67
(e) Others	1.56	0.97
Total	**139.79**	**105.74**

Note 18: Share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
(a) Authorised:				
Equity shares of ₹ 1/- (March 31, 2023: ₹ 1/-) each with voting rights	1,91,50,00,000	191.50	1,91,50,00,000	191.50
(b) Issued, subscribed and fully paid-up:				
Equity shares of ₹ 1/- (March 31, 2023: ₹ 1/-) each with voting rights	43,43,85,980	43.44	43,21,74,432	43.22

Pursuant to the Scheme of Amalgamation between the Company and Simon Electric Private Limited, the authorised share capital of the Company increased to ₹ 191.50 crores divided into 1,91,50,00,000 equity shares of ₹ 1 each (Refer Note 42).

(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, 2024		As at March 31, 2023	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the period	43,21,74,432	43.22	43,15,41,934	43.15
Issued during the period	22,11,548	0.22	6,32,498	0.07
Outstanding at the end of the period	**43,43,85,980**	**43.44**	**43,21,74,432**	**43.22**

(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, 2023: ₹ 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 Consolidated Financial Statements

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(c) Details of shareholders holding more than 5% shares in the Company:

Class of shares / name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Mr. Kochouseph Chittilappilly	4,09,05,394	9.42%	4,54,05,394	10.51%
Mr. Arun K Chittilappilly	3,77,77,828	8.70%	3,77,77,828	8.74%
Mr. Mithun K Chittilappilly	8,63,89,878	19.89%	8,63,89,878	19.99%
Kotak Mahindra Mutual Fund	2,82,18,086	6.50%	2,61,19,060	6.04%
SBI Mutual Fund	3,94,35,567	9.08%	4,00,52,082	9.27%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

(i) The Company has issued 6,368,878 shares of face value of ₹ 1 each (March 31, 2023: 6,498,801 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(ii) The Company has issued 1,083,008 shares to the share holders of Simon Electric Private Limited as part of the merger (Refer Note 42)

(e) Shares reserved for issue under options and contracts

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer Note 48.

Equity shares are issued as on March 31, 2024 pursuant to the Scheme of Amalgamation between the Company and Simon Electric Private Limited (Refer Note 42).

(f) Details of shares held by promoters:

As at March 31, 2024

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	4,54,05,394	(45,00,000)	4,09,05,394	9.42%	(1.09%)
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.52%	(0.01%)
Promoter group					
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.70%	(0.04%)
Mr. Mithun K Chittilappilly	8,63,89,878	-	8,63,89,878	19.89%	(0.10%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.79%	(0.02%)
Mr. Mithun Kochouseph Chittilappilly, Trustee of Anekha Chittilappilly Trust	2,13,00,000	-	2,13,00,000	4.90%	(0.03%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.26%	(0.03%)

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

As at March 31, 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	4,54,05,394	-	4,54,05,394	10.51%	(0.02%)
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.53%	(0.00%)
Promoter group		-			
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.74%	(0.01%)
Mr. Mithun K Chittilappilly	8,63,89,878	-	8,63,89,878	19.99%	(0.03%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.81%	(0.01%)
Mr. Mithun Kochouseph Chittilappilly, Trustee of Anekha Chittilappilly Trust	2,13,00,000	-	2,13,00,000	4.93%	(0.01%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.29%	(0.01%)

Note 19: Other Equity

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium		
Opening Balance	141.92	132.54
Exercise of Options under ESOS 2013	6.01	1.94
Transfer from Share based payments reserve on exercise of options under ESOS 2013	10.19	7.44
Shares issued as consideration for business combination (Refer Note 42)	26.73	-
Closing Balance	**184.85**	**141.92**
General Reserve		
Opening Balance	64.89	64.89
Change during the year(net)	-	-
Closing Balance	**64.89**	**64.89**
Retained Earnings		
Opening Balance	1,267.45	1,132.62
Net profit for the year	257.58	189.12
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement (loss) / gain on defined benefit plans (net of taxes)	(2.77)	(0.42)
Final dividend	(56.36)	(56.10)
Derecognition of Put option liability on Non controlling interests	-	(3.17)
Derecognition of Non controlling interests	-	5.40
Closing Balance	**1,465.90**	**1,267.45**
Capital Reserve		
Opening Balance	20.46	-
Change during the year(net) (Refer Note 42)	-	20.46
Closing Balance	**20.46**	**20.46**
Share based payments reserve		
Opening Balance	42.84	36.91

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
Transfer from Share based payments reserve on exercise of options under ESOS 2013	(10.19)	(7.44)
Compensation cost on stock options granted (net) (Refer Note 34)	2.03	13.37
Closing Balance	**34.68**	**42.84**
Shares pending issuance		
Opening Balance	26.84	-
Shares issued as consideration for business combination (Refer Note 42)	(26.84)	26.84
Closing Balance	-	**26.84**
Put option liability		
Opening Balance	-	(3.17)
Derecognition of Put option liability on Non controlling interests	-	3.17
Closing Balance	-	-
Non controlling interests		
Opening Balance	-	5.47
Net profit for the year	-	(0.07)
Derecognition of Non controlling interests	-	(5.40)
Closing Balance	-	-
Total	**1,770.78**	**1,564.40**

Nature and purpose of reserves:

Securities premium: The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: Represents the amounts transferred from the retained earnings in accordance with the Companies (Transfer of Profits to Reserves) Rules 1975, as per the requirements of the erstwhile Companies Act, 1956.

Retained earnings: Represents the profits / (losses) of the Group earned till date, net of appropriations. Further, remeasurement gains / (losses) of defined benefit plans are presented as part of retained earnings.

Capital reserve: The excess of fair value of net assets acquired over consideration paid in business combination is recognised as capital reserve.

Share based payments reserve: The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to share based payments reserve. The outstanding balance represents the cumulative compensation cost of stock options granted but not yet vested / exercised.

Shares pending issuance: Represents the equity shares pending to be issued as on March 31, 2023 pursuant to business combination (Refer Note 42).

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Note 20: Distribution made and proposed

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Dividends on equity shares declared and paid:		
Final dividend for the year ended March 31, 2023 - ₹ 1.30 per share of face value of ₹ 1 each (March 31, 2022 - ₹ 1.30 per share of face value of ₹ 1 each)	56.36	56.10
Total	**56.36**	**56.10**
Proposed dividends on equity shares:		
Proposed dividend for the year ended March 31, 2024 - ₹ 1.40 per share of face value of ₹ 1 each (March 31, 2023 - ₹ 1.30 per share of face value of ₹ 1 each) (Refer note below)	60.81	56.18
Total	**60.81**	**56.18**

Note: Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at the balance sheet date.

Note 21: Non-current borrowings

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(carried at amortised cost)		
Secured		
(a) Term loans from a bank	89.65	89.29
(b) Term loans from a financial institution	184.30	183.62
Less : Current Maturities of Long term-debt (included in current borrowings) (Refer Note 25)		
(a) Term loan from a bank	44.73	-
(b) Term loan from a financial institution	91.96	-
Total	**137.26**	**272.91**

Notes:

(i) Terms of loans are listed below:

Particulars	Terms of repayment	Interest rate	As at March 31, 2024	As at March 31, 2023
Term loan of ₹ 90.00 crores from a bank	Maturity : January, 2026 Terms : 8 equal quarterly instalments starting from April 2024	8.5% p.a. Repo rate + 200 bps	89.65	89.29
Term loan of ₹ 185.00 crores from a financial institution	Maturity : January, 2026 Terms : 8 equal quarterly instalments starting from April 2024	9.26% p.a. 91 day T-Bill rate + 239 bps	184.30	183.62

(ii) Security of term loans is detailed below:

(a) Term loan from bank : Mortgage on certain immovable properties and charge on all existing and future plant, machinery and equipment.

(b) Term loan from financial institution : Mortgage on certain immovable properties and charge on all existing and future plant, machinery and equipment.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

(iii) change in liabilities arising from financing activities are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Lease liabilities		Borrowings	
Balance outstanding as at beginning of the year	83.37	56.56	419.61	11.79
Addition on account of new leases during the year	54.44	39.74	-	-
Deletion on account of termination of leases during the year	(10.36)	(1.48)	-	-
Cash inflow from borrowings	-	-	77.59	517.95
Finance costs	8.33	6.72	27.95	7.90
Cash outflows	(25.52)	(18.17)	(234.12)	(118.03)
Balance outstanding as at end of the year	110.26	83.37	291.03	419.61
Disclosed as:				
Current borrowings (Refer Note 25)	-	-	153.77	146.70
Non-current borrowings (Refer Note 21)	-	-	137.26	272.91
Current portion of lease liabilities (Refer Note 22)	20.34	16.53	-	-
Non-current portion of lease liabilities (Refer Note 22)	89.92	66.84	-	-
Total	**110.26**	**83.37**	**291.03**	**419.61**

Note 22: Lease liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(carried at amortised cost)		
(a) Non-current portion of lease liabilities (Refer Note 21(iii) and 43)	89.92	66.84
(b) Current portion of lease liabilities (Refer Note 21(iii) and 43)	20.34	16.53
Total	**110.26**	**83.37**

Note 23: Other non-current financial liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(carried at amortised cost)		
(a) Deferred consideration payable (Refer Note 42)	-	25.40
Total	**-**	**25.40**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Note 24: Provisions (Non-current)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Provision for employee benefits		
(i) Provision for gratuity (Refer Note 44)	0.56	0.40
(b) Other provisions		
(i) Provision for warranty (Refer Note 29)	15.41	13.67
(ii) De-commissioning liability (Refer Note 29)	0.17	0.15
Total	**16.14**	**14.22**

Note 25: Current Borrowings

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(carried at amortised cost)		
Secured		
Current maturities of long term debt		
(a) Term loan from a bank (Refer Note 21(i))	44.73	-
(b) Term loan from a financial institution (Refer Note 21(i))	91.96	-
Unsecured		
(a) Channel financing facility from bank - Unsecured (Refer note (iv) below)	17.08	48.22
(b) Vendor financing arrangement - Unsecured (Refer note (i) and (ii) below)	-	98.48
Total	**153.77**	**146.70**

Notes:

(i) Terms of borrowings are listed below:

Particulars	Terms of repayment	Interest rate	Balance as at	
			As at March 31, 2024	As at March 31, 2023
Purchase invoice financing	Repayable on the 90th day from the disbursement	7.60%	-	98.48

(ii) Purchase invoice financing from banks is an arrangement where banks remit the amount due to suppliers on due dates and the Company repays the amount to banks at an agreed later date.

(iii) Channel financing facility from bank represents financing arrangement with limited recourse to the Company. The Company therefore continues to recognise receivables in their entirety in its balance sheet with corresponding liability presented as borrowings.

(iv) The Group has not made any defaults in the repayment of loans availed during the year.

(v) Also refer Note 21 (iii).

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Note 26: Trade payables

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(carried at amortised cost)		
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	87.83	64.07
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	462.19	424.27
Total	**550.02**	**488.34**

Trade payables ageing schedule

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2024
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	62.01	25.82	-	-	-	87.83
ii) Others	335.07	107.37	6.80	4.57	8.38	462.19
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2023
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	63.75	0.32	-	-	-	64.07
ii) Others	320.25	90.21	5.38	3.11	5.32	424.27
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

Notes:

(i) Trade payables are non interest bearing and are normally settled in 7 days to 120 days. For explanations on the Group's risk management process, refer Note 51.

(ii) Trade payables are unsecured

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Note 27: Other current financial liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(carried at amortised cost)		
(a) Unpaid dividends (Refer note below)	0.56	0.45
(b) Trade / Security deposits received	13.73	15.38
(c) Capital creditors	2.70	4.21
(d) Employee benefits payable (Refer note 46 for related party balances)	63.08	21.85
(e) Deferred consideration payable (Refer Note 42)	27.38	-
(f) Other payables (Refer Note 46 for related party balances)	2.12	0.63
Total	**109.57**	**42.52**

Note: Unpaid dividend represents unpresented dividend warrants and does not include amount due and outstanding to be credited to Investor Education and Protection Fund.

Note 28: Other current liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Statutory dues*	42.49	32.15
(b) Contract liabilities (Refer Note 31 (iv))	23.71	15.87
(c) Refund liabilities arising from right to return assets	11.73	9.67
(d) Others	1.46	0.10
Total	**79.39**	**57.79**

*Represents contributions to Goods and Services tax, Provident Fund, Employee State Insurance, withholding taxes etc.

Note 29: Provisions (Current)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Provision for employee benefits		
(i) Provision for compensated absences (Refer note (i) below)	23.69	19.03
(ii) Provision for gratuity (Refer Note 44)	12.61	8.43
(b) Other provisions		
(i) Provision for warranty (Refer Note (ii) below)	49.14	36.00
(ii) Provision for indirect tax litigations	-	0.02
Total	**85.44**	**63.48**

Notes:

(i) Provision for compensated absences

The obligations for compensated absences cover the Group's liability for paid leaves. The entire amount of the provision is presented as current as the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to avail the

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

full amount of accrued leave or require payment for such leave within the next 12 months. The current portion of provision as per the actuarial valuation report, included in total obligation for compensated absences, is ₹ 3.26 crores (March 31, 2023 – ₹ 2.66 crores).

(ii) Provision for warranty:

A provision is recognized for expected warranty claims and after sales services on products sold during the year, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within five years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current information available about defective returns based on the warranty period for the respective products sold.

(iii) Provision for de-commissioning liability:

A provision has been recognised for decommissioning costs associated with a factory of Guts Electro Mech Limited.

The table below gives information about movement in provisions for warranty and de-commissioning liability:

(₹ in Crores)

Particulars	Warranty		De-commissioning liability	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	49.67	39.64	0.15	0.14
Additional provision recognized	76.26	63.09	0.02	0.01
Amounts used during the year	(61.38)	(53.06)	-	-
Balance as at the end of the year	**64.55**	**49.67**	**0.17**	**0.15**
Disclosed as:				
Non-current (Refer Note 24)	15.41	13.67	0.17	0.15
Current	49.14	36.00	-	-

Note 30: Current tax liabilities (net)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Income Tax (net of advance tax)	3.51	1.32
Total	**3.51**	**1.32**

Note 31: Revenue from operations

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Revenue from contracts with customers		
Sale of products	4,820.95	4,091.61
Sale of services	0.86	0.35
Sale of scrap*	27.68	30.82
	4,849.49	**4,122.78**
(b) Government budgetary support (Refer Note (i) below)*	7.18	4.41
Total	**4,856.67**	**4,127.19**

* Represents other operating revenues.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Notes:

(i) Government budgetary support represents benefits provided by the Central Government of India to the Group in respect of its manufacturing units in the state of Sikkim in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 5, 2017 which were earlier eligible for excise duty exemption.

(ii) Refer Note 45 for Disaggregated revenue information

(iii) Timing of revenue recognition is as below:

(₹ in Crores)

Particulars	For the year ended March 31, 2024				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
Timing of revenue recognition					
Goods transferred at a point in time	1,160.34	1,972.69	1,441.48	274.12	4,848.63
Services transferred over time	0.22	0.37	0.27	-	0.86
Total revenue from contracts with customers	**1,160.56**	**1,973.06**	**1,441.75**	**274.12**	**4,849.49**

(₹ in Crores)

Particulars	For the year ended March 31, 2023				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
Timing of revenue recognition					
Goods transferred at a point in time	990.63	1,799.09	1,275.81	56.90	4,122.43
Services transferred over time	0.08	0.15	0.12	-	0.35
Total revenue from contracts with customers	**990.71**	**1,799.24**	**1,275.93**	**56.90**	**4,122.78**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 45):

(₹ in Crores)

Particulars	For the year ended March 31, 2024				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
External customers	1,165.20	1,973.07	1,444.28	274.12	4,856.67
Government budgetary support	(4.64)	-	(2.54)	-	(7.18)
Total revenue from contracts with customers	**1,160.56**	**1,973.07**	**1,441.74**	**274.12**	**4,849.49**

Particulars	For the year ended March 31, 2023				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
External customers	994.30	1,799.38	1,276.61	56.90	4,127.19
Government budgetary support	(3.59)	(0.14)	(0.68)	-	(4.41)
Total revenue from contracts with customers	**990.71**	**1,799.24**	**1,275.93**	**56.90**	**4,122.78**

(iv) Contract balances

The following are the contract balances:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables (Current) (Refer Note 13)	595.82	557.00
Contract liabilities (Current) (Refer Note 28)	23.71	15.87

Notes forming part of the Consolidated Financial Statements

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Contract liabilities represents advance received from customers for sale of products. During the year ended March 31, 2024, revenue recognised from the amount included in contract liability at the beginning of the year is ₹ 14.74 crores (March 31, 2023: ₹ 17.77 crores).

(v) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contract price	5,215.96	4,385.04
Adjustments:		
Discounts, rebates and trade incentives	(354.74)	(252.59)
Refund liabilities	(11.73)	(9.67)
Total revenue from contracts with customers	**4,849.49**	**4,122.78**

(vi) Performance obligation

The performance obligation for sale of products and scrap are satisfied upon delivery / despatch of goods depending upon terms with customers and payment is generally due within 15 to 90 days from delivery. Some contracts provide customers with a right of return, volume based discounts, rebates and other promotion incentive schemes, which give rise to variable consideration subject to constraint. The contracts do not have a significant financing component. The Group offers standard warranty on selected products. The Group makes provision for same as per the principles laid down under Ind AS 37. The performance obligation for services is satisfied over-time and payment is generally due upon completion of service and acceptance of the customer. There are no unsatisfied performance obligations as at March 31, 2024 and March 31, 2023.

Note 32: Other income

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on sale of investments	1.89	5.45
Fair value Gain on Investment	17.14	-
Interest income from financial assets at amortised cost:		
(i) Interest income on overdue trade receivables	5.93	3.73
(ii) Interest income from banks on deposits	2.27	1.98
(iii) Interest income on loans	0.48	0.43
Mould hire charges	0.11	0.12
Liabilities / provisions no longer required written back	0.42	0.25
Gain on foreign currency transactions and translation (net)	-	0.79
Miscellaneous income	5.79	3.48
Total	**34.03**	**16.23**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Note 33: Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the end of the year:		
Finished goods	173.56	258.51
Work-in-progress	55.30	43.27
Stock-in-trade	399.32	278.54
Total (A)	**628.18**	**580.32**
Inventories at the beginning of the year:		
Finished goods	258.51	261.31
Work-in-progress	43.27	51.35
Stock-in-trade	278.54	320.54
Total (B)	**580.32**	**633.20**
Acquired through business combination (Refer Note 42)		
Finished goods	-	24.06
Work-in-progress	-	2.10
Total (C)	**-**	**26.16**
(Increase) / decrease in inventories		
Finished goods	84.95	26.86
Work-in-progress	(12.03)	10.18
Stock-in-trade	(120.78)	42.00
Net (increase) / decrease (C + B - A)	**(47.86)**	**79.04**

Note 34: Employee benefits expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Salaries, wages and bonus	360.41	262.05
(b) Contributions to provident and other funds	16.99	13.61
(c) Share based payment expense (Refer Note 48)	2.02	13.37
(d) Gratuity expense (Refer Note 44)	5.80	4.78
(e) Staff welfare expenses	17.63	8.73
Total	**402.85**	**302.54**

Note : Also refer Note 40

Note 35 : Depreciation and amortization expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Depreciation of property, plant and equipment (Refer Note 3)	48.70	43.68
(ii) Depreciation of right of use assets (Refer Note 3)	20.41	15.58
(iii) Amortization of intangible assets (Refer Note 5)	11.67	5.16
(iv) Depreciation on Investment Property (Refer Note 4)	0.10	-
Total	**80.88**	**64.42**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Note 36 : Finance costs

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on income Tax	0.19	0.29
Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss:		
(i) Interest on borrowings	27.95	7.90
(ii) Interest on lease liability (Refer Note 43)	8.33	6.72
(iii) Interest - others	3.07	1.28
Total	**39.54**	**16.19**

Note 37: Other expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of packing materials and consumables	79.42	69.34
Power and fuel	24.55	19.07
Rent (Refer Note 43)	15.19	17.13
Repairs and maintenance		
Plant and machinery	5.50	3.96
Building	2.30	1.51
Others	38.00	30.73
Rates and taxes	5.08	4.57
Travelling and conveyance	53.46	39.61
Freight and forwarding charges	112.57	88.13
Advertisement and business promotion expenses	126.85	89.20
Donations and contributions	0.02	0.01
CSR expenditure (Refer Note 38)	6.42	5.80
Legal and professional fees	45.98	41.24
Directors' sitting fees	0.86	0.56
Payments to statutory auditors (Refer note (i) below)	1.47	1.01
Loss on foreign currency transactions and translation (net)	3.02	-
Loss on property, plant and equipment sold / scrapped / written off (net)	0.86	0.18
Impairment allowance for doubtful trade receivables (net)	5.91	(10.84)
Provision for doubtful advances (net)	(0.80)	-
Outsourced manpower cost	122.16	89.14
Warranty expenses	76.26	63.09
Contributions to political parties (Refer note (ii) below)	-	0.00
Miscellaneous expenses	78.00	66.29
Total	**803.08**	**619.73**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Notes:

(₹ in Crores)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
(i)	**Payments to statutory auditors comprises:**		
	Statutory audit fees	0.97	0.55
	Tax audit fees	0.03	0.08
	Limited review fees	0.27	0.21
	Fees for other services (certifications)	0.02	0.04
	Reimbursement of expenses	0.18	0.13
	Total	**1.47**	**1.01**
(ii)	**Contribution to political parties**		
	National Democratic Alliance	-	
	United Democratic Front	0.00	0.00
	Left Democratic Front	0.00	0.00
Total		**0.00**	**0.00**

(iii) Also Refer Note 40

Note 38: Details of CSR expenditure

(₹ in Crores)

Particulars			For the year ended March 31, 2024	For the year ended March 31, 2023
a)	**Gross amount required to be spent during the year**		6.37	5.77
b)	**Amount spent during the year:**			
	(i)	In cash		
		-Construction/ acquisition of any asset	-	-
		-On purposes other than (i) above	6.42	5.80
	(ii)	Yet to be paid in cash		
		-Construction/ acquisition of any asset	-	-
		-On purposes other than (i) above	-	-
c)	**Details related to spent / unspent obligations:**			
	(i)	Contribution to public trust	-	-
	(ii)	Contribution to charitable trust	-	-
	(iii)	Contribution to Section 8 Company (Refer Note 46)	5.39	5.43
	(iv)	Others	1.03	0.37
	(v)	Unspent amount in relation to:		
		- Ongoing project	-	-
		- Other than ongoing project	-	-

d) Details of CSR expenditure under Section 135(5) of the Companies Act, 2013 in respect of other than ongoing projects

Opening Balance as on April 1, 2024	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent
-	-	6.37	6.42	0.05

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Opening Balance as on April 1, 2023	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent
-	-	5.77	5.80	0.03

Note 39: Income taxes

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:

(a) Statement of profit and loss

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current income tax		
Current income tax charge	85.00	40.26
Deferred tax		
Relating to origination and reversal of temporary differences	(2.26)	26.43
Income tax expense reported in the Statement of profit and loss	**82.74**	**66.69**

(b) OCI section

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Re-measurement (losses) / gains on defined benefit plans	(3.63)	(0.49)
Income tax related to items recognised in OCI during the year	**0.86**	**0.07**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before income tax	340.32	255.74
Applicable tax rate	25.168%	25.168%
Computed tax expense at statutory rate	85.65	64.36
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Corporate Social Responsibilty Expenditure	1.62	1.46
Other items	(4.53)	0.87
Income tax expense reported in to the Statement of profit and loss	**82.74**	**66.69**

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(d) Reconciliation of deferred tax assets (net):

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance as at beginning of the year	8.20	9.08
Acquired through business combination	-	25.15
Tax income / (expense) during the year recognised in Statement of profit and loss	0.70	(26.10)
Tax income / (expense) during the year recognised in other comprehensive income	0.86	0.07
Closing balance as at end of the year	**9.76**	**8.20**

(e) Reconciliation of deferred tax (liabilities) (net):

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance as at beginning of the year	(103.26)	-
Acquired through business combination	-	(102.93)
Tax income / (expense) during the year recognised in Statement of profit and loss	1.56	(0.33)
Tax income / (expense) during the year recognised in other comprehensive income	-	-
Closing balance as at end of the year	**(101.70)**	**(103.26)**

(f) Movement of deferred tax assets (net) for the year ended March 31, 2024 and March 31, 2023:

(₹ in Crores)

Particulars	On difference between book balance and tax balance of property, plant and equipment and Right of use assets	Financial Assets at Fair Value through Profit or Loss	Impairment allowance for doubtful trade receivables, loans and advances	Disallowances under Section 43B of the Income Tax Act, 1961	Brought forward losses and unabsorbed depreciation	Others including lease liabilities	Net Deferred Tax Balance
As at April 1, 2022	**(28.40)**	**-**	**10.90**	**5.53**	**-**	**21.05**	**9.08**
Acquired through business combination (Refer Note 42)	(0.32)	-	0.21	0.51	24.50	0.25	25.15
(Charged) or credited:							
- to profit or loss	(4.71)	-	(3.01)	0.84	(24.50)	5.28	(26.10)
-to other comprehensive income		-	-	0.07	-	-	0.07
As at March 31, 2023	**(33.43)**	**-**	**8.10**	**6.95**	**-**	**26.58**	**8.20**
(Charged) or credited:							
- to profit or loss	3.15	(2.73)	1.26	3.46	-	(4.44)	0.70
- to other comprehensive income		-	-	0.86	-	-	0.86
As at March 31, 2024	**(30.28)**	**(2.73)**	**9.36**	**11.27**	**-**	**22.14**	**9.76**

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(g) Movement of deferred tax (liability) (net) for the year ended March 31, 2024 and March 31, 2023:

(₹ in Crores)

Particulars	On difference between book balance and tax balance of property, plant and equipment and Right of use assets	Difference between book balance and tax balance of intangible assets	Others	Disallowances under Section 43B of the Income Tax Act, 1961	Others including lease liabilities	Net Defferred Tax Balance
As at April 1, 2022	-	-	-	-	-	-
Acquired through business combination (Refer Note 42)	-	(102.93)	-	-	-	(102.93)
(Charged) or credited:						-
- to profit or loss	(0.79)	0.22	(0.03)	0.06	0.21	(0.33)
- to other comprehensive income	-	-	-	-	-	-
As at March 31, 2023	**(0.79)**	**(102.71)**	**(0.03)**	**0.06**	**0.21**	**(103.26)**
(Charged) or credited:						
- to profit or loss	(8.37)	(0.23)	0.03	0.11	10.02	1.56
- to other comprehensive income		-	-	-	-	-
As at March 31, 2023	**(9.16)**	**(102.94)**	**-**	**0.17**	**10.23**	**(101.70)**

Note 40: Details of research and development expenditure

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employee benefits expenses	18.23	14.64
Travelling and conveyance	1.09	0.96
Other expenses	4.47	5.05
Total	**23.79**	**20.65**

Note 41: Commitments and contingencies

A) Capital commitments (Net of advances)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	60.62	28.85

B) Contingent Liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Litigations (see note below)		
(a) Claims against the Group not acknowledged as debt	0.18	2.76
(b) Direct tax matters under dispute / pending before Income Tax Authorities	55.77	43.24
(c) Indirect tax matters for demands raised by sales tax / VAT department pending before various appellate authorities	8.47	10.46
(d) Others	0.31	0.31
Total	**64.73**	**56.77**

Notes:

(i) The Group is involved in taxation and other disputes, lawsuits, proceedings etc. including commercial matters and claims relating to Group's products that arise from time to time in the ordinary course of business. Management is of the view that such claims are not tenable and will not have any material adverse effect on the Group's financial position and results of operations.It is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.

(ii) The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals or similar demand for subsequent assessment years.

(iii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

Note 42: Intrerest in other entities and business combination

The Holding Company's investments in subsidiaries are as follows:

Name of the subsidiaries	Country of incorporation	Ownership interest held by the Group		Ownership interest held by Non controlling interests		Principal business activity
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
Guts Electro-Mech Limited	India	100%	100%	Nil	Nil	Manufacture of electrical goods
V-Guard Consumer Products Limited	India	100%	100%	Nil	Nil	Manufacture of electronics goods
Sunflame Enterprises Private Limited	India	100%	100%	Nil	Nil	Manufacture of consumer durables

(i) The Company had acquired 74% equity stake in Guts Electro-Mech Limited ("Guts") on August 31, 2017. Guts is a public limited company engaged in the business of Switch Gear. The Company's Board of Directors at its meeting held on July 27, 2022 approved acquisition of balance 26% equity shares of Guts by exercising call option in accordance with the Share purchase and subscription agreement dated August 31, 2017. Consequently, Guts has become a wholly-owned subsidiary of the Company.

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(ii) Pursuant to the approval of the Board of directors in their meeting held on July 02, 2021, the Company incorporated a wholly owned subsidiary by the name of V-Guard Consumer Products Limited ("VCPL") on July 19, 2021 and invested in 121,089,961 equity shares of ₹ 10 each. VCPL is incorporated with an objective of engaging in establishment and carrying on the business of manufacturing, selling and dealing in various consumer electrical, electronics, electromechanical products and home and kitchen appliances of all kinds both electrical and non-electrical and such other allied products.

(iii) In accordance with the Scheme of Amalgamation (Scheme) between the Holding Company and Simon Electric Private Limited ("Simon") as approved by Hon'ble National Company Law Tribunal, Simon was merged with business of Holding Company with effect from March 25, 2023 (appointed date), in consideration of 0.76646 equity shares of the Company of ₹ 1 each fully paid up for every 100 equity shares held in Simon of ₹ 10 each fully paid up.The Scheme will enable Holding Company to expand its presence in the switches and home automation products market while also helping to enter a premium modular switches segment. It is also expected to result in revenue and cost synergies. Pursuant to the Scheme, the authorised share capital of Holding Company was increased to ₹ 191.50 crores divided into 1,915,000,000 equity shares of ₹ 1 each. In discharge of the consideration, the Holding Company is to allot 1,083,008 equity shares to the shareholders of Simon. The fair value of consideration amounts to ₹ 26.84 crores. As per the provisions of the Scheme, transfer of the above business into the Holding Company has been accounted in accordance with Ind AS 103, 'Business Combinations', with effect from the appointed date.

Assets acquired and liabilities assumed

The fair values of identifiable assets and liabilities of Simon as at the date of acquisition were:

(₹ in Crores)

Particulars	Amount recognised on acquisition
Assets	
Property plant and equipment	9.04
Right of use assets	5.56
Intangible assets	0.01
Inventories	3.82
Trade receivables	3.63
Cash and cash equivalents	0.71
Other financial assets	5.55
Current tax assets (net)	0.01
Deferred tax asset (net)	24.81
Other assets	0.23
	53.37
Liabilities	
Provisions	1.09
Trade payables	3.85
Other financial liabilities	0.72
Other current liabilities	0.41
	6.07
Total identifiable net assets at fair value	47.30
Bargain purchase gain arising on acquisition	(20.46)
Purchase consideration	**26.84**

Notes:

(a) Bargain purchase gain on acquisition of 20.46 crores is mainly on account of deferred tax assets of ₹ 24.50 crores recognised on carried forward losses and unabsorbed depreciation of Simon. The same was not recognised as an asset in Simon books considering absence of virtual certainty regarding future taxable income to set off these carried forward losses and unabsorbed depreciation.

(b) If the acquisitions had occurred on April 1, 2022, consolidated pro-forma revenue and loss contribution from Simon for the year ended March 31, 2023 would have been ₹ 14.82 crores and ₹ 8.36 crores respectively. These amounts have been calculated using the Simon's results and adjusting them for the additional depreciation that would have been charged assuming the fair value adjustments to property, plant and equipment and right of use asset had applied from April 1, 2022.

(iv) Pursuant to the approval of the Board of directors in their meeting held on December 09, 2022, the Holding Company completed the acquisition of 100% shareholding of Sunflame Enterprises Private Limited on January 12, 2023 for an aggregate consideration of ₹ 680.33 crores (including deferred consideration of ₹ 25.00 crores, excluding costs related to acquisition) computed after the closing adjustments relating to working capital and net debt as described in the Share Purchase Agreement dated December 9, 2022.

Assets acquired and liabilities assumed

The fair values of identifiable assets and liabilities of Sunflame as at the date of acquisition were:

(₹ in Crores)

Particulars	Amount recognised on acquisition
Assets	
Property plant and equipment	61.48
Intangible assets	409.03
Investment property	1.50
Investments	0.00
Inventories	32.14
Trade receivables	42.98
Cash and cash equivalents	10.14
Other financial assets	4.00
Current tax assets (net)	1.22
Deferred tax asset (net)	0.34
Other assets	1.40
	564.23
Liabilities	
Provisions	0.30
Trade payables	16.26
Deferred tax liability (net)	102.94
Other current liabilities	13.54
	133.04
Total identifiable net assets at fair value	431.19
Goodwill	249.14
Purchase consideration	**680.33**

Notes:

(a) The excess of consideration transferred over the fair value of net identifiable assets acquired is recorded as goodwill of ₹ 249.14 crores.

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(b) The acquired business contributed revenues and profits of ₹ 56.90 crores and ₹ 6.72 crores respectively to the Group for the period ended March 31, 2023.

(c) If the acquisition had occurred on April 1, 2022, consolidated pro-forma revenue and profit contribution from Sunflame for the year ended March 31, 2023 would have been ₹ 300 crores and ₹ 4.19 crores respectively. These amounts have been calculated using Sunflame's results and adjusting them for the additional amortization that would have been charged assuming the fair value adjustments to intangible assets had applied from April 1, 2022, net of tax impact.

Note 43: Leases

(i) The Company's lease asset primarily consist of leases for vehicles, land and buildings for factories, branch offices and warehouses having the various lease terms. Certain real estate leases have renewal and / or termination options, which are assessed to determine if those options would affect the duration of the lease term. Renewal and termination options in real estate leases create flexibility in the Company's real estate portfolio, allowing the Company to readily adapt to changing business needs. The Company also has lease for vehicles, which have an average lease term 4 years.The Company also has certain leases with lease terms of 12 months or less. The Company applies the short term lease recognition exemptions for these leases.

(ii) Refer Note 3 for carrying amount and movements of right of use assets during the years ended March 31, 2024 and March 31, 2023.

(iii) Refer Note 21 for carrying amount and movements of lease liabilities during the years ended March 31, 2024 and March 31, 2023.

(iv) Amounts recognised in statement of profit and loss during the year:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on Right of use assets (Refer Note 35)	20.41	15.58
Finance cost accrued during the year (included in finance costs) (Refer Note 36)	8.33	6.72
Expense related to short term leases (included in other expenses) (Refer Note 37)	15.19	17.13
(Gain) / loss on lease modifications (Refer Note 32)	(1.34)	(0.15)
Total	**42.59**	**39.28**

(v) Non-cash investing activities during the year: (₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Acquisition of right of use assets	55.38	40.92
Disposal of right of use assets	(17.16)	(2.88)
	38.22	**38.04**

(vi) The maturity analysis of lease liabilities are disclosed in Note 51A.

(vii) The weighted average incremental borrowing rate applied to lease liabilities is 9%.

(viii) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(ix) The Group had total cash outflows for leases of ₹ 40.72 crores during the year ended March 31, 2024 (March 31, 2023 ₹ 35.30 crores).

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Note 44: Employee Benefit Plans

Defined Benefit Plan - Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the consolidated balance sheet for gratuity benefit:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Components of employer expense:		
Current service cost	5.34	4.48
Net interest expense / (income) on net defined benefit obligation	0.46	0.30
Total expense recognised in the Statement of Profit and Loss	**5.80**	**4.78**
Actual contribution and benefit payments for year:		
Actual benefit payments	(2.12)	(1.61)
Actual contributions	5.01	3.19
Net (liability) / asset recognised in the Balance Sheet:		
Present value of defined benefit obligation	(54.39)	(44.29)
Fair value of plan assets	41.22	35.46
Net (liability) / asset recognised in the Balance Sheet	**(13.17)**	**(8.83)**
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	44.29	37.21
Current service cost	5.34	4.48
Interest cost on DBO	3.07	2.45
Acquired through business combination (Refer Note 42 (iii) and (iv))	-	1.22
Actuarial losses / (gains)	3.81	0.54
Benefits paid	(2.12)	(1.61)
Present value of DBO at the end of the year	**54.39**	**44.29**
Change in fair value of assets during the year:		
Plan assets at beginning of the year	35.46	31.24
Return on plan assets greater / (lesser) than discount rate	0.21	0.04
Expected Return on Plan Assets	-	0.01
Acquired through business combination (Refer Note 42 (iii) and (iv))	-	0.42
Previous payment received from LIC	-	(0.01)
Actual company contributions	5.01	3.19
Interest income on plan assets	2.58	2.15
Benefits paid	(2.04)	(1.58)
Plan assets at the end of the year	**41.22**	**35.46**
Composition of the plan assets is as follows:		
Insurer managed assets	**100%**	**100%**
Remeasurement (losses) / gains in other comprehensive income		
Return on plan assets greater / (lesser) than discount rate	0.21	0.04
Actuarial (loss) / gain on obligations arising from changes in experience adjustments	(3.45)	(1.76)
Actuarial gain / (loss) on obligations arising from changes in financial assumptions	(0.39)	1.23
Total amount recognised in OCI	**(3.63)**	**(0.49)**

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Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The below sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined Benefit Obligation	54.39	44.29

(₹ in Crores)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Impact on defined benefit obligation (increase / (decrease)) due to change in discount rate	5.76	(5.03)	3.23	(2.87)
Impact on defined benefit obligation (increase / (decrease)) due to change in salary escalation rate	(5.03)	5.75	(2.85)	3.15

Asset Liability Matching Strategies

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Funding arrangements and Funding policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

Maturity profile of Defined Benefit Obligation

(₹ in Crores)

Expected Cash Flows (value on undiscounted basis)	As at March 31 2024	As at March 31 2023
Within 1 year	6.12	4.85
Within 2 years	6.53	5.34
Within 3 years	6.43	5.32
Within 4 years	6.90	5.66
Within 5 years	7.89	6.15
Within 6 to 10 years	47.20	38.22

Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2023: 7 years).

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Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial assumptions:		
Discount rate	7.00%	7.10%
Salary escalation rate	9.00%	9.00%
Attrition	Marketing - 16% & Non-Marketing - 8%	Marketing - 16% & Non-Marketing - 8%
Mortality Table	Indian Assured Lives Mortality (2006-08) modified Ultimate	Indian Assured Lives Mortality (2006-08) modified Ultimate
Estimate of amount of contribution/payout in the immediate next year (₹ in lakhs)	12.61	8.43

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.

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Note 45: Segment Reporting

The segment reporting of the Group has been prepared in accordance with Ind AS-108, “Operating Segment”. Based on the “management approach” as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by business segments and segment information is presented accordingly. Accordingly, the management has identified, based on its products, four reportable segments namely, Electronics, Electricals, Consumer Durables and Sunflame as follows:

Electronics Segment includes Stabilizers, Digital UPS and Solar Inverters;

Electricals Segment includes PVC Insulated Cables, Switch Gears, Pumps and Modular Switches; and

Consumer Durables Segment includes Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders, Glass-top Gas Stoves, Rice Cookers, Air Coolers, Breakfast Appliances, Kitchen Hoods and Water Purifiers.

Sunflame includes products sold under trademark Sunflame and Superflame.

The Management Committee of the Group monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product and have been identified as per the quantitative criteria specified in the Ind AS. The management has complied with the aggregation criteria as specified in Ind-AS 108 and the same has been applied based on the nature of products, considering their end users and as considered relevant and appropriate for the industry the Group operates in.

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and property, plant and equipment. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liability.

Current taxes, deferred taxes, other investments, cash and bank balances and certain other financial assets and liabilities are not allocated to segments as they are also managed on Group basis.

Capital expenditure consists of addition of property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development and capital advances.

Transfer pricing between operating segments if any, are on an arm length basis in a manner similar to transaction with third parties.

Year ended March 31, 2024 (₹ in Crores)

Particulars	Electronics	Electricals	Consumer Durables	Sunflame	Eliminations	Total
Revenue						
External customers	1165.20	1,973.07	1,444.28	274.12	-	4,856.67
Inter-segment		-	-	-	-	-
Total revenue	**1,165.20**	**1,973.07**	**1,444.28**	**274.12**	**-**	**4,856.67**
Income / (Expenses)						
Depreciation and amortisation	(7.12)	(13.06)	(14.62)	(6.99)	-	(41.79)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(1.20)	(1.99)	(1.42)	(0.50)	-	(5.11)

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Particulars	Electronics	Electricals	Consumer Durables	Sunflame	Eliminations	Total
Segment profit	**164.65**	**169.72**	**17.25**	**24.64**	**-**	**376.26**
Total assets	**605.53**	**580.15**	**713.96**	**810.26**	**-**	**2,709.90**
Total liabilities	**216.56**	**233.32**	**242.74**	**134.60**	**-**	**827.22**
Other disclosure: Capital expenditure	96.98	24.05	7.31	0.96	-	129.30

Year ended March 31, 2023 (₹ in Crores)

Particulars	Electronics	Electricals	Consumer Durables	Sunflame	Eliminations	Total
Revenue						
External customers	994.30	1,799.38	1,276.61	56.90	-	4,127.19
Inter-segment	-	-	-	-	-	-
Total revenue	**994.30**	**1,799.38**	**1,276.61**	**56.90**	**-**	**4,127.19**
Income / (Expenses)						
Depreciation and amortisation	(5.88)	(11.82)	(13.09)	(1.86)	-	(32.65)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	2.60	4.76	3.32	0.16	-	10.84
Segment profit	**130.85**	**138.57**	**7.90**	**8.00**	**-**	**285.32**
Total assets	**518.31**	**586.72**	**607.02**	**823.75**	**-**	**2535.80**
Total liabilities	**140.48**	**205.83**	**194.54**	**145.07**	**-**	**685.92**
Other disclosure: Capital expenditure	46.23	29.75	21.11	46.19	-	143.28

Reconciliation of amount reflected in the financial statements

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Reconciliation of profit		
Segment profit	376.26	285.32
Other unallocable income	26.49	16.09
Other unallocable expenses	(22.89)	(29.47)
Finance cost	(39.54)	(16.19)
Profit before tax	**340.32**	**255.74**

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(b) Reconciliation of assets		
Segment operating assets	2,709.90	2,535.80
Investments - Current & Non-Current	100.73	33.40
Investment property	1.68	1.78
Deferred tax asset	9.76	8.20
Cash and cash equivalents	47.45	39.54
Other bank balances	9.92	27.33
Current tax assets (net)	30.96	30.37
Property, plant and equipment, Capital work-in-progress, Intangible assets, Intangible assets under development and Right of use assets	188.42	176.59
Other unallocable assets	62.46	53.92
Total assets	**3,161.28**	**2,906.93**

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
(c) Reconciliation of liabilities		
Segment operating liabilities	827.22	887.70
Borrowings	273.95	272.91
Current tax liabilities	2.27	-
Lease liabilities	33.90	47.45
Provision for leave benefits	22.83	18.62
Provision for gratuity	12.53	8.15
Other unallocable liabilities	174.36	64.48
Total liabilities	**1,347.06**	**1299.31**

Revenue from external customer

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	4,844.41	4,122.04
Outside India	12.26	5.16

The revenue information above is based on the location of the customers. All non current operating assets of the Group are located in India and for this purpose consists of property, plant and equipment, capital work-in-progress, investment property, intangible assets, intangible assets under development and capital advances. No individual customer contributes to more than 10% of the revenue.

Note 46: Related Party Transactions

(a) Details of related parties:

Description of Relationship	Names of Related Parties
Key Management Personnel (KMP)	Mr. Mithun K. Chittilappilly - Managing Director
	Mr. Ramachandran V - Director and Chief Operating Officer
	Mr. Sudarshan Kasturi - Chief Financial Officer (Refer Note 2 below)
	Ms. Jayasree K - Company Secretary (ceased to be KMP w.e.f February 02, 2023)
	Mr. Vikas Kumar Tak - Company Secretary (Refer Note 2 below)
	Mr. Antony Sebastian - Executive Director (w.e.f May 30, 2023)
Relatives of KMP with whom transactions have taken place during the year	Mr. Kochouseph Chittilappilly - Father of Mr. Mithun K Chittilapilly
	Ms. Sheela Kochouseph - Mother of Mr. Mithun K Chittilapilly
	Mr. Arun K. Chittilappilly - Brother of Mr. Mithun K Chittilapilly
	Ms. Vidyavathi Vaidyanathan - Wife of Mr. Ramachandran V
	Ms. Radhika Ramachandran - Daughter of Mr. Ramachandran V
Non - Executive Directors	Mr. Cherian N Punnoose
	Mr. Ullas K Kamath
	Mr. C J George
	Mr. George Jacob Muthoot
	Prof. Biju Varkey
	Mr. Ishwar Subramanian (w.e.f May 30, 2023)
	Ms. Radha Unni
Associate	Gegadyne Energy Labs Private Limited (w.e.f November 21, 2023)
Entities in which KMP / relatives of KMP can exercise significant influence	K Chittilappilly Trust
	Arav Chittilappilly Trust
	Anekha Chittilapilly Trust
	V-Guard Foundation (Refer Note 3 below)

The Group has not entered in to any transactions with companies in which KMP / relatives of KMP can exercise significant influence.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

(b) Transactions with related parties during the year

(₹ in Crores)

Name of the Related Party	Nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023
Mr. Kochouseph Chittilappilly	Dividends paid	5.90	5.90
	Emoluments	0.74	0.64
Mr. Mithun K Chittilappilly	Dividends paid	11.23	11.23
	Salaries and allowances	3.37	2.84
	Company contribution to provident fund	0.28	0.23
	Commission	4.47	3.82
Mr. Ramachandran V	Dividends paid	0.22	0.21
	Salaries and allowances	4.06	2.41
	Company contribution to provident fund	0.30	0.28
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	15.37	4.20
	Issue of Equity shares including premium	5.94	1.49
Mr. Sudarshan Kasturi	Dividends paid	0.00	0.00
	Salaries and allowances	2.93	2.30
	Company contribution to provident fund	0.15	0.13
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	1.30	1.20
	Issue of Equity shares including premium	0.01	0.01
Ms. Jayasree K	Dividends paid	-	0.01
	Salaries and allowances	-	0.30
	Company contribution to provident fund	-	0.01
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	-	0.11
	Issue of Equity shares including premium	-	0.00
Mr. Vikas Kumar Tak	Salaries and allowances	0.50	0.06
	Company contribution to provident fund	0.02	0.00
Mr. Antony Sebastian	Dividend Paid	0.06	-
	Salaries and allowances	0.96	-
	Company contribution to provident fund	0.05	-
Relatives of KMP (Excluding Mr. Kochouseph Chittilappilly)	Dividends paid	6.42	6.42
Entities in which KMP/ relatives of KMP can exercise significant influence	Dividends paid	7.88	7.88
Non - Executive Directors	Dividends paid	-	0.02
	Sitting fees	0.86	0.57
	Commission	0.20	0.18
Gegadyne Energy Labs Private Limited	Investment in Preference shares	20.01	-
	Loan Given	2.30	-
	Interest on Loan Given	0.03	-
	Loan Repayment	2.30	-

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

(c) Related party balances

(₹ in Crores)

Name of the Related Party	Nature of transactions	As at March 31, 2024	As at March 31, 2023
Mr. Kochouseph Chittilappilly	Emoluments payable	0.74	0.64
Mr. Mithun K Chittilappilly	Commission payable	4.47	3.82
Non - Executive Directors	Commission payable	0.20	0.18

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 Group as a whole. The details of KMP compensation is as below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term employee benefits	16.29	11.75
Post-employment benefits	0.81	0.66
Share based payment expense	16.67	5.52

2. Represents additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year.

3. The Holding Company has formed V-Guard Foundation, a company incorporated under Section 8 of the Companies Act, 2013, as its principal arm for implementing the Holding Company's CSR programs / projects in compliance with Section 135 of the Companies Act, 2013. Two directors of the Holding Company are the directors of V-Guard Foundation. During the year ended March 31, 2023, the Holding Company has contributed 5.39 crores (March 31, 2023: 5.43 crores) towards expenditure for CSR activities. V-Guard Foundation has undertaken various CSR projects like V-Guard Educare and Skill Development, V-Guard Build India, V-Guard Health Care and V-Guard Women Empowerment.

Note 47: Earnings Per Share

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit for the year attributable to equity holders of the parent (₹ in Crores)	257.58	189.12
Weighted average number of equity shares outstanding*	43,69,74,476	43,17,63,620
Basic earnings per share (₹)	**5.89**	**4.38**
Net Profit for the year attributable to equity holders of the parent (₹ in Crores)	257.58	189.12
Weighted average number of equity shares outstanding*	43,83,27,754	43,50,07,084
Diluted earnings per share (₹)	**5.88**	**4.35**
Weighted average number of equity shares in calculating basic EPS	43,69,74,476	43,17,63,620
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	13,53,278	32,43,464
Weighted average number of equity shares in calculating diluted EPS	**43,83,27,754**	**43,50,07,084**

* Includes effect of vested employee stock options, considered as 'in-substance' issued equity shares.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Note 48: 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 1,97,87,023 equity shares of ₹ 1/- each. The schemes are monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting Conditions
Grant II	2015-16	04-May-15	2,81,266	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.
			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 X	2017-18	22-Jan-18	2,50,768	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant 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 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.

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Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting Conditions
Grant XVI	2020-21	27-Aug-20	10,62,635	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant XVII	2020-21	03-Feb-21	3,16,325	1.00	Over 4 years	
Grant XVIII	2020-21	19-Mar-21	24,907	1.00	Over 4 years	
Grant XIX	2021-22	30-Jul-21	1,47,685	1.00	Over 4 years	
Grant XX	2021-22	28-Oct-21	1,14,365	1.00	Over 4 years	
Grant XXI	2021-22	02-Feb-22	2,51,143	1.00	Over 4 years	
Grant XXII	2021-22	25-Mar-22	59,980	1.00	Over 4 years	
Grant XXIII	2022-23	19-May-22	91,407	1.00	Over 4 years	
Grant XXIV	2022-23	27-Jul-22	86,868	1.00	Over 4 years	
Grant XXV	2022-23	02-Feb-23	1,23,651	1.00	Over 4 years	
Grant XXVI	2023-24	29-May-23	27,657	1.00	Over 4 years	
Grant XXVII	2023-24	27-Jul-23	1,40,326	1.00	Over 4 years	
Grant XXVIII	2023-24	29-Oct-23	65,415	1.00	Over 4 years	
Grant XXIX	2023-24	31-Jan-24	36,915	1.00	Over 4 years	

The details of the activity under the Scheme are summarized below:

Weighted average Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited / expired during the year	Exercised during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life (in years)
1.00	20,94,470	2,70,313	26,181	3,73,952	1,14,201	2,46,010	6.88
	(22,68,284)	(3,01,926)	(1,27,117)	(3,48,623)	(20,94,470)	(2,44,021)	(7.35)
71.36	19,588	-	-	19,588	-	-	-
	(86,463)	-	-	(66,875)	(19,588)	(19,588)	(1.09)
68.75	17,01,000	-	-	5,67,000	11,34,000	11,34,000	1.19
	(19,18,000)	-	-	(2,17,000)	(17,01,000)	(17,01,000)	(1.71)
121.79	6,72,000	-	-	1,68,000	5,04,000	5,04,000	1.27
	(6,72,000)	-	-	-	(6,72,000)	(6,72,000)	(1.79)
172.05	12,59,200	-	-	-	6,29,600	9,44,400	4.64
	(12,59,200)	-	-	-	(12,59,200)	(6,29,600)	(5.64)

Note: The numbers in parenthesis pertains to the previous year ended March 31, 2023

Weighted average fair value of the options granted during the year was ₹ 281.98 (March 31, 2023: ₹ 230.78).

Weighted average equity share price at the date of exercise of options during the year was ₹ 291.78 (March 31, 2023: ₹ 247.06).

Notes forming part of the Consolidated Financial Statements

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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, 2024	For the year ended March 31, 2023
Risk-free interest rate (%)	6.80 % to 7.32 %	6.80 % to 7.24 %
Expected life of options (years)	4.01 to 7.01	4.01 to 7.01
Expected volatility (%)	27.57% to 30.02%	29.90 % to 31.91 %
Dividend yield	0.44 % to 0.52 %	0.48 % to 0.56 %

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date, indicative of future trends, which may not necessarily be the actual outcome.

Note 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 Crores)

Particulars	Carrying value		Fair value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets at FVTPL				
Other investments	100.65	33.44	100.65	33.44
Financial assets at amortised cost				
Trade receivables	595.82	557.00	595.82	557.00
Cash and bank balances	57.37	66.87	57.37	66.87
Loans	2.02	6.74	2.02	6.74
Other financial assets	19.81	23.30	19.81	23.30
Total	**775.67**	**687.35**	**775.67**	**687.35**
Financial liabilities at amortised cost				
Borrowings	291.03	419.60	291.03	419.60
Trade payables	550.02	488.35	550.02	488.35
Other financial liabilities	109.57	67.92	109.57	67.92
Total	**950.62**	**975.87**	**950.62**	**975.87**

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.

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The fair value of the derivative instrument- call option has been determined using valuation techniques with market observable inputs. The valuation techniques incorporate various inputs including risk free interest rates and volatility.

The fair value of other investments has been determined using precedent transaction analysis method. Refer Note 50 (iv).

The fair value of loans, lease liabilities and borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate. The fair value of put option liability is determined based on the present value of the amount payable on exercise of the option. There are no unobservable inputs that impact fair value.

Note 50: Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities, measured at fair value on the balance sheet date:

(₹ in Crores)

Particulars	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets carried at cost for which fair value are disclosed					
Investment property (Refer Note 4 (i))	31-Mar-24	1.68	-	-	1.68
	31-Mar-23	1.78	-	-	1.78
Fair value of financial assets disclosed					
FVTPL - Other investments	31-Mar-24	100.65	-	30.17	70.48
	31-Mar-23	33.44	-	0.12	33.32
Assets carried at amortised cost for which fair value are disclosed					
Trade receivables	31-Mar-24	595.82	-	-	595.82
	31-Mar-23	557.00	-	-	557.00
Cash and bank balances	31-Mar-24	57.37	-	-	57.37
	31-Mar-23	66.87	-	-	66.87
Loans	31-Mar-24	2.02	-	-	2.02
	31-Mar-23	6.74	-	-	6.74
Other financial assets	31-Mar-24	20.50	-	-	20.50
	31-Mar-23	26.58	-	-	26.58
Liabilities carried at amortised cost for which fair value are disclosed					
Borrowings	31-Mar-24	291.03	-	-	291.03
	31-Mar-23	419.60	-	-	419.60
Trade payables	31-Mar-24	550.02	-	-	550.02
	31-Mar-23	488.35	-	-	488.35
Other financial liabilities	31-Mar-24	109.57	-	-	109.57
	31-Mar-23	67.92	-	-	67.92

(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.

(v) The significant unobservable inputs used in the fair value measurement of investment categorised within Level 3 of the fair value hierarchy together with sensitivity analysis are as shown below:

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivitiy of the input to fair value
Other FVTPL Investments	Precedent transaction analysis method	Premium for Management, product / technology, size of opportunity, competition etc.	Premium of 40%-60%	10% increase in premium will have a significant impact on the fair value of the investments.

Note 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, 2024 and March 31, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an ongoing basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable investments, such as mutual funds, with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

As at March 31, 2024, the Group had 553.22 crores (March 31, 2023: 390.00 crores) of undrawn committed borrowing / credit facilities including non fund based facilities.

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The table below summarises the maturity profile of Group's financial liabilities:

(₹ in Crores)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2024				
a) Borrowings	171.63	142.63	-	314.26
b) Lease liabilities	24.94	58.68	111.57	195.19
c) Trade payables	550.02	-	-	550.02
d) Other financial liabilities	109.57	-	-	109.57
Total	**856.16**	**201.31**	**111.57**	**1169.04**
As at March 31, 2023				
a) Borrowings	147.91	320.89	-	468.80
b) Lease liabilities	23.73	65.88	22.63	112.24
c) Trade payables	488.35	-	-	488.35
d) Other financial liabilities	42.52	-	-	42.52
Total	**702.51**	**386.77**	**22.63**	**1,111.90**

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of following: interest rate risk, foreign currency risk and commodity price risk. Financial instruments affected by market risk include loans, borrowings, trade payables and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings which are at floating interest rates.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

(₹ in Crores)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
As at March 31, 2024	2.74	(2.74)
As at March 31, 2023	3.71	(3.71)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risks arising from exposures to US Dollars and Chinese Yuan from the Group's import of goods. The Group manages this foreign currency risk by using foreign currency forward contracts to hedge certain of its import liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities net of amounts hedged is as follows:

(₹ in Crores)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
As at March 31, 2024	(6.30)	6.30
As at March 31, 2023	(3.56)	3.56

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of domestic cable and other electronic items and therefore require a continuous supply of copper, being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper, the Group has entered into various purchase contracts for this material for which there is an active market. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price for each month.

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and certain customers are covered under credit insurance. An impairment analysis is performed at each reporting date by grouping a large number of minor receivables into homogenous groups and assess them for impairment collectively. The Group creates allowance based on lifetime expected credit loss based on a provision matrix after considering adjustment under credit insurance. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information.The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13. The Group does not hold any collateral as security except for the deposits and bank guarantees received from the customers. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several locations and operate in largely independent markets.

The movement for change in allowance for expected credit loss and credit impairment is as follows:

(₹ In Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	**25.38**	**33.07**
Acquired through business combination (Refer Note 42 (c) and (d))	-	1.32
Change in allowance for expected credit loss and credit impairment during the year	5.60	(7.75)
Bad debts written off	(0.08)	(1.26)
Balance as at the end of the year	**30.90**	**25.38**

The Group follows the following provision matrix as on the reporting date:

Particulars	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due
Default rate	0.02%	2%	2.50%	5%	10%	30%	35%	70%	100%

Other financial assets

Credit risk from balances with banks and financial institutions and in respect of loans and deposits are managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only in highly marketable

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

liquid fund instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Note 52: Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Group monitors Capital using Gearing ratio, which is net debt divided by total capital plus net debt.

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Borrowings	291.03	419.60
Less: Cash and cash equivalents and other bank balances	57.37	66.87
Net debt (A)	**233.66**	**352.73**
Equity	1,814.22	1,607.62
Capital and Net debt (B)	**2047.88**	**1,960.35**
Gearing ratio (A/B)	**11%**	**18%**

Note 53: Other statutory information

(i) Details of Benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Group has borrowings from banks and financial institution on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group during the year with banks and financial institution are in agreement with the books of accounts.

(iii) Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or other lender.

(iv) Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

(vi) Compliance with approved scheme of arrangements

The effect of such Scheme of Arrangement as mentioned in Note 41 (c) have been accounted for in the books of account of the Group in accordance with the Scheme of Amalgamation between Simon Electric Private Limited, the Holding Company and their respective Shareholders and Creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and in accordance with accounting standards.

(vii) Utilisation of borrowed funds and share premium

A. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of property, plant and equipment, right of use assets, intangible assets and investment property

The Group has not revalued its property, plant and equipment (including right of use assets), intangible assets and investment property during the current or previous year.

(xi) Core Investment Company

The Group is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. It does not have any CICs, which are part of the Company.

(xii) Utilisation of borrowings availed from banks and financial institution

The borrowings obtained by the Group from banks and financial institution have been applied for the purposes for which such loans were was taken.

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as of and for the year ended March 31, 2024

Note 54 : Audit Trail

As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

(a) Holding the company and a subsidiary of the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility that has operated throughout the financial year for all relevant transactions except:

i. For changes to certain tables where audit trail is not activated as part of default settings of the ERP vendor. In this regard, the Companies have prospectively enabled audit trail post year end March 31, 2024.

ii. For transactions by certain users having specific access used for debugging and troubleshooting.

(b) In case of another subsidiary company, the accounting software used for the period April 1, 2023 to December 4, 2023 did not have a feature of audit trail (edit log) facility. For the period December 5, 2023 to March 31, 2024, the subsidiary company has migrated its data to a new accounting software which has the feature of recording audit trail (edit log) facility except :

i. For changes to certain tables where audit trail is not activated as part of default settings of the ERP vendor. In this regard, the Company has prospectively enabled audit trail post year end March 31, 2024.

ii. For transactions by certain users having specific access used for debugging and troubleshooting.

(c) In case of the company and its two subsidiaries, with respect to direct database changes, adequate technical documentation is not available to enable audit trail. The Companies have however put in place controls to ensure that changes to database are only through the ERP application where audit trail is enabled

Note 55: Statutory Group Information

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Crores	As % of consolidated net profit	₹ in Crores	As % of consolidated other comprehensive income	₹ in Crores	As % of consolidated total comprehensive income	₹ in Crores
Parent Company								
V-Guard Industries Limited								
Balance as at March 31, 2024	51.92%	941.90	81.46%	209.82	94.84%	(2.63)	81.32%	207.19
Balance as at March 31, 2023	47.63%	765.84	86.45%	163.44	100.08%	20.05	87.76%	183.49
Subsidiaries (refer Note 42)								
Guts Electro-Mech Limited								
Balance as at March 31, 2024	1.88%	34.16	2.55%	6.57	-0.01%	0.00	2.58%	6.57
Balance as at March 31, 2023	1.73%	27.74	2.46%	4.65	-0.04%	(0.01)	2.22%	4.64

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2024

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in Crores	As % of consolidated net profit	₹ in Crores	As % of consolidated other comprehensive income	₹ in Crores	As % of consolidated total comprehensive income	₹ in Crores
V-Guard Consumer Products Limited								
Balance as at March 31, 2024	8.53%	154.79	8.92%	22.97	1.92%	(0.05)	8.99%	22.92
Balance as at March 31, 2023	7.94%	127.65	7.81%	14.76	-0.12%	(0.02)	7.05%	14.74
Sunflame Enterprises Private Limited								
Balance as at March 31, 2024	37.67%	683.38	7.07%	18.22	3.25%	(0.09)	7.12%	18.13
Balance as at March 31, 2023	42.70%	686.39	3.32%	6.28	0.07%	0.01	3.01%	6.29
Non-controlling interest in subsidiary								
Balance as at March 31, 2024	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at March 31, 2023	0.00%	-	-0.04%	(0.07)	0.00%	-	-0.03%	(0.07)
Associate - Gegadyne Energy Labs Private Limited (refer Note 6)								
Balance as at March 31, 2024	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Balance as at March 31, 2023	-	-	-	-	-	-	-	-

Note 56: During the year under review, the Company was required to transfer 28,593 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 2016-17 to 2022-23. However, the Company could transfer only 27,793 equity shares, as 800 equity shares could not be transferred as the shareholder's demat account was under suspension since October 2009.

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.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
ICAI Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 16, 2024

For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010

Sd/-
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 16, 2024

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A" Subsidiaries

Name of the subsidiary	Guts Electro-Mech Ltd	V-Guard Consumer Products Limited	Sunflame Enterprises Private Limited
The date since when subsidiary was acquired	August 31, 2017	July 19, 2021	January 12, 2023
Reporting period for the subsidiary concerned	March 31, 2024	March 31, 2024	March 31, 2024
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	₹	₹	₹

Sl. No.	Particulars	₹ in crores	₹ in crores	₹ in crores
1	Share capital	1.97	121.09	0.16
2	Other equity	25.26	31.94	112.97
3	Total assets	36.75	260.60	147.65
4	Total liabilities	9.53	107.57	34.52
5	Investments	Nil	0.13	Nil
6	Turnover	95.52	348.49	274.12
7	Profit before taxation	8.35	31.76	28.73
8	Provision for taxation	1.85	5.63	7.25
9	Profit after taxation	6.50	26.13	21.48

Other information			
Proposed dividend	Nil	Nil	Nil
Extent of shareholding (in percentage)	100%	100%	100%
Names of subsidiaries which are yet to commence operations	Nil		
Names of subsidiaries which have been liquidated or sold during the year	Nil		

Part “B” Associates and Joint ventures

Name of Associates or Joint Ventures		Gegadyne Energy Labs Private Limited
1	Latest audited Balance Sheet Date	31-Mar-2023
2	Date on which the Associate or Joint Venture was associated or acquired	N ovember 21, 2023
3	Shares of Associate or Joint Ventures held by the company on the year end	
	Number	7 Equity shares, 2900 Compulsarily Convertible Cumulative Preference Shares and 1151 Optionally Convertible Cumulative Preference Shares
	Amount of Investment in Associates or Joint Venture	70.57 crores
	Extent of Holding (in percentage)	24.32%
4	Description of how there is significant influence	Associate
5	Reason why the associate/Joint venture is not consolidated.	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in crore)	(0.00)
7	Profit or Loss for the year (₹ in crore)	
	i. Considered in Consolidation	(0.00)
	ii. Not Considered in Consolidation	(6.25)

Note - The amount shown as investment in associate in inclusive of the fair valuation gain

For and on behalf of the Board of Directors of
V-Guard Industries Limited

Sd / -
Cherian N Punnoose
Chairman
DIN: 00061030

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

Sd / -
Sudarshan Kasturi
Chief Financial Officer

Sd / -
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 16, 2024

V-Guard Industries Ltd.
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