



WHIRLPOOL OF INDIA LIMITED
(CIN NO. : L29191PN1960PLC020063)

CORPORATE OFFICE : PLOT NO. 40, SECTOR 44, GURUGRAM (GURGAON) - 122 002 (HARYANA), INDIA. TEL: (91) 124-4591300, FAX: (91) 124-4591301.
REGD. OFF. : PLOT NO. A-4 MIDC, RANJANGAON, TAL. SHIRUR, DIST. PUNE 412 220. TEL: (91) 2138-660100, FAX: (91) 2138-232376.
Website : www.whirlpoolindia.com, E-mail : info_india@whirlpool.com

Date: 19th July, 2019

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| The Manager Department of Corporate Services – Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai, Maharashtra - 400001 Scrip Code: 500238 | The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra – 400051 Symbol: WHIRLPOOL |
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INTIMATION FOR SUBMISSION OF ANNUAL REPORT, NOTICE OF 58th ANNUAL GENERAL MEETING, REMOTE E-VOTING INFORMATION AND BOOK CLOSURE

In continuation to our intimation dated 24th May, 2019 please be informed that the 58th Annual General Meeting (AGM) of the Company will be held on, Tuesday, August 13, 2019 at 11:00 AM at Plot No. A-4, M.I.D.C, Ranjangaon, Taluka - Shirur, District- Pune-412220, to transact the Ordinary and Special Businesses as per the notice convening the AGM.

Please take note that:

- Dispatch of the Notice of the AGM along with the Annual Report for the financial year ended 31st March 2019 has been completed on 19th July, 2019 through electronic mode to the members who have registered their email-ids with Company/ Depository participants(s) and to other members by Speed Post on 18th July, 2019.
- Notice is hereby given that pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Register of Members and Share Transfer Books will remain closed from 07th August, 2019 to 13th August, 2019 (both days inclusive) for the purpose of AGM and to determine entitlement of dividend on equity shares.
- The dividend will be paid to those shareholders, whose name appears on the 'Register of Members' of the Company as at the end of business hours on 6th August, 2019.
- The remote e-voting period begins at 09:00 A.M. on 10th August, 2019 and will end at 05:00 P.M. on 12th August, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 06th August, 2019 may cast their vote electronically.

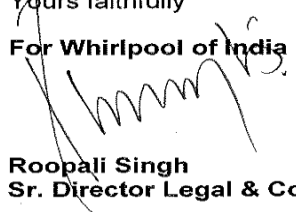
The Notice and the Annual Report is also available and can be downloaded from the Company's website: (www.whirlpoolindia.com). Please find enclosed annual report and notice of the 58th AGM of the Company.

Trust, this would meet with your requirements.

Yours faithfully,

Yours faithfully

For Whirlpool of India Ltd.


Roopali Singh
Sr. Director Legal & Company Secretary



Whirlpool of India Limited

CIN- L29191PN1960PLC020063

Regd. Office- A-4, MIDC, Ranjangaon, Taluka- Shirur, Pune-412220

www.whirlpoolindia.com

Tel No:- 02138-660100, Fax no: 02138-232376

Email: investor_contact@whirlpool.com

NOTICE

Notice is hereby given that the Fifty Eight Annual General Meeting of the Members of Whirlpool of India Limited will be held on Tuesday, 13th August, 2019 at 11:00 A.M. at the Registered Office of the Company at Plot No. A-4, MIDC, Ranjangaon, Taluka- Shirur, Pune - 412220 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended March 31, 2019 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend for the Financial Year ended on 31st March, 2019.
3. To re-appoint Mr. Arvind Uppal (DIN: 00104992) as Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**4. Ratification of remuneration of Cost Auditors**

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

“RESOLVED THAT pursuant to provisions of section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of M/s R. J. Goel & Co., Cost Accountants (Firm Registration No. 000026) as the Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records as maintained by the Company for its manufacturing units located at Faridabad, Pune and Puducherry for the Financial Year ending on 31st March, 2020 at a remuneration of Rs.4 Lacs plus service tax as applicable be and is hereby ratified.”

5. Re-appointment of Ms. Sonu Bhasin (holding DIN 02872234 as Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (SEBI Listing Regulations), the consent of the Members of the Company be and is hereby accorded to the re-appointment of Ms. Sonu Halan Bhasin (holding DIN 02872234) as an Independent Director of the Company for a period of five years with effect from 01st April, 2019, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines, who has given her consent for the re-appointment and has submitted a declaration that she meets the criteria for independence under Section 149 of the Act and the SEBI Listing Regulations and is eligible for re-appointment and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors.”

6. Appointment of Mr. Rahul Bhatnagar (DIN: 07268064) as a Director and as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Mr. Rahul Bhatnagar (DIN: 07268064), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 19th June, 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, but who being eligible for appointment has given notice of candidature

under Section 160(1) of the Act proposing his candidature for the office of Director and has submitted a declaration to that effect that he meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 19th June, 2019 upto 18th June, 2024.”

7. Appointment of Mr. Pradeep Jyoti Banerjee (DIN: 02985965) as a Director and as an Independent Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Mr. Pradeep Jyoti Banerjee (DIN: 02985965), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 19th June, 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, but who being eligible for appointment has given notice of candidature under Section 160(1) of the Act proposing his candidature for the office of Director and has submitted a declaration to that effect that he meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 19th June, 2019 upto 18th June, 2024.”

8. Revision in remuneration of Mr. Anil Berera (DIN 00306485) as Executive Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 and Schedule V of the Companies Act, 2013 read with the 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) approval of the Company be and is hereby accorded to the payment of the revised remuneration to Mr. Anil Berera (DIN 00306485), Executive Director of the Company w.e.f. from a 01st September, 2018 and that the remuneration be revised w.e.f 01st March, 2019 for a period of three years on terms and conditions set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the remuneration of Mr. Anil Berera, Executive Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified under the explanatory statement to this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby severally authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

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

**Place: Gurugram
Date: 19th June, 2019**

**Roopali Singh
Company Secretary**

IMPORTANT NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. Register of Members and Share Transfer Books will remain closed from 07th August, 2019 to 13th August, 2019 (both day inclusive) for the purpose of AGM and to determine entitlement of dividend on equity shares. The dividend will be paid to those shareholders, whose name appears on the 'Register of Members' of the Company as at the end of business hours on 06th August, 2019. The dividend, as recommended by the Board of Directors and if declared at the Annual General Meeting, will be paid within the specified time limit.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY/ PROXIES MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE COMMENCEMENT OF THE MEETING.**
4. Proxies submitted on behalf of the companies, societies etc., Must be supported by an appropriate resolution/authority, as may be applicable.
5. Members are requested to note that pursuant to provisions of section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights.
6. In terms of the requirements of the Secretarial Standards -2 on "General Meetings" issued by the Institute of the Company Secretaries of India and approved & notified by the Central Government, a route map showing directions to reach the venue of the AGM and attendance slip along with proxy form is annexed to this Notice.
7. Members holding shares in electronics form should get their email id's updated with their respective Depository Participants so that they can get the copies of correspondence etc. sent by the Company via email.
8. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend. Members holding shares in demat mode are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, Branch details, MICR Code, IFS Code to the Depository Participants with whom they are maintaining their demat account and Members holding shares in physical mode are requested to submit the said bank details to the Company's Registrar & Transfer Agents.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. Electronic copy of the Annual Report & the Notice of the 58th Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report & the Notice of the 58th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
11. Members may also note that the Notice of the 58th Annual General Meeting and the Annual Report will also be available on the Company's website www.whirlpoolindia.com the physical copies of the aforesaid documents will also be available at the Company's Registered Office as well as Corporate Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor_contact@whirlpool.com.
12. Shareholders are requested to address all correspondence relating to their shareholding to the Company's Registrars and Share Transfer Agents, Link Intime India Pvt. Ltd. at the following address:-
Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058, Phone: +91 11 4141 0592, 93, 94, Email : delhi@linkintime.co.in
13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, Register of Contracts or Arrangements in which Directors are interested under Section 189, Register

of Member and any other documents as required to be made available, will be made available for inspection by Members of the Company at the venue of the meeting.

14. The Ministry of Corporate Affairs had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 17th September, 2018 (date of last AGM) are available on the website of the Company <https://www.whirlpoolindia.com/discover-whirlpool-investors-lpand> on Ministry of Corporate Affairs' website.

15. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) the Company is pleased to provide the facility of voting through electronic means to its members. Members of the Company can transact all the items of the businesses with the facility of voting through electronic means as contained in the notice of the meeting through e-Voting Services provided by Link Intime India Private Limited.

The facility for voting, either through electronic voting system or ballot or polling paper shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed Mr. Sanjay Grover of M/s. Sanjay Grover & Associates, or in his absence any partner of M/s. Sanjay Grover & Associates, a Practicing Company Secretary firm, who in the opinion of the Company is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and shall declare the result of the voting forthwith.

The cut-off date i.e. date not earlier than seven days before the date of general meeting for determining the eligibility to vote by electronic means or in the general meeting shall be 06th August, 2019

A member whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e voting as well as voting in the general meeting and a person who is not a Member as on the cut-off date should treat this Notice for information purposes only Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The remote e-voting period begins at 09:00 A.M. on 10th August, 2019 and will end at 05:00 P.M. on 12th August, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 06th August, 2019 may cast their vote electronically. The e-voting module shall be disabled by Linkintime for voting thereafter.

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

A. Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID

- b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
- c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company.

5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

| For Shareholders holding shares in Demat Form or Physical Form | |
|---|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field. |
| DOB/ DOI | Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv). |

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

B. Cast your vote electronically

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
- On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

- If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.

4. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
5. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
6. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

C. General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

2. During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
3. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case the shareholders have any queries or issues regarding e-voting, please click on <https://instavote.linkintime.co.in>, under Feedback section or you may refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

- D. In the event, the draft resolution is assented to by the requisite majority of Members by means of electronic voting, the date of declaration of result shall be deemed to be the date of passing of the said resolution at the Annual General Meeting.
- E. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.whirlpoolindia.com and on the website of Linkintime immediately after the result declared by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges i.e. National Stock Exchange of India Limited (NSE) and BSE Limited.

EXPLANATORY STATEMENT IN RESPECT OF ITEMS OF SPECIAL BUSINESS:

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013 (Act), sets out all the material facts relating to the business proposed to be transacted under Item Nos. 4 to 8 of the accompanying Notice dated 19th June, 2019.

Item No. 4

Board of Directors of the company, on the recommendation of Audit committee, at its meeting held on 24th May, 2019 approved re-appointment of M/s R. J. Goel & Co, Cost Accountants (Firm Registration No. 000026) as Cost Auditor of the Company to audit the cost records maintained by the Company for its manufacturing units located at Faridabad, Pune and Puducherry, for the financial year ending 31st March, 2020 on a remuneration of Rs.4 Lac excluding applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 4 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, whether financial or otherwise, in the resolution set out at Item No. 4. The Board recommends this resolution for the approval of shareholders as ordinary resolution.

Item No. 5

As per the provisions of Sections 149, 152 & Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder as amended, the Company had appointed Ms. Sonu Halan Bhasin as Independent Directors as per the requirements of the Companies Act, 2013 at the Annual General Meeting held on 14th August, 2014 for a term of five consecutive years from 01st April, 2014 to 31st March, 2019.

Accordingly, pursuant to the provisions of Section 149 of the Companies Act, 2013 (“Act”) and rules made thereunder the first term of the above Independent Directors of the Company concluded on 31st March, 2019.

The Board of Directors of the Company at its meeting held on 04th February, 2019, based on the recommendation of the Nomination and Remuneration Committee and the performance evaluation, subject to the approval of the Members through special resolution, re-appointed Ms. Sonu Halan Bhasin as Additional Director (Non-Executive) and also Independent Director, not being liable to retire by rotation, for a second consecutive term of five years commencing from 01st April, 2019 to 31st March, 2024,

As per Section 161(1) of the Act, Ms. Sonu Halan Bhasin an Additional Director, holds office upto the ensuing Annual General Meeting of the Company and is eligible to be re-appointed as a Director of the Company.

Ms. Sonu Halan Bhasin is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company. The Company has also received a written declaration from Ms. Sonu Halan Bhasin as Independent Directors stating that she meet the criteria of independence as provided under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board, Ms. Sonu Bhasin fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations for her appointment as an Independent Non-Executive Director of the Company and is independent of the management and her re-appointment would be in the interest of the Company. A copy of the draft letter for re-appointment of the Independent Director setting out the terms and conditions of her re-appointment is available on the Company's website at www.whirlpoolindia.com and for inspection by the Members at the Registered Office of the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

Brief profile of Ms. Sonu Bhasin is mentioned under "Profile of Directors" forming part of this Notice.

In compliance with the provisions of Section 149, read with Schedule IV to the Act and Regulation 17 of the SEBI Listing Regulations, the appointment of Ms. Sonu Bhasin as Independent Director for second term is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Resolution at Item No.5 of the accompanying Notice for approval by the Members of the Company by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the concerned Independent Directors are in anyway deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 5 of the Notice.

Item No. 6&7

On the recommendation of the Nomination and Remuneration Committee and subject to approval of the shareholders, the Board of Directors at its meeting held on 19th June, 2019, appointed Mr. Rahul Bhatnagar (DIN: 07268064) and Mr. Pradeep Jyoti Banerjee (DIN: 02985965) as an Additional Directors of the Company with effect from 19th June, 2019 as per Section 161(1) of the Companies Act, 2013 and as per Articles of Association of the Company and as an Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 for a term of five consecutive years to hold office from 19th June, 2019 till 18th June, 2024.

Mr. Rahul Bhatnagar and Mr. Pradeep Jyoti Banerjee have confirmed that they are not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as a Director of the Company. The Company has also received a written declaration from them stating that they meet the criteria of independence as provided under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI Listing Regulations.

The Company has received notice under Section 160 of the Companies Act, 2013 from Mr. Rahul Bhatnagar and Mr. Pradeep Jyoti Banerjee signifying their candidature as an Independent Director of the Company. The Nomination and Remuneration Committee and also the Board of Directors have recommended their appointment. In the opinion of the Board, the persons proposed to be appointed fulfil the conditions specified in the Act and in the SEBI Listing Regulations and are independent of the Management.

During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

A copy of the draft letter of appointment of Independent Directors setting out the terms and conditions of appointment is available for inspection by the Members at the Registered Office of the Company during office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

The Board considers that the diverse and rich experience of the proposed appointee would help the Company to achieve its objective of maximizing stakeholder worth and would be of immense benefit to the Company. Accordingly, the Board recommends the resolutions in relation to appointment of Mr. Rahul Bhatnagar and Mr. Pradeep Jyoti Banerjee as an Independent Director of the Company.

The brief profile of Mr. Rahul Bhatnagar and Mr. Pradeep Jyoti Banerjee is mentioned under “Profile of Directors” forming part of this Notice.

The Board recommends the Resolutions as set out in Item Nos. 6 and 7 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the persons proposed to be appointed are in anyway deemed to be concerned or interested financially or otherwise in the Resolutions as set out in Item Nos. 6 and 7 of the Notice.

Item No. 8

The Board of Directors at its meeting held on 02nd November, 2018 after considering the recommended of Nomination and Remuneration Committee and the enhanced role of Mr. Anil Berera, subject to approval of the members, approved revision in remuneration and other terms of Mr. Anil Berera effective from 01st September, 2018.

The Board on the recommendation of the Nomination and Remuneration Committee, based on the performance appraisal approved the annual appraisal of Mr. Anil Brera as per Nomination & Remuneration Policy of the Company effective from 01st March, 2019.

The revised terms of remuneration effective from 01st September, 2018 and 01st March, 2019 are set out herein

I. Salary

| Particulars | Annual Remuneration (w.e.f 01 st September, 2018) | Annual Remuneration (w.e.f 01 st March, 2019) |
|----------------------------------|---|---|
| Basic Salary | 8,833,045 | 9,579,436 |
| Special Allowances* | 7,163,598 | 7,768,916 |
| Other Allowances (not exceeding) | 1,68,00,000 | 16,800,000 |
| Total Salary | 32,796,643 | 34,148,352 |

*Actual value is contingent on changes in other perquisites

II. Perquisites:

- Conveyance as per Company policy
- Reimbursement of Medical Expenses as per Company policy
- Life, Accident and Medical Insurance as per policy of the Company.
- Unfurnished accommodation or House Rent Allowance in lieu thereof as per Company policy
- PMP Bonus as per Company policy.
- All other benefits and allowances as per Company policy.
- Long Term Incentives including ESOPs from Whirlpool Corporation US (parent Company) as per policy.

III. Retiral Benefits:

- Contribution to Provident fund and Superannuation fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- Gratuity payable at the rate of half a month’s salary for each completed year of service.
- Leaves as per Company Policy

IV. Where in any financial year the Company has no profit or its profits are inadequate, the remuneration payable shall be in accordance with the provision of section II & III of Part II of schedule V to the Companies Act, 2013, as amended from time to time.

V. To revise the remuneration every year subject to a maximum increase of 25% of last drawn Total Remuneration.

Mr. Anil Berera (aged 58) is a Bachelor in commerce and Chartered Accountant with over 35 years of rich working experience in finance, accounts, treasury, taxation and general management. He is on the Board of Company since 3rd November, 2011. He has extensive experience in the development and implementation of Strategic Business plans. He

has held several key positions in many organizations including Price Water House Coopers, Gillette and Becton Dickinson. The details of number of Board meeting attended during the year and the Membership/ Chairmanship of Committees of other Boards are given in the Corporate Governance Report.

He does not hold directorship in any other Indian company. He does not hold any shares in the company.

Except Mr. Anil Berera, being the director, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8.

The Board considers that it would be in the interest of the Company to approve the following terms of remuneration of Mr. Anil Berera as Executive Director of the Company.

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

**Place: Gurugram
Date: 19th June, 2019**

**Roopali Singh
Company Secretary**

Profile of Directors

Details of Directors proposed to be appointed/re-appointed as required under Regulation 36 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 under Secretarial Standard-2.

| Name of the Director | Mr. Arvind Uppal | Ms. Sonu Halan Bhasin |
|---|--|---|
| Director Identification Number | 00104992 | 02872234 |
| Date of Birth/Age | 19-06-1962 (57) | 28-09-1963 (55) |
| Nationality | Indian | Indian |
| Qualification | B. Tech. from IIT Delhi and is a Post graduate in Management from the Faculty of Management Studies, Delhi | B. Sc. From St. Stephen's College, Delhi University and an MBA from Faculty of Management Sciences, Delhi University |
| Date of Appointment on Board | 27-01-2005 | 04-02-2014 for First Term 01-04-2019 for Second Term |
| Shareholding in Whirlpool of India Ltd. | Nil | Nil |
| Brief Profile of the Directors | <p>Mr. Arvind Uppal has over 27 years of experience in Business Development, International Marketing and General Management. Prior to joining Whirlpool on 27-01-2005 he was with Nestle, in India and overseas.</p> <p>Under his leadership Whirlpool of India rebounded to be one of the most profitable ones in its segment. Under his tenure as Executive Director he was able to streamline – products, people, perception, and positioning of the Company.</p> | <p>Sonu Bhasin is one of the early and senior women professionals in the industry. In her career of over 30 years she set up and managed large businesses, and diverse teams, across financial and non-financial sectors in India and overseas.</p> <p>Sonu led various businesses in senior leadership positions during her corporate career. She began as a TAS Officer with the Tata Group and spent 13 years with the Group before becoming a Banker. As a Banker, she was a Director at ING Barings, President Axis Bank, Group President Yes Bank before going back to the Tatas as COO Tata Capital Limited.</p> <p>She now focuses on family businesses and is the Founder of FAB – Families And Business. She is a family business historian and is the Editor-in-Chief of Families & Business magazine – India's only stand - alone magazine that addresses the concerns of family businessowners/promoters/entrepreneurs. Her first book The Inheritors – Stories of Entrepreneurship and Success, published by Penguin Random House, is a bestseller in the business books category.</p> |
| Expertise in specific functional areas | Business Management | Finance, Treasury and Family Business Management |
| List of Directorships held in other companies (excluding foreign, private and Section 8 Companies) | Akzo Nobel India Limited (Listed) | Sutlej textiles and industries limited (listed) Berger paints india limited (listed) Max speciality films limited Mahindra First Choice Services Limited Pnb Metlife India Insurance Company Limited |
| Memberships/Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including Whirlpool of India Limited | <p><u>Chairperson/Member of Audit Committees :</u> Whirlpool of India Limited (Member) Akzo Nobel India Limited (Member)</p> <p><u>Chairperson/Member of Stakeholder Relationship Committees:</u> Whirlpool of India Limited (Member) Akzo Nobel India Limited (Chairperson)</p> | <p><u>Chairperson/Member of Audit Committees :</u> Whirlpool of India Limited (Member) Mahindra First Choice Services Limited (Member) Max Speciality Films Limited (Member)</p> <p><u>Chairperson/Member of Stakeholder Relationship Committees:</u> PNB Metlife India Insurance Company Limited (Chairperson)</p> |

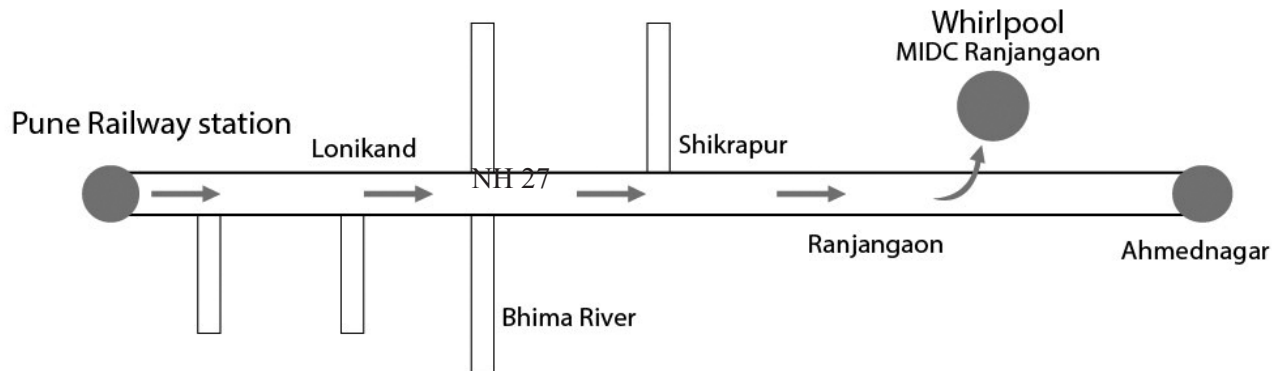
| Name of the Director | Mr. Arvind Uppal | Ms. Sonu Halan Bhasin |
|---|--|--|
| Details of Board/Committee Meetings attended by the directors during the year | Please refer Corporate Governance Report | Please refer Corporate Governance Report |
| Inter-se relationship between the Board members | None | None |

| Name of the Director | Mr. Rahul Bhatnagar | Mr. Pradeep Jyoti Banerjee |
|---|--|---|
| Director Identification Number | 07268064 | 02985965 |
| Date of Birth/Age | 29-03-1958 (61) | 19.10.1958 (60) |
| Nationality | Indian | Indian |
| Qualification | MBA, The Wharton School, University of Pennsylvania, USA Member of Institute of Chartered Accountants of India | Bachelor's Degree in Engineering (Chemical) from IIT Delhi |
| Date of Appointment on Board | 19-06-2019 | 19-06-2019 |
| Shareholding in Whirlpool of India Ltd. | Nil | Nil |
| Brief Profile of the Directors | Mr. Bhatnagar has around 40 years of rich global experience spread across diverse industries. His experience spans Business Strategy and Execution, Financial Management and Controls, M&A, Taxation, Treasury, Marketing Intelligence and IT. | Mr. Banerjee has held a series of assignments in Supply Chain, Research & Development and Categories. Mr. Banerjee became the Vice President - Technical (Home and Personal Care) in 2003 and later moved to UK in 2005 as Vice President - Global Supply Chain for Personal Care Category. He served as the Vice President for Global Procurement in Singapore. Mr. Banerjee was appointed as Executive Director - Supply Chain of the Company in March, 2010. |
| Expertise in specific functional areas | Finance, Taxation & Treasury | Global Procurement and Supply Management. |
| List of Directorships held in other companies (excluding foreign, private and Section 8 Companies) | Nil | Hindustan Unilever Limited (Listed) Gabriel India Limited (Listed) Unilever India Exports Limited |
| Memberships/Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including Whirlpool of India Limited | <u>Chairperson/Member of Audit Committees :</u> Whirlpool of India Ltd. (Chairperson w.e.f 19 th June, 2019) | <u>Chairperson/Member of Audit Committees :</u> Gabriel India Limited (Member) Whirlpool of India Ltd. (Member w.e.f 19 th June, 2019) <u>Chairperson/Member of Stakeholder Relationship Committees:</u> Gabriel India Limited (Member) Whirlpool of India Ltd. (Member w.e.f 19 th June, 2019) |
| Details of Board/Committee Meetings attended by the directors during the year | NA | NA |
| Inter-se relationship between the Board Members | Nil | Nil |

Route map of the 58th AGM venue is as follows:

Directions:

Shareholders can reach at the venue via Pune - Ahemdagar - Shirdi Highway. It's about 55 Kms from Pune Railway Station and near to Ranjangaon Police Station.



Pune Railway station to Whirlpool - MIDC Ranjangaon
55.3Km



ATTENDANCE SLIP
WHIRLPOOL OF INDIA LIMITED
CIN: L29191PN1960PLC020063

Registered Office- A-4, MIDC, Ranjangaon, Taluka-Shirur, Pune – 412220

Tel No.: 02138-660100, Fax No.: 02138-232376

Email : Investor_contact@whirlpool.com | www.whirlpoolindia.com

58th Annual General Meeting – Tuesday, 13th August, 2019 at 11:00 A.M.

Registered Folio no. / DP ID no. / Client ID no. :

| | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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Number of shares held

| | | | | | | | | | | |
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| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 58th Annual General Meeting of the Company, to be held on Tuesday, 13th August, 2019 at 11:00 A.M., at the registered office of the company at Plot No. A-4, MIDC, Ranjangaon, Taluka- Shirur, Pune – 412220, India.

Name of the member / proxy
(in BLOCK letters)

Signature of the member / proxy

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.



PROXY FORM
(Form no. MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies
(Management and Administration) Rules, 2014]

Whirlpool of India Limited

CIN: L29191PN1960PLC020063

Registered Office- A-4, MIDC, Ranjangaon, Taluka-Shirur, Pune – 412220

Tel No.: 02138-660100, Fax No.: 02138-232376

Email: investor_contact@whirlpool.com | www.whirlpoolindia.com

58th Annual General Meeting – Tuesday, 13th August, 2019 at 11:00 A.M.

| | |
|-------------------------------|--|
| Name of the member(s) | |
| Registered address | |
| Email Id: | |
| Folio no. / Client Id / DP ID | |

I/We, being the member(s) of Whirlpool of India Limited holding _____ shares hereby appoint

(1) Name: _____ Address: _____

E-mail id: _____ Signature: _____ or failing him;

(2) Name: _____ Address: _____

E-mail id: _____ Signature: _____ or failing him;

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 58th Annual General Meeting of the Company, to be held on Tuesday, 13th August, 2019 at 11:00 A.M., at the registered office of the company at Plot No. A-4, MIDC, Ranjangaon, Taluka-Shirur, Pune – 412220, India and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No. | Resolution | Vote (Optional see Note 2) (Please mention no. of shares) | |
|-----------------------------|---|--|---------|
| | | For | Against |
| Ordinary Business | | | |
| 1 | Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2019. | | |
| 2 | Declaration of final dividend for the financial year ended March 31, 2019. | | |
| 3 | Re-appointment of Mr. Arvind Uppal (DIN: 00104992), as Director who retires by rotation. | | |
| Special Business(es) | | | |
| 4 | Ratification of remuneration of M/s R. J. Goel & Co., Cost accountants (Firm Registration No. 000026) as Cost auditors for FY 2019-20 (Ordinary Resolution) | | |
| 5 | Re-appointment of Ms. Sonu Bhasin (holding DIN: 02872234 as Independent Director of the Company (Special Resolution) | | |
| 6 | Appointment of Mr. Rahul Bhatnagar (DIN: 07268064) as a Director and as an Independent Director (Ordinary Resolution) | | |
| 7 | Appointment of Mr. Pradeep Jyoti Banerjee (DIN: 02985965) as a Director and as an Independent Director (Ordinary Resolution) | | |
| 8 | Revision in remuneration of Mr. Anil Berera, Executive Director (Ordinary Resolution) | | |

Signed this day of 2019.

Affix
Revenue
Stamp

Signature of the member Signature of the proxy holder(s) stamp

Notes:

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
- It is optional to indicate your preference. If you leave for, against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.



Whirlpool

ANNUAL REPORT

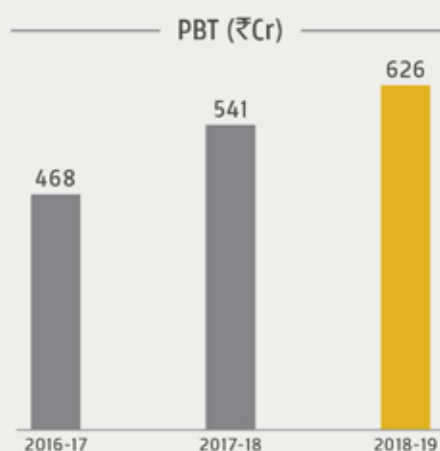
2018-19



WHO WE ARE. WHERE WE OPERATE.

Whirlpool of India Limited (CIN: U29191PN2004PLC020063) is a part of the world's renowned **Whirlpool Group of Companies. Whirlpool Corporation, the Ultimate Holding Company (NYSE: WHR)** is the world's leading manufacturer of home appliances(a), with approximately \$21 billion in annual sales, 92,000 employees and 65 manufacturing and technology research centers in 2018. The company markets Whirlpool, KitchenAid, Maytag, Consul, Brastemp, Amana, Bauknecht, JennAir, Indesit and other major brand names in nearly every country throughout the world.

Whirlpool of India Limited (**NSE: WHIRLPOOL, BSE: 500238**) is one of the leading manufacturers and marketers of major home appliances in the country. The company owns three state-of-the-art manufacturing facilities at Faridabad, Puducherry and Pune.



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LETTER TO SHAREHOLDERS

Dear Shareholders,

2018 was an eventful year by any standard. What started as a relatively stable macro environment in the first half saw several ups and downs in the second half. Transport strikes, GST changes, very high currency and commodity volatility, coupled with soft consumer confidence and off takes made for a challenging year.

But as said, "When the going gets tough, the tough get going" and team Whirlpool again proved that we are the team to beat in India rising to the challenge ... above and beyond. We have delivered industry beating results again this year gaining share and delivering our profit targets for the year.

This was possible because of the employees efforts, executing the Company's strategy to the tee.... a refreshed brand positioning, new product launches including our new Premium range of Refrigerators, the New Bloomwash Pro, expansions in the Semi Automatic portfolio and several new winning finishes in Refrigeration; strong execution of our product/price plans in trade . making strong gains in distribution and winning with several top retailers in Organised Trade & E Commerce.

The Company took consumer service to a new level with the launch of our new "service promise" to consumers.

The back end went all out to support our growth, with all plants and suppliers stretching beyond plan on volumes, while also executing capacity enhancement projects and new product launches; the supply chain setting new records while executing structural changes in our logistics footprint and of course the support functions of finance, legal and HR ably supporting the field & plants in this aggressive growth trajectory.

We made structural changes in our focused growth categories with the strategic investment in Elica PB for cooking, significant localisation of our Air-Conditioning portfolio and the launch of the new Purafresh range of water purifiers.

We are entering 2019- 20 on a very strong note, with a strong product plan, enhanced capacity across plants and most importantly significantly improved execution capabilities.

Thanking you

Sunil D'Souza
Managing Director

ARVIND UPPAL

CHAIRMAN - WHIRLPOOL OF INDIA LIMITED

Whirlpool delivered another strong year on the back of solid market share gains. 2018 was a very noisy year given domestic elections, trade wars, fluctuations in oil and currencies. Despite this, India continues to be the fastest growing major economy with huge potential for the under penetrated home appliances industry. Our investment in the Elica JV should help accelerate Whirlpool's presence in the premium kitchen category and strengthen our overall brand presence. We remain confident about the future of our business.



ANIL BERERA

EXECUTIVE DIRECTOR - WHIRLPOOL OF INDIA LIMITED

India long term economic growth outlook continue to remain strong, with factors conducive to sustainable growing demand, we do expect the demand scenario to be promising in the near future. 2018 - 19 was another year of delivering record performance and achieving many new milestones. We delivered strong Revenue and Profit growth and continued to have a robust balance sheet. It was a volatile year in terms of commodities and currency, which we were able to successfully navigate through strong cost and pricing actions. During the year we made a strategic investment and acquired 49% stake in Elica PB India Private Limited. We continue to invest in the future, both in Products and capacity expansion and invested ₹187 cr in Capex in 2018-19. I am confident, with it's Robust business plans, Whirlpool will continue to move ahead in its journey of Sustainable and Profitable growth.



YATIN MALHOTRA

CHIEF FINANCIAL OFFICER - WHIRLPOOL OF INDIA LIMITED

2018 - 19 was another year of strong performance for Whirlpool. We continued our growth journey as our Total Income grew 8.5% vs previous year. We delivered Profit Before Tax of ₹626.5 cr @ 11.4% of Total Income, registering a growth of 16% vs last year.

This strong profit performance was on the back of strengthening product mix and productivity actions across functions to overcome the cost headwinds that we faced during the year. Whirlpool successfully delivered another year of strong working capital management. We generated a cash of ₹402 cr from operating activities vs ₹384 cr last year. Post acquisition of 49% equity stake in Elica, we are reporting our first annual consolidated financials, with a best ever EPS of ₹32.08 for the year 2018-19.







MASTER OF ELEGANCE.

Presenting the perfect blend of extraordinary performance and contemporary style. Powered by 6TH SENSE[®] Technology, it intuitively adapts temperature and preserves freshness. Designed with spacious boutique compartments and state-of-the-art features, it gracefully complements a luxurious lifestyle.







MASTER OF UNMATCHED PERFORMANCE.

Presenting the new and advanced 360° Bloomwash Pro that is specially designed to assure No.1 cleaning performance*. Powered by the revolutionary Hexa Bloom impeller, it moves clothes in a unique 360° motion to give a wash that is truly perfect.



*Results based on internal lab tests conducted on select Whirlpool model against leading products in this segment (VRs9kg) under standard test conditions and may vary depending on testing conditions.





ACE XL

MASTER OF POWER WASHES.

Presenting the AceXL range of washing machines, that offer a beautiful amalgamation of design and performance. Powered by the 3D scrub technology, this marvel has the power to wash up to 14* king size bedsheets in one go.



*Results based on internal lab testing done on select Whirlpool model under standard conditions and may vary basis testing conditions. 14 king size bed sheets can be washed in 10.5kgs Machine only.



MASTER OF CUTTING-EDGE INNOVATION.

Presenting the Purasense Water Purifier with an advanced 9-Stage purification system. This innovation is powered by India's first Do-It-Yourself Filter Replacement Technology, and ensures lifelong guarantee of purity.





BUILT-IN HOBS AND HOODS

MASTER OF INTUITIVE INTELLIGENCE.

Presenting the powerful and advanced range of Hobs and Hoods with 6TH SENSE® Technology. The *IntelliCook* Brass Burner Hobs intuitively cut the gas supply off when not in use. Whereas, the 6TH SENSE® *TurboQuiet* Technology of the intelligent hoods ensures silent operations. And all this to provide an immaculate cooking experience.



DESIGNED TO WIN HEARTS AND AWARDS

As the coveted iF Design Award finds a new home, we take pride in welcoming it to our wall of glory. Over its 66-year history, the iF Design Award has become one of the world's most prestigious design competitions. Judged by an international panel of design experts, the prized iF Labels are presented to products that are considered outstanding in their field.

This year, our washing machines Bloomwash Pro and AceXL emerged victorious in a highly competitive field, that included over 6400 entries from 50 countries. Achieving this new milestone is a validation of our cutting-edge technology and bold aesthetics, across all our products. May we continue to conquer hearts and win awards.



WINNING THE WORLD OVER



Dun & Bradstreet Corporate Awards 2019
Consumer Durables &
Appliances Industry



Great Place to Work
India's Best Companies to Work for
2018



Great Place to Work
India's 25 Best Workplaces in Manufacturing
2019



Whirlpool



BUILDING A BRIGHTER FUTURE.

We strongly believe that expanding capacity, improving quality and manufacturing efficiencies are critical pillars that contribute to our continued success. Today, each of our three plants is delivering world class Whirlpool products. In order to improve our manufacturing practices and driving efficiencies, we implemented World Class Manufacturing (WCM) at our plants. We successfully initiated further capacity enhancement at Pondicherry and Pune plants.

OUR COMMITMENT TO THE COMMUNITY.



COMMUNITY DEVELOPMENT PROGRAM

We believe that a strong community helps in the growth of a company and its employees. With our continuous efforts to reach out to them, we aspire to bring a change for good.

SKILL DEVELOPMENT PROGRAM

We organise training programs for the young ones to give them a career path and help them become accomplished Retail Service Executives and Field Service Engineers. This year, 3000 people/youth became a part of our initiative that was conducted in more than 30 cities.





BRING WATER TO ENRICH PUDUCHERRY

Being a part of the Washers industry, we understand the importance of conserving water. Therefore, we joined forces to help mission #WaterRichPuducherry be a success. And to do that, we helped de-silt 11300 meters of water channel and clear the jungle including grass, brushwood, trees, saplings and trash from 50 meters outside the periphery. This will continue to benefit the villagers and water bed around our factory.

KANNUR HELPING HANDS

Our Kochi team along with our service partners and Kannur (Kerala) District Youth showed exemplary efforts in helping the Kerala flood affected victims.

Our people's will to help turned a small 5-member group into a 150-member squad within a day. The team was able to send approximately 20 tons of rice along with 5300 cartons of essential materials through 24 shipments to more than 40 relief centers spread across 6 adversely affected districts.



REIMAGINED BRAND STORES

We reconceptualised our stores in 2018 to give a rich experience to our consumers. With technology integration and best-in-class category specific display, consumers can now explore a wide range of products with ease.



UNPARALLELED SERVICE, UNMATCHED EXPERIENCE.

To position our customer service as a differentiator with a competitive advantage, Whirlpool Service team launched 'Service Promise', which is a first-of-its-kind Service Promise in the history of Whirlpool India. Service Promise talks about 2 Hours consumer call back with an assurance of 24 Hours/48 Hours visit across 3500 plus cities.

WHIRLPOOL **magicare** ASSURANCE

2 Hours

Assured Call Back
Within 2 Hours**

24 Hours

Service Engineer Visits
In 24 Hours**

Service Network across
3500+
Cities & Towns

Vast Service Network
Across India

We have recently launched our first real-time Digital Training Studio. This state-of-the-art studio allows us to impart real-time product training by connecting our service network and service technicians to our customers through a video call. Leveraging this technological innovation, our team has created capacity of covering a wider Service Engineer base, ensuring higher levels of training penetration all over India.

This facility will help us drive high level of training and engagement amongst service networks and further help us achieve higher customer satisfaction.

CORPORATE INFORMATION

BORAD OF DIRECTORS:

| | |
|-----------------------|-----------------------------------|
| Mr. Arvind Uppal | Chairman & Non-Executive Director |
| Mr. Sunil D'Souza | Managing Director |
| Mr. Anil Berera | Executive Director |
| Mr. AHBN Reddy | Executive Director |
| Ms. Sonu Halan Bhasin | Independent Director |
| Mr. Rahul Bhatnagar | Independent Director* |
| Mr. Pradeep Banerjee | Independent Director* |

*Appointed w.e.f 19th June, 2019

CHIEF FINANCIAL OFFICER

Mr. Yatin Malhotra

COMPANY SECRETARY

Ms. Roopali Singh

STATUTORY AUDITORS

M/s MSKA & Associates (Firm Registration Number: 105047W), Chartered Accountants

COST AUDITOR

R. J. Goel & Co. (Firm Registration Number: 000026), Cost Accountants

SECRETARIAL AUDITOR

N.C. Khanna, Practicing Company Secretary (C. P. No. 5143)

BANKERS:

Citibank, N.A., BNP Paribas, The Hongkong and Shanghai Banking Corporation Limited.
State Bank of India, Bank of America, N.A., The Bank of Nova Scotia, MUFG Bank,
HDFC Bank Limited, RBL Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India private Limited
Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block,
Near Savitri Market, Janakpuri, New Delhi-110058

REGISTERED OFFICE:

Plot No. A- 4, MIDC, Ranjangaon, Taluka- Shirur,
District- Pune, Maharashtra-412 220.

CORPORATE OFFICE:

Plot No. 40, Sector- 44,
Gurgaon, Haryana-122 002

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

THE Company'S GOVERNANCE PHILOSOPHY

“What makes me proud is our commitment to win the right way- The Whirlpool Way - where there is no right way to do a wrong thing ...Success without integrity is failure. At Whirlpool, we set higher standards to earn the trust of our consumers, colleagues, stakeholders and the communities where we operate.”

Marc Bitzer

Chairman, Whirlpool Corporation

For us at Whirlpool, Corporate Governance is all about upholding the highest standards of integrity, transparency, fiscal accountability and adoption of best management practices. These values are the distinct and enduring character of your Company and an important part of its heritage. Your Company believes that retaining and enhancing stakeholder trust is essential for sustained corporate growth.

Your Company has a strong legacy of fair, transparent and ethical governance practices.

Your Company has adopted an Integrity Manual (Code of Conduct) for its employees including the Managing Director and the Executive Directors. Your Company also has adopted a Code of Conduct for its Non-Executive Directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 (“the Act”).

Your Company is in compliance with the requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations 2015”), as applicable, with regard to corporate governance.

Board of Directors
Composition

We believe that our Board should have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain its independence and separate its functions of governance and management. The Listing Regulations 2015 mandate that for a Company having a Non-Executive Chairman, at least one-third of the Board of Directors shall comprise of Independent Directors. As on 31st March, 2019 our Board comprised of seven Directors, consisting of one Non-Executive and Non-independent Chairman, three Executive Directors and three Independent Directors, including Ms. Sonu Bhasin a woman Director. The profiles of Directors can be found on https://www.whirlpoolindia.com/board_of_directors. Your Board members have diverse experience and expertise and provides strategic direction to the Company's Senior Management and oversee the interests of all stakeholders. The Board periodically evaluates the need for change in its size and composition.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations 2015 read with Section 149 of the Act.

- Mr. Arumalla Hari Bhavanarayana Reddy (Mr. AHBN Reddy) was confirmed and appointed as an Executive Director at the 57th Annual General Meeting of the Company held on 17th September, 2018 for a period of 5 years w.e.f 02nd February, 2018.
- Board of Directors of the Company at its meeting held on 02nd November, 2018 confirmed continuation of Mr. Arvind Uppal as Chairman & Non Executive Director of the Company w.e.f 01st January, 2019.
- Pursuant to the provisions of the Act (“Act”), Ms. Sonu Halan Bhasin was appointed as an Independent Director of the Company for the first term of 5 years from 01st April, 2014 till 31st March, 2019 at the 53rd Annual General Meeting of the Company held on 14th August, 2014. Board of Directors of the Company at its meeting held on 04th February, 2019, pursuant to the provisions of the Act and subject to approval of the shareholders by way of Special Resolution, after considering the performance evaluation and the recommendation of the Nomination and Remuneration Committee, approved her re-appointment as Independent Director for a second term of five consecutive years from 01st April, 2019 upto 31st March, 2024.
- Post 31st March, 2019, the Company adopted a retirement policy for the Directors. The retirement age for the Managing Director and Executive Directors is 60 years, while the age limit for an Independent or Non-Executive Director is 70 years.

- Pursuant to above and due to personal reasons, Mr. Anand Narain Bhatia and Mr. Sanjiv Verma, tendered their resignation as Independent Director of the Company effective from 19th June, 2019 and confirmed that there were no other material reason for their resignation.
- On the recommendation of the Nomination and Remuneration Committee and subject to approval of the shareholders, the Board of Directors at its meeting held on 19th June, 2019, appointed Mr. Rahul Bhatnagar (DIN: 07268064) and Mr. Pradeep Jyoti Banerjee (DIN: 02985965) as Additional Directors and Independent Non-Executive Directors of the Company with effect from 19th June, 2019 pursuant to Section 161(1) and Section 149 of the Act for a term of five consecutive years to hold office from 19th June, 2019 till 18th June, 2024. Further details of the Directors seeking appointment/re-appointment are available in the Director's Report and the Notice of the 58th Annual General Meeting.

Details of Category, attendance, Directorship and committee position of Directors as on 31st March, 2019:

| Name of Director | Category | No. of Board Meeting held during the year 2018-19 | | Whether attended last AGM held on Monday, 17-09-18 | No. of directorship in other companies | | No. of committee position held in other public companies | |
|-------------------|--|---|----------|--|--|---------|--|--------|
| | | Held | Attended | | Public | Private | Chairman | Member |
| Mr. Arvind Uppal | Chairman - Non Executive – Non Independent | 5 | 5 | Yes | 1 | 2 | 1 | 2 |
| Mr. Sunil D'Souza | Managing Director | 5 | 5 | Yes | - | 1 | - | - |
| Mr. Anil Berera | Executive Director | 5 | 5 | Yes | - | - | - | - |
| Mr. Anand Bhatia | Non-Executive Independent Director | 5 | 5 | Yes | 1 | 1 | - | - |
| Mr. Sanjiv Verma | Non-Executive Independent Director | 4 | 4 | Yes | 1 | - | - | 1 |
| Ms. Sonu Bhasin | Non-Executive Independent Director | 5 | 5 | No | 6 | 1 | 1 | 5 |
| Mr. AHBN Reddy | Executive Director | 5 | 5 | Yes | - | - | - | - |

Note:

- Directorship above excludes directorship in foreign companies and Companies under Section 8 of the Act.
- As on 31st March, 2019, Mr. Arvind Uppal was Independent Director in Akzo Nobel India Limited and Ms. Sonu Bhasin was Independent Director in the Sutlej Textiles and Industries Limited, Transcorp International Limited and Berger Paints India Limited.
- As per Regulation 17A of Listing Regulations 2015, all Directors meet the criteria of maximum number of directorship i.e none of the Directors hold directorship in more than eight listed entities or serve as an Independent Director in more than seven listed entities. Further, the Managing Director of the Company does not serve as an Independent Director in any listed entity.
- None of the Director is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations 2015.

During the Financial Year 2018-19 the Board of Directors met five times on (i) 08th May, 2018 (ii) 01st June, 2018 (iii) 09th August, 2018 (iv) 02nd November, 2018 (v) 04th February, 2019. The maximum gap between two meetings was less than one hundred and twenty days, as stipulated under Regulation 17 of the Listing Regulations 2015 and Secretarial Standards.

The Directors are not related to each other. Non-Executive Directors do not hold any shares in the Company.

Pursuant to Regulation 34(3) and Schedule V, Para C, clause (10)(i) of the Listing Regulations 2015, the Company has obtained a certificate from Mr. N C Khanna, Practicing Company Secretary, confirming 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 Securities and Exchange Board of India and Ministry of Corporate Affairs.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations 2015 read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations 2015, they have 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. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations 2015 and that they are Independent of the Management. A formal letter of appointment to Independent Directors as provided in the Act has been issued and disclosed on the website of the Company viz. https://www.whirlpoolindia.com/board_of_directors

Familiarization Programme

All new Non-Executive Directors inducted to the Board are familiarized through a structured induction programme. Your Company believes that a Board which is well informed with the Company's affairs, policies, future plans, challenges etc., effectively discharges their role. As part of the induction programme, senior officials of Management provide an overview to familiarize new Directors with the Company's business operations, its products, structures, challenges, regulations, technology etc. The Directors of the Company are also updated on changes / developments in the industry including those pertaining to statutes / legislations & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions. The details regarding Independent Directors' Familiarization Programme are given under the Investor section on the website of the Company and can be accessed at https://www.whirlpoolindia.com/board_of_directors

Separate Meeting of Independent Directors

Schedule IV of the Act and the Rules thereunder as well as Reg 25(3) of Listing Regulations 2015 mandate that the Independent Directors of the Company shall meet at least once in a year.

During the financial year, a separate meeting of the Independent Directors of the Company was held on 08th May, 2018, at the Corporate Office of the Company and was attended by all Independent Directors. At the meeting performance of Non – Independent Directors, Board as a whole and the Chairman was reviewed. They also reviewed the flow of information between Management and the Board. Statutory Auditors were invited to have an Independent discussion without the presence of the Company's Management.

Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Statutory Auditors confirming compliance with the requirements of Listing Regulations, 2015 forms part of the Annual Report.

3. Committees of the Board

(i) Audit Committee

Composition, Meetings and Attendance

As on 31st March, 2019 the Audit Committee comprised of 4 (Four) Non-Executive Directors including 3 (three) Independent Directors. The constitution of the Committee is in line with the provisions of Sec 177 of the Act and Listing Regulations, 2015.

During the Financial Year 2018-19, the Audit Committee met five times on (i) 08th May, 2018 (ii) 01st June, 2018 (iii) 09th August, 2018 (iv) 02nd November, 2018 and (v) 04th February, 2019. The time gap between any two meetings was less than one hundred and twenty days.

The details of the member, chairperson and attendance at meetings are as under:

| Name of Member | Category | Status | No. of meetings held during the financial year 2018-19 | Attended |
|-----------------------|--------------------------------------|---------------|---|-----------------|
| Mr. Anand Bhatia | Independent -Non Executive Director | Chairman | 5 | 5 |
| Mr. Sanjiv Verma | Independent – Non Executive Director | Member | 4 | 4 |
| Ms. Sonu Bhasin | Independent – Non Executive Director | Member | 5 | 5 |
| Mr. Arvind Uppal | Non Executive Director | Member | 5 | 5 |

Members of this Committee are financially literate and possess a sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee.

The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality of financial reporting.

Mr. Anand Bhatia, Chairperson of the Audit Committee was an astute professional possessing great depth of experience and sound financial and accounting knowledge.

The Internal Auditors and the representative of the Statutory Auditors are permanent invitees to the Audit Committee meetings. The Chairperson, by practice, extends the invite for the meeting to the Managing Director and to the Cost Auditors whenever required.

The previous Annual General Meeting ("AGM") of the Company was held on 17th September, 2018 and was attended by the Chairman of the Audit Committee.

Consequent to their resignation from Directorship of the Company w.e.f 19th June, 2019, Mr. Anand Bhatia and Mr. Sanjiv Verma ceased to be members of the Audit Committee. Mr. Rahul Bhatnagar and Mr. Pradeep Jyoti Banerjee were appointed as members of the Audit Committee and Mr. Rahul Bhatnagar was appointed as Chairman of the Audit Committee w.e.f 19th June, 2019.

Terms of Reference

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by Regulation 18 of Listing Regulations, 2015. The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of the Act and Listing Regulations 2015.

The brief role & responsibilities and terms of reference of the Audit Committee inter alia include:

- a) Effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures;
- b) Evaluating the adequacy of internal controls and its effectiveness;
- c) Reviewing the financial results of the Company for each quarter/ year before the same are placed at the Board meeting for approval;
- d) Providing an avenue for effective communication between the Internal Auditor, the Statutory Auditors and the Board of Directors;
- e) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- f) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- g) Examination of the financial statements and the auditor's report thereon;
- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter corporate loans and investments;
- j) Valuation of undertaking or assets of the Company, whenever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Monitoring the end use of funds raised through public offers and related matters;
- m) Reviewing the functioning of the Code of the Company and Whistle Blowing Mechanism.

The Committee is regularly updated on the statutory and regulatory amendments including Act and Listing Regulations 2015 and the enhanced role and responsibilities of the Committee.

(ii) Nomination and Remuneration Committee

Composition, meetings and attendance

As on 31st March, 2019, the Nomination and Remuneration Committee of the Company comprises of 4 (four) Non-Executive Directors including 3 (three) Independent Directors, Chairman being Non-Executive and Independent Director. The Company Secretary of the Company acts as Secretary of the Nomination and Remuneration Committee.

The details of the member, Chairperson and attendance at meetings are as under:

| Name of Members | Category | Status | No. of Meetings Held | Attended |
|------------------|--------------------------------------|----------|----------------------|----------|
| Mr. Anand Bhatia | Independent – Non-Executive Director | Chairman | 3 | 3 |
| Mr. Sanjiv Verma | Independent – Non-Executive Director | Member | 3 | 3 |
| Ms. Sonu Bhasin | Independent – Non-Executive Director | Member | 3 | 3 |
| Mr. Arvind Uppal | Non-Executive Director | Member | 3 | 3 |

During the year under review, three meetings of the Nomination and Remuneration Committee were held on (i) 08th May, 2018 (ii) 02nd November, 2018 and (iii) 04th February, 2019

Consequent to their resignation from Directorship of the Company w.e.f 19th June, 2019, Mr. Anand Bhatia and Mr. Sanjiv Verma ceased to be members of the Nomination & Remuneration Committee. Mr. Rahul Bhatnagar and Mr. Pradeep Jyoti Banerjee were appointed as members of the Nomination & Remuneration Committee w.e.f 19th June, 2019. Mr. Pradeep Banerjee was appointed as the Chairman of the Committee.

The Company complies with the provisions related with Nomination and Remuneration Committee in terms of Regulation 19 of Listing Regulations, 2015 as well as in terms of the provisions of Section 178 of the Act.

Terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in the Act and Listing Regulations, 2015 that inter alia includes:

- The formation of policy for determining qualifications, positive attributes and independence of a Director and remuneration for the Directors, key managerial personnel and other Senior Management and recommending the same to the Board;
- Formulation of criteria for evaluation of performance of Independent Directors and the board of Directors;
- Identification of persons who are qualified to become Directors and who may be appointed to senior management position in accordance with the criteria as per the policy approved by the Board;
- The recommendation of remuneration for the Directors and Senior Management to remain competitive in the industry, to attract and retain good talent and appropriately reward the employees and Directors for their performance and contribution to the business.

Key Board Qualifications, Expertise and Attributes

The Company has eminent individuals from diverse fields as Directors on its Board, who bring in the required skills, competence and expertise that are required for making effective contribution. The Board of Directors in the context of the Company's business, considered and approved the below set out core skills/ expertise/ competencies for effective functioning of the Board:

- **Leadership:** Ability and experience in leading critical areas for large corporations and having astute knowledge of business environment, complex business processes, strategic planning, risk management, etc.
- **Strategic Insights:** Expertise and experience of evaluating business strategic opportunities to determine long term strategic fit with business, strong value creation potential and clear execution capabilities.
- **Innovation & Product Development knowledge:** Product leadership is key to Company's growth and success. Directors with expertise in understanding of emerging trends and innovations can provide unique perspectives on product development and innovation strategy which makes business more competitive and sustainable.
- **Financial Acumen:** Commercial and financial acumen to critique Company's financial performance and evaluate Company's strategies and action plans in the context of their financial outcomes. Proficiency and experience of complex financial reporting processes, internal controls, risk management frameworks and emerging financial trends.
- **Understanding of industry and operations:** Experience and knowledge of the operations, key growth drivers, distribution and manufacturing strategies, business environment and changing trends in the consumer industry.
- **Governance and Regulatory Knowledge:** Understanding of the legal ecosystem, regulations, which impact the Company and possess knowledge on matters of regulatory compliance, governance.

Performance Evaluation

The Nomination & Remuneration Committee, as reported in earlier years, formulated the Policy on Board evaluation, evaluation of Board Committees' functioning and individual Director evaluation, and also specified that such evaluation will be done by the Board, pursuant to the Act and the Rules framed thereunder and the Listing Regulations 2015. The performance evaluation for the financial year under review was carried out in accordance with the said criteria which was also duly approved by the Board. The performance evaluation was conducted for the Board, its Committees, Individual Directors including Chairman of the Board.

The Board of Directors expressed their satisfaction with the performance evaluation process and based on the affirmation received from the Independent Directors were of the opinion that the Independent Directors fulfill the conditions specified in the Listing Regulations, 2015 and are Independent of the Management.

Remuneration Policy

In adherence of section 178(1) of the Act, the Board of Directors of the Company, based on the recommendations of the Nomination and Remuneration Committee had approved and adopted the policy for Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director.

The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (Other than Managing/ Whole-time Directors), Key-Executives and Senior Management. The detailed terms of reference of the Nomination and Remuneration Committee is contained in the “Compensation & Nomination Committee Charter” which is available under the Investor section on the website of the Company at <https://www.whirlpoolindia.com/discover-whirlpool-investors-lp>

Director's Remuneration

Non-Executive Independent Directors

The Non-Executive Independent Directors are entitled to sitting fees for attending meetings of the Board, and its Committees. The Non-Executive Independent Directors were paid sitting fee of INR 1,00,000 for every meeting of the Board and the Audit Committee and INR 75,000 for each Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee meeting.

They are also reimbursed all travelling and other expenses incurred by them in connection with attending meetings of the Board of Directors or of Committees thereof or which they may otherwise incur in the performance of their duties as Directors. Apart from above, Independent Directors do not have any pecuniary relationship or transaction with the Company.

Non-Executive Non-Independent Director

Members of the Company at the 57th Annual General Meeting of the Company held on 17th September, 2018 had approved remuneration payable to Mr. Arvind Uppal as Chairman & Non-Executive Director of the Company w.e.f. 01st January, 2018 till 31st December, 2018. During the period 01st April, 2018 to 31st December, 2018, in the capacity of Chairman & Non - Executive Director Mr. Uppal was paid INR 27 Lacs along with other facilities to maintain office of the Chairman. Post 31st December, 2018 he was paid only sitting fees for attending meetings of the Board and the Committees of which he is member.

Remuneration paid to Executive Directors in Financial Year 2018-19

(INR in Lacs)

| Name of the Director | Basic Salary | Allowances | Perquisites | Performance Bonus | PF Contribution | ESOP from Whirlpool Corporation | Total |
|--------------------------------------|--------------|------------|-------------|-------------------|-----------------|---------------------------------|--------|
| Mr. Sunil D'Souza, Managing Director | 68.72 | 163.12 | 81.86 | 180.74 | 8.25 | 162.53 | 665.22 |
| Mr. Anil Berera, Executive Director | 88.33 | 216.47 | 10.81 | 88.25 | 9.86 | 15.32 | 429.04 |
| Mr. AHBN Reddy, Executive Director | 31.73 | 57.31 | 0.95 | 20.25 | 3.81 | 5.60 | 119.65 |

Other Terms

- Performance Bonus are based on performance review of the Key Responsibility Areas (KRAs) and other measurable indicators along with performance of the organization, profitability and other financial indicators.
- Notice Period – 3 Months, Severance Fees – NIL, Stock Options– NIL
- ESOP from Whirlpool Corporation, ultimate holding Company.
- Total remuneration does not include Gratuity and Leave encashment.

(iii) Stakeholders' Relationship Committee**Composition, meetings and attendance**

As on 31st March, 2019 the Stakeholders Relationship Committee comprised of 3 (three) members out of which, 2 (two) were Non-Executive Director, and 1 (one) Executive Director. Chairman of the committee was Non-Executive and Independent Director. The Company Secretary of the Company acts as Secretary of the Stakeholders Relationship Committee.

The name of the members, Chairperson and attendance of members, is given below:

| Name | Category | Status | No. of Meetings held | Attended |
|------------------|--------------------------------------|----------|----------------------|----------|
| Mr. Anand Bhatia | Independent – Non Executive Director | Chairman | 4 | 4 |
| Mr. Arvind Uppal | Non- Executive Director | Member | 4 | 4 |
| Mr. Anil Berera | Executive Director | Member | 4 | 4 |

During the Financial Year 2018-19, the Committee met four times on (i) 08th May, 2018 (ii) 09th August, 2018 (iii) 02nd November, 2018 and (iv) 04th February, 2019.

Ms. Roopali Singh, Company Secretary is the Compliance Officer of the Company.

Consequent to resignation from Directorship of the Company w.e.f 19th June, 2019, Mr. Anand Bhatia ceased to be a member of the Stakeholder & Relationship Committee. Mr. Pradeep Banerjee was appointed as a Member and Mr. Arvind Uppal was appointed as the Chairman of the Stakeholder Relationship Committee w.e.f 19th June, 2019.

Terms of Reference

The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The Committee specifically looks into redressing shareholders'/ investors' complaints/ grievances pertaining to share transfers, non-receipts of annual reports etc, issuance of duplicate shares, exchange of new share certificates, recording dematerialization / rematerialization of shares and related matters.

The Company attends to the investors' grievances/ correspondence expeditiously except in the cases that are constrained by disputes or legal impediments. Details of complaints received and resolved by the Company during the Financial Year 2018-19 are given below:

| | |
|--|----|
| No. of shareholders complaints at the beginning of the year 01 st April, 2018. | 1 |
| No. of shareholders complaints received during the year ended 31 st March, 2019 | 29 |
| No. of complaints resolved during the year ended 31 st March, 2019 | 27 |
| Number of complaints pending as on 31 st March, 2019. | 3 |

(iv) Corporate Social Responsibility (CSR) Committee**Composition, meetings and attendance**

As on 31st March, 2019 the Corporate Social Responsibility Committee comprised of 3 (three) members of which, 2 (two) were Non-Executive Director, and 1 (one) Executive Director. The Company Secretary of the Company acts as Secretary of the Corporate Social Responsibility Committee.

The name of members, Chairperson and attendance at meeting are given below:

| Name | Category | Status | No. Of Meetings held | Attended |
|------------------|--------------------------------------|----------|----------------------|----------|
| Mr. Arvind Uppal | Non-Executive Director | Chairman | 2 | 2 |
| Mr. Anil Berera | Executive Director | Member | 2 | 2 |
| Mr. Sanjiv Verma | Independent – Non Executive Director | Member | 2 | 2 |

During the Financial Year 2018-19 the Committee met two times on 08th May, 2018 and on 04th February, 2019.

Consequent to resignation of Mr. Sanjiv Verma, from Directorship of the Company w.e.f 19th June, 2019, he ceased to be a member of the Corporate Social Responsibility Committee. Mr. Rahul Bhatnagar was appointed as a member of the Corporate Social Responsibility Committee.

Terms of Reference

Terms of Corporate Social Responsibility (CSR) Committee are as per the provisions of Section 135 of the Act and Listing Regulations, 2015 which inter alia include formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy and recommendation on the amount of expenditure to be incurred on the various CSR activities and monitoring of the CSR Policy of the Company.

(v) Executive Committee of the Board

The Board has an Executive Committee to look into the operational matters viz management of Bank account, authority matrix, authorization for business purpose etc. Presently Mr. Sunil D'Souza, Mr. Anil Berera & Mr. AHBN Reddy are members of the said Committee.

(vi) Risk Management Committee of the Board

The Board of Directors at their meeting held on 04th February, 2019 constituted the Risk Management Committee comprising of three Directors i.e. Mr. Sunil D'Souza, Mr. Anil Berera, Mr. AHBN Reddy and the Chief Financial Officer of the Company, Mr. Yatin Malhotra. The role of the Risk Management Committee, constituted pursuant to the Listing Regulations 2015, is inter alia to approve the strategic risk management framework of the Company, and review the risk mitigation strategies and results of risk identification, prioritisation & mitigation plan.

The terms of reference of the Risk Management Committee broadly covers:

- Reviewing the Risk Management Framework of the Company, risk management processes and practices followed and to ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- Evaluate significant risk exposures and assess management's actions to mitigate the exposures .
- Report & recommend to Board annually on the effectiveness of the Risk Management system and the mitigation plans.

The Committee is chaired by Mr. Sunil D'Souza– Managing Director. Ms. Roopali Singh, Company Secretary is the Secretary to the Risk Management Committee. No meeting of the Committee was held during the Financial Year 2018-19.

4. GENERAL BODY MEETINGS

Details of the Annual General Meeting held in the last three years along with special resolutions passed thereat:

| Year | Day, Date & Time | Place | Particulars of Special Resolutions passed |
|------|---|---|---|
| 2016 | Tuesday, 13 th September, 2016 at 11:00 A.M. | Whirlpool of India Ltd. Plot No.A-4 , MIDC , Ranjangaon, Taluka: Shirur, Dist : Pune, Maharashtra | <ol style="list-style-type: none"> 1. Revision of remuneration payable to Mr. Arvind Uppal as Chairman & Executive Director. 2. Revision of remuneration payable to Mr. Sunil D'Souza as Managing Director. 3. Revision of remuneration payable to Mr. Anil Berera, Executive Director & CFO. 4. Revision of remuneration payable to Mr. Vikas Singhal, Executive Director. |

| Year | Day, Date & Time | Place | Particulars of Special Resolutions passed |
|------|--|---|--|
| 2017 | Monday, 18 th September, 2017 at 11:00 A.M. | Whirlpool of India Ltd. Plot No.A-4, MIDC, Ranjangaon, Taluka: Shirur, Dist : Pune, Maharashtra | No resolution was passed as Special Resolution. |
| 2018 | Monday, 17 th September, 2018 at 11:00 A.M. | Whirlpool of India Ltd. Plot No.A-4 , MIDC , Ranjangaon, Taluka: Shirur, Dist : Pune, Maharashtra | <ol style="list-style-type: none"> 1. Remuneration payable to Mr. Arvind Uppal (DIN: 00104992) as Non-Executive Chairman of the Company. 2. Appointment of Mr. Arumalla Hari Bhavanarayana Reddy (DIN: 0008060227) as Executive Director. 3. Revision of remuneration payable to Mr. Anil Berera (DIN: 00306483), Executive Director. |

No resolution was passed by postal ballot during the year under review and none of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of a resolution by way of Postal Ballot.

5. MEANS OF COMMUNICATION

The quarterly, half yearly and annual results of the Company are published in leading newspapers which include Financial Express (English) for all India editions and Loksatta (Marathi), Pune edition. The information regarding Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website

The said information is also uploaded on Company's website www.whirlpoolindia.com in the Investor Section.

6. SHAREHOLDERS INFORMATION

(i) Annual General Meeting for Financial Year 2018-2019

| Day & Date | Time | Venue |
|--|------------|--|
| Tuesday, 13 th August, 2019 | 11:00 A.M. | Regd. Office- A-4, MIDC, Ranjangaon, Taluka- Shirur, Pune-412220 |

(ii) Financial Calendar – Financial Year – 01st April, 2019 to 31st March, 2020

Tentative dates for adoption of Quarterly Results for the quarter ending

June 30, 2019 July, 2019 (4th Week)/ August, 2019 (1st Week)

September 30, 2019 October, 2019 (4th week)/ November, 2019 (1st Week)

December 31, 2019 January, 2020 (4th week) / February, 2020 (1st Week)

March 31, 2020 Unaudited between April, 2020 (3rd / 4th week) or Audited Annual Results in May, 2020 (4th week).

(iii) Book Closure Date

From 07th August, 2019 to 13th August, 2019 (both days inclusive)

(iv) Dividend Payment Date

On or before 11th September, 2019.

(v) Listing on Stock Exchanges & Stock Code

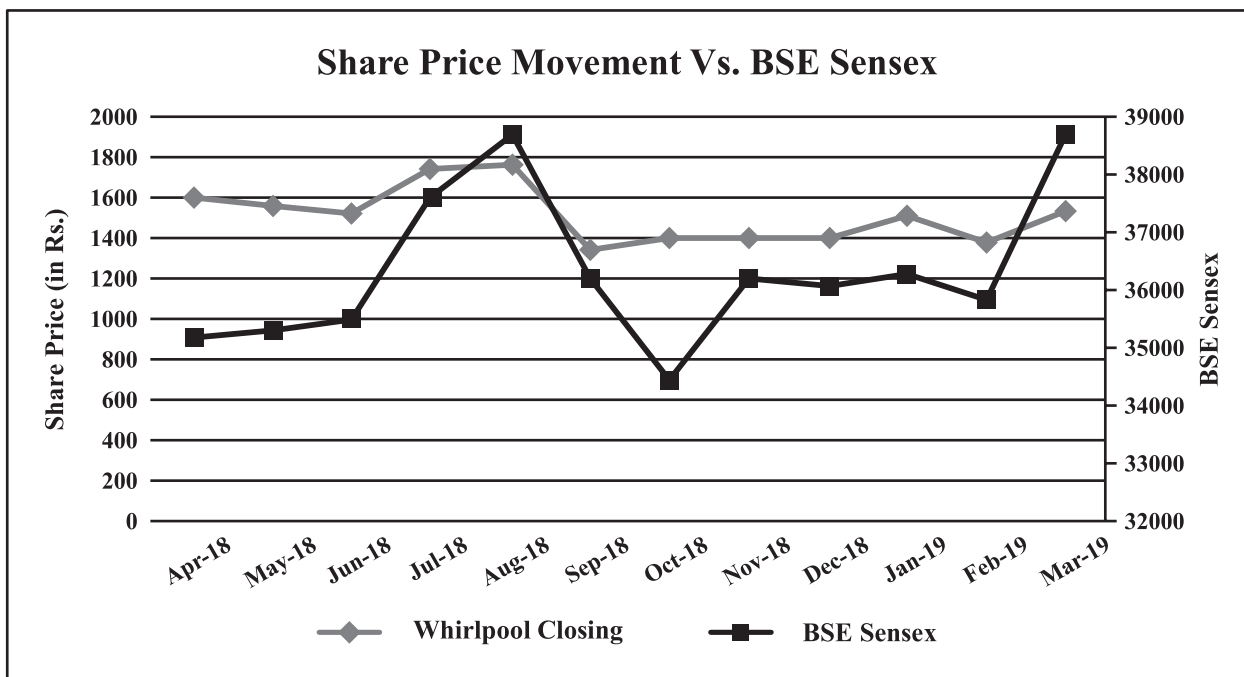
| | | |
|--|---|--|
| Name and address of the stock exchange | BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001 | National Stock Exchange of India Ltd. Exchange Plaza, BandraKurla Complex, Bandra (East), Mumbai 400 051 |
| Stock Code | 500238 | WHIRLPOOL |
| ISIN No. for shares in DEMAT form | INE716A01013 | |

Annual listing fees for the Financial Year 2018-2019 have been paid to above mentioned Stock Exchanges.

(vi) Market Price Data

| Months | BSE | | NSE | |
|--------|------------|-----------|------------|-----------|
| | High Price | Low Price | High Price | Low Price |
| Apr-18 | 1618.75 | 1508.00 | 1610.00 | 1506.25 |
| May-18 | 1639.95 | 1501.00 | 1606.00 | 1507.10 |
| Jun-18 | 1602.00 | 1463.00 | 1602.00 | 1480.00 |
| Jul-18 | 1756.95 | 1491.25 | 1755.00 | 1496.00 |
| Aug-18 | 1816.00 | 1686.60 | 1820.00 | 1682.90 |
| Sep-18 | 1858.85 | 1277.80 | 1954.70 | 1277.30 |
| Oct-18 | 1544.00 | 1263.40 | 1544.00 | 1263.80 |
| Nov-18 | 1490.00 | 1349.00 | 1494.40 | 1337.05 |
| Dec-18 | 1440.00 | 1275.00 | 1438.50 | 1270.00 |
| Jan-19 | 1513.30 | 1365.00 | 1515.75 | 1369.40 |
| Feb-19 | 1563.25 | 1292.40 | 1565.00 | 1289.00 |
| Mar-19 | 1633.00 | 1364.00 | 1634.90 | 1367.00 |

(vii) WHIRLPOOL share price performance on monthly closing basis with S&P BSE SENSEX, for the Year 2018-2019.



(viii) Registrar & Transfer Agents (For both shares held in physical and electronic mode)

Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058, Phone: +91 11 4141 0592, 93, 94, Contact Person: Mr. Bharat Bhushan & Mr. Swapan Naskar.

(ix) Share Transfer System

All share transfer and other communications regarding share certificates, change of address, dividends, etc should be addressed to the Registrar and Transfer Agents.

All shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents as per the Listing Regulations, 2015. Request for transfer, transmissions and dematerialization are approved and processed by the Share Transfer Agent under the authority granted by the Board. A summary of all the transfers/ transmissions etc. are placed

before the Stakeholder Relationship Committee at its Meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations 2015, and files a copy of the same with the Stock Exchanges.

In terms of requirements to amendments to Regulation 40 of Listing Regulations 2015 w.e.f 31st March, 2019, transfer of securities in physical form shall not be processed unless the securities are held in dematerialised form with a depository.

(x) Shareholding Pattern as on 31st March, 2019

| Category | Total Shares | Percent to paid up capital |
|--|------------------|----------------------------|
| Foreign Promoter Company | 95153872 | 75.00 |
| Mutual Funds | 10154507 | 8.00 |
| Public | 9648482 | 7.61 |
| Foreign Portfolio Investors | 6047590 | 4.77 |
| Other Bodies Corporate | 2936122 | 2.31 |
| Alternate Investment Funds | 1458641 | 1.15 |
| Hindu Undivided Family | 342137 | 0.27 |
| Non Resident Indians | 538563 | 0.42 |
| Financial Institutions/Banks | 303355 | 0.24 |
| Trusts | 175970 | 0.14 |
| NBFCs registered with RBI | 63550 | 0.05 |
| Clearing Members | 48284 | 0.04 |
| Other (Foreign Banks/national, Govt Companies etc.) | 757 | 0.00 |
| TOTAL : | 126871830 | 100.00 |

(xi) Distribution of Shareholding as on 31st March, 2019 (folio wise)

| No. of Equity Shares | | No. of Shareholders | | No. of Shares | |
|----------------------|-------|---------------------|---------------|------------------|---------------|
| From | To | Number | % Total | Number | % Total |
| 1 | 500 | 47864 | 93.85 | 3996404 | 3.15 |
| 501 | 1000 | 1692 | 3.32 | 1258344 | 0.99 |
| 1001 | 2000 | 666 | 1.30 | 977356 | 0.77 |
| 2001 | 3000 | 225 | 0.44 | 572389 | 0.45 |
| 3001 | 4000 | 101 | 0.20 | 363228 | 0.29 |
| 4001 | 5000 | 74 | 0.15 | 341698 | 0.27 |
| 5001 | 10000 | 130 | 0.25 | 929601 | 0.73 |
| 10001 | Above | 248 | 0.49 | 118432810 | 93.35 |
| Total | | 51000 | 100.00 | 126871830 | 100.00 |

(xii) Dematerialization & Liquidity of Shares

The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). As on 31st March, 2019, 1,25,582,567 equity shares of the Company, forming 98.98% of total paid up equity shares are in dematerialized mode.

(xiii) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instrument, conversion date and likely impact on equity:-

The Company do not have any Outstanding GDRs/ ADRs/ Warrants or any Convertible Instrument.

(xiv) Plant Locations of the Company

| | |
|---|---|
| 1 | 28 N.I.T., Faridabad -121001,Haryana |
| 2 | A-4 MIDC Ranjangaon, Taluka – Shirur, District – Pune – 412220, Maharashtra |
| 3 | Village Thirubhuvanai, Puducherry- 605001 |

(xv) Address for Correspondence

The shareholders may address their communications/ suggestions/ grievances/ queries to:

| | |
|---|--|
| <p>Registered Office Whirlpool of India Limited Plot No. A-4 MIDC, Ranjangaon, Taluka- Shirur Distt.- Pune, Maharashtra - 412220 Telephone No. 02138-660100, Fax No. 02138-232376 Email: roopali_singh@whirlpool.com</p> | <p>Corporate Office Whirlpool of India Limited Plot No. 40, Sector- 44, Gurugram- 122 002 Telephone No. 0124-4591300 Fax No. 0124-4591301 Email:roopali_singh@whirlpool.com</p> |
|---|--|

(xvi) Credit Rating

Company has not issued any debt instruments or any fixed deposit programme and has not obtained any Credit Ratings for the same.

7. OTHER DISCLOSURES

(i) Related Party Transactions

The Company has formulated a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, in accordance with relevant provisions of the Act and Regulation 23 of Listing Regulations 2015

The policy has been disclosed on the website of the Company at www.whirlpoolindia.com. Web link for the same is <https://www.whirlpoolindia.com/dam/images/discover-whirlpool/investors/common-updates/related-party-transaction-policy-pdf/related-party-transaction-policy.pdf>

The Company has not entered into any transactions of material nature (exceeding 10% of the annual consolidated turnover of the Company) with its Directors, Key Managerial Personnel or any other related party that may have a potential conflict with the interests of the Company.

Policy for determining ‘material’ subsidiaries

Company does not have any subsidiary, and will formulate policy for determining ‘material’ subsidiaries as and when required.

(ii) Compliance by the Company

The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India (the SEBI) including:

- (a) Corporate governance requirements as specified under sub-para 2 to 10 of the Schedule V of the Listing Regulations 2015;
- (b) Regulation 17 to 27 and clauses (b) to (i) of sub-regulation 45 of the Listing Regulations 2015 and
- (c) Accounting Standards issued by the Institute of Chartered Accountants of India.

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to Capital Market transactions during last three financial years.

(iii) The Code of Conduct & Ethics Policy (Integrity Manual), Whistle Blower Policy/Vigil Mechanism

The Code of Ethics (Integrity Manual) is the Company’s statement of values and represents the standard of conduct which all employees are expected to observe in their business endeavours. The Code of Ethics has been updated and is now referred to as the Integrity Manual. The Integrity Manual translates our value of integrity into action and reflects the Company’s commitment to principles of integrity, transparency and fairness.

The Company has a robust Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach their Supervisor/ Respective HR/ Legal Department or through dedicated Hotline numbers and makes protective disclosures about unethical behavior, actual or suspected fraud or violation of the Company’s Code of

Conduct/ Integrity Manual. The Whistle Blower Policy is an extension of the Whirlpool Code of Ethics/ Integrity Manual, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he/she becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in a timely manner. During the year under review, no employee was denied access to the Audit Committee.

The copy of the Code(Manual) is available on the website of the Company at www.whirlpoolindia.com/discover-whirlpool-investors-lp

All Board members and senior management personnel have affirmed compliance with Code of Conduct. The Managing Director has also confirmed and certified the same. This certification is reproduced at the end of this Report and marked as **Annexure I**.

A certificate from Managing Director and Chief Financial Officer on the financial statements of the Company was provided to the Board.

(iv) Commodity price risk or foreign exchange risk and hedging activities

The Company has adequate risk assessment and minimization system in place including for commodities. Considering the business portfolio of the Company, its exposure in none of the individual commodities which are either used as inputs for components / parts of its products or in the products itself, is material in the context of its overall operations, and also in terms of the 'Policy for determination of materiality of events and information for disclosure to the Stock Exchanges', as approved by the Board. The Company does not have any exposure hedged through commodity during the financial year 2018-19.

(v) Compliance with Discretionary Requirements

During the year Company has complied with the mandatory requirements of the Corporate Governance as per Listing Regulations, 2015. Further Company has adopted clause A, C and E of the Part E of Schedule II of Listing Regulations, 2015 - the non mandatory requirements.

The Board (Clause A): Mr. Arvind Uppal, Non-Executive Director is the Chairperson of the Company and as per shareholders approval is entitled to maintain a Chairperson's office and he is allowed reimbursement of expenses incurred in the performance of his duties.

Modified opinion(s) in audit report (Clause C): Audit qualifications: Company's financial statements are unqualified.

Reporting of internal auditor (Clause E): The internal auditor reports to the Audit Committee on functional matters.

(vi) Details of utilization of funds

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review

(vii) Directors Non Disqualification Certificate

Company has obtained a certificate from Mr. N C Khanna a Company Secretary in practice confirming 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.

(viii) Recommendation of the Board Committees

All recommendations of the various committees were accepted by the Board.

(ix) Fees paid to Statutory Auditors

During the Financial Year Company paid a total fee of INR 32 Lac to M/s. MSKA & Associates, Chartered Accountants (ICAI Registration No- 105047W), Statutory Auditors of the Company which includes Statutory Audit, Limited Review and other statutory certification fees.

(x) Policy against Sexual and Workplace Harassment

The Company values the dignity of individuals and is committed to provide an environment, which is free of discrimination, intimidation and abuse.

The Company has adopted a policy on prevention, prohibition and redressal of Sexual Harassment at Workplace and has duly constituted an Internal Complaint Committees in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any

employee may report a complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wished to register a complaint under the Policy. During the year, Company has not received any complaint under the Policy.

(xi) Dividend Policy

The Company has adopted a Dividend Policy which has been displayed on the Company's website and can be accessed at [https://www.whirlpoolindia.com/dam/images/discover-whirlpool/investors/dividend-distribution-policy-pdf/Dividend %20Distribution%20Policy.pdf](https://www.whirlpoolindia.com/dam/images/discover-whirlpool/investors/dividend-distribution-policy-pdf/Dividend%20Distribution%20Policy.pdf)

The Dividend Distribution Policy describes Company's philosophy of maximization of shareholders' wealth from long term perspective. Thus, the Company would first utilize its profits for its business requirements, capital expenditure for expansion and / or diversification, earmarking cash for potential inorganic growth opportunities and thereafter distributing the surplus profits in the form of dividends to the shareholders.

It has laid down the Regulatory framework for distribution of dividend, dividend declaration process and parameters for declaring dividend which includes :

- a) External Parameters – General Economic and Capital market conditions, statutory restrictions and the industry trends.
- b) Internal Parameter – Future fund requirement, provisions, retention of minimum cash for contingencies and business seasonality / volatility.

It also lays down that the Company may follow any of the residual, stability, or a hybrid methods while deciding on recommendation and payment of dividends.

(xii) Legal Compliance Reporting

The Board of Directors reviews, on a quarterly basis, the report of compliance with respect to all applicable laws and regulations. The Company is using a comprehensive Legal Compliance System to monitor the compliance. During the year Company has initiated to upgrade the system.

(xiii) Demat Suspense Account

Company does not have any shares in Demat Suspense Account/Unclaimed Suspense Account.

DECLARATION FOR CODE OF CONDUCT

Annexure I

Declaration for Code of Conduct

Pursuant to Schedule V (Clause D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared 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 for the year ended March 31, 2019.

For Whirlpool of India Limited

Gurugram, Haryana
Date: 19th June, 2019

Sunil D'Souza
Managing Director
DIN No. 07194259

Independent Auditors' Certificate on Corporate Governance

To the Members of Whirlpool of India Limited

We the Statutory Auditors of Whirlpool of India Limited (the 'Company') have examined the compliance of the conditions of Corporate Governance by the Company for the year ended March 31, 2019 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') and as amended from time to time.

Management's Responsibility

The compliance of 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.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2019, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

S/d

Manish P Bathija

Partner

Membership No. 216706

Place : Gurugram

Date : 19th June, 2019

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 58th Annual Report on the business and operations of the Company, together with the audited accounts for the financial year ended 31st March, 2019.

Financial Results**(INR in lacs)**

| Particulars | Standalone For the year ended | | Consolidated For the year ended |
|---|----------------------------------|---------------|------------------------------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 |
| Revenue from Operations | 539,765 | 498,583 | 539,765 |
| Other Income | 10,470 | 8,672 | 10,470 |
| Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 74,687 | 64,672 | 74,687 |
| Less: Depreciation/ Amortization/ Impairment | 11,131 | 10,151 | 11,131 |
| Profit/loss before Finance Costs, Exceptional items and Tax Expense | 63,556 | 54,521 | 63,556 |
| Less: Finance Costs | 909 | 439 | 909 |
| Profit/loss before Exceptional items and Tax Expense | 62,647 | 54,082 | 62,647 |
| Add/(less): Exceptional items | 0 | 0 | 0 |
| Profit before share of profit of Joint Venture and tax | 62,647 | 54,082 | 62,647 |
| Share of profit/(loss) of a Joint Venture | - | - | 269 |
| Profit before tax | 62,647 | 54,082 | 62,916 |
| Less: Tax Expense (Current & Deferred) | 21,942 | 19,015 | 21,942 |
| Profit/loss for the year (1) | 40,705 | 35,067 | 40,974 |
| Total Comprehensive Income/loss (2) | (518) | (279) | (516) |
| Total (1+2) | 40,187 | 34,788 | 40,458 |
| Balance of profit/loss for earlier years | 146,174 | 115,968 | 146,174 |
| Less: Transfer to Debenture Redemption Reserve | | | |
| Less: Transfer to Reserves | | | |
| Less: Dividend paid on Equity Shares | 5,076 | 3,807 | 5,076 |
| Less: Dividend paid on Preference Shares | | | |
| Less: Dividend Distribution Tax | 1,043 | 775 | 1,043 |
| Balance carried forward | 180,242 | 146,174 | 180,513 |

Performance of the Company

The Company had a strong revenue growth driven by both internal and external factors. Strong macroeconomic indicators drove the overall durable industry growth. In addition, our continuous focus on product leadership, channel expansion and sales execution helped us grow ahead of industry. The Company's performance has been very encouraging with 11.7% increase in Revenue from operations (net of excise duty) and 15.8% increase in profit before tax vs previous year.

The Company successfully and smoothly migrated to the new GST taxation regime by upgrading the systems and processes.

Key Financial Ratios

| Particular | 31 March 2019 | 31 March 2018 |
|--------------------------|---------------|---------------|
| Debtor Turnover ratio | 21.8 | 21.7 |
| Inventory Turnover ratio | 4.0 | 3.7 |
| Interest coverage ratio | - | - |
| Current Ratio | 1.80 | 1.70 |

| Particular | 31 March 2019 | 31 March 2018 |
|-------------------------|---------------|---------------|
| Debt Equity Ratio | - | - |
| Operating Profit Margin | 9.84 | 9.49 |
| Net Profit Margin | 7.54 | 7.26 |
| Return on Net Worth | 19.00 | 19.52 |

No significant changes were reported in the above key financial ratios from previous year.

Your Directors believe that the structural drivers of long-term growth such as rising disposable incomes & consumer awareness, low levels of penetration of consumer goods, favourable demographics and increasing urbanisation amongst others, remain firmly in place which augurs well for our Industry.

Dividend & Transfer to Reserves

Your Directors at its meeting held on 24th May, 2019 as per the Dividend Distribution Policy of the Company recommend the payment of a final dividend at the rate of INR 5/- per share for the year ended 31st March, 2019 on 126,871,830 equity shares of INR 10/- each. The Board of Directors has decided to retain the entire amount of profits for FY 2018-19 in the retained earnings.

Upon approval of the above dividend by members at the ensuing Annual General Meeting, an amount of INR 1303.94 Lacs would be paid as dividend distribution tax on the dividend.

Share Capital

The paid up capital of the Company as on 31st March, 2019 was INR 12,687.18 lacs. During the year under review, the Company did not issue any class or category of shares, Employee Stock Options, Convertible securities and consequently there is no change in the capital structure since previous year.

Subsidiaries, Joint Ventures or Associate Companies

The Company does not have any subsidiary during the period of reporting.

Joint Venture

During the year the Company acquired a 49% shareholding of Elica PB India Private Limited consisting of 2,368,997 equity shares of INR 10 each. Elica PB India is in the business of manufacturing and selling kitchen equipment such as kitchen hoods, hobs, built in ovens, refrigerators, built in microwave ovens, dishwashers etc.

The acquisition is aligned with the Company's strategy of expanding cooking and built-in business.

Business Performance of Joint Venture - Elica PB India Private Limited

The year 2018-19 was another year of improved operating performance & financial growth. The revenue from operations during the financial year 2018-19 increased by 26.2% over previous year. Profit before tax improved by 8.1% over previous year.

Capacity Enhancement

During the year under review, the Board considered certain investment proposals spread over the next 5 years for investing INR 590 crores in capex projects like enhancing capacity at Faridabad & Puducherry factory and modernization of Double Door Frost Free line at Pune factory. The above expansions will help the Company to grow and strengthen its product portfolio.

MANAGEMENT DISCUSSION AND ANALYSIS

Per capita GDP of India is expected to reach US\$ 3,273.85 in 2023 from US\$ 1,983 in 2012. Maximum consumer spending is likely to occur in sectors like food, housing, consumer durables, and transport and communications. This increasing purchasing power coupled with higher penetration that is also being fuelled by eCommerce continues to drive growth.

The outcomes of the recently concluded General Elections should continue to see infrastructure spends and step up in consumption driving initiatives. In the last few months, there has been an increase in customs duties for imports of consumer durables and few components. The Government is expected to step up impetus for scaling up local manufacturing and the industry is expecting to see many more global players to set up a local footprint for both products as well as components in the coming months.

The regulatory environment continues to get more stringent with a 20% increase in Energy Regulations in Refrigerators from January 2020, introduction of regulations in Washing Machines and Microwaves along with increased focus on component level regulations for Air Conditioner manufacturers. While the Industry is expected to drive high resource efficiency, current standards are seen to be in sync with developed markets and high cost structures is prohibiting adoption of the same.

Some other trends that would have an impact on the industry are:

- A growing economy along with increasing social media influence is creating higher aspiration levels for the fast evolving Indian consumer. This is fuelling the desire to live life to the fullest when it comes to lifestyle choices and thus a higher demand for durables for convenience.
- Increasing exposure to global trends and lifestyle cues and a rise in working age population is creating a larger base of consumers with increasing discretionary income. Easy financing schemes are fuelling shortened product replacement cycles with the will to trade-up for the right experience changing the perception of durables as utility items rather than luxury possessions.
- E-commerce platforms continue to grow at a fast pace. They are fast becoming a discovery platform for products for consumers and one of the key influencers in the consumer decision journey. A lot of emphasis is being laid in ensuring positive user reviews and post purchase service experience.
- The Retail landscape continues to consolidate with partnerships between large offline and online players.
- Government initiatives behind affordable housing, national electrification, financial inclusion along with indirect benefits to bolster infrastructure are expected to continue.
- Companies are also focusing on increasing the use of environment-friendly components and reduce e-waste by promoting product recycling. Energy consumption is a huge focus area for the government and will continue to be regulated by Government bodies. Energy consumption continues to get more expansive and stringent.
- Ease of access and affordable broadband spectrum is going to create a huge fillip in data enabled experiences and personalization. Along with this, IoT enabled appliances continues to be a focus area for all brands.

Consumer Trends, Developing Markets / Segments

Over the next decade India will move from being an economy led by the bottom of the pyramid, to one led by the middle class. Up from about 50% of the households today, the middle income group will become nearly 80% of the households and will drive about 75% of consumer spending. Higher income and a growing consumption culture will fuel the high-income bracket to spend more on essential categories like food, beverages, apparel, personal care, gadgets, transport and housing. This growth will also be observed in an accelerated rate in semi urban and rural markets.

A high growth rate of internet penetration aided by smartphones and low cost data access in India is influencing consumer behavior in terms of media consumption, shopping habits and use of appliances. And Young India is leading this changing consumption wave with their exhibition of willingness to spend and be highly discerning about what they perceive as “best in class” offerings in every consumption category.

Innovation and focus on continuously launching new offerings to drive differentiation and creating value has become a norm for the industry. Thus a robust innovation pipeline with a continued focus on developing new features and technology solutions to capture the consumer’s imagination and fuel the desire for enhanced experiences continues to be critical for organizations.

The long term growth opportunity in the Indian market continues to attract new players to the durables industry.

The Company operates only in one segment of White Goods. Refrigerator (Direct Cool/Frost free), Washer and Air conditioner constitute 60%, 22% and 6% respectively of the revenue from operations.

Sales & Marketing

Demand for consumer durables in India has been growing steadily - driven majorly by rising incomes, increasing urbanisation, a growing middle class, changing lifestyles and easy financing schemes. The year has also been witnessing growth in eCommerce as a key channel for buyers. The Company has been focussed on ensuring that investments are being made strategically to secure its position as one of the strong players on this new channel. In order to meet future demand in the white goods category companies have also been focussing on expanding production and distribution facilities in India.

During the year, along with focusing on strengthening the Company’s foothold in the mass and mass premium segments, Whirlpool ensured a notable presence in the premium segments with the launch of advanced global products that are a perfect blend of design, technology and innovation. Products that not just delight with their performance, but are also reflective of the contemporary lifestyle.

- In order to expand the portfolio in the premium refrigerators segment, the **W-Series Global Range** was launched in India. The W-Series series Refrigerators come in 2 formats - Side By Side and 4 Doors. The range is uniquely designed with a compact fit in order to integrate better into a modern kitchen space. Powered by Adaptive Intelligence Technology with advanced AI Microprocessor and Multi-Sensors, CloudFresh Technology, FreshLock Technology and Freezelock Technology these refrigerators are designed to deliver an optimal environment to preserve the freshness of the food for longer.

- Direct Cool Refrigerator segment witnessed the launch of the all-new **IceMagic PRO Series** wherein the unique 6th Sense Intellifrost Technology was extended beyond the Vitamagic range to the Icemagic range. The technology powered by Intellisensor and an Advanced Microprocessor defrosts automatically based on the inputs from the temperature sensor to give 4X* Precise Cooling. Another key highlight was the introduction of the Plasma Inverter Technology with a class leading assurance of 25 years of compressor reliability.
- During the year the Company also focussed on strengthening the foothold in the Front Load Washing Machine category by increasing the brand footprint with the successful Made in Europe range of **SupremeCare** and **FreshCare** washing machines.
- The all-new range of **Bloomwash Pro Series** ushered in the premium range in the Top Load Washing Machine category with its perfect blend of form and function. With the title of No.1 in Cleaning Performance in its category not only does it deliver superior performance, its exceptional 2019 iFDesign Award winning design can be experienced in every detail – from its elegant Edge to Edge Black Glass Top that gives an Infinity View without any breaks to the high quality Chrome Bar that evokes a sense of exclusivity.
- The Semi Automatic Washing Machine continued to show strong gains with distribution expansion and driving large capacities with the 2019 iFDesign Award winning **AceXL range**.
- The Company launched its first-ever **Smart Air Conditioner** in India that enables users to control the appliance remotely by giving voice commands through **Google Home**. With the introduction of the new **3D Cool Range** with **Voice** and **Wi-Fi**, consumers are now closer to a smarter way of life and can enjoy the convenience of a connected home.
- 2018 marked the launch of the all-new range of **Purasense RO water purifiers** in India. It brings to Indian households lifelong guarantee of purity with an exceptional combination of advanced technology and premium design. With a **9-Stage Purification** process, it's unique **Intellisense RO filter technology** powered by **Adaptive Intelligence (AI)** and advanced technologies like **India's First Do-It-Yourself (DIY) Filter Replacement**.
- **Jet C Range of Convection Microwave ovens** focused on addressing the need for healthy cooking options by introducing to cook fried food in '**Zero Oil**' with **crisping in just 2 minutes**. This innovative range of microwaves is a modern blend of European design and intuitive 6th Sense Technology making them Smarter than Air Fryers.
- With the focus on making a strong presence in the **Built-In category** the Company introduced a new range of intelligent **Hoods** with silent operation. Powered with Intellisensor it offers intuitive technology that actively senses smoke, heat and odour present in the air and automatically adjusts and controls its speed level. The range consists of 43 models across 3 Ranges categories – Senso Fresh, Pro Fresh and Acti Fresh - giving the consumer a wide range of choice.
- The Company also introduced an all-new range of Intellicook **Brass Burner Hobs** powered by 6th Sense Technology that ensures extreme safety by cutting off the gas supply in case the flame goes off. The heavy duty Brass Burner Hobs also offer high-efficiency flame levels best suited for Indian cooking needs.
- In 2018 the Company continued to expand its presence in new adjacent product categories by launching products that are specially crafted to deliver immaculate results for demanding professionals from its **European portfolio** including **dishwasher, oven** and **ice maker** in the commercial appliance segment. These appliances offer innovative technologies to fit in more performance, power and superiority along with superior craftsmanship.

International Business

Overall the Company's export business was under pressure. The Company continues to focus on the SAARC markets and is confident that with the implementation of its initiatives and structural changes in the coming year the export business will be on a growth trajectory. Company has already started seeing impressive results, in Nepal, where last year the business grew by 40%.

Consumer Services

In the year under review we continue to make significant progress on executing our well laid down Service Strategy. We continue to focus on the following key Deliverables

- Position Service as a competitive advantage by introducing our "Consumer Service Promise"
- Strengthen systems & processes, field service network to deliver this service promise
- Continue to grow accessibility & visibility of Whirlpool genuine spare parts in the after sales market.

Building on our continued work over the last 3 years to deliver great service experience, Whirlpool took a bold step to launch our "Consumer Service Promise" to establish Consumer Service as a differentiator. The "Consumer Service Promise" means "calling back the consumer within 2 hrs of call registration", and "visiting consumer within 24hrs / 48 hrs of call registration" (based on consumer geographical location) in "3500 plus cities".

Execution of Consumer Service Promise has significantly improved our ability to resolve consumer concerns with speed & quality, which reinforces consumer confidence in Whirlpool Brand. We continue our focus on training & development and engagement of Service Partners & Service Technicians which are core to our operating philosophy. We strongly believe that a highly trained & motivated Service Technician is a key to deliver great consumer experience.

Our Service Business continues to grow through both our Service Partner Network & Spares Parts Distribution channel.

People Excellence – Our Competitive Advantage

2018 witnessed continued growth in business performance which is indicated by our improved performance across all key metrics - volume, revenue and EBIT. This was achieved through excellence in execution at all levels and the entire organization coming together as **‘One Whirlpool’**.

The HR Team has been a key strategic business partner in this journey. Our People Excellence model which forms a critical part of Whirlpool’s Strategic Architecture defines key imperatives for HR. In this endeavor, various people initiatives were designed and deployed to create **“fit for purpose”** organization, creating a **high performance culture**, building a **future talent pipeline and deploying not only global people systems** but also revamping our key people processes to give consistent experience to employees.

Strengthening the Backend Organization

With ambitious growth plans and a continuous endeavor to sustain our double digit growth, building an organization that is **‘Fit for Purpose’** is extremely critical. This has been a priority for us over the last few years. While 2017 was the year of focus on building a more agile, lean and effective frontline organization, In 2018 we shifted our focus to the Manufacturing and Supply Chain organization so as to build more efficiencies in line with our growth aspirations.

As a first step, in order to keep pace with the increasing demand there has been a **strong need for capacity expansion at our manufacturing units**. We partnered closely with the manufacturing leadership team and put in **exceptional effort to ensure a quick turn around time of hiring the right talent** to support additional shifts that were introduced in all the 3 plants. This was coupled with the introduction of new roles in the areas of manufacturing engineering, production & maintenance in order to fuel the additional plant capacity.

One of the core objectives of World Class Manufacturing (WCM) initiative in manufacturing is to be best in class in cost, delivery, safety and quality. HR partnered with manufacturing organization in driving this initiative through people development pillar by creating quality mindset, skilling and reskilling employees and on-boarding talent with right WCM skill sets.

Apart from the manufacturing organization, we also strengthened the supply chain function. To manage increasing complexities in a marketplace, emerging need to improve process efficiencies and leveraging cost optimization opportunities, the entire supply chain organization was re-structured. This involved creating an integrated supply chain planning function which to drive greater synergies.

Creating High Performance Organization Culture

For a growing organization like Whirlpool it is very important that we have a thriving high performance culture. In this endeavor we launched a new performance management system **“Everyday Performance Excellence”**. This involved putting in place a global and consistent way of defining and measuring performance (Goal Setting), focus on “how” part of performance and leadership behaviors in achieving goals and from an employee perspective getting regular and comprehensive performance feedback. Focussing on the above critical elements is fundamental in not only creating a high performance culture but also its sustained embedment.

In this culture change journey, it was important that the new performance management system was communicated to all the employees effectively and they understood the new process clearly. To achieve this objective, organization-wide initiatives were launched like employee change champion groups across locations and global check in sessions for employees, to reinforce the understanding of new performance management process thereby equipping people leaders to handle the performance management process with teams and create success stories. We are excited to be on this journey of **enabling every employee in Whirlpool to bring out the best**.

Aarohan - Ascend to Excellence’ - Future Leadership Development Program

To fuel and sustain our business growth we are focussed on creating leadership pipeline at all levels of the organization. This required us to identify high potential talent and put in place a holistic developmental plan which covers various aspects of creating ‘leaders of tomorrow’.

‘Aarohan - Ascend to Excellence’ is a structured 1.5 year long custom designed learning journey targeted at our high potential employees from the middle management cadre. We identify high potential talent across the functions and are focussed on building

various leadership aspects of leading self, leading others and leading an enterprise. This programme focuses on 6 leadership competencies leveraging blended learning approach including classroom learning modules, online learning courses, leadership talks, action learning projects and peer to peer cohorts. The entire learning journey has been conceptualized and designed internally with executive sponsorship from the India Leadership team. One of the unique differentiators of this programme is that all the participants work on high organization impact cross functional projects which directly contributes to the organization growth thus enabling the leadership development faster as per Whirlpool Leadership Model.

Whirlpool takes pride in investing in the development of its employees with such interventions and living its talent philosophy of creating a rich pipeline of leadership talent from within.

Building a future pipeline

Continuing with our focus on creating leadership pipeline at all levels, we leverage university hiring. The ‘Young Leaders Program’ is our flagship University Hiring Program under which we hire Management & Engineering Graduates from top tier campuses to create a future talent pipeline at entry level of the organization. This channel of hiring serves as an important ground to acquire & groom talent for building a robust leadership pipeline for the future. In 2018, we made significant progress in key metrics, e.g. increase in number of applications from campuses, increased awareness of Whirlpool as an employer on campuses, a more positive feedback from students hired from campuses about their experience. All of these were achieved through new initiatives (such as alumni interactions, About Whirlpool sessions conducted on various campuses), key shifts in processes around our campus hiring strategy (such as a revamped and more robust On-boarding Program) and increased visibility of the summer interns & engineering/management trainees to our Leadership Team. We continue to build a robust pipeline of future leaders through this programme across the functions.

HR Excellence

In a growing organization like Whirlpool it is important that there are common people processes across geographies and employees have consistent experiences of processes. This supports not only sustainable organization growth but also enhances robustness of processes like talent and performance management.

To achieve this objective, HR Excellence (HRx) was launched across Whirlpool. This was a holistic exercise which not only involved re engineering of people processes but also upgrading the system architecture from IT perspective. Key features of this HRx launch were giving consistent global experience of all the people processes to employees, empowering people managers with team data, people analytics, enhancing communication across the organization and ensuring robust people processes.

With a very comprehensive approach, the organization moved on a journey of inclusive growth where people agenda and business agenda worked in tandem. This also got reinforced with Whirlpool being adjudged as India’s 25 Best Workplaces in Manufacturing by Great Place to Work.

Please refer Annexure E for other details.

Internal Control Systems and Adequacy

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company has in place adequate internal control systems and procedures to commensurate with the size and nature of business. These procedures are designed to ensure that:

- all assets and resources are acquired economically, used efficiently and are adequately protected;
- significant financial, managerial and operating information is accurate, reliable and is provided timely;
- all internal policies and statutory guidelines are complied with.

The composition and competencies of the audit team and effectiveness of internal controls is continuously reviewed by the Audit Committee. The scope of internal audit extends to all functions and locations of the Company.

BOARD MEETINGS

During the Financial Year 2018-19, 5 (five) Board Meetings were held. Details of the same are available in the section ‘Meetings of the Board of Directors’, in the Corporate Governance Report. The Company confirms compliance with the applicable requirements of Secretarial Standards 1 and 2.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your directors intrinsically believe in the philosophy of Corporate Governance and are committed to it for the effective functioning of the Board. Your directors, key managerial personnel and senior management have confirmed compliance with the

Company's Code of Conduct.

During the year under review and till the date of signing of the Director's Report following changes took place in the Board of Directors & Key Managerial Personal.

- i. Board of Directors at its meeting held on 8th May, 2018 appointed Mr. Yatin Malhotra as Chief Financial Officer of the Company post Mr. Anil Berera stepped down as Chief Financial Officer of the Company with effect from 11th May, 2018.
- ii. Mr. Arumalla Hari Bhavanarayana Reddy (Mr. AHBN Reddy) was appointed as an Executive Director at the 57th Annual General Meeting of the Company held on 17th September, 2018 for a period of 5 years w.e.f 02nd February, 2018.
- iii. Board of Directors of the Company at its meeting held on 2nd November, 2018 confirmed continuation of Mr. Arvind Uppal as Chairman & Non-Executive Director of the Company w.e.f 01st January 2019.
- iv. Pursuant to the provisions of the Act ("Act"), Ms. Sonu Halan Bhasin was appointed as an Independent Director of the Company for the first term of 5 years from 01st April, 2014 till 31st March, 2019 at the 53rd Annual General Meeting of the Company held on 14th August, 2014. Board of Directors of the Company at its meeting held on 04th February, 2019, pursuant to the provisions of the Act and subject to approval of the shareholders by way of Special Resolution, after considering the performance evaluation and the recommendation of the Nomination and Remuneration Committee, approved her re-appointment as Independent Director for a second term of five consecutive years from 01st April, 2019 upto 31st March, 2024.
- v. Post 31st March, 2019, the company adopted a retirement policy for the Directors. The retirement age for the Managing Director and Executive Directors is 60 years, while the age limit for an Independent or Non-Executive Director is 70 years.
- vi. Pursuant to above and due to personal reasons, Mr. Anand Narain Bhatia and Mr. Sanjiv Verma, tendered their resignation as Independent Director of the Company effective from 19th June, 2019 and confirmed that there were no other material reason for their resignation. The Board expresses its sincere gratitude and appreciation for Mr. Bhatia's and Mr. Verma's immense contribution & strategic guidance provided during their tenure as Independent Director.
- vii. On the recommendation of the Nomination and Remuneration Committee and subject to approval of the shareholders, the Board of Directors at its meeting held on 19th June, 2019, appointed Mr. Rahul Bhatnagar (DIN: 07268064) and Mr. Pradeep Jyoti Banerjee (DIN: 02985965) as Additional Directors and Independent Non-Executive Directors of the Company with effect from 19th June, 2019 pursuant to Section 161(1) and Section 149 of the Act for a term of five consecutive years to hold office from 19th June, 2019 till 18th June, 2024. Mr. Bhatnagar and Mr. Banerjee to hold office upto date of the ensuing Annual General Meeting and being eligible have offered themselves to be appointed as the Independent Directors of your Company.

The relevant resolutions, disclosures and explanatory statement are provided in the notice of 58th Annual General Meeting.

The Independent Directors of the Company have furnished certificates of Independence stating that they fulfil the criteria of independence as per the provisions of Section 149 (6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

KEY MANAGERIAL PERSONNEL

As on 31st March, 2019, Company had following Key Managerial Personnel in compliance with the provisions of Section 203 of the Companies Act, 2013.

1. Mr. Sunil D'Souza – Managing Director
2. Mr. Anil Berera –Executive Director
3. Mr. AHBN Reddy – Executive Director
4. Mr. Yatin Malhotra – Chief Financial Officer
5. Ms. Roopali Singh – Company Secretary

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors to the best of their knowledge hereby state and confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTOR RETIRING BY ROTATION

In accordance with the provisions of the Companies Act, 2013 and the Article 115 of the Articles of Association of the Company Mr. Arvind Uppal retires by rotation and being eligible offers himself for re-appointment.

Proposal for his appointment is set out in the explanatory statement annexed to the notice of the 58th Annual General Meeting. The Board recommends his re-appointment.

POLICY ON DIRECTOR'S APPOINTMENT & REMUNERATION

The Board has framed a policy for nomination of any Board & Committee member and compensation of the Company's Executive Directors, Senior Management (all members of management one level below the chief executive officer/managing director/whole time director/manager including chief executive officer/manager, in case they are not part of the board and shall specifically include Company Secretary and Chief Financial Officer), Non-Executive Directors and Independent Directors.

The Board of Directors further considered and approved the list of core skills/expertise/competencies in the context of the Company's business required by a Director for effective functioning of the Company. The adopted skills/expertise/competencies shall act as guiding factor to the Nomination and Remuneration Committee while considering candidature for the post of Director of the Company.

Remuneration Policy of the Company is based on the fundamental principles of payment for performance, potential, growth and aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of merit recognition and creating a linkage to corporate and individual performance. The detailed terms of reference of the Nomination and Remuneration Committee is available on the website of the Company at <https://www.whirlpoolindia.com/discover-whirlpool-investors-lp>

PERFORMANCE EVALUATION OF DIRECTORS

The criteria for performance evaluation of directors cover the areas relevant to their functioning as members of the Board or its Committees thereof. The manner in which the performance evaluation of the Board, its Committees, the Chairman and the Directors individually has been carried out have been explained in the Corporate Governance Report.

RELATED PARTY DISCLOSURES

Related party transactions are reviewed and approved by the Audit Committee and are also placed before the Board for necessary approval. The Company has developed a related party transactions manual, standard operating procedures for the purpose of identification and monitoring of such transactions.

The Board has approved policy for related party transactions which is available on the Company's website at the following link: <https://www.whirlpoolindia.com/dam/images/discover-whirlpool/investors/common-updates/related-party-transaction-policy-pdf/related-party-transaction-policy.pdf>

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have a potential conflict with the interests of the Company at large.

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form (Form AOC-2) is attached as **Annexure - A**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

AUDIT COMMITTEE

As on 31st March, 2019, the Audit Committee comprises of 4 (Four) Non-Executive Directors, namely, Mr. Anand Bhatia, Mr. Sanjiv Verma, Mrs. Sonu Bhasin and Mr. Arvind Uppal. Powers and role of the Audit Committee are included in the

Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

Mr. Anand Bhatia, Chairman of the Committee during the financial year, has adequate financial and accounting knowledge.

On 19th June 2019, Mr. Anand Bhatia and Mr. Sanjiv Verma ceased to be members of the Audit Committee and Mr. Rahul Bhatnagar and Mr. Pradeep Jyoti Banerjee were appointed as the member of the Audit Committee. Mr. Rahul Bhatnagar, who has financial and accounting knowledge was appointed as the Chairman of the Committee.

The Internal Auditor and the Statutory Auditors of the Company are permanent invitees to the meetings of the Audit Committee. It is a practice of the Committee to extend an invitation to Managing Director and Cost Auditor to attend the meeting as and when required.

Ms. Roopali Singh, Company Secretary, act as Secretary of the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

We understand the value of community & it's contribution in building a successful organization & nation, and hence helping the community has always been an integral part of Whirlpool's value system. In India as well, we have crafted our CSR policy keeping in view long term impact on beneficiaries.

The main initiative undertaken by us under our CSR Policy are

1. Promoting employment and enhancing vocational skills for employability of youth.
2. Cultivating community development plans in the vicinity of our factories based on needs and priorities of the host communities.
3. Any other project or aid which the committee considers suitable for the welfare of society or humanity at large, within the purview of Schedule VII (Section 135) or as authorized by Government.

Another year of successful social journey, touching the lives of those who needed a helping hand. We kept the narrative unchanged building on from our journey of last year.

Skill Development Program:

Over the years we have worked closely with our training partners to understand the needs and revamped the course contents to have a blend of both classroom as well as on the job training. With the revamped course content we have seen a credible improvement in the pass percentage. We have received positive feedback from the students, emphasizing that on the job training provides them the opportunity to test their knowledge and hone their skills. With more than 3000 students trained in vocational courses of "Retail Service Executives" and "Field Service Engineer" in more than 30 cities this year, we are tirelessly working towards changing the workforce environment. Passing percentage of around 80% and placement percentage of more than 50%, keeps this program our flagship social intervention project. Under this program, our focus remains on quality of training provided and we along with our training partners keep on improving upon the content and method of training.

With this purpose in view, we will continue this project in the coming year as well.

Community Development Program:

Community development programs are being implemented in villages adjoining our manufacturing facilities at Pune, Faridabad and Puducherry. The programs are designed to address the most common issues of the community which can be handled by way of behavioral changes and on the basis of minimal outside support by social organization involved.

14 Schools and almost 1500 students are direct beneficiary of our health and educational intervention in Ranjangaon and adjoining villages in Pune. In rural areas often neglected subject of health, hygiene & nutrition is the focus of this project. The effects and awareness is spread to school going children (Age 5 to 16 years) which cascades to their family and entire community.

We were able to set benchmarks in social welfare programs in Puducherry area this year. Our school infrastructure development pilot project was completed and it was well received & appreciated by the people of the community and government authorities alike. Most satisfying was the joy of the students attending this school!

Another project which could be a good example of collaborative development was Sellangal Canal desilting project, where in almost 12 kilometers length of canal was cleaned & cleared for maintaining the flow of water, benefitting 6 villages, almost 900 hectares of farm land, 15000 people and 6 water bodies. We see such activities as a holistic approach to the development of community, and will continue to do so in the future.

Faridabad area as a dense urban setting with low income group communities abound, presents many challenges in availability of quality primary education to children of daily wages workers or people with little means available to spend on education. Education doesn't gets counted as essential need. Whirlpool's intervention with partner NGO Pratham Education Foundation has been trying to address this concern for five years now through 12 learning centres in 5 localities of Faridabad. A balanced mix

of fun & learning helps students, both in school & out of school, understand the basic concepts of maths, science & language. In this year we reached to almost 2000 such students to help through their learning process, hence reducing chances of drop outs. Endline evaluation after the learning camps shows marked improvement, almost 80% improvement over baseline survey of the same set of students. To keep with time & changing environment, digital education through tablets is part of learning curriculum, it helps attract & retain students for learning.

As per the provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by the Ministry of Corporate Affairs, the Company has undertaken activities as per the CSR Policy (available on Company's website <https://www.whirlpoolindia.com/csr-policy> and further details of the CSR activities are contained in **Annexure - B** forming part of this Report.

RISK MANAGEMENT POLICY

The Board of Directors at the meeting held on 04th February, 2019 constituted the Risk Management Committee comprising of three Directors and the Chief Financial Officer of the Company. The Committee has been formed with the objective to assist the Board of Directors in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, compliance, financial risks etc.

Company's Risk Management policy, broadly categorized Risks into Strategic, Operational, Compliance and Financial & Reporting Risks. The policy outlines the parameters for identification, assessment, monitoring and mitigation of risks.

The scope of the Risk management committee broadly covers:

- Reviewing the Risk Management Framework of the Company, risk management processes and practices followed and to ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- Evaluate significant risk exposures and assess management's actions to mitigate the exposures .
- Report & recommend to Board annually on the effectiveness of the Risk Management system and the mitigation plans.

The Committee is chaired by Mr. Sunil D'Souza- Managing Director. Mr. Anil Berera, Executive Director, Mr. AHBN Reddy, Executive Director and Mr. Yatin Malhotra, Chief Financial Officer are the other members of the Committee. Ms. Roopali Singh, Company Secretary is the Secretary to the Risk Management Committee.

VIGIL MECHANISM

The Company has established a vigil mechanism through which directors, employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct etc without fear of reprisal.

Further information on the subject can be found in the section `Disclosures` - Whistle-Blower Policy of the Corporate Governance Report and on Company's website www.whirlpoolindia.com

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

Shareholders of the Company at its 56th Annual General Meeting approved appointment of M/s MSKA & Associates (Firm Registration Number: 105047W), Chartered Accountants, as statutory auditors of the Company, in place of the retiring auditors M/s. S. R. Batliboi & Co. LLP (Firm registration No. - 301003E/ E300005), Chartered Accountants, from the conclusion of the 56th Annual General Meeting (AGM) until the conclusion of the 61st AGM to be held in the year 2022. The requirement for ratification of auditor's appointment at the Annual General Meeting has been omitted pursuant to the Companies (Amendment) Act, 2017 with effect from May 07, 2018.

The Report given by M/s. MSKA & Associates, Chartered Accountants (ICAI Registration No- 105047W), Statutory Auditors on the financial statements of the Company for the Financial Year 2018-19 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013, Mr. N. C. Khanna (ICSI membership no. 4268 & certificate of practice no.5143) a Practising Company Secretary was reappointed as Secretarial Auditors of the Company for the Financial Year ending 31st March, 2019. The Secretarial Audit Report submitted by them in the prescribed form MR3 is attached as **Annexure - C** and forms part of this report.

There are no qualifications, reservations or adverse remarks made by Secretarial Auditor in their Report.

Cost Auditors

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder M/s R. J. Goel & Co., Cost Accountants (Firm Registration No. 00026) were reappointed as the cost auditors of the Company for the Financial Year ending 31st March, 2019 to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of the ensuing Annual General Meeting. Further, on the recommendation of the Audit Committee, the Board of Directors have also reappointed them as Cost Auditors for the financial year 2019-20, to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The Cost Audit Report for the financial year 2017-18, issued by M/s R. J. Goel & Co., Cost Auditors, in respect of the various products prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs (MCA) during the year.

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and the Secretarial Auditor have not reported any instance of fraud committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of the provisions of Section 124 and 125 of the Companies Act, 2013 read with the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, during the financial year there was no unclaimed amount or shares in respect of the unclaimed amount were required to be transferred to the Investor Education and Protection Fund established by the Central Government.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company at www.whirlpoolindia.com under Investor's section.

INSURANCE

The Directors confirm that Fixed Assets and Stocks of the Company are adequately insured against fire and allied risk.

LISTING OF SHARES

The shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)

CORPORATE GOVERNANCE

Your Company upholds the standards of governance and is compliant with the Corporate Governance provisions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Report on Corporate Governance along with the Compliance Certificate issued by Statutory Auditors' is enclosed as part of Corporate Governance Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

In accordance with the requirements of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, statement showing particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed hereto as **Annexure - D** and form part of this report.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure-E** which forms part of this report. The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules forms part of this report. However, as per Section 136 of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by members at the registered office of the Company during business hours on all working days upto the date of ensuing Annual General Meeting. Any member interested in obtaining a copy thereof, may also write to the Company Secretary at the registered office of the Company.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form No. MGT – 9 forms part of the Board’s Report and is annexed herewith as **Annexure - F**. The annual return of the Company as required under the Companies Act, 2013 will be available on the website of the Company at www.whirlpoolindia.com

PUBLIC DEPOSITS

During the Financial Year 2018-19 your Company has not accepted any public deposits in terms of Chapter V of the Companies Act, 2013.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE

No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company’s operations in future. There have been no material changes and commitments which affect the financial position of the Company between the end of the financial year and the date of this report including change in capital structure.

BUSINESS RESPONSIBILITY REPORT

In terms of the requirements of Regulation 34(2)(f) of the SEBI Listing Regulations, 2015 a report on Business Responsibility forms part of this Annual Report in the format prescribed by SEBI and is annexed herewith as **Annexure G**.

APPRECIATION

The Directors thank the Company’s customers, vendors, dealers, investors and business associates for their continued support during the year. They also place on record their appreciation for the contribution made by the employees at all levels. Company’s resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board of Directors

Place of signature: Gurugram, Haryana
Date : June 19, 2019

Arvind Uppal
Chairman & Non-Executive Director
DIN 00104992

Sunil D’Souza
Managing Director
DIN 07194259

Annexure A

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 transactions under third proviso thereto

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

| Name(s) of the related party and nature of Relationship | Nature of contracts/ Arrangements/ transactions | Duration of the contracts / arrangements / transactions | Salient terms of the contracts or Arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangement or transactions | Date(s) of approval by the Board | Amount paid as advances | Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 |
|---|---|---|--|---|----------------------------------|-------------------------|---|
| Whirlpool Corporation (Ultimate Holding Company) | Common IT Services | Ongoing | Availing of free IT services (approx. INR 1,991 lacs) | Sharing common global IT infrastructure | 31 st October, 2014 | NIL | NA |

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

Company did not enter in to any material contracts or arrangements with related parties.

For and on behalf of the Board of Directors

Place of signature: Gurugram, Haryana

Date : June 19, 2019

Arvind Uppal
Chairman & Non-Executive Director
DIN 00104992

Sunil D'Souza
Managing Director
DIN 07194259

Annexure B
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

| | | |
|---|--|--|
| 1 | A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs: | <p>CSR Activities of the Company are focused to:</p> <ol style="list-style-type: none"> Promote employment enhancing vocational skills for employability of youth. Cultivate community development plans in the vicinity of our factories based on needs and priorities of the host communities. Any other project or aid which the committee considers suitable for the welfare of society or humanity at large, within the purview of Schedule VII (Section 135) or as authorized by Government. <p>Whirlpool's CSR Policy is in compliance with the provisions of Companies Act, 2013. Web link for CSR policy http://www.whirlpoolindia.com/csr-policy</p> |
| 2 | The Composition of the CSR Committee | <p>Mr. Arvind Uppal (Chairman) Mr. Anil Berera Mr. Sanjiv Verma* Mr. Rahul Bhatnagar#</p> |
| 3 | Average net profit of the Company for last three financial years | INR 45,804 lacs |
| 4 | Prescribed CSR expenditure (two per cent of the amount as in item 3 above) | INR 916 lacs |
| 5 | <p>Details of CSR spent during the financial year</p> <p>(a) Total amount to be spent for the F.Y.2018-19</p> <p>(b) Amount unspent, if any:</p> <p>(c) Manner in which the amount spent during the financial year</p> | <p>Details:</p> <p>(a) INR 921 lacs</p> <p>(b) None</p> <p>(c) Detailed below</p> |

* Ceased as members w.e.f. 19 June 2019.

Appointed as member w.e.f. 19 June 2019

(c) Manner in which the amount was spent during the financial year:

(INR In Lacs)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|-----|---|---|---|--|--|---|---|
| SL* | CSR PROJECT OR ACTIVITY IDENTIFIED | SECTOR IN WHICH PROJECT IS COVERED | PROJECTS OR PROGRAMS 1. LOCAL AREA OR OTHER 2. SPECIFY THE STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS ARE UNDERTAKEN | AMOUNT OUTLAY (BUDGET) PROJECTS OR PROGRAMS WISE | AMOUNT SPENT ON PROJECTS OR PROGRAMS SUB HEADS: 1. DIRECT EXPENDITURE ON PROJECTS 2. OVERHEADS | CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD | AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY |
| 1 | Integrated Child Development Program | Education, Health & Community Development | Local Area : District : Pune State : Maharashtra | 10.00 | (1) 5.07 | 5.07 | Implementing agency - HCJMRC |
| 2 | Integrated Community Development Program | Community Development & Healthcare | Local Area : District : Puducherry State : Puducherry | 60.00 | (1) 64.05 | 64.05 | Implementing agency – FXB India Suraksha |
| 3 | Basic Learning through Library Intervention Program | Education | Local Area : District : Faridabad State : Haryana | 30.00 | (1) 34.32 | 34.32 | Implementing agency – Pratham Education Foundation |
| 4 | Other Community Help Program | Community Development | Local (Faridabad) Local (Mumbai) Local (Kerala) | 50.00 | (2) 21.12 | 21.12 | Implementing agencies – (1) St. Jude (2) FIA Charitable (3) Direct |

(INR In Lacs)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|------------|---|---|--|---|---|--|--|
| SL* | CSR PROJECT OR ACTIVITY IDENTIFIED | SECTOR IN WHICH PROJECT IS COVERED | PROJECTS OR PROGRAMS 1. LOCAL AREA OR OTHER 2. SPECIFY THE STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS ARE UNDERTAKEN | AMOUNT OUTLAY (BUDGET) PROJECTS OR PROGRAMS WISE | AMOUNT SPENT ON PROJECTS OR PROGRAMS SUB HEADS: 1. DIRECT EXPENDITURE ON PROJECTS 2. OVERHEADS | CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD | AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY |
| 5 | Skill Development Program | Skill Development | Across India (List below)* | 725.00 | (1) 770.00 | 770.00 | Implementing Agencies: (1) Funfirst Global Skillers Pvt Ltd (ESSCI partner) (2) Teamlease Education Foundation |
| 6 | Cumulative Overhead | Cumulative overhead for CSR | - | 41.00 | (2) Overheads | 26.44 | Direct |
| | | | Total | | | 921.00 | |

* List Of Locations where Skill Development Programmes were conducted

| | | | |
|------------------|--------------|----------------|----------------|
| Delhi (DL) | Kolkata (WB) | Noida (UP) | Shimoga (KA) |
| Bangalore (KA) | Mumbai (MH) | Lucknow (UP) | Amritsar (PB) |
| Hyderabad (AP) | Pune (MH) | Ludhiana (PB) | Jaipur (RJ) |
| Chennai (TN) | Nashik (MH) | Dadri (UP) | Agra (UP) |
| Coimbatore (TN) | Cochin (KL) | Kanpur (UP) | Baroda (GJ) |
| Gurgaon (HR) | Bellary (KA) | Madurai (TN) | Ahmedabad (GJ) |
| Bhuvneshwer (OR) | Patna (BR) | Vijaywada (AP) | Nagpur (MH) |
| Trichy (KL) | Calicut (KL) | Ghaziabad (UP) | Surat (GJ) |

6. Company spent over two per cent of the average net profit of the last three financial years on dedicated CSR projects as detailed in point 5(c).
7. CSR projects detailed above, are implemented and monitored as per the Company's CSR policy and are compliant with Section 135 of Companies Act, 2013.

For and on behalf of the Board of Directors

Place of signature: Gurugram, Haryana
Date : June 19, 2019

Arvind Uppal
Chairman & Non-Executive Director
DIN 00104992

Sunil D'Souza
Managing Director
DIN 07194259

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

[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,
WHIRLPOOL OF INDIA LIMITED
A4 MIDC, RANJANGAON
DIST. PUNE-412220

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by WHIRLPOOL OF INDIA LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2019 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 the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by WHIRLPOOL OF INDIA LIMITED for the financial year ended on 31.03.2019 according to the provisions of:

- (I) The Companies Act, 2013 (the Act) and the rules made there under;
- (II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (III) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (IV) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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, 2009*;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008*;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;* and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;*

* Not applicable because company did not carry out the activities covered by the regulations/guidelines during the audit period.

I have examined the entire framework, processes and procedures of compliance of the under mentioned laws applicable to the Company.

Industry Specific laws applicable to the Company

- (a) The Indian Electricity Rules, 1956 (BEE guidelines).
- (b) E-waste (Management) Rules, 2016
- (c) The Bureau of Indian Standard Rules, 1987
- (d) The Legal Metrology Act, 2009

Environment Laws-

The Environment (Protection) Act, 1986 ; Air (Prevention and Control of Pollution) Act, 1981; Water (Prevention and Control of Pollution) Act, 1974; The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

Labour Laws-

Employees State Insurance Act, 1948; Employees Provident Fund And Misc. Provisions Act, 1952; Payment of Wages Act, 1948; Minimum Wages Act, 1948; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Employees Compensation Act, 1923; Maternity Benefit Act, 1961; Sexual Harassment of Women at workplace (Prevention, Prohibition and Regulation) Act, 2013.

I have also examined compliance with the applicable clauses of the following:

- (I) Secretarial Standards issued by The Institute of Company Secretaries of India
- (II) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that during the period under review and based on my verification of the records maintained by the Company and also on the review of compliance report taken on record by the Board of Directors of the Company, in my opinion, adequate systems, processes and control mechanism exist in the Company to monitor and ensure compliance with applicable Industry specific laws, environmental laws, labour laws and other applicable laws as mentioned above.

I further report that

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such instance.

I further 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.

I further report that during the audit period the company has:

Acquired 2,368,997 equity shares of INR 10 each of Elica PB India Private Limited constituting 49% of its total paid up share capital.

Place : NEW DELHI

Date : 17-05-2019

N C KHANNA

PRACTICING COMPANY SECRETARY

C P No. 5143

FCS No. 4268

This Report is to be read with my letter of even date which is annexed as **Annexure A** to this Report and forms an integral part of this Report.

Annexure A to the Secretarial Audit Report

The Members,

WHIRLPOOL OF INDIA LIMITED

A4 MIDC, RANJANGAON

DIST. PUNE-412220

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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. My examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : New Delhi

Date : 17/05/2019

N. C. KHANNA
PRACTICING COMPANY SECRETARY
FCS No. 4268
C P No. 5143

Annexure D

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

(A) Conservation of energy-

| Information required | Pune Plant | Faridabad Plant | Puducherry Plant |
|--|---|---|---|
| (i) the steps taken or impact on conservation of energy; | (i) Replacement of vane type vacuum pumps with screw type energy efficient vacuum pumps. Results in savings of 1.69 Lacs kWh per annum (ii) Replacement of conventional type 400w high bay lights to 120w LED lights . Results in savings of 3.15 Lacs kWh per annum (iii) Optimized running hours of extrusion material handling system through upgradation. Results in savings of 0.61 Lacs kWh per annum (iv) Optimization of process water pumps. Results in savings of 1.20 Lacs kWh per annum (v) Preheating time optimization in Cabinet & Door Foaming, resulting in energy saving of 2.45 Lacs kWh per annum (vi) Thermoforming hydraulic power pack upgradation, resulting in energy saving of 0.99 Lacs kWh PA (vii) Compressor running hour reduction by effective Air leak monitoring resulting in energy saving of 0.72 Lacs kWh PA | (i) Significantly improved Power Factor at Unit resulting in savings of 4.7 Lacs kWh per annum (ii) Replacement of water rinse vacuum pump with Energy Efficient screw type Pumps results in savings of 0.90 Lacs kWh PA (iii) Replacement of pumps with Energy Efficient Pumps, Selected multistage energy efficient pumps based on operational parameters results in savings of 1.37 Lacs kWh PA (iv) Reduction in compressed air leakages results in savings of 0.68 Lacs kWh PA. | (i) HVLS fan introduced in shop floor (8 nos), replacing high energy consuming industrial fans, resulting in energy saving of 0.65 Lacs kWh per annum (ii) 100 % of the MV/ SV lamps replaced with LED lights in production block, admin office and street light, resulting in energy saving of 1.42 Lacs kWh per annum (iii) Compressor running hour reduction by effective Air leak monitoring resulting in energy saving of 0.28 Lacs kWh per annum (iv) 300 CFM Compressor instead of 200cfm(2nos) compressor, resulting in energy saving of 0.28 Lacs kWh per annum (v) Effective maintenance of power factor, resulting in energy saving of 0.42 Lacs kWh per annum |
| (ii) the steps taken by the company for utilizing alternate sources of energy; | Energy generation through Roof Top solar Power station results in power saving of 12.71 Lacs KWH per Annum (987 kW Solar Power Station) | Energy generation through Roof Top solar Power station results in power saving of 8.68 Lacs KWH per Annum (800 kW Solar Power Station) | NA |
| (iii) the capital investment on energy conservation equipments; | INR 75.23 Lacs | INR 109.48 Lacs | INR 28 Lacs |

(B) Technology absorption-

| Information required | Pune Plant | Faridabad Plant | Puducherry Plant |
|---|---|--|--|
| (i) the efforts made towards technology absorption; | <ul style="list-style-type: none"> i. Energy efficient motors - IE3/IE4 for new line ii. Screw type energy efficient vacuum pumps iii. Screw type air compressors | <ul style="list-style-type: none"> i. New Color, Finish & Material changes in all Single Door models. ii. Introduction of model with Electronics user interface for improved aesthetic & control. iii. Product readiness to meet Energy requirement (BEE) | <ul style="list-style-type: none"> i. New Color, Finish & Material changes in both Fully Automatic & Semi Automatic Washing Machines ii. Introduction of New 57cm Platform Edge model in 7.5 & 9.5kg variant with IML User Interface, Upgraded by new Prime Mover(Impeller) with Steel Finish,360 deg Spray technology variant with good Aesthetic & control, Lid Assembly with Soft Close features. iii. Expands Soft Close options to StainWash & Bloom Wash Ultra Models. iv. Product readiness to meet Energy requirements (BEE) v. ACE XL Product readiness with Heater variant vi. Introduction of Semi automatic washing machines to Morocco & South East Asia vii. Readiness of Semi automatic washing machines to South Africa with Drain Pump Variant |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; | <ul style="list-style-type: none"> i. Improved experienced and perceived quality. ii. Improved fit and finish, robust build, reliable and quality products. iii. Environment friendly foam and ROHS compliance. iv. Products meeting stringent energy standards. v. Extensive usage of simulation and prototypes to reduce development time and predict failures. vi. More user friendly electronic solutions with better aesthetics and build quality. vii. Product Leadership on Cost and Quality. | | |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | NIL | | |
| The expenditure incurred on research & development | Particulars | (INR in Lacs) | |
| | Capital | 769 | |
| | Recurring | 3523 | |
| | Total | 4292 | |
| | Total R&D expenses as % of total turnover | 0.8% | |

(C) Foreign Exchange Earnings and outgo for the year ended March 31, 2019
(INR. in lacs)

| | |
|---|----------------|
| Foreign Exchange Earnings: | |
| FOB value of sales, service & other income | 31,319 |
| Foreign Exchange Outgo- | |
| CIF value of imports- Raw materials, Components, tools, spare parts and capital goods | 121,937 |
| Others | 8,409 |

ANNEXURE E

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms 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:

| S. No | Particulars | Disclosures |
|--------------|--|--|
| (i) | ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year; | Mr. Sunil D'Souza - 41:1 Mr. Anil Berera - 30:1 Mr. AHBN Reddy - 12:1 |
| (ii) | The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | Mr. Sunil D'Souza - 12.5% Mr. Anil Berera - 9.2% Mr. AHBN Reddy - 7.1% Mr. Yatin Malhotra - 25.0% Ms. Roopali Singh- 10.9% |
| (iii) | The percentage increase in the median remuneration of employees in the financial year; | 7.89% |
| (iv) | The number of permanent employees on the rolls of the Company; | 1602 |
| (v) | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for the increase; | Avg. Increase for Employees -10.40% Avg. Increase for KMP 11.1% |
| (vi) | Affirmation that the remuneration is as per the remuneration policy of the Company | Yes, it is confirmed |

Notes:

- i. Independent Directors are only paid sitting fees and have not been considered for the above disclosures.
- ii. The above calculations & informations are based on white collar employee data.

EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014
I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|---|
| 1. | CIN | L29191PN1960PLC020063 |
| 2. | Registration Date | 09/07/1960 |
| 3. | Name of the Company | Whirlpool of India Limited |
| 4. | Category/Sub-category of the Company | Company having Share Capital |
| 5. | Address of the Registered office & contact details | A-4, MIDC, Ranjangaon, Taluka-Shirur, Dist: Pune, Maharashtra – 412220, Phone – (91) 2138-660100 |
| 6. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Link Intime India Private Limited, Noble Heights, 1 st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Phone: +91 11 4141 0592, Fax: +91 11 4141 0591 Contact Person: Mr. Bharat Bhushan and Mr. Swapan Naskar |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company (All the business activities contributing 10 % or more Of the total turnover of the Company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service* | % to total turnover of the Company |
|--------|--|----------------------------------|------------------------------------|
| 1. | Refrigerator | 27501 | 60 |
| 2. | Washing Machine | 27501 | 22 |
| 3. | Air Conditioner | 27509 | 6 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | NAME, ADDRESS and CIN/ GLN OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|--------|---|-----------------------------|--------------------------------|------------------|--------------------|
| 1. | Whirlpool Mauritius Ltd. C/o SGG Corporate Services (Mauritius) Ltd. 33, Edith Cavell Street, Port-Louis - 11324 Mauritius | NA | Holding | 75 | 2(46) |
| 2. | Elica PB India Private Limited 37/1/1 Kondhwa Pisoli Road, Taluka Haveli Pune MH 411060 | (CIN:U29300PN2010PTC136095) | Associate | 49 | 2(6) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category -wise Share Holding**

| Sr No | Category of Shareholders | Shareholding at the beginning of the year 2018 - 2019 | | | | Shareholding at the end of the year 2018 2019 | | | | % Change during the year |
|------------|--|--|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | | | |
| [1] | Indian | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (d) | Any Other (Specify) | | | | | | | | | |
| | Sub Total (A)(1) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| [2] | Foreign | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (b) | Government | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Institutions | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Bodies Corporate | 95153872 | 0 | 95153872 | 75.0003 | 95153872 | 0 | 95153872 | 75.0000 | -0.0003 |
| | Sub Total (A)(2) | 95153872 | 0 | 95153872 | 75.0003 | 95153872 | 0 | 95153872 | 75.0000 | -0.0003 |
| | Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2) | 95153872 | 0 | 95153872 | 75.0003 | 95153872 | 0 | 95153872 | 75.0000 | -0.0003 |
| (B) | Public Shareholding | | | | | | | | | |
| [1] | Institutions | | | | | | | | | |
| (a) | Mutual Funds / UTI | 12173873 | 4055 | 12177928 | 9.5986 | 10150452 | 4055 | 10154507 | 8.0038 | -1.5948 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (c) | Alternate Investment Funds | 361877 | 0 | 361877 | 0.2852 | 1458641 | 0 | 1458641 | 1.1497 | 0.8645 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (e) | Foreign Portfolio Investor | 5794413 | 0 | 5794413 | 4.5672 | 6047590 | 0 | 6047590 | 4.7667 | 0.1995 |
| (f) | Financial Institutions / Banks | 10959 | 12357 | 23316 | 0.0184 | 291198 | 12157 | 303355 | 0.2391 | 0.2207 |
| (g) | Insurance Companies | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (h) | Provident Funds/ Pension Funds | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (i) | Any Other (Specify) | | | | | | | | | |
| | Foreign Financial Institution | 85 | 0 | 85 | 0.0001 | 0 | 0 | 0 | 0.0000 | -0.0001 |
| | Foreign Bank | 0 | 0 | 0 | 0.0000 | 85 | 0 | 85 | 0.0001 | 0.0001 |
| | Sub Total (B)(1) | 18341207 | 16412 | 18357619 | 14.4695 | 17947966 | 16212 | 17964178 | 14.1593 | -0.3102 |
| [2] | Central Government/ State Government(s)/ President of India | | | | | | | | | |
| | Central Government / State Government(s) | 0 | 633 | 633 | 0.0005 | 0 | 633 | 633 | 0.0005 | 0.0000 |
| | Sub Total (B)(2) | 0 | 633 | 633 | 0.0005 | 0 | 633 | 633 | 0.0005 | 0.0000 |

| Sr No | Category of Shareholders | Shareholding at the beginning of the year 2018 - 2019 | | | | Shareholding at the end of the year 2018 2019 | | | | % Change during the year |
|-------|--|--|----------|-----------|-------------------|--|----------|-----------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| [3] | Non-Institutions | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital upto Rs. 1 lakh. | 4642592 | 1282646 | 5925238 | 4.6703 | 5883134 | 1125154 | 7008288 | 5.5239 | 0.8536 |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 2908935 | 108498 | 3017433 | 2.3783 | 2531696 | 108498 | 2640194 | 2.0810 | -0.2973 |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | 0.0000 | 63550 | 0 | 63550 | 0.0501 | 0.0501 |
| (d) | Overseas Depositories(holding DRs) (balancing figure) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Trusts | 285407 | 0 | 285407 | 0.2250 | 175970 | 0 | 175970 | 0.1387 | -0.0863 |
| | Foreign Nationals | 0 | 0 | 0 | 0.0000 | 39 | 0 | 39 | 0.0000 | 0.0000 |
| | Hindu Undivided Family | 213461 | 0 | 213461 | 0.1682 | 342137 | 0 | 342137 | 0.2697 | 0.1015 |
| | Non Resident Indians (Non Repat) | 217302 | 0 | 217302 | 0.1713 | 249481 | 0 | 249481 | 0.1966 | 0.0253 |
| | Non Resident Indians (Repat) | 206580 | 1424 | 208004 | 0.1639 | 287708 | 1374 | 289082 | 0.2279 | 0.0640 |
| | Clearing Member | 54335 | 0 | 54335 | 0.0428 | 48284 | 0 | 48284 | 0.0381 | -0.0047 |
| | Bodies Corporate | 3395669 | 42407 | 3438076 | 2.7099 | 2898730 | 37392 | 2936122 | 2.3142 | -0.3957 |
| | Sub Total (B)(3) | 11924281 | 1434975 | 13359256 | 10.5298 | 12480729 | 1272418 | 13753147 | 10.8402 | 0.3104 |
| | Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3) | 30265488 | 1452020 | 31717508 | 24.9997 | 30428695 | 1289263 | 31717958 | 25.0000 | 0.0003 |
| | Total (A)+(B) | 125419360 | 1452020 | 126871380 | 100.0000 | 125582567 | 1289263 | 126871830 | 100.0000 | 0.0000 |
| (C) | Non Promoter - Non Public | | | | | | | | | |
| [1] | Custodian/DR Holder | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| [2] | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Total (A)+(B)+(C) | 125419360 | 1452020 | 126871380 | 100.0000 | 125582567 | 1289263 | 126871830 | 100.0000 | |

ii) Shareholding of Promoter-

| S. No. | Shareholder's Name | Shareholding at the beginning of the financial year - 2018-2019 | | | Shareholding at the end of the financial year - 2018-2019 | | | % Change During the financial year 2018-19 |
|--------|--------------------------|---|----------------------------------|---|---|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / Encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / Encumbered to total shares | |
| 1. | Whirlpool Mauritius Ltd. | 95153872 | 75% | 0.00 | 95153872 | 75% | 0.00 | NIL |

iii) Change in Promoters' Shareholding :-

There was no change in Promoters' Shareholding during the year

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year – 2018 - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year 2018 - 2019 | |
|--------|--|---|----------------------------------|------------------------------|---------------|--|----------------------------------|
| | | No. of Shares Held | % of Total Shares of the Company | Date of Transaction | No. of Shares | No of Shares Held | % of Total Shares of The Company |
| 1 | ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE EQUITY HYBRID '95 FUND | 2548673 | 2.0089 | | | 2548673 | 2.0089 |
| | Transfer | | | 13 Apr 2018 | 15000 | 2563673 | 2.0207 |
| | Transfer | | | 01 Jun 2018 | 37800 | 2601473 | 2.0505 |
| | Transfer | | | 05 Oct 2018 | (81700) | 2519773 | 1.9861 |
| | Transfer | | | 08 Feb 2019 | 24800 | 2544573 | 2.0056 |
| | Transfer | | | 15 Feb 2019 | 10000 | 2554573 | 2.0135 |
| | Transfer | | | 22 Feb 2019 | 2600 | 2557173 | 2.0156 |
| | Transfer | | | 08 Mar 2019 | 4483 | 2561656 | 2.0191 |
| | AT THE END OF THE YEAR | | | | | 2561656 | 2.0191 |
| 2 | HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND | 1857959 | 1.4644 | | | 1857959 | 1.4644 |
| | Transfer | | | 20 Jul 2018 | (2050) | 1855909 | 1.4628 |
| | Transfer | | | 05 Oct 2018 | 300000 | 2155909 | 1.6993 |
| | Transfer | | | 12 Oct 2018 | 15000 | 2170909 | 1.7111 |
| | AT THE END OF THE YEAR | | | | | 2170909 | 1.7111 |
| 3 | CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGING EQUITIES | 320124 | 0.2523 | | | 320124 | 0.2523 |
| | Transfer | | | 20 Apr 2018 | 55000 | 375124 | 0.2957 |
| | Transfer | | | 27 Apr 2018 | 152700 | 527824 | 0.4160 |
| | Transfer | | | 22 Jun 2018 | 2923 | 530747 | 0.4183 |
| | Transfer | | | 13 Jul 2018 | 106900 | 637647 | 0.5026 |
| | Transfer | | | 05 Oct 2018 | 9500 | 647147 | 0.5101 |
| | Transfer | | | 30 Nov 2018 | 20000 | 667147 | 0.5258 |
| | Transfer | | | 14 Dec 2018 | 25000 | 692147 | 0.5455 |
| | Transfer | | | 21 Dec 2018 | 140000 | 832147 | 0.6559 |
| | Transfer | | | 28 Dec 2018 | 12000 | 844147 | 0.6654 |
| | Transfer | | | 11 Jan 2019 | 8008 | 852155 | 0.6717 |
| | AT THE END OF THE YEAR | | | | | 852155 | 0.6717 |
| 4 | SUNDARAM MUTUAL FUND A/C SUNDARAM MID CAP FUND | 897451 | 0.7074 | | | 897451 | 0.7074 |
| | Transfer | | | 13 Apr 2018 | (5596) | 891855 | 0.7030 |
| | Transfer | | | 11 May 2018 | (12793) | 879062 | 0.6929 |
| | Transfer | | | 18 May 2018 | (1207) | 877855 | 0.6919 |
| | Transfer | | | 06 Jul 2018 | (6041) | 871814 | 0.6872 |
| | Transfer | | | 27 Jul 2018 | (20000) | 851814 | 0.6714 |
| | Transfer | | | 24 Aug 2018 | (14000) | 837814 | 0.6604 |
| | Transfer | | | 19 Oct 2018 | (4332) | 833482 | 0.6569 |
| | Transfer | | | 26 Oct 2018 | (15668) | 817814 | 0.6446 |

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year – 2018 - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year 2018 - 2019 | |
|--------|--|---|----------------------------------|------------------------------|---------------|--|----------------------------------|
| | | No. of Shares Held | % of Total Shares of the Company | Date of Transaction | No. of Shares | No of Shares Held | % of Total Shares of The Company |
| | Transfer | | | 04 Jan 2019 | 20180 | 837994 | 0.6605 |
| | Transfer | | | 11 Jan 2019 | (17328) | 820666 | 0.6468 |
| | Transfer | | | 08 Feb 2019 | (1005) | 819661 | 0.6461 |
| | Transfer | | | 08 Mar 2019 | (2020) | 817641 | 0.6445 |
| | AT THE END OF THE YEAR | | | | | 817641 | 0.6445 |
| 5 | NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND | 783087 | 0.6172 | | | 783087 | 0.6172 |
| | Transfer | | | 06 Apr 2018 | (32898) | 750189 | 0.5913 |
| | Transfer | | | 13 Apr 2018 | (20690) | 729499 | 0.5750 |
| | Transfer | | | 20 Apr 2018 | (33827) | 695672 | 0.5483 |
| | Transfer | | | 27 Apr 2018 | (6009) | 689663 | 0.5436 |
| | Transfer | | | 04 May 2018 | (43245) | 646418 | 0.5095 |
| | Transfer | | | 21 Sep 2018 | (4954) | 641464 | 0.5056 |
| | Transfer | | | 29 Sep 2018 | (11769) | 629695 | 0.4963 |
| | Transfer | | | 16 Nov 2018 | 10983 | 640678 | 0.5050 |
| | AT THE END OF THE YEAR | | | | | 640678 | 0.5050 |
| 6 | SBI MAGNUM GLOBAL FUND | 570000 | 0.4493 | | | 570000 | 0.4493 |
| | AT THE END OF THE YEAR | | | | | 570000 | 0.4493 |
| 7 | UTI-MNC FUND | 475915 | 0.3751 | | | 475915 | 0.3751 |
| | Transfer | | | 04 May 2018 | (2) | 475913 | 0.3751 |
| | Transfer | | | 11 May 2018 | (1042) | 474871 | 0.3743 |
| | Transfer | | | 29 Sep 2018 | 2000 | 476871 | 0.3759 |
| | Transfer | | | 05 Oct 2018 | 3000 | 479871 | 0.3782 |
| | Transfer | | | 12 Oct 2018 | 2000 | 481871 | 0.3798 |
| | Transfer | | | 14 Dec 2018 | 2000 | 483871 | 0.3814 |
| | Transfer | | | 28 Dec 2018 | 2000 | 485871 | 0.3830 |
| | Transfer | | | 11 Jan 2019 | 36000 | 521871 | 0.4113 |
| | Transfer | | | 25 Jan 2019 | (2000) | 519871 | 0.4098 |
| | Transfer | | | 01 Feb 2019 | (1000) | 518871 | 0.4090 |
| | Transfer | | | 08 Feb 2019 | 27235 | 546106 | 0.4304 |
| | Transfer | | | 22 Feb 2019 | 1000 | 547106 | 0.4312 |
| | Transfer | | | 01 Mar 2019 | 7621 | 554727 | 0.4372 |
| | Transfer | | | 08 Mar 2019 | (114) | 554613 | 0.4371 |
| | Transfer | | | 15 Mar 2019 | (1886) | 552727 | 0.4357 |
| | AT THE END OF THE YEAR | | | | | 552727 | 0.4357 |
| 8 | INDIA MIDCAP (MAURITIUS) LTD. | 556484 | 0.4386 | | | 556484 | 0.4386 |
| | Transfer | | | 27 Jul 2018 | (2129) | 554355 | 0.4369 |
| | Transfer | | | 22 Mar 2019 | (5000) | 549355 | 0.4330 |
| | AT THE END OF THE YEAR | | | | | 549355 | 0.4330 |
| 9 | KOTAK STANDARD MULTICAP FUND | 794317 | 0.6261 | | | 794317 | 0.6261 |
| | Transfer | | | 06 Apr 2018 | (3145) | 791172 | 0.6236 |
| | Transfer | | | 13 Apr 2018 | (458) | 790714 | 0.6232 |

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year – 2018 - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year 2018 - 2019 | |
|--------|--|---|----------------------------------|------------------------------|---------------|--|----------------------------------|
| | | No. of Shares Held | % of Total Shares of the Company | Date of Transaction | No. of Shares | No of Shares Held | % of Total Shares of The Company |
| | Transfer | | | 20 Apr 2018 | (9884) | 780830 | 0.6154 |
| | Transfer | | | 27 Apr 2018 | (24985) | 755845 | 0.5958 |
| | Transfer | | | 01 Jun 2018 | (3127) | 752718 | 0.5933 |
| | Transfer | | | 27 Jul 2018 | (10000) | 742718 | 0.5854 |
| | Transfer | | | 14 Sep 2018 | (5950) | 736768 | 0.5807 |
| | Transfer | | | 05 Oct 2018 | (3436) | 733332 | 0.5780 |
| | Transfer | | | 12 Oct 2018 | (875) | 732457 | 0.5773 |
| | Transfer | | | 19 Oct 2018 | (9938) | 722519 | 0.5695 |
| | Transfer | | | 26 Oct 2018 | (11041) | 711478 | 0.5608 |
| | Transfer | | | 09 Nov 2018 | (1664) | 709814 | 0.5595 |
| | Transfer | | | 16 Nov 2018 | (14996) | 694818 | 0.5477 |
| | Transfer | | | 11 Jan 2019 | (2498) | 692320 | 0.5457 |
| | Transfer | | | 18 Jan 2019 | (79604) | 612716 | 0.4829 |
| | Transfer | | | 25 Jan 2019 | (5396) | 607320 | 0.4787 |
| | Transfer | | | 01 Feb 2019 | (29824) | 577496 | 0.4552 |
| | Transfer | | | 08 Feb 2019 | (22624) | 554872 | 0.4373 |
| | Transfer | | | 15 Feb 2019 | (1600) | 553272 | 0.4361 |
| | Transfer | | | 08 Mar 2019 | (5000) | 548272 | 0.4321 |
| | Transfer | | | 15 Mar 2019 | (6155) | 542117 | 0.4273 |
| | Transfer | | | 22 Mar 2019 | (2070) | 540047 | 0.4257 |
| | AT THE END OF THE YEAR | | | | | 540047 | 0.4257 |
| 10 | TATA AIA LIFE INSURANCE COMPANY LTD - NON UNIT LINKED LIFE POLICY HOLDERS FUND PARTICIPATING | 273966 | 0.2159 | | | 273966 | 0.2159 |
| | Transfer | | | 06 Apr 2018 | (17029) | 256937 | 0.2025 |
| | Transfer | | | 27 Jul 2018 | 174127 | 431064 | 0.3398 |
| | Transfer | | | 21 Sep 2018 | 11300 | 442364 | 0.3487 |
| | Transfer | | | 05 Oct 2018 | 82580 | 524944 | 0.4138 |
| | Transfer | | | 09 Nov 2018 | 1600 | 526544 | 0.4150 |
| | Transfer | | | 07 Dec 2018 | 2511 | 529055 | 0.4170 |
| | Transfer | | | 29 Mar 2019 | (10517) | 518538 | 0.4087 |
| | AT THE END OF THE YEAR | | | | | 518538 | 0.4087 |
| 11 | GOLDMAN SACHS INDIA LIMITED | 617028 | 0.4863 | | | 617028 | 0.4863 |
| | Transfer | | | 30 Jun 2018 | (68168) | 548860 | 0.4326 |
| | Transfer | | | 13 Jul 2018 | (96500) | 452360 | 0.3565 |
| | AT THE END OF THE YEAR | | | | | 452360 | 0.3565 |
| 12 | FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA FUND | 3013521 | 2.3752 | | | 3013521 | 2.3752 |
| | Transfer | | | 13 Apr 2018 | (99500) | 2914021 | 2.2968 |
| | Transfer | | | 20 Apr 2018 | (120000) | 2794021 | 2.2022 |
| | Transfer | | | 27 Apr 2018 | (130000) | 2664021 | 2.0998 |
| | Transfer | | | 11 May 2018 | (20000) | 2644021 | 2.0840 |

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year – 2018 - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year 2018 - 2019 | |
|--------|--|---|----------------------------------|------------------------------|---------------|--|----------------------------------|
| | | No. of Shares Held | % of Total Shares of the Company | Date of Transaction | No. of Shares | No of Shares Held | % of Total Shares of The Company |
| | Transfer | | | 25 May 2018 | (20000) | 2624021 | 2.0682 |
| | Transfer | | | 01 Jun 2018 | (18900) | 2605121 | 2.0533 |
| | Transfer | | | 08 Jun 2018 | (386100) | 2219021 | 1.7490 |
| | Transfer | | | 15 Jun 2018 | (60000) | 2159021 | 1.7017 |
| | Transfer | | | 22 Jun 2018 | (20000) | 2139021 | 1.6860 |
| | Transfer | | | 06 Jul 2018 | (64000) | 2075021 | 1.6355 |
| | Transfer | | | 27 Jul 2018 | (233743) | 1841278 | 1.4513 |
| | Transfer | | | 03 Aug 2018 | (204669) | 1636609 | 1.2900 |
| | Transfer | | | 10 Aug 2018 | (19285) | 1617324 | 1.2748 |
| | Transfer | | | 17 Aug 2018 | (20473) | 1596851 | 1.2586 |
| | Transfer | | | 24 Aug 2018 | (37214) | 1559637 | 1.2293 |
| | Transfer | | | 31 Aug 2018 | (144632) | 1415005 | 1.1153 |
| | Transfer | | | 07 Sep 2018 | (53396) | 1361609 | 1.0732 |
| | Transfer | | | 14 Sep 2018 | (40000) | 1321609 | 1.0417 |
| | Transfer | | | 21 Sep 2018 | (50000) | 1271609 | 1.0023 |
| | Transfer | | | 29 Sep 2018 | (231499) | 1040110 | 0.8198 |
| | Transfer | | | 05 Oct 2018 | (318501) | 721609 | 0.5688 |
| | Transfer | | | 30 Nov 2018 | (50000) | 671609 | 0.5294 |
| | Transfer | | | 04 Jan 2019 | (25000) | 646609 | 0.5097 |
| | Transfer | | | 11 Jan 2019 | (6000) | 640609 | 0.5049 |
| | Transfer | | | 18 Jan 2019 | (39437) | 601172 | 0.4738 |
| | Transfer | | | 25 Jan 2019 | (4563) | 596609 | 0.4702 |
| | Transfer | | | 01 Feb 2019 | (100000) | 496609 | 0.3914 |
| | Transfer | | | 15 Feb 2019 | (46454) | 450155 | 0.3548 |
| | Transfer | | | 22 Feb 2019 | (3546) | 446609 | 0.3520 |
| | Transfer | | | 01 Mar 2019 | (25000) | 421609 | 0.3323 |
| | Transfer | | | 08 Mar 2019 | (25000) | 396609 | 0.3126 |
| | Transfer | | | 15 Mar 2019 | (48194) | 348415 | 0.2746 |
| | Transfer | | | 29 Mar 2019 | (21806) | 326609 | 0.2574 |
| | AT THE END OF THE YEAR | | | | | 326609 | 0.2574 |
| 13 | KOTAK MAHINDRA LIFE INSURANCE COMPANY LTD. | 817405 | 0.6443 | | | 817405 | 0.6443 |
| | Transfer | | | 06 Apr 2018 | (17548) | 799857 | 0.6304 |
| | Transfer | | | 20 Apr 2018 | (5862) | 793995 | 0.6258 |
| | Transfer | | | 18 May 2018 | (2564) | 791431 | 0.6238 |
| | Transfer | | | 25 May 2018 | (3318) | 788113 | 0.6212 |
| | Transfer | | | 01 Jun 2018 | (269) | 787844 | 0.6210 |
| | Transfer | | | 08 Jun 2018 | (10935) | 776909 | 0.6124 |
| | Transfer | | | 15 Jun 2018 | (286) | 776623 | 0.6121 |
| | Transfer | | | 06 Jul 2018 | (1236) | 775387 | 0.6112 |
| | Transfer | | | 13 Jul 2018 | (14118) | 761269 | 0.6000 |
| | Transfer | | | 27 Jul 2018 | (1015) | 760254 | 0.5992 |
| | Transfer | | | 03 Aug 2018 | (2965) | 757289 | 0.5969 |
| | Transfer | | | 10 Aug 2018 | (2932) | 754357 | 0.5946 |

| Sr No. | Name & Type of Transaction | Shareholding at the beginning of the year – 2018 - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year 2018 - 2019 | |
|--------|----------------------------|---|----------------------------------|------------------------------|---------------|--|----------------------------------|
| | | No. of Shares Held | % of Total Shares of the Company | Date of Transaction | No. of Shares | No of Shares Held | % of Total Shares of The Company |
| | Transfer | | | 31 Aug 2018 | (2809) | 751548 | 0.5924 |
| | Transfer | | | 07 Sep 2018 | (7770) | 743778 | 0.5862 |
| | Transfer | | | 14 Sep 2018 | (22976) | 720802 | 0.5681 |
| | Transfer | | | 21 Sep 2018 | (16893) | 703909 | 0.5548 |
| | Transfer | | | 26 Oct 2018 | (43300) | 660609 | 0.5207 |
| | Transfer | | | 02 Nov 2018 | (4080) | 656529 | 0.5175 |
| | Transfer | | | 16 Nov 2018 | (13636) | 642893 | 0.5067 |
| | Transfer | | | 23 Nov 2018 | (1531) | 641362 | 0.5055 |
| | Transfer | | | 30 Nov 2018 | (15258) | 626104 | 0.4935 |
| | Transfer | | | 07 Dec 2018 | (21092) | 605012 | 0.4769 |
| | Transfer | | | 14 Dec 2018 | (64352) | 540660 | 0.4261 |
| | Transfer | | | 21 Dec 2018 | (15785) | 524875 | 0.4137 |
| | Transfer | | | 28 Dec 2018 | 94 | 524969 | 0.4138 |
| | Transfer | | | 11 Jan 2019 | (13264) | 511705 | 0.4033 |
| | Transfer | | | 25 Jan 2019 | (7114) | 504591 | 0.3977 |
| | Transfer | | | 01 Feb 2019 | (3480) | 501111 | 0.3950 |
| | Transfer | | | 08 Feb 2019 | (81396) | 419715 | 0.3308 |
| | Transfer | | | 15 Feb 2019 | (44198) | 375517 | 0.2960 |
| | Transfer | | | 22 Feb 2019 | (101226) | 274291 | 0.2162 |
| | Transfer | | | 01 Mar 2019 | (52406) | 221885 | 0.1749 |
| | Transfer | | | 08 Mar 2019 | (145) | 221740 | 0.1748 |
| | Transfer | | | 15 Mar 2019 | (18091) | 203649 | 0.1605 |
| | Transfer | | | 29 Mar 2019 | (8067) | 195582 | 0.1542 |
| | AT THE END OF THE YEAR | | | | | 195582 | 0.1542 |

Note:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 126871830 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

v) Shareholding of Directors and Key Managerial Personnel

| S. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the financial year-2018-2019 | | Cumulative shareholding during the financial year 2018-2019 | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Mr. AHBN Reddy – Executive Director | | | | |
| | At the beginning of the year (April 1 2018) | 1 | 0.00% | 1 | 0.00% |
| | Date wise Increase / Decrease in Shareholding during the year | NIL | | | |
| | Specifying the reasons for increase /decrease (e.g. Allotment / transfer / bonus/ sweat equity etc.): | NA | | | |
| | At the end of the year (March 31 2019) | 1 | 0.00% | 1 | 0.00% |

No other Director/KMP held any shares of the Company during the financial year 2018-2019.

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL –

| S. No | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|-------|---|---|-----------------|----------------|--------------|
| | | Mr. Sunil D'Souza | Mr. Anil Berera | Mr. AHBN Reddy | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 412.58 | 393.05 | 109.29 | 914.92 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 81.86 | 10.81 | 0.95 | 93.62 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | | | |
| 2 | Stock Option | 162.53 | 15.32 | 5.60 | 183.45 |
| 3 | Sweat Equity | | | | |
| 4 | Commission - as % of profit - others, specify... | | | | |
| 5 | Others – (PF & Superannuation) | 8.25 | 9.86 | 3.81 | 21.92 |
| | Total (A) | 665.22 | 429.04 | 119.65 | 1213.91 |
| | Ceiling as per the Act | The managerial remuneration is within the ceiling limits of 5% of the net Profit to one managing or whole time director or manager and 10% of the net Profit if there is more than one such director. | | | |

B. Remuneration to other directors

(INR in lacs)

| S. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|--------|--|---|---------------------|-----------------|--------------|
| 1 | Independent Directors | Mr. Sanjiv Verma | Mr. Anand N. Bhatia | Ms. Sonu Bhasin | |
| | Fee for attending board and committee meetings | 11.75 | 15.25 | 12.25 | 39.25 |
| | Commission | | | | |
| | Others, please specify | | | | |
| | Total (1) | 11.75 | 15.25 | 12.25 | 39.25 |
| 2 | Other Non-Executive Directors | Mr. Arvind Uppal | | | |
| | Fee for attending board committee meetings | 16.75 | | | 16.75 |
| | Commission | | | | |
| | Others, please specify (As Non-Executive Chairman from 1st April 2018 till 31st December 2019) | 27.00 | | | 27.00 |
| | Total (2) | 43.75 | | | 43.75 |
| | Total (B)=(1+2) | | | | 83.00 |
| | Total Managerial Remuneration | | | | |
| | Overall Ceiling as per the Act | The sitting fees and remuneration paid to other directors are within the maximum prescribed limits. | | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(INR in lacs)

| S. No. | Particulars of Remuneration | Key Managerial Personnel Key | | Total |
|--------|---|---|---|--------|
| | | Ms. Roopali Singh, Company Secretary | Mr. Yatin Malhotra Chief Financial Officer | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 89.77 | 104.10 | 193.87 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 2.41 | 1.41 | 3.82 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | |
| 2 | Stock Option | 0.58 | 16.84 | 17.42 |
| 3 | Sweat Equity | | | |
| 4 | Commission | | | |
| | - as % of profit | | | |
| | others, specify... | | | |
| 5 | Others – (PF & Superannuation) | 3.17 | 3.94 | 7.11 |
| | Total | 95.93 | 126.29 | 222.22 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year under review there were no penalty/punishment or compounding of offences for breach of provisions of Companies Act, 2013 against the Company or its Directors or other Officers in Default.

Annexure G. BUSINESS RESPONSIBILITY REPORT 2018–2019
SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| S. No | Particulars | Details | | | | | | | | | | | | |
|-------|--|--|--|--|---------------------------------|---|--------------|-------|---|-----------------|-------|---|-----------------|-------|
| 1 | Corporate Identity Number (CIN) of the Company | L29191PN1960PLC020063 | | | | | | | | | | | | |
| 2 | Name of the Company | Whirlpool of India Limited | | | | | | | | | | | | |
| 3 | Registered address | A-4, MIDC, Ranjangaon, Taluka-Shirur, Dist: Pune, Maharashtra – 412220 | | | | | | | | | | | | |
| 4 | Website | www.whirlpoolindia.com | | | | | | | | | | | | |
| 5 | E-mail id | info_india@whirlpool.com | | | | | | | | | | | | |
| 6 | Financial Year reported | 2018-2019 | | | | | | | | | | | | |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Manufacture & Traders of domestic electric appliances such as refrigerators, washing machines etc | | | | | | | | | | | | |
| 8 | List three key products/services that the Company manufactures/provides (as in balance sheet) | <table border="1"> <thead> <tr> <th>S. No.</th> <th>Name and Description of main products / services</th> <th>NIC Code of the Product/service</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Refrigerator</td> <td>27501</td> </tr> <tr> <td>2</td> <td>Washing Machine</td> <td>27501</td> </tr> <tr> <td>3</td> <td>Air Conditioner</td> <td>27509</td> </tr> </tbody> </table> | S. No. | Name and Description of main products / services | NIC Code of the Product/service | 1 | Refrigerator | 27501 | 2 | Washing Machine | 27501 | 3 | Air Conditioner | 27509 |
| | | S. No. | Name and Description of main products / services | NIC Code of the Product/service | | | | | | | | | | |
| | | 1 | Refrigerator | 27501 | | | | | | | | | | |
| | | 2 | Washing Machine | 27501 | | | | | | | | | | |
| 3 | Air Conditioner | 27509 | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| 9 | Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations | (a) Nepal-Liason office (b) 3 Manufacturing Plants (Faridabad, Pune, and Puducherry), Branches across India & Distribution network. | | | | | | | | | | | | |
| 10 | Markets served by the Company | All India, certain countries in SAARC, ASEAN Countries | | | | | | | | | | | | |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| S. No | Particulars | Details (INR In Lacs) |
|-------|---|--|
| 1 | Paid up Capital (INR) : | 12,687 |
| 2 | Total Turnover (INR) | 5,39,765 |
| 3 | Total profit after taxes (INR) | 40,705 |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 2.26 |
| 5 | List of activities in which expenditure in 4 above has been incurred:- | Skill development and Community Development programme. |

SECTION C: OTHER DETAILS

| S. No | Particulars | Details |
|-------|--|---|
| 1 | Does the Company have any Subsidiary Company/ Companies? | No, the Company does not have any subsidiary. |
| 2 | Total Turnover (INR) | Not Applicable |
| 3 | Total profit after taxes (INR) | Not Applicable |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%) | Not Applicable |

| S. No | Particulars | Details |
|-------|--|---|
| 5 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s). | Not applicable |
| 6 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | The Company encourages its suppliers, dealers and other stakeholders to support various initiatives taken by the Company towards its business responsibility. |

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

India Management team under the leadership of Managing Director reviews the BR Policies on a periodic basis. The same is also presented to the Board on an annual basis.

(b) Details of the BR head

| No. | Particulars | Details |
|-----|----------------------------|--------------------------|
| 1 | DIN Number (if applicable) | 07194259 |
| 2 | Name | Sunil D'Souza |
| 3 | Designation | Managing Director |
| 4 | Telephone number | 0124- 4591300 |
| 5 | e-mail id | info_india@whirlpool.com |

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

| No. | Questions | P1 | P 2 | P 3 | P 4 | P5 | P6 | P7 | P8 | P 9 |
|-----|---|---|------------------------|----------------------|------------------------|--------------|-------------|---------------|-----|--------------------|
| | | Business Ethics | Product Sustainability | Employees Well Being | Stakeholder Engagement | Human Rights | Environment | Public Policy | CSR | Customer Relations |
| 1 | Do you have a policy/ policies for.... | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Yes | | | | | | | | |
| 3 | Does the policy conform to any national / international standards? If yes, specify? (50 words) | The Policies have been derived, adopted and principled on Whirlpool Corporation's (Ultimate Holding Company) Global policies. | | | | | | | | |
| 4 | Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | The Company's policies, including modifications from time to time, when approved are released for implementation to the Senior leadership including Executive Directors of the Company. These policies are then administered under the overall super vision of Managing Director. | | | | | | | | |
| 5 | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | CSR Committee oversees the CSR Policy. The other policies are administered by the designated officials of the Company. | | | | | | | | |
| 6 | Indicate the link for the policy to be viewed online? | Integrity Manual: https://www.whirlpoolindia.com/PDF/Vigil%20Mechanism.pdf CSR & Sustainability : https://www.whirlpoolindia.com/discover-whirlpool-sustainability-lp | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Information about the policies are disseminated to new joinees and form part of the employment contract. Regular trainings are also conducted for stakeholders. | | | | | | | | |
| 8 | Does the company have in-house structure to implement the policy/ policies? | Yes | | | | | | | | |

| No. | Questions | P1 | P 2 | P 3 | P 4 | P5 | P6 | P7 | P8 | P 9 |
|-----|---|--|--------------------------------|-----------------------------|-------------------------------|---------------------|---------------------|----------------------|------------|---------------------------|
| | | Business Ethics | Product Sustain-ability | Employees Well Being | Stakeholder Engagement | Human Rights | Environ-ment | Public Policy | CSR | Customer Relations |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies? | Yes | | | | | | | | |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Policies are evaluated for implementation by the Managing Director and Senior leadership including Executive Directors from time to time as part of their business reviews. The company carries out internal assessment covering the principles embodied in the policies from time to time. | | | | | | | | |

(b) If the answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

| No. | Questions | P1 | P 2 | P 3 | P 4 | P5 | P6 | P7 | P8 | P 9 |
|-----|--|------------------------|--------------------------------|-----------------------------|-------------------------------|---------------------|---------------------|----------------------|------------|---------------------------|
| | | Business Ethics | Product Sustain-ability | Employees Well Being | Stakeholder Engagement | Human Rights | Environ-ment | Public Policy | CSR | Customer Relations |
| 1 | The company has not understood the Principles | NA | | | | | | | | |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles. | | | | | | | | | |
| 3 | The company does not have financial or manpower resources available for the task. | | | | | | | | | |
| 4 | It is planned to be done within next 6 months. | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year. | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

3. Governance related toBR

| S. No. | Particulars | Details |
|--------|--|--|
| 1 | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year | Annually |
| 2 | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | Company has published Business Responsibility Report as part of Annual Report and is available on the Company's website: www.whirlpoolindia.com . Whirlpool Corporation's (ultimate Holding Company) sustainability report is available at http://www.whirlpoolcorp.com/environmental-sustainability/ |

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1:

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's Integrity Manual relating to ethics, bribery & corruption covers the Company. The values of the Company's Integrity Manual are embodied in the Supplier Code of Conduct and cover Suppliers/Contractors and other third parties who deal with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year, as mentioned in the Corporate Governance Report, 29 complaints were received from the shareholders/investors, and all were replied /resolved satisfactorily except 3 complaint which are pending for disposal. Complaints from all other stakeholders are addressed and dealt with appropriately.

Principle 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - (a) Energy efficient products complying to schedule V of BEE energy regulation for Single & Double Door refrigerators
 - (b) Products complying ROHS requirements as per India E-waste (Management) Rule-2016 and its amendments.
 - (c) Use of R600 refrigerant & C-pentane blowing agent to reduce Ozone depletion & global warming potential.
 - (d) Steps taken for conservation of energy by the Company at its plants are mentioned in **Annexure -D** to Directors Report.
 - (e) Steps taken to conserve water in the manufacturing process.

2. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details there of, in about 50 words or so.

Whirlpool approves its suppliers through strictly laid out procedures and engages with them according to the uncompromising minimum standards described in the Whirlpool's Supplier Code of Conduct(SCOC).

The principle requirements of Business Integrity, Human Rights (labor standards), Health and Safety, Child labor, Women Rights and following Sustainable environmental standards in business, production processes, services provision etc as enshrined in the Whirlpool's SCOC and apply to all Suppliers of Whirlpool.

Stringent guidelines on product quality, rigorous systems, processes & critical material management compliance like, RoHS are put in place to monitor and control quality of raw materials and products before finished goods are released to the market.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Whirlpool actively engages with local and MSME suppliers. Whirlpool supply base for Company's Faridabad, Pune and Puducherry Plants is about 22% from MSME suppliers (Micro. Small and Medium Enterprises).

Company has a regular vendor development & up-gradation discussions focused on aspects like Quality, Health & Safety, Environment, Productivity, Capacity, Capability improvement etc. These discussions add value for sustenance and continual improvement of these vendors.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has a procedure for segregation of manufacturing waste (Hazardous & non Hazardous) at site and disposal of waste following applicable legal regulations. In year 2018-19 around 99% of waste (manufacturing waste only) was sent for recycling.

The company also has a mechanism of collection and disposal of products for end of life as per applicable regulations.

Principle 3:

Businesses should promote the well being of all employees

| S. No. | Particulars | Details |
|--------|--|---------|
| 1 | Please indicate the Total number of employees | 2608 |
| 2 | Please indicate the Total number of employees hired on temporary/contractual/casual basis. | 4663 |

| S. No. | Particulars | Details |
|--------|--|---|
| 3 | Please indicate the Number of permanent women employees | 167 |
| 4 | Please indicate the Number of permanent employees with disabilities | 2 |
| 5 | Do you have an employee association that is recognized by management | Yes at all three plants (Faridabad, Pune and Puducherry). |
| 6 | What percentage of your permanent employees are members of this recognized employee association? | 39% |

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| No. | Category | No. of complaints filed during the financial year ended 31st March 2019 | No. of complaints pending as on end of the financial year ended 31st March 2019 |
|-----|---|---|---|
| 1 | Child labour/forced labour/involuntary labour | Nil | Nil |
| 2 | Sexual harassment | Nil | Nil |
| 3 | Discriminatory employment | Nil | Nil |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

| S. no | Particular | Comments |
|-------|--|--|
| a | Permanent Employees | All categories of employees are given training on safety & skill up-gradation on periodic basis. |
| b | Permanent Women Employees | |
| c | Casual/Temporary/Contractual Employees | |
| d | Employees with Disabilities | |

Principle 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

- Has the company mapped its internal and external stakeholders? Yes/No
Yes.
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes.
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details there of, in about 50 words or so.

The Company under the Skill Development Program trained 3000 students on vocational courses of Retail Service Executive and Field Service Engineer enhancing employability skills. More than 1500 students are the direct beneficiary of our health and educational intervention in Ranjangaon and adjoining villages in Pune through various community development program on Healthcare, Elderly care, Women empowerment & Education.

The Company also undertook Sellangal Canal Desilting Project, which resulted in cleansing of 12 kilometers length of canal and was cleared for maintaining the flow of water, benefitting 6 villages, almost 900 hectares of farm land, 15000 people and 6 water bodies.

Details of the CSR projects are available on Company's website and can be accessed at <https://www.whirlpoolindia.com/csr-policy>

Principle 5:

Businesses should respect and promote human rights

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Policy covers the Company and all suppliers, sub suppliers, contractors, employees and third parties who deal with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The company did not receive any complaints pertaining to violation of human rights in the financial year 2018-19.

Principle 6:

Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Policy covers the Company and all suppliers, sub suppliers, contractors, employees and third parties who deal with the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Sustainability is embedded in Whirlpool of India's Corporate Social Responsibility Policy. Several initiatives have been taken on the use of alternate sources of energy, reduction in water consumption and waste management. Further details can be found at <https://www.whirlpoolindia.com/sustainability>

3. Does the company identify and assess potential environmental risks?

Yes, Company continuously invests in research and development and develops products which are energy efficient and environment friendly.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage etc.

The initiatives undertaken by the Company in this regard are :-

- 26.30kWh energy utilization through Roof Top Solar Systems and Solar System in all Plants.
- Use of energy efficient vacuum pumps, Servo Drives driven Fixtures instead of Hydraulic Fixture, LED Lighting, HVLS fan at Production block.
- STP waste water reuse for garden purpose by modifying the pumping system, resulting in reduction of raw water consumption by 30KL per day
- All plants have been upgraded for ISO 14001:2015 Version.
- Further details can be found at <https://www.whirlpoolindia.com/sustainability>

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

There have been no material breach of the permissible limits of emission/waste prescribed by the CPCB & HSPCB during the financial year 2018-19.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/ legal notices received from CPCB/SPCB for financial year 2018-19 are pending.

Principle 7:

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) FICCI : Federation of Indian Chambers of Commerce and Industries
- (b) FIEO : Federation of Indian Export Organization

- (c) CEAMA : Consumer Electronics Appliance Manufacturer Association
 - (d) EEPC : Engineering Export Promotion Council
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
- The company supports initiatives of these bodies on advancement/improvement of public good.

Principle 8:

Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
- Yes. The Company works in the areas of Education, Skill Development and Other Community Development initiatives. The details of the initiatives are available on Company's website and can be accessed at <https://www.whirlpoolindia.com/sustainability>
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?
- Projects are undertaken in partnership with various Social Development Organizations with credible experience. The projects are monitored by Company's CSR team.
3. Have you done any impact assessment of your initiative?
- Yes, impact assessment is done on a periodic basis as part of review mechanism of projects.
4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken.
- These are detailed in **Annexure - B** to the Board's Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
- CSR activities were pursued in line with the Company's policy and framework. The first step in the process is to identify communities that require our intervention through stakeholder engagement. The Company has continual interactions with the relevant stakeholders so that its interventions are sustainable and are accepted and adopted by the key stakeholders

Principle 9:

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

1. What percentage of customer complaints/consumer cases are pending as on the end of the financial year.
- 0.21% consumer complaints/consumer cases are pending as on the end of the financial year.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)
- Yes, apart from the mandated declarations, additional declarations are furnished on the products/labels relating to the products and their usage.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
- Nil.
4. Did your company carry out any consumer survey/consumer satisfaction trends?
- Yes.

INDEPENDENT AUDITOR'S REPORT

To the Members of Whirlpool of India Limited

Report on the Audit of the Standalone Financial Statements
Opinion

We have audited the standalone financial statements of Whirlpool of India Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘the standalone financial statements’).

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, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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 (ICAI) 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

Key audit matters are those matters that, in our professional judgment, 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.

Description of Key Audit Matter

Evaluation of uncertain tax positions (Direct Tax and Indirect Tax)

The Company has transactions with related parties in other countries and hence is subject to transfer pricing regulations as specified under Income-Tax Act, 1961 in India. Certain transactions with related parties and various tax positions taken by the Company are challenged by the relevant tax authorities. Further certain tax positions relating to reporting of taxable turnover, selection of tax rates, non-collection of statutory forms, etc. in indirect tax are challenged by relevant tax authorities.

Management has assessed the Litigations/ Assessments status and has applied judgement in classifying/ taking appropriate actions as required under ‘Ind AS 37 - Provisions, Contingent Liabilities, and Contingent Assets’.

We have determined this matter to be key audit matter due to the significance of the amounts and judgements involved.

Description of Auditor’s Response

Our audit procedure in respect of this area included:

1. Analysed the list of ongoing litigations, Management’s assessment of the possible outcome of the case and related accounting/ disclosures made in the standalone financial statements.
2. Verified the completeness of the information by corroborating prior year work papers and changes, if any, to tax litigations status with the underlying documents.
3. Auditor’s expert was involved to reassess Management’s assessment of the possible outcome.
4. Assessed the appropriateness of presentation/ disclosures in the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman’s statement, Director’s report etc 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

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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the standalone financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C";

-
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 34 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Manish P Bathija
Partner
Membership No.: 216706

Place : Gurugram
Date : May 24, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF WHIRLPOOL OF INDIA LIMITED**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Manish P Bathija
Partner
Membership No.: 216706

Place : Gurugram
Date : May 24, 2019

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF WHIRLPOOL OF INDIA LIMITED FOR THE YEAR ENDED MARCH 31, 2019

[Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
 - (b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for one immovable properties aggregating INR 3 lacs as at March 31, 2019 for which title deeds were not available with the Company and hence we are unable to comment on the same.
- ii. The inventory has been physically verified by the Management during the year except for inventories in transit aggregating to INR 11,496 lacs as on March 31, 2019. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

No undisputed statutory dues were in arrears, as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount | Amount paid under protest | Period (Financial year) | Forum where dispute is pending |
|--|---|--------|---------------------------|-------------------------|--------------------------------|
| Central Excise Act, 1994 | Differential duty demanded by the department on washers | 17 | - | 2000-03 | CESTAT |
| | Recovery of CENVAT Credit | 101 | 96 | 1993-94 | |
| Customs Act, 1962 | Denial of exemption on account of classification issue of water purifiers | 36 | - | 2010-11 | |
| Service Tax Rule, 1994 | Service Tax on Technical Assistance and bill discounting | 174 | 40 | 2005-07 | |
| | Service tax on export of services | 22 | - | 2007-08 | |
| | Disallowance of input credit transferred | 5 | - | 2003-05 | |
| | Disallowance of input credit on Rent a cab service | 41 | 2 | 2003-05 | Commissioner Appeal |
| Income tax Act, 1961 | Penalty under section 271 (1)(c) (Appeal filed by tax Department) | 148 | - | 2004-05 | ITAT |
| Andhra Pradesh General Sales Tax Act, 1957 | Tax levied on optional service contacts | 7 | 4 | 2000-01 | Tribunal |
| | | 14 | 14 | 2001-02 | Sales tax officer |
| | | 19 | 10 | 2002-03 | High Court |
| | | 9 | 5 | 2003-04 | Additional Commissioner |
| Andhra Pradesh GST | Check post penalty | 2 | - | 2018-19 | Commissioner Appeal |
| Andhra Pradesh Value Added Tax Act, 2005 | Dispute on tax rate at Gas | 7 | 7 | 2006-07 2007-08 | Sales tax officer |
| Bihar Sales Tax Act, 1959 | Entry Tax | 1 | - | 2003-04 | Sales tax officer |
| | Penalty at Check Post | 4 | 1 | 2002-03 | Tribunal |
| | Rebate disallowed | 1 | - | 2004-05 | Deputy Commissioner |
| Bihar Value Added Tax Act, 2005 | CAG objection | 47 | 14 | 2013-14 | Revision with Commissioner |
| | Tax rate dispute | 2 | 2 | 2007-08 | Tribunal |
| | Tax on discount through credit note | 8 | 8 | 2009-10 | Joint Commissioner |
| | | 15 | 15 | | Tribunal |
| | | 40 | 40 | 2010-11 | Tribunal |
| | Entry tax | 7 | 7 | 2009-10 | Deputy Commissioner |
| | Forms short | 25 | 25 | 2009-10 | Tribunal |
| | Forms short | 71 | 71 | 2010-11 | |
| | Forms short | 4 | 1 | 2006-07 | Sales tax officer |
| | Road Permit Mismatch | 1 | # | 2014-15 | Commissioner |
| | Non submission of forms | 1 | - | 2005-06 | Deputy Commissioner |
| | Penalty | 1 | - | 2011-12 | |
| | Penalty | 67 | 20 | 2014-15 | Commissioner |
| | | 31 | - | 2015-16 | |
| | Tax on discount through credit note | 101 | 30 | 2012-13 | Joint Commissioner |
| | Post sale discount and sales return disallowed | 85 | 26 | 2014-15 | Commissioner |
| | | 47 | 19 | 2013-14 | |
| | Tax on discount through credit note | 24 | 24 | 2012-13 | Joint Commissioner |
| | | 26 | 16 | 2011-12 | |
| | Tax on discount through credit note | 6 | - | 2008-09 | Commissioner of sales tax |
| 10 | | - | 2009-10 | | |
| 3 | | - | 2010-11 | | |
| Tax on discount through credit note | 43 | - | 2005-06 | Sales tax officer | |
| | 1 | - | 2006-07 | Deputy Commissioner | |
| | 34 | - | | Sales tax officer | |
| Tax rate dispute | 10 | 10 | 2008-09 | Tribunal | |

Amount in INR Lacs

| Name of the statute | Nature of dues | Amount | Amount paid under protest | Period (Financial year) | Forum where dispute is pending |
|-------------------------------------|---|---------|---------------------------|-------------------------------|---|
| Bombay Sales Tax Act, 1959 | Tax on CQB excess claimed and non submission of C forms | 11 | 3 | 2004-05 | Joint Commissioner |
| Haryana General Sales Tax Act, 1973 | Enhancement of turnover by taxing on Maximum retail price value | 9 | 9 | 2002-03 | Joint Commissioner |
| | Interest under section 59 of the sales tax act | 17 | 17 | 1982-83 | High Court |
| | | 16 | 16 | 1983-84 | |
| | | 82 | 82 | 1984-85 | |
| 42 | 42 | 1985-86 | | | |
| Haryana Value Added Tax Act, 2003 | Entry Tax | 59 | - | 2007-08 | High Court |
| | C forms | 66 | - | 2014-15 | Excise & Taxation Officer |
| | Short payment of tax and interest for unverified forms | 98 | - | 2015-16 | Joint Excise & Taxation Commissioner (Appeal) |
| J & K General Sales Tax Act, 1962 | Rejection of claim | 5 | 5 | 2002-03 | Sales tax officer |
| J & k Value Added Tax Act, 2005 | Penalty at Check Post | 2 | - | 2007-08 2012-13 2014-15 | Deputy Commissioner |
| | | 3 | 3 | 2008-09 | |
| | | 6 | 6 | 2009-10 | |
| | Rejection of claim | 2 | 2 | 2012-13 | Sales tax officer |
| Jharkhand GST Act | Penalty | 1 | - | 2018-19 | Joint Commissioner |
| Jharkhand Value Added Tax Act, 2005 | Non submission of Canteen Store Department Certificate | 6 | - | 2009-10 | |
| Kerala General Sales Tax Act, 1963 | Penalty at Check post | 1 | 1 | 2013-14 | Intelligence |
| | | 1 | 1 | 2015-16 | |
| | Enhancement of turnover | 11 | 11 | 2002-03 | Tribunal |
| | Non submission of C forms | 6 | 2 | 2006-07 | Deputy Commissioner |
| | Penalty | 1 | 1 | 2002-03 | Sales tax officer |
| | Penalty at Check Post | 5 | - | 2012-13 2013-14 | Intelligence |
| | Rejection of credit notes on discounts | 18 | 18 | 2003-04 | High Court |
| | Rejection of sales returns and non submission of F-forms | 2 | 2 | 2000-01 | Sales tax officer |
| | Rejection of statutory forms | 5 | 5 | 2004-05 | |
| | Enhancement of turnover | 5 | 1 | 2014-15 | Deputy Commissioner |
| | Mismatch in Closing Stock | 30 | 9 | 2010-11 | Tribunal |
| Non Submission of Form C and Form F | 511 | - | 2008-09 | Deputy Commissioner | |

| Name of the statute | Nature of dues | Amount | Amount paid under protest | Period (Financial year) | Forum where dispute is pending | |
|---------------------------------------|---|--------|---------------------------|-------------------------|--------------------------------|------------------------|
| Kerala Value Added Tax Act, 2005 | Penalty at Check Post | 1 | - | 2016-17 | Intelligence | |
| | Non submission of C Forms and others | 501 | - | 2007-08 | Deputy Commissioner | |
| | Dispute on tax rate | 8 | 8 | 2009-10 | | |
| | Non submission of forms | 1 | - | 2005-06 | Sales tax officer | |
| | Penalty at Check Post | 3 | 3 | 2008-09 | Deputy Commissioner | |
| | Penalty at Check Post | | 2 | 1 | 2006-07 | Deputy Commissioner |
| | | | # | - | 2007-08 | |
| | | | 1 | 1 | 2009-10 | |
| | | | 2 | # | 2010-11 | Deputy Commissioner |
| | | | 7 | 7 | | Sales tax officer |
| | | | 1 | - | 2009-10 2010-11 | Intelligence |
| | | | # | - | 2016-17 | Assistant Commissioner |
| | Penalty due to stock difference at per physical inspection | 64 | 19 | 2007-08 | Deputy Commissioner | |
| | Refund | 3 | 3 | 2001-02 | Sales tax officer | |
| | Rejection of claim for concessional sale | 15 | 15 | 2008-09 | Deputy Commissioner | |
| | Rejection of claim of Lakshadweep sale | 4 | 3 | 2009-10 | Tribunal | |
| | Rejection of claim of stock transferred due to check post seal, Canteen sale and Interest etc | | 15 | 15 | 2009-10 | Deputy Commissioner |
| | | | 61 | 25 | 2011-12 | |
| | Rejection of credit notes and forms short deposited | 109 | 109 | 2005-06 | Sales tax officer | |
| | Rejection of statutory forms | 58 | 38 | 2006-07 | Deputy Commissioner | |
| Enhancement of turnover | 1 | - | 2014-15 | Deputy Commissioner | | |
| Maharashtra Value Added Tax Act, 2005 | CQB sales partially disallowed | 1,107 | 75 | 2011-12 | Joint Commissioner | |
| | Refund | 29 | 29 | 2006-07 | Sales tax officer | |
| | | 3 | 3 | 2012-13 | | |
| | Tax on CQB | 3 | - | 2005-06 | Joint Commissioner | |
| MP commercial Tax Act, 1944 | Non submission of forms | # | - | 2004-05 | Sales tax officer | |
| | Rejection of claim on discounts | 28 | 15 | 2002-03 | Additional Commissioner | |
| | | 26 | 3 | 2003-04 | | |
| | Rejection of credit notes | 13 | 4 | 1998-99 | Tribunal | |
| | | 18 | 4 | 2001-02 | | |
| | Rejection of Forms | # | # | 2003-04 | Additional Commissioner | |
| | Rejection of sales return | 3 | 1 | 1999-00 | Tax Board | |
| MP Value Added Tax Act, 2005 | Forms short | 2 | - | 2011-12 | Additional Commissioner | |
| | Rejection of sales return | 20 | 6 | 2005-06 | Additional Commissioner | |
| Orissa Sales Tax Act, 1947 | Enhancement of turnover | 7 | 6 | 2001-02 | High Court | |
| | Non submission of forms | 2 | 2 | 1996-97 | High Court | |
| | | 1 | 1 | 1997-98 | | |
| | | 2 | - | 1998-99 | | |
| | | 3 | 1 | 1999-00 | | |
| | | 1 | - | 2000-01 | | |
| | | 1 | 1 | 2001-02 | | |
| | Rejection of sales return | 1 | 1 | 1999-00 | Tribunal | |
| | | 6 | 2 | 2000-01 | | |
| | Road permit | 1 | 1 | 2001-02 | Sales tax officer | |
| | Entry tax | 3 | - | 2002-03 | Tribunal | |

Amount in INR Lacs

| Name of the statute | Nature of dues | Amount | Amount paid under protest | Period (Financial year) | Forum where dispute is pending | |
|--|---|---------|---------------------------|--------------------------|--------------------------------|------------|
| Orissa Value Added Tax Act, 2005 | Tax on entry of goods | 332 | - | 2008-09 | High Court | |
| Punjab value added tax act, 2005 | Penalty at Check Post | 1 | - | 2006-07 | Deputy Commissioner | |
| | | # | # | 2010-11 | Sales tax officer | |
| | Tax on freight charged on invoices | 31 | 8 | 2005-06 | Sales Tax Officer | |
| | | 235 | 59 | 2006-07 | Tribunal | |
| Turnover enhanced | 535 | - | 2010-11 | 1st Appeal | | |
| Rajasthan Entry Tax Act, 2005 | Rejection of surcharge on tax on turnover | 12 | - | 2013-14 2014-15 | Deputy Commissioner | |
| | Entry Tax | 67 | 11 | 2008-09 | | |
| | | 46 | 8 | 2009-10 | | |
| | | 63 | 10 | 2010-11 | | |
| | | 60 | 11 | 2011-12 | | |
| | | 35 | 7 | 2012-13 | | |
| | | 14 | 3 | 2013-14 | | |
| | | 27 | - | 2007-08 | | |
| 25 | - | 2008-09 | | | | |
| Rajasthan Sales Tax Act, 1954 | CSD Certificate short submitted | 6 | - | 2015-16 | Assessing Authority | |
| | Rejection of surcharge | 6 | 5 | 2000-01 | Sales tax officer | |
| Rajasthan Value Added Tax Act, 2005 | CSD form short | 2 | 2 | 2010-11 | Deputy Commissioner | |
| | Rejection of claim on credit notes for discount | 35 | 35 | 2006-07 | High Court | |
| | | 47 | 47 | 2007-08 | | |
| 17 | 17 | 2008-09 | | | | |
| Tamil Nadu General Sales Tax Act, 1959 | Penalty at Check Post | 23 | 8 | 1994-95 | Deputy Commissioner | |
| | | 10 | 3 | 1995-96 | | |
| | | 9 | 8 | 1996-97 | | |
| | | 28 | 11 | 1997-98 | | |
| | Demand on imported goods taxed at Higher rate | 53 | 16 | 2002-03 | | |
| | | 50 | 12 | 2003-04 | | |
| | Demand on Statutory Form | 1 | - | 2016-17 | | |
| | Entry Tax | 1 | - | 2001-02 | | Tribunal |
| | Penal interest on late payment - Entry tax | 3 | - | 2002-03 | | High Court |
| Rejection of Discount and non submission of F-Form | 1 | 1 | 2005-06 | Sales tax officer | | |
| Tamil Nadu Value Added Tax Act, 2006 | C Form short | 3 | 3 | 2015-16 | First Appellate Authority | |
| | C Form short deposited | 2 | 1 | 2012-13 | Joint Commissioner | |
| | Penalty at Check post | 8 | - | 2014-15 | | |
| | | 1 | - | 2015-16 | | |
| | Forms C & F short submitted | 44 | 27 | 2010-11 | Sales tax officer | |
| | Penalty at Road side | 8 | 8 | 2010-11 | Joint Commissioner | |
| | Rejection of Stock Transfer and C-form short | 5 | 5 | 2008-09 2009-10 | Commercial Tax Officer | |
| Check post penalty | 17 | - | 2015-16 | Deputy State Tax Officer | | |
| The Jharkhand Value Added Tax Act, 2003 | Interest & penalty | 1 | - | 2005-06 | Sales tax officer | |
| | Loss in trading account | 13 | - | 2014-15 | Joint Commissioner | |
| | Non submission of forms | 1 | - | 2004-05 | Sales tax officer | |
| | | | | 2006-07 | | |
| | Penalty at Check Post | 6 | 6 | 2011-12 | Commissioner of sales tax | |
| Turnover enhanced | 42 | - | 2010-11 | Joint Commissioner | | |

| Name of the statute | Nature of dues | Amount | Amount paid under protest | Period (Financial year) | Forum where dispute is pending |
|---|--|--------|---------------------------|-------------------------|--------------------------------|
| UP Entry Tax Act, 2007 | Entry Tax | 213 | 180 | 2008-09 | High Court |
| | Entry tax & interest | 54 | 47 | 2009-10 | Tribunal |
| UP State Goods and Services Tax Act | Penalty at Check Post | 9 | - | 2010-11 | Assistant Commissioner |
| | | 9 | - | 2017-18 | Joint Commissioner |
| UP Value Added Tax Act, 2008 | Enhancement of turnover | 3 | 3 | 2007-08 | Tribunal |
| | F-Form short and sales turnover increased | 3 | 3 | 2011-12 | |
| | Penalty at Check Post | 1 | 1 | 2007-08 | Assistant Commissioner |
| | | 6 | 6 | 2008-09 2009-10 | Tribunal |
| | | 4 | 4 | 2009-10 | |
| | | 2 | - | 2013-14 | Joint Commissioner |
| | | 9 | 9 | 2014-15 | Deputy Commissioner |
| | Penalty at Check Post | # | # | 2009-10 | Commercial Tax Officer |
| | | # | - | 2010-11 | Joint Commissioner |
| | Turnover enhanced | 22 | 22 | 2014-15 | Deputy Commissioner |
| Turnover increment as per departmental stock inspection | 71 | 25 | 2011-12 | Tribunal | |
| Uttrakhnad Value Added Tax Act, 2005 | Tax on gas sales | 1 | 1 | 2008-09 | First Appellate |
| | | 1 | 1 | 2009-10 | Authority Sales Tax Officer |
| | | 2 | 2 | 2010-11 | Officer |
| West Bengal Sales Tax Act, 1944 | Rejection of claim of credit notes, canteen store Department Certificate not available | 105 | - | 2002-03 | Special Commissioner |
| | Rejection of claim for concessional sale | 36 | 5 | 2000-01 | Revision Board |
| | Rejection of claim of concessional sale | 7 | - | 2001-02 | Deputy Commissioner |
| | | 5 | - | 2002-03 | Special Commissioner |
| | | 2 | - | 2004-05 | Additional Commissioner |
| | Rejection of claim of credit notes, forms short etc | 32 | - | 1998-99 | Tribunal |
| | | 25 | 2 | 1999-00 | Revision Board |
| | | 14 | 3 | 2001-02 | Deputy Commissioner |
| | | 85 | - | 2003-04 | Revision Board |
| | | 120 | 10 | 2004-05 | Revision Board |
| West Bengal Value Added Tax Act, 2005 | Entry tax computed without reversal on stock transfer | 152 | - | 2015-16 | Joint Commissioner |
| | Export disallowed, Mismatch with customer | 26 | 4 | 2013-14 | |
| | | 14 | 2 | 2014-15 | |
| | Export partly disallowed | 1 | - | 2015-16 | |
| | Increased in Turn over due to form rejection | 4 | - | 2010-11 | |
| | Rejection of claim of concessional sale | 12 | - | 2006-07 | Additional Commissioner |
| | Rejection of claim of credit notes, forms short | 106 | - | 2005-06 | Assistant Commissioner |
| | | 1 | - | 2005-06 | Revision Board |
| | Sales reversal not considered | 1 | - | 2011-12 | Joint Commissioner |
| Sales reversal rejected | 116 | 18 | 2012-13 | | |
| Wrong computation | 1 | - | 2013-14 | | |

Amount is below the round off norm.

viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, 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.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Manish P Bathija
Partner
Membership No.: 216706

Place : Gurugram
Date : May 24, 2019

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF WHIRLPOOL OF INDIA LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Whirlpool of India Limited on the Standalone Financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Whirlpool of India Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls With reference to Financial Statements

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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

In our opinion, the Company has, in all material respects, an internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Manish P Bathija
Partner
Membership No.: 216706

Place : Gurugram
Date : May 24, 2019

STANDALONE BALANCE SHEET AS AT 31 MARCH 2019

| Particulars | Notes | (INR in lacs) | |
|--|-------|------------------------|------------------------|
| | | As at 31 March 2019 | As at 31 March 2018 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 50,319 | 43,941 |
| Capital work in progress | 3 | 4,333 | 3,305 |
| Intangible assets | 4 | 502 | 651 |
| Investment in joint venture | 5 | 17,222 | - |
| Financial assets | 5 | | |
| i) Investment | | 34,578 | 45,632 |
| ii) Loans | | 1,815 | 1,703 |
| iii) Others | | 1,232 | 1,677 |
| Deferred tax assets (net) | 19 | 3,440 | 2,790 |
| Other non-current assets | 6 | 11,092 | 8,046 |
| | | <u>124,533</u> | <u>107,745</u> |
| Current assets | | | |
| Inventories | 7 | 88,860 | 81,012 |
| Financial assets | | | |
| i) Trade receivables | 8 | 25,562 | 24,031 |
| ii) Cash and cash equivalents | 9 | 105,367 | 97,501 |
| iii) Bank balances other than (ii) above | 10 | 733 | 684 |
| iv) Investment | 5 | 13,833 | - |
| v) Loans | 5 | 263 | 202 |
| vi) Others | 5 | 1,375 | 1,365 |
| Other current assets | 11 | 10,378 | 10,041 |
| | | <u>246,371</u> | <u>214,836</u> |
| | | <u>370,904</u> | <u>322,581</u> |
| Total assets | | | |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 12 | 12,687 | 12,687 |
| Other equity | 13 | 201,580 | 166,947 |
| Total equity | | <u>214,267</u> | <u>179,634</u> |
| Non-current liabilities | | | |
| Financial Liabilities | 15 | | |
| i) Trade payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 170 | 187 |
| ii) Other payables | | 520 | 458 |
| Provisions | 16 | 18,636 | 15,099 |
| Government grants | 17 | 564 | 621 |
| | | <u>19,890</u> | <u>16,365</u> |
| Current liabilities | | | |
| Financial Liabilities | 15 | | |
| i) Trade payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | | 3,649 | 2,214 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 119,973 | 113,084 |
| ii) Other payables | | 8,987 | 7,642 |
| Provisions | 16 | 3,351 | 2,938 |
| Government grants | 17 | 57 | 57 |
| Deferred revenue | 18 | 730 | 647 |
| | | <u>136,747</u> | <u>126,582</u> |
| | | <u>156,637</u> | <u>142,947</u> |
| | | <u>370,904</u> | <u>322,581</u> |
| Total equity and liabilities | | | |
| Summary of significant accounting policies | 2 | | |
| The accompanying notes are an integral part of the standalone financial statements | | | |

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Manish P Bathija
Partner
Membership No. 216706

Place of Signature : Gurugram
Date : 24 May 2019

For and on behalf of the Board of Directors of
Whirlpool of India Limited

Arvind Uppal
Chairman
DIN:00104992

Yatin Malhotra
Chief Financial Officer

Sunil D'Souza
Managing Director
DIN:07194259

Roopali Singh
Company Secretary

Anil Berera
Executive Director
DIN: 00306485

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | Notes | (INR in lacs) | |
|--|-------|----------------|----------------|
| | | 31 March 2019 | 31 March 2018 |
| Income | | | |
| Revenue from operations | 20 | 539,765 | 498,583 |
| Other income | 21 | 10,470 | 8,672 |
| Total income | | 550,235 | 507,255 |
| Expenses | | | |
| Cost of raw material and components consumed | 22 | 296,970 | 222,551 |
| Purchase of traded goods | | 46,458 | 65,797 |
| Changes in inventories of finished goods, work in progress and stock in trade | 23 | (5,975) | 11,529 |
| Excise duty on sale of goods | | - | 15,392 |
| Employee benefits expense | 24 | 49,305 | 45,525 |
| Depreciation and amortisation expense | 25 | 11,131 | 10,151 |
| Other expenses | 26 | 88,790 | 81,789 |
| Finance costs | 27 | 909 | 439 |
| Total expense | | 487,588 | 453,173 |
| Profit before tax | | 62,647 | 54,082 |
| (1) Current tax | 19 | 22,320 | 19,954 |
| (2) Adjustment of tax relating to previous years | 19 | (6) | 109 |
| (3) Deferred tax | 19 | (372) | (1,048) |
| Income tax expense | | 21,942 | 19,015 |
| Profit for the year | | 40,705 | 35,067 |
| Other comprehensive income | | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | |
| Re-measurement gains/ (losses) on defined benefit plans | 29 | (796) | (429) |
| Income tax effect | | 278 | 150 |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent periods | | (518) | (279) |
| Other comprehensive income for the year, net of tax | | (518) | (279) |
| Total comprehensive income for the year, net of tax | | 40,187 | 34,788 |
| Earnings per share | 30 | | |
| Basic and Diluted computed on the basis of profit attributable to equity holders of the Company | | 32.08 | 27.64 |
| Summary of significant accounting policies | 2 | | |
| The accompanying notes are an integral part of the standalone financial statements | | | |

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Manish P Bathija
Partner
Membership No. 216706

Place of Signature : Gurugram
Date : 24 May 2019

For and on behalf of the Board of Directors of
Whirlpool of India Limited

Arvind Uppal
Chairman
DIN:00104992

Yatin Malhotra
Chief Financial Officer

Sunil D'Souza
Managing Director
DIN:07194259

Roopali Singh
Company Secretary

Anil Berera
Executive Director
DIN: 00306485

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | Notes | 31 March 2019 | 31 March 2018 |
|--|-------|---------------|---------------|
| (INR in lacs) | | | |
| Operating activities | | | |
| Profit before tax | | 62,647 | 54,082 |
| <i>Adjustments to reconcile profit before tax to net cash flows:</i> | | | |
| Depreciation of property, plant and equipment | 3,25 | 11,231 | 10,168 |
| Amortisation of intangible assets | 25 | 201 | 167 |
| Employee stock options | 24 | 499 | 991 |
| Cash Incentives | 24 | 66 | 131 |
| Unrealised foreign exchange differences | | (2,760) | (439) |
| (Gain) / loss on disposal of property, plant and equipment | 21,26 | (51) | 70 |
| Provision no longer required written back | 21 | (35) | (63) |
| Allowances for doubtful debts and advances | 26 | 374 | 355 |
| Interest Income | 21 | (8,850) | (7,152) |
| Finance costs | 27 | 909 | 439 |
| Deffered income on Government Grant | 17 | (57) | (57) |
| Working capital adjustments: | | | |
| (Increase)/Decrease in inventories | 7 | (7,848) | 7,864 |
| (Increase) in trade receivables | 8 | (1,630) | (3,396) |
| Decrease/(Increase) in financial assets | 5,10 | 432 | (879) |
| (Increase) in other assets | 6,11 | (2,476) | (6,017) |
| Increase in trade and other payables | 15 | 8,735 | 367 |
| Increase in provision and deferred revenue | 16,18 | 2,456 | 2,180 |
| | | 63,843 | 58,811 |
| Income tax paid | | (23,595) | (20,387) |
| Net cash flows from operating activities | | 40,248 | 38,424 |
| Investing activities | | | |
| Purchase of property, plant and equipment including intangibles and capital work in progress | 3 | (18,725) | (15,614) |
| Proceeds from sale of property, plant and equipment | | 87 | 47 |
| Investment in unquoted debt securities | 5 | - | (32,029) |
| Investment in bank deposits (having original maturity of more than 3 months) | 5,10 | 59 | (24) |
| Investment in unquoted equity shares | 5 | (16,311) | - |
| Interest received | 21 | 8,700 | 6,108 |
| Net cash flows (used in) investing activities | | (26,190) | (41,512) |
| Financing activities | | | |
| Interest paid | 27 | (129) | (89) |
| Dividend paid | 13 | (5,020) | (3,784) |
| Dividend distribution tax | 13 | (1,043) | (775) |
| Net cash flows (used in) financing activities | | (6,192) | (4,648) |
| Net increase in cash and cash equivalents | | 7,866 | (7,736) |
| Cash and cash equivalents at the beginning of the year | | 97,501 | 105,237 |
| Cash and cash equivalents at the end of the year | | 105,367 | 97,501 |

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Manish P Bathija
Partner
Membership No. 216706

Place of Signature : Gurugram
Date : 24 May 2019

For and on behalf of the Board of Directors of
Whirlpool of India Limited

Arvind Uppal
Chairman
DIN:00104992

Yatin Malhotra
Chief Financial Officer

Sunil D'Souza
Managing Director
DIN:07194259

Roopali Singh
Company Secretary

Anil Berera
Executive Director
DIN: 00306485

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | No. in lacs | INR in lacs |
|--|-------------|-------------|
| a. Equity Share Capital (refer note12): | | |
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| At 1 April 2017 | 1,269 | 12,687 |
| Changes during the year | - | - |
| At 31 March 2018 | 1,269 | 12,687 |
| Changes during the year | - | - |
| At 31 March 2019 | 1,269 | 12,687 |

b. Other Equity

For the year ended 31 March 2019

(INR in lacs)

| Particulars | Reserves and Surplus (refer note 13) | | | | | | Total | |
|---|--------------------------------------|-------------------------------|----------------------------|-----------------|-----------------|------------------------|-------------------|----------------|
| | Share premium | Share based payments reserves | Capital redemption reserve | Capital reserve | Capital subsidy | Cash incentive reserve | Retained earnings | |
| As at 1 April 2018 | 1,269 | 3,940 | 15,234 | 46 | 1 | 283 | 146,174 | 166,947 |
| Profit for the year | - | - | - | - | - | - | 40,705 | 40,705 |
| Other comprehensive income (refer note 29) | - | - | - | - | - | - | (518) | (518) |
| Cash dividends (refer note 14) | - | - | - | - | - | - | (5,076) | (5,076) |
| Dividend distribution tax (DDT) (refer note 14) | - | - | - | - | - | - | (1,043) | (1,043) |
| Total comprehensive income | - | - | - | - | - | - | 34,068 | 34,068 |
| Share based payments (refer note 24) | - | 499 | - | - | - | - | - | 499 |
| Incentives for the year (refer note 24) | - | - | - | - | - | 66 | - | 66 |
| At 31 March 2019 | 1,269 | 4,439 | 15,234 | 46 | 1 | 349 | 180,242 | 201,580 |

For the year ended 31 March 2018

(INR in lacs)

| Particulars | Reserves and Surplus (refer note 13) | | | | | | Total | |
|---|--------------------------------------|-------------------------------|----------------------------|-----------------|-----------------|------------------------|-------------------|----------------|
| | Share premium | Share based payments reserves | Capital Redemption Reserve | Capital reserve | Capital Subsidy | Cash incentive reserve | Retained earnings | |
| As at 1 April 2017 | 1,269 | 2,949 | 15,234 | 46 | 1 | 152 | 115,968 | 135,619 |
| Profit for the year | - | - | - | - | - | - | 35,067 | 35,067 |
| Other comprehensive income (refer note 29) | - | - | - | - | - | - | (279) | (279) |
| Cash dividends (refer note 14) | - | - | - | - | - | - | (3,807) | (3,807) |
| Dividend distribution tax (DDT) (refer note 14) | - | - | - | - | - | - | (775) | (775) |
| Total comprehensive income | - | - | - | - | - | - | 30,206 | 30,206 |
| Share based payments (refer note 24) | - | 991 | - | - | - | - | - | 991 |
| Incentives for the year (refer note 24) | - | - | - | - | - | 131 | - | 131 |
| At 31 March 2018 | 1,269 | 3,940 | 15,234 | 46 | 1 | 283 | 146,174 | 166,947 |

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

For and on behalf of the Board of Directors of
Whirlpool of India Limited

Manish P Bathija
Partner
Membership No. 216706

Arvind Uppal
Chairman
DIN:00104992

Sunil D'Souza
Managing Director
DIN:07194259

Anil Berera
Executive Director
DIN: 00306485

Place of Signature : Gurugram
Date : 24 May 2019

Yatin Malhotra
Chief Financial Officer

Roopali Singh
Company Secretary

1. Corporate information

Whirlpool of India Limited (“the Company”) is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 as replaced by the Companies Act, 2013, applicable in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange and has its principal place of business located at Plot No. 40, Sector-44, Gurugram, Haryana - 122002.

The Company is a leading manufacturer of home appliances. It is primarily engaged in manufacturing and trading of Refrigerators, Washing Machines, Air Conditioners, Microwave Ovens, built in and Small appliances and caters to both domestic and international markets. The Company also provides services in the area of product development and procurement services to Whirlpool Corporation, USA and other group companies.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on 24 May 2019.

2. Significant accounting policies

I. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments, and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The standalone financial statements are presented in INR and all values are rounded to the nearest lacs, except when otherwise indicated.

II. Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**b) Foreign currencies**

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item [i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively].

c) Fair Value measurement

The Company measures financial instruments, such as, derivatives 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 the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The 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 minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised 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 standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based

on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 31, 40, 41)
- Financial instruments (including those carried at amortised cost) (note 5, 8, 9, 10, 15, 39, 40, 41)

d) Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 31.

Sale of products

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 product. The normal credit term is 0 to 135 days from delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of product, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, 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. Some contracts for the sale of products provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

a) Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue reversal, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer).

b) Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

c) Service-type Warranty

The Company does not have any service type warranty which could be accounted for as service-type warranties and as separate financial obligation to which Company allocates the portion of transaction price.

e) Other revenue streams**Interest Income**

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in “other income” in the Statement of Profit and Loss.

Interest income on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the Statement of Profit and Loss.

Export incentives benefits

Export benefits income is recognised in the Statement of Profit and Loss, when the right to receive the benefits amount is established as per the terms of the relevant scheme and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

f) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all 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 the 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. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

g) Taxes**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generate taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction 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 establishes provisions where appropriate.

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 is recognised for all taxable temporary differences except:

- When the deferred tax liability 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.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset, if any, after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the following assets:

| Type of Asset | Useful lives estimated by the Management (years) |
|--|--|
| Building | |
| - Factory building | 30 |
| - Other than factory building (RCC Frame Structure) | 60 |
| Plant and equipment (other than production) | 15 |
| Trolleys and other equipment (included in Plant and equipment) | 2 |
| Moulds and tools (included in Plant and equipment) | 6 |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| Type of Asset | Useful lives estimated by the Management (years) |
|------------------------|--|
| Office equipment | 5 |
| Computers | 3 |
| Furniture and Fixtures | 10 |
| Vehicles | 8 |

Plant and equipment used in production, depreciation is calculated based on units produced, unless units produced drop below a minimum threshold at which point depreciation is recorded using the straight-line method. This method is referred as modified units of production (MUOP) in the books of account.

Above lives have been estimated by the Management considering single shift usage. Whenever an asset is used for additional shifts, extra shift depreciation is charged as per the method prescribed in Schedule II of the Companies Act, 2013.

The amount paid for leasehold land is amortised over the lease period of 99 years and depreciation on leasehold improvement, which includes temporary structures, is provided over the unexpired period of lease or estimated useful life of 3 years, whichever is lower.

The Company, based on technical assessment made by technical expert and Management estimate, depreciates certain items of plant and equipment i.e. Trolleys and other equipment and Moulds and tools over the period of 2 years and 6 years respectively, which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Considering the proprietary nature of assets and historical data, the Management has estimated the salvage value of the assets to be nil for the purpose of computing depreciation. Further, the residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are 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 are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Software

Cost of software is amortised over its useful life of 60 months starting from the month of project implementation.

Gains or losses arising from derecognition of an intangible asset 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 asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

All expenses incurred on research and development activities are expensed as incurred by the Company since these do not meet the recognition criteria as listed above.

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. Lease Management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. 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.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: 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.
- 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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.

l) 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) net selling price 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 groups of 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 cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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, except for properties previously revalued with the revaluation surplus, if any, taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

The impairment assessment for all assets 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.

m) Provisions**General**

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.

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 provisions

Provisions for product warranty related costs are recognised when the product is sold to the customer. The provision is determined on the basis of valuation carried out by an independent actuary as at the year end.

n) Retirement and other employee benefits**Provident fund**

Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a 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 is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Superannuation Fund

Retirement benefit in the form of Superannuation Fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the superannuation fund. The Company recognises contribution payable to the relevant scheme as expenditure, when an employee renders the related service. The Company has arrangement with Insurance Company to administer its superannuation scheme.

Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each financial year. The Company has created an approved Gratuity Fund, which has taken a group gratuity cum insurance policy with an Insurance company to cover the gratuity liability of the employees and premium on contribution paid to such insurance company is charged to the Statement of Profit and Loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements 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.

Welfare schemes:

- i. The Company provides for liability in respect of other long term benefit schemes offered to the employees of the Faridabad Refrigeration Operations on the basis of year end actuarial valuation. This is an unfunded defined benefit scheme.
- ii. The Company provides for liability in respect of long term service award scheme for its employees at the Faridabad Refrigeration Operations and Puducherry Washers Operations on the basis of year end actuarial valuation. This is an unfunded defined benefit scheme.

The cost of providing benefits under the welfare schemes is determined using the projected unit credit method.

Compensated absences:

The Company treats accumulated leave 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 actuarial

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

valuation which is done as per projected unit credit method at year end. The Company presents the leave as current liability in the Balance Sheet to the extent it does not have an unconditional right to defer its settlement beyond twelve months from the reporting date.

o) Share-based Payments

Employees (including senior executives) of the Company receive remuneration from the Ultimate Holding Company 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 as employee benefits expense in the Statement of Profit and Loss together with a corresponding increase in other equity as 'Share based payments reserve' in lines with requirement as per Ind AS 102 (Share based payments), over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through Statement of Profit and Loss.

Cash Incentives to employees

The Ultimate Holding Company gives performance based cash incentives to certain employees including key Management personnel on account of their contribution towards Company's growth. As the amount is paid to employees after a period of 3 years, therefore the cost of cash incentive is recognised on an accrual basis based on the best possible estimate by the Management. Such cost is recognised as a part of employee benefits expense in the Statement of Profit and Loss with a corresponding increase in other equity as 'Incentive reserve'.

p) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. 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 four categories:

- Debt instruments at amortised cost
- Debt Instrument at Fair Value through profit and loss (FVTPL)
- Debt Instruments at fair value through other comprehensive income (FVTOCI)
- Equity Instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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 the 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 the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables, security deposits and other receivables. For more information on receivables, refer note 5 & 8.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent Solely Payments of Principal and Interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated, forward exchange contracts taken by the Company to mitigate the foreign exchange risk, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's 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 expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., deposits and bank balance

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 that 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 a 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 entity reverts to recognising impairment loss allowance based on 12-month 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 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 historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date, except to the individual cases where recoverability is certain:

| | Less than or equal to 180 days | More than 180 days |
|--------------|--------------------------------|--------------------|
| Default rate | 0% | 100% |

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head ‘other expenses’ in the Statement of Profit and Loss. The Balance Sheet presentation for financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, trade & other payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives, if any, are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior Management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

| Original classification | Revised classification | Accounting treatment |
|--------------------------------|-------------------------------|---|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss |
| FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost |
| FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required |
| FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date |

Offsetting of financial instruments

Financial 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 realise the assets and settle the liabilities simultaneously.

q) Derivative financial instruments**Initial recognition and subsequent measurement**

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.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges (if any), which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

r) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

s) Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

III. Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

i) Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the standalone financial statements of the Company.

ii) Amendments to Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, then it may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Company's standalone financial statements.

iii) Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in Balance Sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset.

These amendments do not have any impact on the standalone financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

iv) Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's standalone financial statements.

v) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's standalone financial statements.

vi) Amendments to Ind AS 40 Transfers to Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in Management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's standalone financial statements.

vii) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

3. Property, plant and equipment

(INR in lacs)

| Particulars | Freehold land | Leasehold land | Leasehold improvements | Building | Plant and equipment | Office equipment | Furniture and fixtures | Vehicles | Total property, plant and equipment | Capital work in progress |
|-------------------------|---------------|----------------|------------------------|--------------|---------------------|------------------|------------------------|-----------|-------------------------------------|--------------------------|
| Cost | | | | | | | | | | |
| At 1 April 2017 | 1,356 | 387 | 261 | 6,451 | 42,215 | 4,503 | 202 | 11 | 55,386 | 2,954 |
| Additions* | - | - | 36 | 742 | 12,103 | 2,020 | 115 | 10 | 15,026 | 15,610 |
| Disposals/Transfer | - | - | (1) | - | (269) | (5) | (1) | (3) | (279) | (15,259) |
| At 31 March 2018 | 1,356 | 387 | 296 | 7,193 | 54,049 | 6,518 | 316 | 18 | 70,133 | 3,305 |
| Additions* | - | - | - | 997 | 14,389 | 2,240 | 19 | - | 17,645 | 18,724 |
| Disposals/Transfer | - | - | - | - | (1,140) | (305) | - | - | (1,445) | (17,696) |
| At 31 March 2019 | 1,356 | 387 | 296 | 8,190 | 67,298 | 8,453 | 335 | 18 | 86,333 | 4,333 |
| Depreciation | | | | | | | | | | |
| At 1 April 2017 | - | 10 | 162 | 576 | 13,279 | 2,077 | 84 | 2 | 16,190 | - |
| Charge for the year** | - | 5 | 57 | 335 | 8,560 | 1,159 | 48 | 4 | 10,168 | - |
| Disposals | - | - | - | - | (158) | (5) | (1) | (2) | (166) | - |
| At 31 March 2018 | - | 15 | 219 | 911 | 21,681 | 3,231 | 131 | 4 | 26,192 | - |
| Charge for the year** | - | 5 | 51 | 374 | 9,205 | 1,548 | 44 | 4 | 11,231 | - |
| Disposals | - | - | - | - | (1,121) | (288) | - | - | (1,409) | - |
| At 31 March 2019 | - | 20 | 270 | 1,285 | 29,765 | 4,491 | 175 | 8 | 36,014 | - |
| Net book value | | | | | | | | | | |
| At 31 March 2019 | 1,356 | 367 | 26 | 6,905 | 37,533 | 3,962 | 160 | 10 | 50,319 | 4,333 |
| At 31 March 2018 | 1,356 | 372 | 77 | 6,282 | 32,368 | 3,287 | 185 | 14 | 43,941 | 3,305 |

(*includes additions to fixed assets for research & development activities amounting to INR 769 lacs (31 March 2018: INR 493 lacs))

**includes depreciation pertaining to research & development activities amounting to INR 301 lacs (31 March 2018: INR 184 lacs)

- a. Plant and equipment includes moulds lying with the third parties amounting to INR 31,724 lacs (31 March 2018: INR 28,610 lacs) with a net book value of INR 11,825 lacs (31 March 2018: INR 9,851 lacs)
- b. **Building constructed on leasehold land:**

INR in lacs

| Particulars | 31 March 2019 | 31 March 2018 |
|---------------------------|---------------|---------------|
| Gross block | 5,010 | 5,010 |
| Accumulated depreciation | 2,811 | 2,660 |
| Depreciation for the year | 151 | 151 |
| Net book value | 2,199 | 2,350 |

c. Assets under construction

Capital work in progress (CWIP) as at 31 March 2019 comprises expenditure for the plant and building in the course of construction. These expenditures relates to the various projects undertaken for new models and modification to the existing models of the Company. Total amount of CWIP is INR 4,333 lacs (31 March 2018: INR 3,305 lacs).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**4. Intangible assets**

| Particulars | (INR in lacs) | |
|-------------------------|---------------|--------------|
| | Software | Total |
| Cost | | |
| At 1 April 2017 | 779 | 779 |
| Additions | 233 | 233 |
| Disposals | - | - |
| At 31 March 2018 | 1,012 | 1,012 |
| Additions | 52 | 52 |
| Disposals | - | - |
| At 31 March 2019 | 1,064 | 1,064 |
| Amortisation | | |
| At 1 April 2017 | 194 | 194 |
| Amortisation | 167 | 167 |
| Disposals | - | - |
| At 31 March 2018 | 361 | 361 |
| Amortisation | 201 | 201 |
| Disposals | - | - |
| At 31 March 2019 | 562 | 562 |
| Net book value | | |
| At 31 March 2019 | 502 | 502 |
| At 31 March 2018 | 651 | 651 |

5. Financial assets

(Considered good- unsecured unless stated otherwise)

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| (i) Investments | | |
| (a) Investment in joint venture | | |
| Unquoted equity shares | | |
| 23,68,997 (31 March 2018: NIL) equity shares of Elica PB India Private Limited | 17,222 | - |
| (b) Other investments | | |
| Unquoted debt securities | | |
| 3.8% Senior Notes (USD 20 million (31 March 2018: USD 20 million)) of Whirlpool Corporation, the Ultimate Holding Company* | 13,833 | 13,039 |
| 3.8% Senior Notes (USD 50 million (31 March 2018: USD 50 million)) of Whirlpool S.A. Brazil, Fellow Subsidiary Company** | 34,578 | 32,593 |
| | <u>48,411</u> | <u>45,632</u> |
| Total Investments (a+b) | <u>65,633</u> | <u>45,632</u> |
| Current | 13,833 | - |
| Non-Current | 51,800 | 45,632 |

*In year 2017, the Company had purchased 4 senior notes of USD 5 million each amounting to USD 20 million, issued by the Ultimate Holding Company i.e. Whirlpool Corporation, on 30 November 2016. These securities have a maturity period of three years from the date of issue with one year lock-in.

**During the previous year, the Company has purchased 10 senior notes of USD 5 million each amounting to USD 50 million, issued by Whirlpool S.A. Brazil on 14 September 2017. These securities have a maturity period of three years from the date of issue with one year lock-in.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| (ii) Loans | | |
| (a) Loans to employee | | |
| - considered good | 48 | 28 |
| - credit impaired | 122 | 122 |
| | <u>170</u> | <u>150</u> |
| Less: Impairment allowance (allowance for bad and doubtful deposits) | 122 | 122 |
| | <u>48</u> | <u>28</u> |
| (b) Security deposits | | |
| - considered good | 2,030 | 1,877 |
| - credit impaired | 14 | 33 |
| | <u>2,044</u> | <u>1,910</u> |
| Less: Impairment allowance (allowance for bad and doubtful deposits) | 14 | 33 |
| | <u>2,030</u> | <u>1,877</u> |
| Total loans (a+b) | <u>2,078</u> | <u>1,905</u> |
| Current | 263 | 202 |
| Non-Current | 1,815 | 1,703 |
| (iii) Others | | |
| (a) Derivative instruments at fair value through profit or loss | | |
| Derivatives not designated as hedges | | |
| Foreign exchange forward contracts | 1,230 | 1,666 |
| (b) Bank deposits | | |
| Deposits with maturity of more than 12 months (receipts pledged with banks and government departments) | 2 | 11 |
| (c) Interest accrued on bank deposits and investment | 1,361 | 1,365 |
| (d) Insurance claim receivable | 14 | - |
| Total others (a+b+c+d) | <u>2,607</u> | <u>3,042</u> |
| Current | 1,375 | 1,365 |
| Non-Current | 1,232 | 1,677 |
| Total financial assets (i + ii + iii) | <u>70,318</u> | <u>50,579</u> |
| Current | 15,471 | 1,567 |
| Non-current | 54,847 | 49,012 |

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected return on investments.

Break up of financial assets carried at amortised cost

| Particulars | (INR in lacs) | |
|---|----------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| Investments | 65,633 | 45,632 |
| Loans to employee | 48 | 28 |
| Security deposits | 2,030 | 1,877 |
| Bank deposits | 2 | 11 |
| Interest accrued on bank deposits and investment | 1,361 | 1,365 |
| Insurance claim receivable | 14 | - |
| Trade receivables (refer note 8) | 25,562 | 24,031 |
| Cash and cash equivalents (refer note 9) | 105,367 | 97,501 |
| Other bank balances (refer note 10) | 733 | 684 |
| Total financial assets carried at amortised cost | <u>200,750</u> | <u>171,129</u> |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**6. Other non-current assets****(Considered good-Unsecured,unless stated otherwise)**

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Capital advances | 6,223 | 4,248 |
| Advances recoverable in cash or kind | 263 | 401 |
| Others | | |
| Advances paid under protest | | |
| - considered good | 2,669 | 2,741 |
| - credit impaired | 96 | 146 |
| | 2,765 | 2,887 |
| Less: Impairment allowance (allowance for bad and doubtful advances) | 96 | 146 |
| | 2,669 | 2,741 |
| Advance tax, tax deducted and collected at source (net) | 1,937 | 656 |
| Total other non-current assets | 11,092 | 8,046 |

7. Inventories (valued at lower of cost and net realisable value)

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Raw materials and components (INR 4,220 lacs (31 March 2018: INR 4,790 lacs) in transit) | 17,582 | 15,623 |
| Work in progress | 42 | 44 |
| Finished goods (INR 3,714 lacs (31 March 2018: INR 1,686) in transit) | 49,104 | 37,284 |
| Stock in trade (INR 2,467 lacs (31 March 2018: INR 2,158 lacs) in transit) | 14,199 | 20,471 |
| Spares for finished goods (INR 1,095 lacs (31 March 2018: INR 1,533 lacs) in transit) | 7,751 | 7,322 |
| Stores and spares | 182 | 268 |
| Total inventories | 88,860 | 81,012 |

During the year ended 31 March 2019, INR (167 lacs) (31 March 2018: INR 515 lacs) was recognised as an (income)/expense for inventories carried at net realisable value.

8. Trade receivables

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Trade receivables | 32,150 | 29,243 |
| Receivables from related parties (refer note 35) | 4,406 | 4,096 |
| | 36,556 | 33,339 |
| Less: Provision for trade discounts | 10,994 | 9,308 |
| Total Trade receivables | 25,562 | 24,031 |
| Break-up for security details: | | |
| Considered good-Unsecured | 25,562 | 24,031 |
| Receivables - Credit impaired | 1,122 | 653 |
| | 26,684 | 24,684 |
| Less: Impairment Allowance (allowance for bad and doubtful debts) | | |
| Trade Receivables - credit impaired | (1,122) | (653) |
| Total Trade receivables | 25,562 | 24,031 |

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 0 to 135 days. For terms and conditions relating to related party receivables, refer note 35.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

9. Cash and cash equivalents

| Particulars | (INR in lacs) | |
|---|----------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| <i>Balances with banks:</i> | | |
| - In current accounts | 3,032 | 3,667 |
| - In cash credit account | 1,228 | 1,259 |
| - Deposits with original maturity of less than three months | 101,050 | 92,550 |
| - In unpaid dividend account* | 56 | 23 |
| Cash on hand | 1 | 2 |
| | <u>105,367</u> | <u>97,501</u> |

*The Company can utilise these balances only toward settlement of the respective unpaid dividend.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

At 31 March 2019, the Company had available INR 65,356 lacs (31 March 2018: INR 54,896 lacs) of undrawn borrowing facilities (covering overdraft, cash credit, letter of credit etc.).

10. Other bank balances

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Deposits with maturity of more than 3 months but less than 12 months* | 733 | 684 |
| | <u>733</u> | <u>684</u> |

*These are pledged with banks and government departments.

11. Other current assets

(Considered good - Unsecured unless stated otherwise)

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Advances recoverable in cash or kind | | |
| - considered good | 6,550 | 8,630 |
| - credit Impaired | 147 | 182 |
| | <u>6,697</u> | <u>8,812</u> |
| Less: Impairment allowance (allowance for bad and doubtful deposits) | 147 | 182 |
| | <u>6,550</u> | <u>8,630</u> |
| Balances with government authorities* | | |
| - considered good | 3,828 | 1,411 |
| - credit Impaired | 41 | 74 |
| | <u>3,869</u> | <u>1,485</u> |
| Less: Impairment allowance (allowance for bad and doubtful deposits) | 41 | 74 |
| | <u>3,828</u> | <u>1,411</u> |
| Total other current assets | <u>10,378</u> | <u>10,041</u> |

*Balances with government authorities includes an amount of INR Nil (31 March 2018: INR 601 lacs) on account of service tax refund for which the matter is under litigation.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**12. Equity Share capital****Particulars****Authorised share capital**

| | Equity shares | | Preference shares | |
|-------------------------------------|---------------|---------------|-------------------|---------------|
| | No. in lacs | INR in lacs | No. in lacs | INR in lacs |
| At 1 April 2017 | 1,500 | 15,000 | 1,550 | 15,500 |
| Increase/(decrease) during the year | - | - | - | - |
| At 31 March 2018 | 1,500 | 15,000 | 1,550 | 15,500 |
| Increase/(decrease) during the year | - | - | - | - |
| At 31 March 2019 | <u>1,500</u> | <u>15,000</u> | <u>1,550</u> | <u>15,500</u> |

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if declared, are paid in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity share capital**Equity shares of INR 10 each issued, subscribed and fully paid**

| | No. in lacs | INR in lacs |
|-------------------------|--------------|---------------|
| At 1 April 2017 | <u>1,269</u> | <u>12,687</u> |
| Changes during the year | - | - |
| At 31 March 2018 | <u>1,269</u> | <u>12,687</u> |
| Changes during the year | - | - |
| At 31 March 2019 | <u>1,269</u> | <u>12,687</u> |

(INR in lacs)

| | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Shares of the Company held by holding company | | |
| Whirlpool Mauritius Ltd, the holding company | | |
| 952 lacs (31 March 2018: 952 lacs) equity shares of INR 10 each | <u>9,515</u> | 9,515 |

Details of shareholders holding more than 5% shares in the Company

| Name of the shareholder | As at 31 March 2019 | | As at 31 March 2018 | |
|--|---------------------|------------------------|---------------------|------------------------|
| | No. in lacs | % holding in the class | No. in lacs | % holding in the class |
| Equity shares of INR 10 each fully paid | | | | |
| Whirlpool Mauritius Ltd | <u>952</u> | <u>75</u> | 952 | 75 |

13. Other equity

| Particulars | (INR in lacs) |
|-------------------------------------|----------------------|
| Share premium | |
| At 1 April 2017 | 1,269 |
| Increase/(decrease) during the year | - |
| At 31 March 2018 | <u>1,269</u> |
| Increase/(decrease) during the year | - |
| At 31 March 2019 | <u><u>1,269</u></u> |

| Share based payments reserve | (INR in lacs) |
|---|----------------------|
| At 1 April 2017 | 2,949 |
| Add: Compensation options granted during the year (refer note 24) | 991 |
| At 31 March 2018 | <u>3,940</u> |
| Add: Compensation options granted during the year (refer note 24) | 499 |
| At 31 March 2019 | <u><u>4,439</u></u> |

The ultimate holding company provides various share-based payment schemes to the employees of the Company including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees as a part of their remuneration. Refer note 33 for further details.

| Capital redemption reserve | (INR in lacs) |
|-------------------------------------|----------------------|
| At 1 April 2017 | 15,234 |
| Increase/(decrease) during the year | - |
| At 31 March 2018 | <u>15,234</u> |
| Increase/(decrease) during the year | - |
| At 31 March 2019 | <u><u>15,234</u></u> |

In an earlier year, pursuant to the redemption of non-cumulative preference share, the Company had created capital redemption reserve out of available profits as per the relevant provisions of the erstwhile Companies Act.

| Capital reserve | (INR in lacs) |
|-------------------------------------|----------------------|
| At 1 April 2017 | 46 |
| Increase/(decrease) during the year | - |
| At 31 March 2018 | <u>46</u> |
| Increase/(decrease) during the year | - |
| At 31 March 2019 | <u><u>46</u></u> |

| Capital subsidy | (INR in lacs) |
|-------------------------------------|----------------------|
| At 1 April 2017 | 1 |
| Increase/(decrease) during the year | - |
| At 31 March 2018 | <u>1</u> |
| Increase/(decrease) during the year | - |
| At 31 March 2019 | <u><u>1</u></u> |

| Incentive reserve | (INR in lacs) |
|---|----------------------|
| At 1 April 2017 | 152 |
| Increase/(decrease) during the year (refer note 24) | 131 |
| At 31 March 2018 | <u>283</u> |
| Increase/(decrease) during the year (refer note 24) | 66 |
| At 31 March 2019 | <u><u>349</u></u> |

The ultimate holding company gives performance based cash incentives to certain employees including key management personnel during the year. The incentive reserve is used to recognise the value of payments provided to employees as a part of their remuneration.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| | |
|--|----------------------|
| Retained earnings | (INR in lacs) |
| At 1 April 2017 | 115,968 |
| Add: Profit for the year | 35,067 |
| Less: Other comprehensive income (refer note 29) | (279) |
| Less: Cash dividends (refer note 14) | (3,807) |
| Less: Dividend distribution tax (refer note 14) | (775) |
| At 31 March 2018 | 146,174 |
| Add: Profit for the year | 40,705 |
| Less: Other comprehensive income (refer note 29) | (518) |
| Less: Cash dividends (refer note 14) | (5,076) |
| Less: Dividend distribution tax (refer note 14) | (1,043) |
| At 31 March 2019 | <u>180,242</u> |

(INR in lacs)

| | 31 March 2019 | 31 March 2018 |
|---------------------------|----------------|---------------|
| Total other equity | 201,580 | 166,947 |

14. Distribution made and proposed

(INR in lacs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Cash dividends on equity shares declared and paid: | | |
| Final dividend for the year ended on 31 March 2018: INR 4 per share (31 March 2017: INR 3 per share) | 5,076 | 3,807 |
| Dividend distribution tax on final dividend | 1,043 | 775 |
| | <u>6,119</u> | <u>4,582</u> |
| Proposed dividends on Equity shares: | | |
| Final cash dividend for the year ended on 31 March 2019: INR 5 per share (31 March 2018: INR 4 per share) | 6,344 | 5,076 |
| Dividend distribution tax on proposed dividend | 1,304 | 1,043 |
| | <u>7,648</u> | <u>6,119</u> |

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March.

15. Financial Liabilities

(INR in lacs)

| Particulars | 31 March 2019 | 31 March 2018 |
|--|----------------|----------------|
| (i) Trade payables | | |
| Trade payables | | |
| • Total outstanding dues of micro enterprises and small enterprises (refer note 37 for details of dues to micro and small enterprises) | 3,649 | 2,214 |
| • Total outstanding dues of creditors other than micro enterprises and small enterprises | 120,143 | 113,271 |
| | <u>123,792</u> | <u>115,485</u> |
| Current | 123,622 | 115,298 |
| Non-current | 170 | 187 |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | (INR in lacs) | |
|--------------------------------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| (ii) Other payables | | |
| Sundry deposits | 520 | 458 |
| Advance from customers | 2,484 | 2,202 |
| Payables for capital goods | 375 | 858 |
| Tax deducted at source (TDS) payable | 2,088 | 1,369 |
| Goods and service tax (GST) | 3,599 | 2,755 |
| Unclaimed dividend | 56 | 23 |
| Other statutory dues | 385 | 435 |
| | <u>9,507</u> | <u>8,100</u> |
| Current | 8,987 | 7,642 |
| Non-current | 520 | 458 |

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled as per agreed credit terms

Other payables are non-interest bearing and have an average term varying from 0 to 180 days

For explanations on the Company's credit risk management processes, refer note 41.

| Break up of financial liabilities carried at amortised cost | (INR in lacs) | |
|--|----------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| Trade payables | 123,792 | 115,485 |
| Other Payables | 9,507 | 8,100 |
| Total financial liabilities carried at amortised cost | <u>133,299</u> | <u>123,585</u> |

16. Provisions

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| (i) Provision for employee benefits | | |
| Provision for staff benefit schemes | 406 | 407 |
| Provision for gratuity (refer note 32) | 269 | 284 |
| Provision for compensated absence | 1,847 | 1,709 |
| | <u>2,522</u> | <u>2,400</u> |
| Breakup of provision for employee benefits | | |
| Current | 603 | 575 |
| Non-current | 1,919 | 1,825 |
| (ii) Others | | |
| Provisions for product warranties (refer below) | 13,931 | 10,280 |
| Provisions for litigations (refer below) | 5,534 | 5,357 |
| | <u>19,465</u> | <u>15,637</u> |
| Total provisions (i + ii) | <u>21,987</u> | <u>18,037</u> |
| Current | 3,351 | 2,938 |
| Non-current | 18,636 | 15,099 |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**Movement in other provisions**

| Provision for product warranties | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| At 1 April | 10,280 | 8,172 |
| Arising during the year | 5,582 | 4,470 |
| Utilised | (2,837) | (2,695) |
| Unused amounts reversed | 126 | (17) |
| Unwinding of discount due to passage of time | 780 | 350 |
| At 31 March | 13,931 | 10,280 |
| Current | 2,748 | 2,363 |
| Non-current | 11,183 | 7,917 |

Provision for product warranties

Provision for warranties is recognized on actuarial basis for expected warranty claims on products sold. It is expected that most of this cost will be paid over the warranty period as per warranty terms ranging from 1 to 10 years. Assumptions used to calculate the provision for warranties were based on current and previous year sales level and the failure trend in respect of defective products.

| Provisions for litigations (refer note 34) | (INR in lacs) | |
|---|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| At 1 April | 5,357 | 4,780 |
| Arising during the year | 716 | 1,562 |
| Unused amounts reversed | (539) | (985) |
| At 31 March | 5,534 | 5,357 |
| Current | - | - |
| Non-current | 5,534 | 5,357 |

Provisions for litigations

In view of large number of cases, it is not practicable to disclose individual details. Above provisions are affected by numerous uncertainties and management has taken all efforts to make a best estimate. Timing of economic benefit outflow will depend upon timing of decision of cases in litigation which is highly uncertain based on past experience of the management in other litigations. Hence, it is not possible to determine the exact period of outflow, if any, of funds for these litigations. Therefore, provision has been recorded at the gross value of liabilities.

17. Government grants

| Particulars | (INR in lacs) | |
|------------------------------|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| At 1 April | 678 | 735 |
| Received during the year | - | - |
| Amortisation during the year | 57 | 57 |
| At 31 March | 621 | 678 |
| Current | 57 | 57 |
| Non-current | 564 | 621 |
| | 621 | 678 |

Government grant has been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

18. Deferred revenue

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| At 1 April | 647 | 623 |
| Deferred during the year | 1,539 | 1,387 |
| Released to the statement of profit and loss | 1,456 | 1,363 |
| At 31 March | <u>730</u> | <u>647</u> |
| Current | <u>730</u> | 647 |
| Non-current | - | - |
| | <u>730</u> | <u>647</u> |

The deferred revenue relates to the advance received for the annual maintenance contract (AMC) charges received from the customer.

19. Income Tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Statement of Profit and Loss:

Profit or loss section

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Current income tax: | | |
| Current income tax charge | 22,320 | 19,954 |
| Adjustments in respect of current income tax of previous year | (6) | 109 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (372) | (1,048) |
| Income tax expense reported in the statement of profit and loss | <u>21,942</u> | <u>19,015</u> |

OCI section

Deferred tax related to items recognised in OCI during in the year:

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Net (gain)/loss on remeasurements of defined benefit plans | (278) | (150) |
| Income tax charged to OCI | <u>(278)</u> | <u>(150)</u> |

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March 2019 and 31 March 2018:

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Accounting profit before income tax | 62,647 | 54,082 |
| At statutory income tax rate of 34.944% (31 March 2018: 34.608%) | 21,891 | 18,717 |
| Adjustments in respect of current income tax of previous years | (6) | 109 |
| <i>Non-deductible expenses/ additional allowances for tax purposes:</i> | | |
| Employee stock option | 175 | 343 |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Cash Incentives | 23 | 45 |
| Interest and penalty charges | 16 | 39 |
| Depreciation on leasehold land | - | 2 |
| Weighted deduction claimed for research & development expenses | (479) | (477) |
| CSR expenditure | 322 | 263 |
| Effect of change in rates | - | (26) |
| At the effective income tax rate of 35.025% (31 March 2018: 35.159%) | 21,942 | 19,015 |
| Income tax expense reported in the Statement of Profit and Loss | 21,942 | 19,015 |
| | 21,942 | 19,015 |

Deferred tax

| Deferred tax relates to the following: | Balance Sheet | | Statement of Profit and Loss | |
|--|---------------|---------------|------------------------------|----------------|
| | (INR in lacs) | | (INR in lacs) | |
| Impact of Profit and Loss | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting purpose | (1,003) | (872) | 131 | (573) |
| Impact of expenditure charged to the statement of profit & loss in current year/earlier years but allowable for tax purpose on payment basis | 2,635 | 2,502 | (133) | (264) |
| Provision for doubtful debts and advances | 731 | 612 | (119) | (109) |
| Deferred grant | 251 | 271 | 20 | 17 |
| Discounting of warranty provisions | 106 | (167) | (273) | (120) |
| Others | - | 2 | 2 | 1 |
| Impacting OCI | | | | |
| Re-measurement gains on defined benefit plans | 720 | 442 | - | - |
| Deferred tax (income)/expense | | | (372) | (1,048) |
| Net deferred tax assets/(liabilities) | 3,440 | 2,790 | | |

Reflected in the balance sheet as follows:

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Opening balance as of 1 April | 2,790 | 1,592 |
| Tax income/(expense) during the period recognised in profit or loss | 372 | 1,048 |
| Tax income/(expense) during the period recognised in OCI | 278 | 150 |
| Closing balance as at 31 March | 3,440 | 2,790 |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

20. Revenue from operations

(A) Revenue from contracts with customers

| Particulars | (INR in lacs) | |
|--|----------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| Sale of products (including excise duty) | 520,691 | 479,721 |
| Sale of services | 17,837 | 16,219 |
| Total | 538,528 | 495,940 |

Goods and Service Tax (GST) was effective from 1 July 2017, consequently excise duty, value added tax (VAT), service tax etc. were replaced with GST. Until 30 June 2017, 'Sale of products' includes the amount of excise duty recovered on sales amounting to INR 15,392 lacs. The Company collects GST on behalf of the Government and not included in 'Sale of products', and therefore revenue from 'Sale of products' for the year ended 31 March 2019 is not comparable with that of the previous year.

20.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Segment | (INR in lacs) | |
|--|----------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| Type of goods | | |
| Revenue from external customers | 520,691 | 479,721 |
| Total revenue from contracts with customers | 520,691 | 479,721 |
| India | 503,404 | 463,368 |
| Outside India | 17,287 | 16,353 |
| Total revenue from contracts with customers | 520,691 | 479,721 |
| Type of Services | | |
| Revenue from external customers | 17,837 | 16,219 |
| Total revenue from contracts with customers | 17,837 | 16,219 |
| India | 2,323 | 2,204 |
| Outside India | 15,514 | 14,015 |
| Total revenue from contracts with customers | 17,837 | 16,219 |

20.2 Contract balances

| Particulars | (INR in lacs) | |
|----------------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Trade receivables | 25,562 | 24,031 |
| Contract liabilities | 2,484 | 2,202 |

Trade receivables are non interest bearing. Credit period generally falls in the range of 0 to 135 days.

Contract liabilities consist of short-term advances received to supply goods from customer.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**20.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

| Particulars | (INR in lacs) | |
|---------------------------------------|----------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| Revenue as per contracted price | 657,577 | 620,682 |
| Less: Adjustments | | |
| Sales return | (7,196) | (640) |
| Discount | (111,853) | (108,710) |
| Excise duty on sale of goods | - | (15,392) |
| Revenue from contracts with customers | <u>538,528</u> | <u>495,940</u> |

20.4 Performance obligations

The performance obligation is satisfied upon delivery of the product and payment is generally due within 0 to 135 days from delivery.

(B) Other operating income

| Particulars | (INR in lacs) | |
|-------------------------------|----------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| Export incentives | 1,237 | 2,643 |
| Total | <u>1,237</u> | <u>2,643</u> |
| Grand Total ((A)+ (B)) | <u>539,765</u> | <u>498,583</u> |

21. Other income

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Interest income on | | |
| Bank deposits | 6,816 | 5,874 |
| Investments in unquoted debt securities | 1,880 | 1,169 |
| Financial assets valued at amortised cost | 121 | 109 |
| Others | 33 | - |
| Other non-operating income | | |
| Government grants (refer note 17) | 57 | 57 |
| Net gain on disposal of property, plant and equipment | 51 | - |
| Fair value gain on financial instruments at fair value through profit or loss | - | 116 |
| Exchange differences (net) | 842 | 1,082 |
| Provision no longer required written back | 35 | 63 |
| Miscellaneous | 635 | 202 |
| | <u>10,470</u> | <u>8,672</u> |

Government grant has been received for the purchase of certain assets of plant and equipment in the prior years. There are no unfulfilled conditions or contingencies attached to these grants.

Fair value gain on financial instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting and embedded derivatives.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

22. Cost of raw material and components consumed

| Particulars | (INR in lacs) | |
|--|----------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| Inventory at the beginning of the year | 15,623 | 12,043 |
| Add: Purchases | 307,410 | 233,173 |
| | <u>323,033</u> | <u>245,216</u> |
| Less: Sale of raw material and components | 8,481 | 7,042 |
| Less: Inventory at the end of the year | 17,582 | 15,623 |
| Cost of raw material and components consumed | <u>296,970</u> | <u>222,551</u> |

23. Changes in inventories of finished goods, work in progress and stock in trade

| Particulars | (INR in lacs) | |
|---|----------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Inventory at the beginning of the year | | |
| Work in progress (a) | 44 | 91 |
| Spares for finished goods (b) | 7,322 | 6,529 |
| Finished goods (c) | 37,284 | 46,278 |
| Stock in trade (d) | 20,471 | 23,752 |
| | <u>65,121</u> | <u>76,650</u> |
| Inventory at the end of the year | | |
| Work in progress (e) | 42 | 44 |
| Spares for finished goods (f) | 7,751 | 7,322 |
| Finished goods (g) | 49,104 | 37,284 |
| Stock in trade (h) | 14,199 | 20,471 |
| | <u>71,096</u> | <u>65,121</u> |
| (Increase)/Decrease in Inventories | | |
| Work in progress (a-e) | 2 | 47 |
| Spares for finished goods (b-f) | (429) | (793) |
| Finished goods (c-g) | (11,820) | 8,994 |
| Stock in trade (d-h) | 6,272 | 3,281 |
| | <u>(5,975)</u> | <u>11,529</u> |

24. Employee benefits expense

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Salaries, wages and bonus | 44,554 | 40,713 |
| Cash Incentives (refer note 13) | 66 | 131 |
| Contribution to provident and other funds | 1,474 | 1,375 |
| Employee stock option (refer note 33) | 499 | 991 |
| Other post employment benefits | 114 | 113 |
| Gratuity (refer note 32) | 315 | 313 |
| Staff welfare | 2,283 | 1,889 |
| | <u>49,305</u> | <u>45,525</u> |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**25. Depreciation and amortisation expense****(INR in lacs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|--|----------------------|----------------------|
| Depreciation of tangible assets (refer note 3) | 10,930 | 9,984 |
| Amortisation of intangible assets (refer note 4) | 201 | 167 |
| | 11,131 | 10,151 |

26. Other expenses**(INR in lacs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|---|----------------------|----------------------|
| Consumption of stores and spares | 606 | 482 |
| Processing charges | 449 | 178 |
| Customer service | 9,585 | 9,188 |
| Excise duty on increase/(decrease) in inventory | - | (2,091) |
| Power and fuel | 3,715 | 3,140 |
| Freight and forwarding | 32,701 | 29,394 |
| Rent | 7,415 | 7,256 |
| Rates and taxes | 88 | 446 |
| Insurance | 340 | 361 |
| Repairs and maintenance | | |
| Plant and machinery | 1,328 | 1,269 |
| Buildings | 540 | 549 |
| Others | 1,317 | 1,134 |
| Corporate social responsibility (CSR) (refer details below) | 921 | 759 |
| Advertising and sales promotion | 6,921 | 7,285 |
| Royalty | 5,080 | 4,573 |
| Travelling and conveyance | 3,441 | 3,771 |
| Legal and professional | 1,821 | 1,977 |
| Technical Know-How | 2,454 | 2,111 |
| Directors' sitting fees | 56 | 49 |
| Payment to auditor (refer details below) | 33 | 31 |
| Loss on sale of fixed assets (net) | - | 70 |
| Allowances for doubtful debts and advances | 374 | 355 |
| Research expenses (refer note 28) | 3,523 | 3,570 |
| Fair value loss on financial instruments at fair value through profit or loss | 636 | - |
| Miscellaneous | 5,446 | 5,932 |
| | 88,790 | 81,789 |

Fair value loss on financial instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting and embedded derivatives.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Payment to Auditors*

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| As auditor: | | |
| Audit fee (Including limited review) | 29 | 28 |
| In other capacity: | | |
| Other services (certification fees) (INR 1 lac relating to earlier year) | 3 | 1 |
| Reimbursement of expenses | 2 | 2 |
| | 34 | 31 |

* Excludes applicable taxes.

Details of CSR expenditure:

| Particulars | (INR in lacs) | | |
|--|----------------|------------------------|---------------|
| | | 31 March 2019 | 31 March 2018 |
| (a) Gross amount required to be spent by the Company during the year | | 916 | 750 |
| (b) Amount spent during the year ending on 31 March 2019: | In cash | Yet to be paid in cash | Total |
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 699 | 222 | 921 |
| (b) Amount spent during the year ending on 31 March 2018: | In cash | Yet to be paid in cash | Total |
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 567 | 192 | 759 |

27. Finance costs

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Interest | | |
| - on banks | - | 5 |
| - others | 46 | - |
| Bank charges | 83 | 84 |
| Unwinding of discount due to passage of time (refer note 16) | 780 | 350 |
| Total finance costs | 909 | 439 |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**28. Research expenses**

| Particulars | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| The Company has four in-house research and development centres, which undertakes the research and development activities for the Company. Research and development costs that are not eligible for capitalisation are expensed in the period incurred and are recognised in other expenses. Breakup of such expenses are as under- | | |
| Particulars | | |
| Raw Materials & components, finished goods and spares consumed | 1,113 | 1,219 |
| Salaries, wages and bonus | 1,176 | 1,058 |
| Contribution to provident and other funds | 42 | 35 |
| Other post employment benefits | 17 | 15 |
| Staff welfare | 65 | 63 |
| Travelling and conveyance | 298 | 275 |
| Depreciation and amortisation expense | 301 | 184 |
| Others | 511 | 721 |
| | 3,523 | 3,570 |

29. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI in equity is shown below:

| Particulars | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Re-measurement gains/(losses) on defined benefit plans (net of tax effect thereon) | (518) | (279) |
| | (518) | (279) |

30. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars | 31 March 2019 | 31 March 2018 |
|---|----------------------|----------------------|
| Profit attributable to equity holders of the Company for basic and diluted earnings (INR in lacs) | 40,705 | 35,067 |
| Weighted average number of Equity shares for basic and diluted EPS | 126,871,830 | 126,871,830 |
| Basic and Diluted EPS (in INR) | 32.08 | 27.64 |

31. Significant accounting judgements, estimates and assumptions

The preparation of the standalone 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 affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements.

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue of contract with customers:

Determining method to estimate variable consideration and assessing the constraint:

Certain contracts for the sale of products include a right to return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use the most appropriate method based on which Company can predict the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the most appropriate method in estimating the variable consideration for the sale of products with rights of return and volume rebates, given the large number of customer contracts that have similar characteristics.

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 condition. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant 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.

Share-based payments

The Company measures the cost of equity-settled transactions with employees by ultimate holding company using a Black Scholes Options Pricing model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 33.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical 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 include the determination of the discount rate, future salary increases and mortality rates. 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, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 32.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**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 valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 40 and 41 for further disclosures.

Product warranties accruals

The provisions for product warranties, on account of goods sold, recorded in the balance sheet on the basis of actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and failure rates. Due to the complexities involved in the valuation and its long-term nature, a provision for product warranty 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, the management considers the interest rates of government bonds in currencies consistent with the currencies of the product warranty provision.

The failure rate is based on actual number of calls received by the Company from customers on account of complaints. Further details about provisions for product warranties are given in note 16.

32. Gratuity and other post-employment benefit plans

Gratuity (being administered by a Trust) is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employee completing 5 years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions as demanded by the insurer are deposited, to a Gratuity Trust Fund established to provide gratuity benefits. The Trust has taken an Insurance policy, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

The Company also provide certain additional retirement benefits to the employees of the Faridabad Refrigeration Operations where INR 35,000 is paid to employee on his retirement. This retirement benefit is an unfunded defined benefit scheme. The Company makes provision of such liability on the basis of actuarial valuation carried out by an independent actuary.

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 balance sheet for the respective plans:

Additional Employee benefit

| Particulars | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Past service cost | - | - |
| Interest cost on benefit obligation | 4 | 5 |
| Net actuarial (gain) / loss recognised in the year | 14 | 25 |
| Net benefit expense | 18 | 30 |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Changes in the present value of the defined benefit obligation of additional employee benefits are as follows :

| | (INR in lacs) |
|--|---------------|
| Defined benefit obligation at 1 April 2017 | 144 |
| Interest cost | 5 |
| Service cost | - |
| Benefits paid | (22) |
| Actuarial (gains) / losses on obligation | 25 |
| Defined benefit obligation at 31 March 2018 | 152 |
| Interest cost | 4 |
| Service cost | - |
| Benefits paid | (12) |
| Actuarial (gains) / losses on obligation | 14 |
| Defined benefit obligation at 31 March 2019 | 158 |

Gratuity Plan

| | Gratuity cost charged to the Statement of Profit and Loss | | | Remeasurement gains/(losses) in other comprehensive income | | | | (INR in lacs) | | | |
|--|---|--------------|--------------------------------|--|---------------|--|---|------------------------|---------------------------|---------------------------|----------|
| | 1 April | Service cost | Net interest expense/ (Income) | Sub-total included in profit or loss (refer note 24) | Benefits paid | Return on plan assets (excluding amounts included in net interest expense) | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI | Contributions by employer | 31 March |

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2019:

| | | | | | | | | | | | |
|----------------------------|--------------|-------|-------|---------------|-------|-----|------|-------|--------------|-------------|--------------|
| Defined benefit obligation | (7,316) | (385) | (446) | (831) | 846 | - | (58) | (838) | (896) | - | (8,197) |
| Fair value of plan assets | 7,032 | - | 496 | 496 | (846) | 100 | - | - | 100 | 1,146 | 7,928 |
| Benefit liability | (284) | | | (335)* | | | | | (796) | 1146 | (269) |

* Includes expenses reclassified as research expenses of INR 20 lacs.

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2018:

| | | | | | | | | | | | |
|----------------------------|-------------|-------|-------|---------------|-------|------|------|-------|--------------|------------|--------------|
| Defined benefit obligation | (6,733) | (379) | (403) | (782) | 558 | - | (94) | (265) | (359) | - | (7,316) |
| Fair value of plan assets | 6,647 | - | 455 | 455 | (558) | (70) | - | - | (70) | 558 | 7,032 |
| Benefit liability | (86) | | | (327)* | | | | | (429) | 558 | (284) |

* Includes expenses reclassified as research expenses of INR 14 lacs.

The major categories of plan assets of the fair value of the total plan assets are as follows:

| | (INR in lacs) | |
|------------------------------|---------------|---------------|
| Particulars | 31 March 2019 | 31 March 2018 |
| Unquoted investments: | | |
| Insurance Scheme Products | 7,928 | 7,032 |
| Total | 7,928 | 7,032 |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The principal assumptions used in determining gratuity and post-employment benefit obligations for the Company's plans are shown below:

| | (INR in lacs) | |
|---------------------------------|--------------------|--------------------|
| | 31 March 2019 % | 31 March 2018 % |
| Discount rate: | | |
| Gratuity plan | 7.00 | 7.20 |
| Additional Employee benefit | 7.00 | 7.20 |
| Future salary increases: | | |
| Gratuity plan | 6.0 | 6.0 |
| Additional Employee benefit | NA | NA |
| Life expectation for: | Years | Years |
| Gratuity plan | 7.00 | 7.60 |
| Additional Employee benefit | NA | NA |

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 and 31 March 2018 is as shown below:

Gratuity plan:**Impact on defined benefit obligation**

| Assumptions | (INR in lacs) | | | |
|-------------------|---------------|---------------|-------------------------|---------------|
| | Discount rate | | Future salary increases | |
| Sensitivity Level | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| 31 March 2019 | 144 | (150) | (151) | 146 |
| 31 March 2018 | 151 | (122) | (25) | 243 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Within the next 12 months (next annual reporting period) | 2,568 | 1,968 |
| Between 2 and 5 years | 4,769 | 4,283 |
| Between 5 and 10 years | 3,854 | 3,830 |
| Total expected payments | 11,191 | 10,081 |

The average duration of the defined benefit plan obligation at the end of the reporting period is 13.47 years (31 March 2018: 13.54 years).

33. Share-based payments

The Company does not provide any share-based compensation to its employees. However, the ultimate holding company, Whirlpool Corporation, USA has provided various share-based payment schemes to employees.

A. Details of these plans are given below:**I. Employee Stock Options**

A stock option gives an employee, the right to purchase shares of Whirlpool Corporation at a fixed price for a specific period of time. The grant price (or strike price) is fixed based on the closing price of Whirlpool Corporation common stock on the date of grant. Stock options vest in three equal annual installments and expire in ten years from the date they are granted.

II. Restricted Stock Units (RSU) & Performance Stock Units (PSU)

- a. **Performance** - These are the units of stock granted to employee at nil exercise price. It converts one for one shares of Whirlpool Corporation at the end of the vesting period of three years.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

- b. Time based - These are the units of stock granted to employee at nil exercise price. It converts one for one shares of Whirlpool Corporation at the end of the vesting period. One third of the option vests after one year, another one third vests after two years and final one third will vests after three years.

The expense recognised for employee services received during the year is shown in the following table:

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Expense arising from equity-settled share-based payment transactions | 499 | 991 |
| Total expense arising from share-based payment | 499 | 991 |

There were cancellations in employee stock options and restricted stock units (RSU) and performance stock units (PSU). Refer below movement for details.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements during the year:

(a) Employee Stock Option

| | 31 March 2019 | 31 March 2019 | 31 March 2018 | 31 March 2018 |
|---------------------------|----------------------|------------------|----------------------|------------------|
| | Number | WAEP | Number | WAEP |
| Outstanding at 1 April | 37,251 | \$ 139.25 | 35,217 | \$ 132.95 |
| Granted during the year | - | - | 4,883 | \$ 172.10 |
| Forfeited during the year | (604) | \$191.32 | (1,542) | \$ 166.59 |
| Exercised during the year | (3,374) ¹ | \$ 71.73 | (1,307) ¹ | \$ 59.85 |
| Expired during the year | - | - | - | - |
| Outstanding at 31 March | <u>33,273</u> | <u>\$ 145.15</u> | <u>37,251</u> | <u>\$ 139.25</u> |
| Exercisable at 31 March | <u>28,116</u> | <u>\$ 139.69</u> | 26,010 | \$ 126.69 |

¹The weighted average share price at the date of exercise of these options was \$ 142.29 (31 March 2018: \$ 180.06)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2019 was 5.96 years (31 March 2018:6.62 years).

The weighted average fair value of options granted during the year was \$ Nil (31 March 2018: \$35.47).

The range of exercise prices for options outstanding at the end of the year was \$ 71.03 to \$ 213.23 (31 March 2018: \$31.82 to \$213.23).

The following tables list the inputs to the models used for the options granted during the year ended 31 March 2019 and 31 March 2018, respectively:

For year ended 31 March 2019:

No options have been granted during the year.

For year ended 31 March 2018:

| | Grant I | Grant II |
|--|---------------|---------------|
| Dividend yield (%) | 2.13 | 2.38 |
| Expected volatility (%) | 29.00 | 26.78 |
| Risk-free interest rate (%) | 1.93 | 2.63 |
| Expected life of share options (years) | 4.27 | 4.31 |
| Weighted average share price (\$) | 171.33 | 172.70 |
| Model used | Black-Scholes | Black-Scholes |

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**(b) Restricted Stock and Performance Share Units**

| | 31 March 2019 | 31 March 2018 |
|--|--------------------------|----------------------|
| | Number of options | |
| Outstanding at the beginning of the year | 17,017 | 17,441 |
| Granted during the year | 8,098 | 1,622 |
| Transfer/ Forfeited during the year | 297 | 271 |
| Exercised during the year | 2,397 | 1,775 |
| Outstanding at the end of the year | 22,421 | 17,017 |

34. Commitments and contingencies**a. Leases****i. Operating lease commitments – Company as lessee**

Lease rent agreement are for computer hardware devices, licenses and software's, vehicles, offices, godowns and warehouses. There are no subleases and there are no restrictions imposed by lease arrangements. Leases are renewable on mutual consent of both the parties.

The Company has paid INR 7,415 lacs (31 March 2018: INR 7,256 lacs) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

| | (INR in lacs) | |
|---|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Within one year | 1,800 | 1,741 |
| After one year but not more than five years | 2,981 | 3,999 |
| More than five years | 347 | 437 |
| | <u>5,128</u> | <u>6,177</u> |

ii. Operating lease commitments – Company as lessor

The Company has entered into operating lease for a specific area of its building located at Faridabad (having net book value of INR 11 lacs as at 31 March 2019 and INR 13 lacs as at 31 March 2018). The lease is renewable with mutual consent of both the parties. The income recognised in the Statement of profit and loss under the head "Other Income" is INR 96 lacs (31 March 2018: INR 96 lacs).

b. Commitments

Capital work contracted but still under execution (net of advances) is estimated at INR 5,452 lacs (31 March 2018: INR 4,231 lacs).

c. Contingent liabilities**I. Direct tax litigations**

| | (INR in lacs) | |
|--|----------------------|----------------------|
| Particulars | 31 March 2019 | 31 March 2018 |
| Transfer Pricing adjustments (refer note (a)) | 124,714 | 121,352 |
| Other than transfer pricing adjustments (refer note (b)) | 4,199 | 4,275 |
| Total | <u>128,913</u> | <u>125,627</u> |

a) For AY 2003-04 to 2005-06, the assessing officer made additions amounting to INR 17,703 lacs (31 March 2018: INR 21,331 lacs) on account of transfer pricing adjustment for differences between the arm's length price and prices charged/received by the Company from associated enterprises. During the year, the Company

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

has received a favorable order from appellate authority for AY 2003-04 giving a relief for an amount of INR 3,628 lacs.

For AY 2008-09 to 2015-16, Transfer Pricing Adjustments were made by the Transfer Pricing Officer/ Assessing Officer amounting to INR 107,001 lacs (31 March 2018: INR 100,021 lacs) on account of alleged excess expenditure on Advertisement, Marketing and Sales Promotion (AMP) expenses incurred by the Company for promotion of ‘Whirlpool’ brand owned by the holding company. During the FY 2018-19, the company has received appellate order (s) for AY 2009-10 to AY 2014-15, from Hon’ble ITAT setting aside the order(s) of the Assessing Officer / Transfer Pricing officer. The appellate orders are based on the order of Hon’ble High Court for AY 2008-09 where it was held that there was no international transaction between the company and its Associates Enterprises and consequently, no transfer pricing adjustment is called for. However, the Tax Department has challenged the order of the Hon’ble High Court for A.Y. 2008-09 by filing Special Leave Petition (SLP) before the Hon’ble Supreme Court, Accordingly, the final consequence of TP adjustments involved for all A.Y. 2008-09 to AY 2014-15 on account of AMP expenses adjustments will depend on the acceptance /outcome of the pending SLP of Tax Department for A.Y. 2008-09.

- b) In the Income-tax assessments for preceding assessment years, the Assessing Officer has made disallowances of various expenses. These matters pertain to AY 1994-95 to 2015-16.

During the current year, the Company has received favorable order from appellate authorities amounting to INR 5,236 lacs for AY 2008-09. Further, for AY 2010-11 and 2011-12, ITAT has set aside and remanded back to the assessing officer for issuance of fresh assessment order.

All of the above mentioned matters are pending with various judicial/appellate authorities including DRP, CIT(A), ITAT, High court and Supreme court. For some of the matters, judicial/appellate authorities have decided the cases in favor of the Company. However, these are being contested again by the Department of Income tax.

The Company believes that it has merit in these cases and it is only possible, but not probable, that these cases may be decided against the Company. Hence, these have been disclosed as contingent liability and no provision for any liability has been deemed necessary in the financial statements.

II. Other litigations

| Particulars | (INR in lacs) | |
|--|------------------------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| i. Claims against the Company not acknowledged as debts: These claims are in respect of various cases filed by ex-employees, consumers and trade partners. The legal proceedings are on going and therefore it is not practicable to state the timing of any payment. The management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been recognised in these financial statements. | 602 | 1,074 |
| ii. Others – Pending litigations - Excise duty and service tax - Sales tax/ value added tax assessments In view of large number of cases, it is not practicable to disclose individual details of all the cases. On the basis of current status of individual case and as per legal advice obtained by the Company, wherever applicable, the Company is confident of winning the above cases and is of view that no provision is required in respect of these litigations. The Company has also submitted bank guarantees with respective government authorities towards some of these pending litigations which have been included in point (d) below. | 2,010 3,110 | 2,116 3,167 |
| iii. Letter of credits with bank | 12,539 | 9,003 |
| iv. Bank Guarantees for performance commitment (excluding financial guarantees given to Government Authorities). | 156 | 68 |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

III. During the previous year, the Government of India - Ministry of Environment, Forest and Climate Change amended the E-Waste (Management) Rules 2016 and issued E-Waste (Management) Amendment Rules, 2018 (“E-waste Rules”). As per the E-Waste Rules, Companies dealing in certain categories of products as specified therein are required to undertake specific activities to channelize a specified quantity of E-Waste. Presently the impact of non compliance with the requirements of these rules is not ascertainable since the necessary guidelines from Central Pollution Control Board (CPCB) are awaited.

The obligation to channelize E-Waste is applicable to the Company w.e.f 1 October 2017. Based on the estimates made by the management in accordance with the relevant provisions of the E-Waste rules, the Company was required to channelize 12,403MT (31 March 2018 : 3,140 MT) of E-waste out of which 12,497 MT (31 March 2018 : 2,340 MT) has been channelised during the year by the Company.

IV. The Hon’ble Supreme Court of India (“SC”) by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Based on the legal opinion, pending decision on the subject review petition and directions from the EPFO, the management has a view that the applicability of the decision is prospective and accordingly, the Company after analyzing all the allowances in the pay structure has implemented the judgement prospectively from March 2019. The impact for the past period, will depend upon the outcome of subject review petition and directions from the EPFO and hence has been disclosed as a Contingent liability in the financial statements. The impact of the same is not ascertainable.

d. Financial guarantees

Bank Guarantees given to Government Authorities for various tax litigations amounts to INR 1,382 lacs (31 March 2018: INR 1,275 lacs).

35. Related party transactions

Following are the Related Parties and transactions entered with related parties for the relevant financial year:

| | |
|---|--|
| Key Management Personnel | 1. Mr. Arvind Uppal, Chairman & Non Executive Director 2. Mr. Sunil D’Souza, Managing Director 3. Mr. Anil Berera, Executive Director & Chief Financial Officer (Till 11 May, 2018) 4. Mr. AHB Narayana Reddy, Executive Director 5. Mrs. Roopali Singh, Company Secretary 6. Mr. Sanjiv Verma, Independent Director 7. Mr. Anand Bhatia, Independent Director 8. Mr. Yatin Malhotra, Chief Financial Officer (w.e.f 11 May, 2018) 9. Mrs. Sonu Bhasin, Independent Director |
| Parties having direct or indirect control over the Company | 1. Whirlpool Corporation (Ultimate Holding Company) 2. Whirlpool Mauritius Limited (Holding Company) |
| Group Companies / Enterprise where common control exists and with whom transactions have taken place during the year. | 1. Whirlpool Technologia 2. Whirlpool S.A. 3. Whirlpool Southeast Asia Pte 4. Whirlpool (Hong Kong) Limited 5. Whirlpool (China) Investment Co. Ltd. 6. Guangdong Whirlpool Electrical Appliances Co. Ltd. 7. Whirlpool Product Development (Shenzhen) Co. Ltd. 8. Whirlpool (Australia) Pty Limited |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| | |
|---|--|
| | 9. Whirlpool Asia LLP 10. Whirlpool Europe S.R.L. 11. Whirlpool Poland SA 12. Whirlpool South Africa (Pty) Ltd. 13. Beijing Embraco Snowflake Compressor Co. Ltd. 14. Indesit Company SpA 15. Whirlpool EMEA S.p.a 16. Whirlpool Marocs.a.r.l 17. Whirlpool Taiwan Ltd. 18. Whirlpool Slovakia Spols.r.o 19. Whirlpool Properties Inc. 20. Whirlpool Microwave Products Development Limited 21. Whirlpool France S.A.S. 22. Whirlpool Overseas Hong Kong Ltd. 23. Indesit Company Polska Sp.z.oo. 24. Whirlpool (China) Co. Ltd |
| Companies where Joint control exists and with whom transaction have taken place during the year | 1. Elica PB India Private Limited (w.e.f 10 September 2018) |
| Entities under Significant influence of Key management personnel | 1. Whirlpool of India Gratuity Fund 2. Whirlpool of India Superannuation Scheme |

| Particulars | Ultimate Holding Company/Holding Company (INR in Lacs) | | Enterprises under common control (INR in Lacs) | | Companies where Joint control exists (INR in Lacs) | | Entities under Significant influence of Key management personnel | |
|---|--|---------------|--|---------------|--|---------------|--|---------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| A) Transactions | | | | | | | | |
| (1) Purchase of raw materials and spare parts (net of returns) | | | | | | | | |
| - Whirlpool Corporation | 17 | 22 | - | - | - | - | - | - |
| - Whirlpool Microwave Products Development Limited | - | - | 11 | 21 | - | - | - | - |
| - Whirlpool EMEA S.p.a. | - | - | 141 | 24 | - | - | - | - |
| - Beijing Embraco Snowflake Compressor Co. Ltd. | - | - | 4,832 | 2,221 | - | - | - | - |
| - Whirlpool (China) Investment Co. Ltd. | - | - | 112 | 518 | - | - | - | - |
| - Others | - | - | 1 | 1 | - | - | - | - |
| Total | 17 | 22 | 5,097 | 2,785 | - | - | - | - |
| (2) Purchase of trading goods (net of returns) | | | | | | | | |
| - Whirlpool Corporation | 567 | 512 | - | - | - | - | - | - |
| - Whirlpool EMEA S.p.a. | - | - | 1,634 | 3,669 | - | - | - | - |
| - Whirlpool (China) Co., Ltd | - | - | 620 | - | - | - | - | - |
| - Whirlpool Microwave Products Development Limited | - | - | 576 | 783 | - | - | - | - |
| - Whirlpool Slovakia SpolSro | - | - | 1,272 | 1,707 | - | - | - | - |
| - Elica PB India Private Limited | - | - | - | - | 203 | - | - | - |
| - Others | - | - | 175 | 411 | - | - | - | - |
| Total | 567 | 512 | 4,277 | 6,570 | 203 | - | - | - |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | Ultimate Holding Company/Holding Company (INR in Lacs) | | Enterprises under common control (INR in Lacs) | | Companies where Joint control exists (INR in Lacs) | | Entities under Significant influence of Key management personnel | |
|---|--|---------------|--|---------------|--|---------------|--|---------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| (3) Purchase of capital goods | | | | | | | | |
| - Whirlpool (China) Investment Co. Ltd. | - | - | 1,156 | - | - | - | - | - |
| Total | - | - | 1,156 | - | - | - | - | - |
| (4) Sale of manufactured goods (net of returns) | | | | | | | | |
| - Whirlpool Europe S.R.L. | - | - | 13 | 24 | - | - | - | - |
| - Whirlpool Southeast Asia Pte | - | - | 3,850 | 3,685 | - | - | - | - |
| - Whirlpool EMEA S.p.a. | - | - | 1,128 | 1,158 | - | - | - | - |
| - Whirlpool Marocs.a.r.l | - | - | 533 | 380 | - | - | - | - |
| - Whirlpool (Australia) Pty Limited. | - | - | 544 | 733 | - | - | - | - |
| - Elica PB India Private Limited | - | - | - | - | 1,485 | - | - | - |
| - Others | - | - | 135 | 645 | - | - | - | - |
| Total | - | - | 6,203 | 6,625 | 1,485 | - | - | - |
| (5) Reimbursement of expenses incurred on behalf of the parties by Company | | | | | | | | |
| - Whirlpool Corporation | 1,737 | 964 | - | - | - | - | - | - |
| - Whirlpool Asia LLP | - | - | 122 | 92 | - | - | - | - |
| - Whirlpool EMEA S.p.a. | - | - | 66 | 277 | - | - | - | - |
| - Others | - | - | 316 | 373 | - | - | - | - |
| Total | 1,737 | 964 | 504 | 742 | - | - | - | - |
| (6) Reimbursement of expenses incurred on behalf of the Company by parties | | | | | | | | |
| - Whirlpool Corporation | 1,177 | 193 | - | - | - | - | - | - |
| - Whirlpool Product Development (Shenzhen) Co. Ltd | - | - | 40 | 40 | - | - | - | - |
| - Whirlpool Asia LLP | - | - | 1,127 | 896 | - | - | - | - |
| - Whirlpool (China) Investment Co.Ltd. | - | - | 125 | 193 | - | - | - | - |
| - Others | - | - | 86 | 41 | - | - | - | - |
| Total | 1,177 | 193 | 1,378 | 1,170 | - | - | - | - |
| (7) Sale of services | | | | | | | | |
| - Whirlpool Corporation | 13,349 | 10,324 | - | - | - | - | - | - |
| - Whirlpool EMEA S.p.a. | - | - | - | 1,764 | - | - | - | - |
| - Others | - | - | 2,218 | 1,939 | - | - | - | - |
| Total | 13,349 | 10,324 | 2,218 | 3,703 | - | - | - | - |
| (8) Royalty fee (Brand Assistance) | | | | | | | | |
| - Whirlpool Properties Inc. | - | - | 5,080 | 4,573 | - | - | - | - |
| Total | - | - | 5,080 | 4,573 | - | - | - | - |
| (9) Technical know-how fee (Brand Assistance) | | | | | | | | |
| - Whirlpool Corporation | 2,454 | 2,111 | - | - | - | - | - | - |
| Total | 2,454 | 2,111 | - | - | - | - | - | - |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | Ultimate Holding Company/Holding Company (INR in Lacs) | | Enterprises under common control (INR in Lacs) | | Companies where Joint control exists (INR in Lacs) | | Entities under Significant influence of Key management personnel | |
|---|--|---------------|--|---------------|--|---------------|--|---------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| (10) Contributions made by the Company | | | | | | | | |
| - Whirlpool of India Limited Gratuity Fund | - | - | - | - | - | - | 300 | - |
| - Whirlpool of India Superannuation Scheme | - | - | - | - | - | - | 79 | 94 |
| Total | - | - | - | - | - | - | 379 | 94 |
| (11) Dividend paid during the year | | | | | | | | |
| Whirlpool Mauritius Limited | 3,807 | 2,855 | - | - | - | - | - | - |
| Total | 3,807 | 2,855 | - | - | - | - | - | - |
| (12) Investment in unquoted debt securities | | | | | | | | |
| - Whirlpool S.A. | - | - | - | 32,030 | - | - | - | - |
| Total | - | - | - | 32,030 | - | - | - | - |
| (13) Interest income on unquoted debt securities | | | | | | | | |
| - Whirlpool Corporation | 532 | 486 | - | - | - | - | - | - |
| - Whirlpool S.A. | - | - | 1,348 | 683 | - | - | - | - |
| Total | 532 | 486 | 1,348 | 683 | - | - | - | - |
| B) Balance outstanding at the year end: | | | | | | | | |
| Trade receivables* | | | | | | | | |
| - Whirlpool Corporation | 1,698 | 1,438 | - | - | - | - | - | - |
| - Whirlpool Southeast Asia Pte | - | - | 357 | 1,448 | - | - | - | - |
| - Whirlpool Europe S.R.L. | - | - | 35 | 46 | - | - | - | - |
| - Whirlpool South Africa (Pty) Ltd | - | - | 9 | 657 | - | - | - | - |
| - Whirlpool Overseas Hong Kong Ltd. | - | - | 352 | 113 | - | - | - | - |
| - Elica PB India Private Limited | - | - | - | - | 1,261 | - | - | - |
| - Others | - | - | 765 | 364 | - | - | - | - |
| Total | 1,698 | 1,438 | 1,518 | 2,628 | 1,261 | - | - | - |
| Trade payables* | | | | | | | | |
| - Whirlpool Corporation | 2,024 | 742 | - | - | - | - | - | - |
| - Whirlpool Properties Inc. | - | - | 1,190 | 1,149 | - | - | - | - |
| - Whirlpool EMEA S.p.a. | - | - | 927 | 1,420 | - | - | - | - |
| - Whirlpool Microwave Products Development Limited | - | - | 103 | 143 | - | - | - | - |
| - Whirlpool Europe S.R.L. | - | - | - | 12 | - | - | - | - |
| - Beijing Embraco Snowflake Compressor Co. Ltd. | - | - | 2,446 | 52 | - | - | - | - |
| - Whirlpool Slovakia Spols.r.o | - | - | 457 | 1,208 | - | - | - | - |
| - Whirlpool (China) Investment Co. Ltd. | - | - | 1,563 | 803 | - | - | - | - |
| - Elica PB India Private Limited | - | - | - | - | 99 | - | - | - |
| - Others | - | - | 24 | 220 | - | - | - | - |
| Total | 2,024 | 742 | 6,710 | 5,007 | 99 | - | - | - |
| Investment in unquoted debt securities* | | | | | | | | |
| - Whirlpool Corporation | 13,712 | 13,712 | - | - | - | - | - | - |
| - Whirlpool S.A. ** | - | - | 32,030 | 32,030 | - | - | - | - |
| Total | 13,712 | 13,712 | 32,030 | 32,030 | - | - | - | - |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | Ultimate Holding Company/Holding Company (INR in Lacs) | | Enterprises under common control (INR in Lacs) | | Companies where Joint control exists (INR in Lacs) | | Entities under Significant influence of Key management personnel | |
|--|--|---------------|--|---------------|--|---------------|--|---------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Investment in unquoted equity shares | | | | | | | | |
| - Elica PB India Private Limited# | - | - | - | - | 16,244 | - | - | - |
| Total | - | - | - | - | 16,244 | - | - | - |
| Interest receivable on unquoted debt securities | | | | | | | | |
| - Whirlpool Corporation | 258 | 159 | - | - | - | - | - | - |
| - Whirlpool S.A. | - | - | 745 | 683 | - | - | - | - |
| Total | 258 | 159 | 745 | 683 | - | - | - | - |

* Exclusive of reinstatement due to exchange fluctuation.

** The ultimate holding company has given the guarantee against the investment.

#The amount does not include the cost incurred by the Company at time of acquisition of shares which has been reported in the total investment amount in the financial statements.

Terms and conditions of transactions with related parties

All the above mentioned transactions with the 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 and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables other than the letter of comfort which has been given by the ultimate holding company, Whirlpool Corporation, to respective banks against bank overdraft, cash credit, letter of credit etc. facilities provided to the Company.

Transactions with key management personnel

Compensation of key management personnel of the Company

| | (INR in lacs) | |
|------------------------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Short-term employee benefits | 1,235 | 1,861 |
| Post-employment benefits | 5 | 160 |
| Other long-term benefits | 4 | 56 |
| Share-based payment | 201 | 763 |
| Director sitting fees | 56 | 49 |
| Legal and professional fees | 27 | 9 |
| Total | 1,528 | 2,898 |

The amounts disclosed above are the amounts recognised as an expense during the reporting period related to key management personnel.

36. Segment information

The Company's operations predominantly comprise of only one segment i.e. Home Appliances. The management also reviews and measures the operating results taking the whole business as one segment and accordingly, makes decision about resource allocation. In view of the same, separate segmental information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments".

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Geographical Information

| | (INR in lacs) | |
|--|----------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| Revenue from external customers | | |
| Sale of Products | | |
| Within India | 503,404 | 463,368 |
| Outside India | 17,287 | 16,353 |
| Total | <u>520,691</u> | <u>479,721</u> |
| | | |
| | (INR in lacs) | |
| | 31 March 2019 | 31 March 2018 |
| Sale of Services | | |
| Within India | 2,323 | 2,204 |
| Outside India | 15,514 | 14,015 |
| Total | <u>17,837</u> | <u>16,219</u> |

The revenue information above is based on the locations of the customers.

Non-current operating assets

The Company has common non-current operating assets for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

37. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:-

| | (INR in lacs) | |
|--|---------------|---------------|
| Particulars | 31 March 2019 | 31 March 2018 |
| The Principal amount and the Interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal Amount | 3,604 | 2,194 |
| Interest due on above | 45 | 20 |
| Interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | 31 |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | 45 | 20 |
| Amount of interest accrued and remaining unpaid at the end of each accounting year | | |
| FY 2016-17 | 5 | 5 |
| FY. 2017-18 | 15 | 15 |
| FY. 2018-19 | 45 | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | 65 | 20 |

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**38. Hedging activities and derivatives****Derivatives not designated as hedging instruments**

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as hedge instrument and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally for the following period:

- From one to three months in case of vendor payments
- From one to three years in case of investment in senior notes (including interest).

39. Fair values

The management assessed that cash and cash equivalents, trade receivables, loans, other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The loss allowance on the financial assets as at 31 March 2019: INR 136 lacs (31 March 2018: INR 155 lacs) provided in the books on account of uncertainty of recoverability for the amount.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Security Deposits disclosed under loans are evaluated by the Company based on parameters such as interest rates, risk factors, risk characteristics and individual creditworthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected credit losses of these security deposits.

40. Fair values hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

| Particulars | Fair value measurement using | | | | |
|--|------------------------------|-------------|---|---|---|
| | Date of valuation | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | | INR in lacs | | | |
| Financial assets measured at fair value through profit & loss | | | | | |
| Derivatives Financial Instrument | 31 March 2019 | 1,230 | - | 1,230 | - |
| Financial assets measured at amortised cost: | | | | | |
| Investment | 31 March 2019 | 65,633 | - | - | 65,633 |
| Loans | | 2,078 | - | - | 2,078 |
| Bank Deposits | | 2 | - | - | 2 |
| Interest accrued on bank deposits and investment | | 1,361 | - | - | 1,361 |
| Insurance claim receivable | | 14 | - | - | 14 |
| Trade receivables | | 25,562 | - | - | 25,562 |
| Cash and cash equivalents | | 105,367 | - | - | 105,367 |
| Other bank balances | | 733 | - | - | 733 |
| Financial liabilities carried at amortised costs | | | | | |
| Trade payables | 31 March 2019 | 123,792 | - | - | 123,792 |
| Other payables | | 9,507 | - | - | 9,507 |

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

| Particulars | Fair value measurement using | | | | |
|--|------------------------------|-------------|---|---|---|
| | Date of valuation | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | | INR in lacs | | | |
| Financial assets measured at fair value through profit & loss | | | | | |
| Derivatives Financial Instrument | 31 March 2018 | 1,666 | - | 1,666 | - |
| Financial assets measured at amortised cost: | | | | | |
| Investment | 31 March 2018 | 45,632 | - | - | 45,632 |
| Loans | | 1,905 | - | - | 1,905 |
| Bank Deposits | | 11 | - | - | 11 |
| Interest accrued on bank deposits and investment | | 1,365 | - | - | 1,365 |
| Insurance claim receivable | | - | - | - | - |
| Trade receivables | | 24,031 | - | - | 24,031 |
| Cash and cash equivalents | | 97,501 | - | - | 97,501 |
| Other bank balances | | 684 | - | - | 684 |

| Particulars | Fair value measurement using | | | | |
|---|------------------------------|-------------|---|---|---|
| | Date of valuation | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | | INR in lacs | | | |
| Financial liabilities carried at amortised costs | | | | | |
| Trade payables | 31 March 2018 | 115,485 | - | - | 115,485 |
| Other payables | | 8,100 | - | - | 8,100 |

41. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The analysis exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and provisions.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2019 and 31 March 2018.

a. 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 overdraft, letter of credit, cash credit etc. facilities provided by the respective banks to the Company carrying variable interest rates.

Since, the Company has not availed any long term credit facilities, therefore there is no need for the Company to enter into hedge contract to mitigate the possible exposure risk.

b. 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum period of three month for hedges of forecasted purchases and a maximum period of three year period for hedges of forecasted cash inflow relating to senior notes (including interest).

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro 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.

The Company's exposure to foreign currency changes for all other currencies is not material.

Foreign currency sensitivity

| Currency | (INR in lacs) | | | |
|----------|---------------|---------------|------|---------------|
| | % | 31 March 2019 | % | 31 March 2018 |
| USD | 5% | 1,077 | 1% | 251 |
| | (5%) | (1,077) | (1%) | (251) |
| Euro | 4% | (53) | 5% | (64) |
| | (4%) | 53 | (5%) | 64 |

c. Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of various electronic parts which consist of copper element and therefore require a continuous supply of the same. However, due to the non-significant movement in the prices of the copper, the Company has not entered into any forward contracts for commodity hedging purpose.

B. 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 financial institutions, foreign exchange transactions and other financial instruments.

a. Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and balances of customers are not covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 8. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved banks and within limits assigned to each bank by the ultimate holding Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019, 31 March 2018 is the carrying amounts as illustrated in note 9 except for financial guarantees. The Company's maximum exposure relating to financial guarantees is noted in note 34.

Liquidity risk

The Company monitors its risk of a shortage of funds through fund management exercise at regular intervals.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| | INR in lacs | | |
|---------------------------------|-------------------------|-------------------------|----------------|
| | Less than 1 year | More than 1 year | Total |
| Year ended 31 March 2019 | | | |
| Trade Payables | 123,622 | 170 | 123,792 |
| Other Payables | 8,987 | 520 | 9,507 |
| | 132,609 | 690 | 133,299 |
| Year ended 31 March 2018 | | | |
| Trade Payables | 115,298 | 187 | 115,485 |
| Other Payables | 7,642 | 458 | 8,100 |
| | 122,940 | 645 | 123,585 |

42. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all 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 structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**43. Standards issued but not effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 Leases

“Ind AS 116 Leases has been notified during the current year and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.”

The Company intends to adopt these standards when they become effective from 1 April 2019 and currently, the Company is in process of assessing the impact for the same.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Manish P Bathija
Partner
Membership No. 216706

Place of Signature : Gurugram
Date : 24 May 2019

For and on behalf of the Board of Directors of
Whirlpool of India Limited

Arvind Uppal
Chairman
DIN:00104992
Yatin Malhotra
Chief Financial Officer

Sunil D'Souza
Managing Director
DIN:07194259
Roopali Singh
Company Secretary

Anil Berera
Executive Director
DIN: 00306485

INDEPENDENT AUDITOR'S REPORT

To the Members of Whirlpool of India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Whirlpool of India Limited (hereinafter referred to as the "Company") and its jointly controlled company (together referred to as "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of jointly controlled company, 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 their consolidated state of affairs of the Company and its joint controlled entity as at March 31, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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 Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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.

Description of Key Audit Matter

Evaluation of uncertain tax positions (Direct Tax and Indirect Tax)

The Company has transactions with related parties in other countries and hence is subject to transfer pricing regulations as specified under Income-Tax Act, 1961 in India. Certain transactions with related parties and various tax positions taken by the Company are challenged by the relevant tax authorities. Further certain tax positions relating to reporting of taxable turnover, selection of tax rates, non-collection of statutory forms, etc. in indirect tax are challenged by relevant tax authorities.

Management has assessed the Litigations/ Assessments status and has applied judgement in classifying/ taking appropriate actions as required under 'Ind AS 37 - Provisions, Contingent Liabilities, and Contingent Assets'.

We have determined this matter to be key audit matter due to the significance of the amounts and judgements involved.

Description of Auditor's Response

Our audit procedure in respect of this area included:

1. Analysed the list of ongoing litigations, management's assessment of the possible outcome of the case and related accounting/ disclosures made in the consolidated financial statements.
2. Verified the completeness of the information by corroborating prior year work papers and changes, if any, to tax litigations status with the underlying documents.
3. Auditor's expert was involved to reassess Management's assessment of the possible outcome.
4. Assessed the appropriateness of presentation/ disclosures in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report etc but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The 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 of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Company and of its jointly controlled 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; the 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 Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and of its jointly controlled company are responsible for assessing the ability of the Company and of its joint controlled company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its jointly controlled company are responsible for overseeing the financial reporting process of the Company and its jointly controlled company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

The consolidated financial statements also include the share of net profit of Rs. 271 lacs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of the jointly controlled company, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled company, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled company, is based solely on the reports of the other auditors.

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The reports on the accounts of the jointly controlled company incorporated in India, audited under Section 143 (8) of the Act by the other auditor have been sent to us and have been properly dealt with in preparing this report.
 - d. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - e. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and the report of the statutory auditor of its jointly controlled company incorporated in India, none of the directors of the Group incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
 - 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 Auditor’s) 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 of pending litigations on the consolidated financial position of the Group— Refer Note 33 and 35 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Manish P Bathija
Partner
Membership No.: 216706

Place : Gurugram
Date : May 24, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF WHIRLPOOL OF INDIA LIMITED**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities 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 associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Manish P Bathija
Partner
Membership No.: 216706

Place : Gurugram
Date : May 24, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF WHIRLPOOL OF INDIA LIMITED

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Whirlpool of India Limited on the consolidated Financial Statements for the year ended March 31, 2019]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of Whirlpool of India Limited (hereinafter referred to as "the Company") and its jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its jointly controlled company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of 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

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Company and its jointly controlled company, which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Company and its jointly controlled company, which is a company incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company and its jointly controlled company, which is a company incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

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 the jointly controlled company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Manish P Bathija
Partner
Membership No.: 216706

Place : Gurugram
Date : May 24, 2019

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

| Particulars | Notes | (INR in lacs) | |
|--|-------|------------------------|------------------------|
| | | As at 31 March 2019 | As at 31 March 2018 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 50,319 | 43,941 |
| Capital work in progress | 3 | 4,333 | 3,305 |
| Intangible assets | 4 | 502 | 651 |
| Investment in Joint venture | 33 | 17,493 | - |
| Financial assets | 5 | | |
| i) Investment | | 34,578 | 45,632 |
| ii) Loans | | 1,815 | 1,703 |
| iii) Others | | 1,232 | 1,677 |
| Deferred tax assets (net) | 19 | 3,440 | 2,790 |
| Other non-current assets | 6 | 11,092 | 8,046 |
| | | <u>124,804</u> | <u>107,745</u> |
| Current assets | | | |
| Inventories | 7 | 88,860 | 81,012 |
| Financial assets | | | |
| i) Trade receivables | 8 | 25,562 | 24,031 |
| ii) Cash and cash equivalents | 9 | 105,367 | 97,501 |
| iii) Bank balances other than (ii) above | 10 | 733 | 684 |
| iv) Investment | 5 | 13,833 | - |
| v) Loans | 5 | 263 | 202 |
| vi) Others | 5 | 1,375 | 1,365 |
| Other current assets | 11 | 10,378 | 10,041 |
| | | <u>246,371</u> | <u>214,836</u> |
| Total assets | | <u>371,175</u> | <u>322,581</u> |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 12 | 12,687 | 12,687 |
| Other equity | 13 | 201,851 | 166,947 |
| Total equity | | <u>214,538</u> | <u>179,634</u> |
| Non-current liabilities | | | |
| Financial Liabilities | 15 | | |
| i) Trade payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 170 | 187 |
| ii) Other payables | | 520 | 458 |
| Provisions | 16 | 18,636 | 15,099 |
| Government grants | 17 | 564 | 621 |
| | | <u>19,890</u> | <u>16,365</u> |
| Current liabilities | | | |
| Financial Liabilities | 15 | | |
| i) Trade payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | | 3,649 | 2,214 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 119,973 | 113,084 |
| ii) Other payables | | 8,987 | 7,642 |
| Provisions | 16 | 3,351 | 2,938 |
| Government grants | 17 | 57 | 57 |
| Deferred revenue | 18 | 730 | 647 |
| | | <u>136,747</u> | <u>126,582</u> |
| Total liabilities | | <u>156,637</u> | <u>142,947</u> |
| Total equity and liabilities | | <u>371,175</u> | <u>322,581</u> |
| Summary of significant accounting policies | 2 | | |
| The accompanying notes are an integral part of the consolidated financial statements | | | |

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Manish P Bathija
Partner
Membership No. 216706

Place of Signature : Gurugram
Date : 24 May 2019

For and on behalf of the Board of Directors of
Whirlpool of India Limited

Arvind Uppal
Chairman
DIN:00104992

Yatin Malhotra
Chief Financial Officer

Sunil D'Souza
Managing Director
DIN:07194259

Roopali Singh
Company Secretary

Anil Berera
Executive Director
DIN: 00306485

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | Notes | (INR in lacs) | |
|--|-------|----------------|----------------|
| | | 31 March 2019 | 31 March 2018 |
| Income | | | |
| Revenue from operations | 20 | 539,765 | 498,583 |
| Other income | 21 | 10,470 | 8,672 |
| Total income | | 550,235 | 507,255 |
| Expenses | | | |
| Cost of raw material and components consumed | 22 | 296,970 | 222,551 |
| Purchase of traded goods | | 46,458 | 65,797 |
| Changes in inventories of finished goods, work in progress and stock in trade | 23 | (5,975) | 11,529 |
| Excise duty on sale of goods | | - | 15,392 |
| Employee benefits expense | 24 | 49,305 | 45,525 |
| Depreciation and amortisation expense | 25 | 11,131 | 10,151 |
| Other expenses | 26 | 88,790 | 81,789 |
| Finance costs | 27 | 909 | 439 |
| Total expense | | 487,588 | 453,173 |
| Profit before share of profit of Joint Venture and tax | | 62,647 | 54,082 |
| Share of profit/(loss) of a Joint Venture | 33 | 269 | - |
| Profit before tax | | 62,916 | 54,082 |
| (1) Current tax | 19 | 22,320 | 19,954 |
| (2) Adjustment of tax relating to previous years | 19 | (6) | 109 |
| (3) Deferred tax | 19 | (372) | (1,048) |
| Income tax expense | | 21,942 | 19,015 |
| Profit for the year | | 40,974 | 35,067 |
| Other comprehensive income | | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | |
| Re-measurement gains/ (losses) on defined benefit plans | 29 | (796) | (429) |
| Income tax effect | | 278 | 150 |
| | | (518) | (279) |
| Share of other comprehensive gains/ (losses) of joint venture | 29 | 3 | - |
| Income tax effect | | (1) | - |
| | | 2 | - |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent periods | | (516) | (279) |
| Total comprehensive income for the year, net of tax | | 40,458 | 34,788 |
| Earnings per share | 30 | | |
| Basic and Diluted computed on the basis of profit attributable to equity holders of the Company | | 32.30 | 27.64 |
| Summary of significant accounting policies | 2 | | |
| The accompanying notes are an integral part of the consolidated financial statements | | | |

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Manish P Bathija
Partner
Membership No. 216706

Place of Signature : Gurugram
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For and on behalf of the Board of Directors of
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DIN:07194259

Roopali Singh
Company Secretary

Anil Berera
Executive Director
DIN: 00306485

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | Notes | 31 March 2019 | 31 March 2018 |
|--|-------|---------------|---------------|
| (INR in lacs) | | | |
| Operating activities | | | |
| Profit before tax | | 62,916 | 54,082 |
| <i>Adjustments to reconcile profit before tax to net cash flows:</i> | | | |
| Depreciation of property, plant and equipment | 3,25 | 11,231 | 10,168 |
| Amortisation of intangible assets | 25 | 201 | 167 |
| Employee stock options | 24 | 499 | 991 |
| Cash Incentives | 24 | 66 | 131 |
| Unrealised foreign exchange differences | | (2,760) | (439) |
| (Gain) / loss on disposal of property, plant and equipment | 21,26 | (51) | 70 |
| Provision no longer required written back | 21 | (35) | (63) |
| Allowances for doubtful debts and advances | 26 | 374 | 355 |
| Interest Income | 21 | (8,850) | (7,152) |
| Finance costs | 27 | 909 | 439 |
| Deffered income on Government Grant | 17 | (57) | (57) |
| Share of (Profit) / loss of a Joint Venture | 33 | (269) | - |
| Working capital adjustments: | | | |
| (Increase)/Decrease in inventories | 7 | (7,848) | 7,864 |
| (Increase) in trade receivables | 8 | (1,630) | (3,396) |
| Decrease/(Increase) in financial assets | 5,10 | 432 | (879) |
| (Increase) in other assets | 6,11 | (2,476) | (6,017) |
| Increase in trade and other payables | 15 | 8,735 | 367 |
| Increase in provision and deferred revenue | 16,18 | 2,456 | 2,180 |
| | | 63,843 | 58,811 |
| Income tax paid | | (23,595) | (20,387) |
| Net cash flows from operating activities | | 40,248 | 38,424 |
| Investing activities | | | |
| Purchase of property, plant and equipment including intangibles and capital work in progress | 3 | (18,725) | (15,614) |
| Proceeds from sale of property, plant and equipment | | 87 | 47 |
| Investment in unquoted debt securities | 5 | - | (32,029) |
| Investment in bank deposits (having original maturity of more than 3 months) | 5,10 | 59 | (24) |
| Investment in unquoted equity shares | 5 | (16,311) | - |
| Interest received | 21 | 8,700 | 6,108 |
| Net cash flows (used in) investing activities | | (26,190) | (41,512) |
| Financing activities | | | |
| Interest paid | 27 | (129) | (89) |
| Dividend paid | 13 | (5,020) | (3,784) |
| Dividend distribution tax | 13 | (1,043) | (775) |
| Net cash flows (used in) financing activities | | (6,192) | (4,648) |
| Net increase in cash and cash equivalents | | 7,866 | (7,736) |
| Cash and cash equivalents at the beginning of the year | | 97,501 | 105,237 |
| Cash and cash equivalents at the end of the year | | 105,367 | 97,501 |

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Manish P Bathija
Partner
Membership No. 216706

Place of Signature : Gurugram
Date : 24 May 2019

For and on behalf of the Board of Directors of
Whirlpool of India Limited

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Chairman
DIN:00104992

Yatin Malhotra
Chief Financial Officer

Sunil D'Souza
Managing Director
DIN:07194259

Roopali Singh
Company Secretary

Anil Berera
Executive Director
DIN: 00306485

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | No. in lacs | INR in lacs |
|--|-------------|-------------|
| a. Equity Share Capital (refer note12): | | |
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| At 1 April 2017 | 1,269 | 12,687 |
| Changes during the year | - | - |
| At 31 March 2018 | 1,269 | 12,687 |
| Changes during the year | - | - |
| At 31 March 2019 | 1,269 | 12,687 |

b. Other Equity

For the year ended 31 March 2019

(INR in lacs)

| Particulars | Reserves and Surplus (refer note 13) | | | | | | Total | |
|---|--------------------------------------|-------------------------------|----------------------------|-----------------|-----------------|------------------------|-------------------|---------|
| | Share premium | Share based payments reserves | Capital redemption reserve | Capital reserve | Capital subsidy | Cash incentive reserve | Retained earnings | |
| As at 1 April 2018 | 1,269 | 3,940 | 15,234 | 46 | 1 | 283 | 146,174 | 166,947 |
| Profit for the year | - | - | - | - | - | - | 40,974 | 40,974 |
| Other comprehensive income (refer note 29) | - | - | - | - | - | - | (516) | (516) |
| Cash dividends (refer note 14) | - | - | - | - | - | - | (5,076) | (5,076) |
| Dividend distribution tax (DDT) (refer note 14) | - | - | - | - | - | - | (1,043) | (1,043) |
| Total comprehensive income | - | - | - | - | - | - | 34,339 | 34,339 |
| Share based payments (refer note 24) | - | 499 | - | - | - | - | - | 499 |
| Incentives for the year (refer note 24) | - | - | - | - | - | 66 | - | 66 |
| At 31 March 2019 | 1,269 | 4,439 | 15,234 | 46 | 1 | 349 | 180,513 | 201,851 |

For the year ended 31 March 2018

(INR in lacs)

| Particulars | Reserves and Surplus (refer note 13) | | | | | | Total | |
|---|--------------------------------------|-------------------------------|----------------------------|-----------------|-----------------|------------------------|-------------------|---------|
| | Share premium | Share based payments reserves | Capital Redemption Reserve | Capital reserve | Capital Subsidy | Cash incentive reserve | Retained earnings | |
| As at 1 April 2017 | 1,269 | 2,949 | 15,234 | 46 | 1 | 152 | 115,968 | 135,619 |
| Profit for the year | - | - | - | - | - | - | 35,067 | 35,067 |
| Other comprehensive income (refer note 29) | - | - | - | - | - | - | (279) | (279) |
| Cash dividends (refer note 14) | - | - | - | - | - | - | (3,807) | (3,807) |
| Dividend distribution tax (DDT) (refer note 14) | - | - | - | - | - | - | (775) | (775) |
| Total comprehensive income | - | - | - | - | - | - | 30,206 | 30,206 |
| Share based payments (refer note 24) | - | 991 | - | - | - | - | - | 991 |
| Incentives for the year (refer note 24) | - | - | - | - | - | 131 | - | 131 |
| At 31 March 2018 | 1,269 | 3,940 | 15,234 | 46 | 1 | 283 | 146,174 | 166,947 |

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Manish P Bathija
Partner
Membership No. 216706

Place of Signature : Gurugram
Date : 24 May 2019

For and on behalf of the Board of Directors of
Whirlpool of India Limited

Arvind Uppal
Chairman
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Managing Director
DIN:07194259
Roopali Singh
Company Secretary

Anil Berera
Executive Director
DIN: 00306485

1. Corporate information

The consolidated financial statements comprise financial statements of Whirlpool of India Limited (“the Company”) for the year ended 31 March 2019. The Company is a public Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 as replaced by the Companies Act, 2013, applicable in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange and has its principal place of business located at Plot No. 40, Sector-44, Gurugram, Haryana - 122002.

The Company is a leading manufacturer of home appliances. It is primarily engaged in manufacturing and trading of Refrigerators, Washing Machines, Air Conditioners, Microwave Ovens, built in and Small appliances and caters to both domestic and international markets. The Company also provides services in the area of product development and procurement services to Whirlpool Corporation, USA and other group companies.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 24 May 2019.

2. Significant accounting policies

I. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments, and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in INR and all values are rounded to the nearest lacs, except when otherwise indicated.

II. Summary of significant accounting policies

a) Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Company’s investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company’s share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Company’s share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Company’s OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

If an entity’s share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Company’s net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture. If

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Company's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its a joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in statement of profit and loss.

b) 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 Company classifies all other liabilities 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Foreign currencies

Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item [i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income(OCI) or Statement of Profit and Loss are also recognised in OCI or statement of Profit and Loss, respectively].

d) Fair Value measurement

The Company measures financial instruments, such as, derivatives 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 the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The 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 minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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 consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 31, 41, 42)
- Financial instruments (including those carried at amortised cost) (note 5, 8, 9, 10, 15, 40, 41, 42)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**d) Revenue from contract with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 31.

Sale of products

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 product. The normal credit term is 0 to 135 days from delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of product, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, 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. Some contracts for the sale of products provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

a) Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue reversal, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer) .

b) Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

c) Service-type Warranty

The Company does not have any service type warranty which could be accounted for as service-type warranties and as separate financial obligation to which Company allocates the portion of transaction price.

e) Other revenue streams**Interest Income**

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest

rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in “other income” in the Statement of Profit and Loss.

Interest income on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the Statement of Profit and Loss.

Export incentives benefits

Export benefits income is recognised in the Statement of Profit and Loss, when the right to receive the benefits amount is established as per the terms of the relevant scheme and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

f) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all 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 the 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. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

g) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generate taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction 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 establishes provisions where appropriate.

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 is recognised for all taxable temporary differences except:

- When the deferred tax liability 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset, if any, after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the following assets:

| Type of Asset | Useful lives estimated by the Management (years) |
|--|--|
| Building | |
| - Factory building | 30 |
| - Other than factory building (RCC Frame Structure) | 60 |
| Plant and equipment (other than production) | 15 |
| Trolleys and other equipment (included in Plant and equipment) | 2 |
| Moulds and tools (included in Plant and equipment) | 6 |
| Office equipment | 5 |
| Computers | 3 |
| Furniture and Fixtures | 10 |
| Vehicles | 8 |

Plant and equipment used in production, depreciation is calculated based on units produced, unless units produced drop below a minimum threshold at which point depreciation is recorded using the straight-line method. This method is referred as modified units of production (MUOP) in the books of account.

Above lives have been estimated by the Management considering single shift usage. Whenever an asset is used for additional shifts, extra shift depreciation is charged as per the method prescribed in Schedule II of the Companies Act, 2013.

The amount paid for leasehold land is amortised over the lease period of 99 years and depreciation on leasehold improvement, which includes temporary structures, is provided over the unexpired period of lease or estimated useful life of 3 years, whichever is lower.

The Company, based on technical assessment made by technical expert and Management estimate, depreciates certain items of plant and equipment i.e. Trolleys and other equipment and Moulds and tools over the period of 2 years and 6 years respectively, which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Considering the proprietary nature of assets and historical data, the Management has estimated the salvage value of the assets to be nil for the purpose of computing depreciation. Further, the residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are 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 are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Software

Cost of software is amortised over its useful life of 60 months starting from the month of project implementation.

Gains or losses arising from derecognition of an intangible asset 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 asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

All expenses incurred on research and development activities are expensed as incurred by the Company since these do not meet the recognition criteria as listed above.

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. Lease Management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. 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.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: 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.
- 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.

l) 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) net selling price 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 groups of 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 cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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, except for properties previously revalued with the revaluation surplus, if any, taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

The impairment assessment for all assets 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.

m) Provisions

General

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.

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 provisions

Provisions for product warranty related costs are recognised when the product is sold to the customer. The provision is determined on the basis of valuation carried out by an independent actuary as at the year end.

n) Retirement and other employee benefits

Provident fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a 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 is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Superannuation Fund

Retirement benefit in the form of Superannuation Fund is a defined contribution scheme. The Company has no

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

obligation, other than the contribution payable to the superannuation fund. The Company recognises contribution payable to the relevant scheme as expenditure, when an employee renders the related service. The Company has arrangement with Insurance Company to administer its superannuation scheme.

Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each financial year. The Company has created an approved Gratuity Fund, which has taken a group gratuity cum insurance policy with an Insurance company to cover the gratuity liability of the employees and premium on contribution paid to such insurance company is charged to the Statement of Profit and Loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements 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.

Welfare schemes:

- i. The Company provides for liability in respect of other long term benefit schemes offered to the employees of the Faridabad Refrigeration Operations on the basis of year end actuarial valuation. This is an unfunded defined benefit scheme.
- ii. The Company provides for liability in respect of long term service award scheme for its employees at the Faridabad Refrigeration Operations and Puducherry Washers Operations on the basis of year end actuarial valuation. This is an unfunded defined benefit scheme.

The cost of providing benefits under the welfare schemes is determined using the projected unit credit method.

Compensated absences:

The Company treats accumulated leave 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 actuarial valuation which is done as per projected unit credit method at year end. The Company presents the leave as current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement beyond twelve months from the reporting date.

o) Share-based Payments

Employees (including senior executives) of the Company receive remuneration from the Ultimate Holding Company 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 as employee benefits expense in the Statement of Profit and Loss together with a corresponding increase in other equity as 'Share based payments reserve' in lines with requirement as per Ind AS

102 (Share based payments), over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through Statement of Profit and Loss.

Cash Incentives to employees

The Ultimate Holding Company gives performance based cash incentives to certain employees including key Management personnel on account of their contribution towards Company's growth. As the amount is paid to employees after a period of 3 years, therefore the cost of cash incentive is recognised on an accrual basis based on the best possible estimate by the Management. Such cost is recognised as a part of employee benefits expense in the Statement of Profit and Loss with a corresponding increase in other equity as 'Incentive reserve'.

p) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. 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 four categories:

- Debt instruments at amortised cost
- Debt Instrument at Fair Value through profit and loss (FVTPL)
- Debt Instruments at fair value through other comprehensive income (FVTOCI)
- Equity Instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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 the 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 the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables, security deposits and other receivables. For more information on receivables, refer note 5 & 8.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent Solely Payments of Principal and Interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated, forward exchange contracts taken by the Company to mitigate the foreign exchange risk, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's 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 expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., deposits and bank balance

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 that 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 a 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 entity reverts to recognising impairment loss allowance based on 12-month 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 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 historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date, except to the individual cases where recoverability is certain:

| | Less than or equal to 180 days | More than 180 days |
|--------------|---------------------------------------|---------------------------|
| Default rate | 0% | 100% |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The Balance Sheet presentation for financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, trade & other payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives, if any, are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior Management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business

model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

| Original classification | Revised classification | Accounting treatment |
|--------------------------------|-------------------------------|---|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss |
| FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost |
| FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required |
| FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit & loss at the reclassification date |

Offsetting of financial instruments

Financial 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 realise the assets and settle the liabilities simultaneously.

q) Derivative financial instruments

Initial recognition and subsequent measurement

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.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges (if any), which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

r) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

s) Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**t) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

III. Changes in accounting policies and disclosures**New and amended standards**

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the consolidated financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

i) Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the consolidated financial statements of the Company.

ii) Amendments to Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, then it may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Company's consolidated financial statements.

iii) Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the consolidated financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

iv) Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's consolidated financial statements.

v) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's consolidated financial statements.

vi) Amendments to Ind AS 40 Transfers to Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in Management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's consolidated financial statements.

vii) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**3. Property, plant and equipment**

(INR in lacs)

| Particulars | Freehold land | Leasehold land | Leasehold improvements | Building | Plant and equipment | Office equipment | Furniture and fixtures | Vehicles | Total property, plant and equipment | Capital work in progress |
|-------------------------|---------------|----------------|------------------------|--------------|---------------------|------------------|------------------------|-----------|-------------------------------------|--------------------------|
| Cost | | | | | | | | | | |
| At 1 April 2017 | 1,356 | 387 | 261 | 6,451 | 42,215 | 4,503 | 202 | 11 | 55,386 | 2,954 |
| Additions* | - | - | 36 | 742 | 12,103 | 2,020 | 115 | 10 | 15,026 | 15,610 |
| Disposals/Transfer | - | - | (1) | - | (269) | (5) | (1) | (3) | (279) | (15,259) |
| At 31 March 2018 | 1,356 | 387 | 296 | 7,193 | 54,049 | 6,518 | 316 | 18 | 70,133 | 3,305 |
| Additions* | - | - | - | 997 | 14,389 | 2,240 | 19 | - | 17,645 | 18,724 |
| Disposals/Transfer | - | - | - | - | (1,140) | (305) | - | - | (1,445) | (17,696) |
| At 31 March 2019 | 1,356 | 387 | 296 | 8,190 | 67,298 | 8,453 | 335 | 18 | 86,333 | 4,333 |
| Depreciation | | | | | | | | | | |
| At 1 April 2017 | - | 10 | 162 | 576 | 13,279 | 2,077 | 84 | 2 | 16,190 | - |
| Charge for the year** | - | 5 | 57 | 335 | 8,560 | 1,159 | 48 | 4 | 10,168 | - |
| Disposals | - | - | - | - | (158) | (5) | (1) | (2) | (166) | - |
| At 31 March 2018 | - | 15 | 219 | 911 | 21,681 | 3,231 | 131 | 4 | 26,192 | - |
| Charge for the year** | - | 5 | 51 | 374 | 9,205 | 1,548 | 44 | 4 | 11,231 | - |
| Disposals | - | - | - | - | (1,121) | (288) | - | - | (1,409) | - |
| At 31 March 2019 | - | 20 | 270 | 1,285 | 29,765 | 4,491 | 175 | 8 | 36,014 | - |
| Net book value | | | | | | | | | | |
| At 31 March 2019 | 1,356 | 367 | 26 | 6,905 | 37,533 | 3,962 | 160 | 10 | 50,319 | 4,333 |
| At 31 March 2018 | 1,356 | 372 | 77 | 6,282 | 32,368 | 3,287 | 185 | 14 | 43,941 | 3,305 |

(*includes additions to fixed assets for research & development activities amounting to INR 769 lacs (31 March 2018: INR 493 lacs))

(**includes depreciation pertaining to research & development activities amounting to INR 301 lacs (31 March 2018: INR 184 lacs))

- a. Plant and equipment includes moulds lying with the third parties amounting to INR 31,724 lacs (31 March 2018: INR 28,610 lacs) with a net book value of INR 11,825 lacs (31 March 2018: INR 9,851 lacs)
- b. **Building constructed on leasehold land:**

INR in lacs

| Particulars | 31 March 2019 | 31 March 2018 |
|---------------------------|---------------|---------------|
| Gross block | 5,010 | 5,010 |
| Accumulated depreciation | 2,811 | 2,660 |
| Depreciation for the year | 151 | 151 |
| Net book value | 2,199 | 2,350 |

c. Assets under construction

Capital work in progress (CWIP) as at 31 March 2019 comprises expenditure for the plant and building in the course of construction. These expenditures relates to the various projects undertaken for new models and modification to the existing models of the Company. Total amount of CWIP is INR 4,333 lacs (31 March 2018: INR 3,305 lacs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4. Intangible assets

| Particulars | (INR in lacs) | |
|-----------------------|---------------|--------------|
| | Software | Total |
| Cost | | |
| At 1 April 2017 | 779 | 779 |
| Additions | 233 | 233 |
| Disposals | - | - |
| At 31 March 2018 | 1,012 | 1,012 |
| Additions | 52 | 52 |
| Disposals | - | - |
| At 31 March 2019 | <u>1,064</u> | <u>1,064</u> |
| Amortisation | | |
| At 1 April 2017 | 194 | 194 |
| Amortisation | 167 | 167 |
| Disposals | - | - |
| At 31 March 2018 | 361 | 361 |
| Amortisation | 201 | 201 |
| Disposals | - | - |
| At 31 March 2019 | <u>562</u> | <u>562</u> |
| Net book value | | |
| At 31 March 2019 | 502 | 502 |
| At 31 March 2018 | 651 | 651 |

5. Financial assets

(Considered good- unsecured unless stated otherwise)

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| (i) Investments | | |
| (a) Investment in joint venture | | |
| Unquoted equity shares | | |
| 23,68,997 (31 March 2018: NIL) equity shares of Elica PB India Private Limited | 17,222 | - |
| Share of profit/(loss) of a Joint Venture (refer note 33) | 271 | - |
| | <u>17,493</u> | <u>-</u> |
| (b) Other investments | | |
| Unquoted debt securities | | |
| 3.8% Senior Notes (USD 20 million (31 March 2018: USD 20 million)) of Whirlpool Corporation, the Ultimate Holding Company* | 13,833 | 13,039 |
| 3.8% Senior Notes (USD 50 million (31 March 2018: USD 50 million)) of Whirlpool S.A. Brazil, Fellow Subsidiary Company** | 34,578 | 32,593 |
| | <u>48,411</u> | <u>45,632</u> |
| Total Investments (a+b) | <u>65,904</u> | <u>45,632</u> |
| Current | 13,833 | - |
| Non-Current | 52,071 | 45,632 |

*In year 2017, the Company had purchased 4 senior notes of USD 5 million each amounting to USD 20 million, issued by the Ultimate Holding Company i.e. Whirlpool Corporation, on 30 November 2016. These securities have a maturity period of three years from the date of issue with one year lock-in.

**During the previous year, the Company has purchased 10 senior notes of USD 5 million each amounting to USD 50 million, issued by Whirlpool S.A. Brazil on 14 September 2017. These securities have a maturity period of three years from the date of issue with one year lock-in.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| (ii) Loans | | |
| (a) Loans to employee | | |
| - considered good | 48 | 28 |
| - credit impaired | 122 | 122 |
| | 170 | 150 |
| Less: Impairment allowance (allowance for bad and doubtful deposits) | 122 | 122 |
| | 48 | 28 |
| (b) Security deposits | | |
| - considered good | 2,030 | 1,877 |
| - credit impaired | 14 | 33 |
| | 2,044 | 1,910 |
| Less: Impairment allowance (allowance for bad and doubtful deposits) | 14 | 33 |
| | 2,030 | 1,877 |
| Total loans (a+b) | 2,078 | 1,905 |
| Current | 263 | 202 |
| Non-Current | 1,815 | 1,703 |
| (iii) Others | | |
| (a) Derivative instruments at fair value through profit or loss | | |
| Derivatives not designated as hedges | | |
| Foreign exchange forward contracts | 1,230 | 1,666 |
| (b) Bank deposits | | |
| Deposits with maturity of more than 12 months (receipts pledged with banks and government departments) | 2 | 11 |
| (c) Interest accrued on bank deposits and investment | 1,361 | 1,365 |
| (d) Insurance claim receivable | 14 | - |
| Total others (a+b+c+d) | 2,607 | 3,042 |
| Current | 1,375 | 1,365 |
| Non-Current | 1,232 | 1,677 |
| Total financial assets (i + ii + iii) | 70,589 | 50,579 |
| Current | 15,471 | 1,567 |
| Non-current | 55,118 | 49,012 |

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected return on investments.

Break up of financial assets carried at amortised cost

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Investments | 65,904 | 45,632 |
| Loans to employee | 48 | 28 |
| Security deposits | 2,030 | 1,877 |
| Bank deposits | 2 | 11 |
| Interest accrued on bank deposits and investment | 1,361 | 1,365 |
| Insurance claim receivable | 14 | - |
| Trade receivables (refer note 8) | 25,562 | 24,031 |
| Cash and cash equivalents (refer note 9) | 105,367 | 97,501 |
| Other bank balances (refer note 10) | 733 | 684 |
| Total financial assets carried at amortised cost | 201,021 | 171,129 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

6. Other non-current assets

(Considered good-Unsecured, unless stated otherwise)

| Particulars | (INR in lacs) | |
|--|----------------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Capital advances | 6,223 | 4,248 |
| Advances recoverable in cash or kind | 263 | 401 |
| Others | | |
| Advances paid under protest | | |
| - considered good | 2,669 | 2,741 |
| - credit impaired | 96 | 146 |
| | <u>2,765</u> | <u>2,887</u> |
| Less: Impairment allowance (allowance for bad and doubtful advances) | 96 | 146 |
| | <u>2,669</u> | <u>2,741</u> |
| Advance tax, tax deducted and collected at source (net) | 1,937 | 656 |
| Total other non-current assets | <u>11,092</u> | <u>8,046</u> |

7. Inventories (valued at lower of cost and net realisable value)

| Particulars | (INR in lacs) | |
|--|----------------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Raw materials and components (INR 4,220 lacs (31 March 2018: INR 4,790 lacs) in transit) | 17,582 | 15,623 |
| Work in progress | 42 | 44 |
| Finished goods (INR 3,714 lacs (31 March 2018: INR 1,686) in transit) | 49,104 | 37,284 |
| Stock in trade (INR 2,467 lacs (31 March 2018: INR 2,158 lacs) in transit) | 14,199 | 20,471 |
| Spares for finished goods (INR 1,095 lacs (31 March 2018: INR 1,533 lacs) in transit) | 7,751 | 7,322 |
| Stores and spares | 182 | 268 |
| Total inventories | <u>88,860</u> | <u>81,012</u> |

During the year ended 31 March 2019, INR (167 lacs) (31 March 2018: INR 515 lacs) was recognised as an (income)/expense for inventories carried at net realisable value.

8. Trade receivables

| Particulars | (INR in lacs) | |
|---|----------------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Trade receivables | 32,150 | 29,243 |
| Receivables from related parties (refer note 36) | 4,406 | 4,096 |
| | <u>36,556</u> | <u>33,339</u> |
| Less: Provision for trade discounts | 10,994 | 9,308 |
| Total Trade receivables | <u>25,562</u> | <u>24,031</u> |
| Break-up for security details: | | |
| Considered good-Unsecured | 25,562 | 24,031 |
| Receivables - Credit impaired | 1,122 | 653 |
| | <u>26,684</u> | <u>24,684</u> |
| Less: Impairment Allowance (allowance for bad and doubtful debts) | | |
| Trade Receivables - credit impaired | (1,122) | (653) |
| Total Trade receivables | <u>25,562</u> | <u>24,031</u> |

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Trade receivables are non-interest bearing and are generally on terms of 0 to 135 days. For terms and conditions relating to related party receivables, refer note 36.

9. Cash and cash equivalents

| Particulars | (INR in lacs) | |
|---|----------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| <i>Balances with banks:</i> | | |
| - In current accounts | 3,032 | 3,667 |
| - In cash credit account | 1,228 | 1,259 |
| - Deposits with original maturity of less than three months | 101,050 | 92,550 |
| - In unpaid dividend account* | 56 | 23 |
| Cash on hand | 1 | 2 |
| | <u>105,367</u> | <u>97,501</u> |

*The Company can utilise these balances only toward settlement of the respective unpaid dividend.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

At 31 March 2019, the Company had available INR 65,356 lacs (31 March 2018: INR 54,896 lacs) of undrawn borrowing facilities (covering overdraft, cash credit, letter of credit etc.).

10. Other bank balances

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Deposits with maturity of more than 3 months but less than 12 months* | 733 | 684 |
| | <u>733</u> | <u>684</u> |

*These are pledged with banks and government departments.

11. Other current assets

(Considered good - Unsecured unless stated otherwise)

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Advances recoverable in cash or kind | | |
| - considered good | 6,550 | 8,630 |
| - credit impaired | 147 | 182 |
| | <u>6,697</u> | <u>8,812</u> |
| Less: impairment allowance (allowance for bad and doubtful deposits) | 147 | 182 |
| | <u>6,550</u> | <u>8,630</u> |
| Balances with government authorities* | | |
| - considered good | 3,828 | 1,411 |
| - credit impaired | 41 | 74 |
| | <u>3,869</u> | <u>1,485</u> |
| Less: impairment allowance (allowance for bad and doubtful deposits) | 41 | 74 |
| | <u>3,828</u> | <u>1,411</u> |
| Total other current assets | <u>10,378</u> | <u>10,041</u> |

*Balances with government authorities includes an amount of INR Nil (31 March 2018: INR 601 lacs) on account of service tax refund for which the matter is under litigation.

12. Equity Share capital
Particulars
Authorised share capital

| | Equity shares | | Preference shares | |
|-------------------------------------|---------------|---------------|-------------------|---------------|
| | No. in lacs | INR in lacs | No. in lacs | INR in lacs |
| At 1 April 2017 | 1,500 | 15,000 | 1,550 | 15,500 |
| Increase/(decrease) during the year | - | - | - | - |
| At 31 March 2018 | 1,500 | 15,000 | 1,550 | 15,500 |
| Increase/(decrease) during the year | - | - | - | - |
| At 31 March 2019 | <u>1,500</u> | <u>15,000</u> | <u>1,550</u> | <u>15,500</u> |

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if declared, are paid in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity share capital
Equity shares of INR 10 each issued, subscribed and fully paid

| | No. in lacs | INR in lacs |
|-------------------------|--------------|---------------|
| At 1 April 2017 | <u>1,269</u> | <u>12,687</u> |
| Changes during the year | - | - |
| At 31 March 2018 | <u>1,269</u> | <u>12,687</u> |
| Changes during the year | - | - |
| At 31 March 2019 | <u>1,269</u> | <u>12,687</u> |

(INR in lacs)

| | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Shares of the Company held by holding company | | |
| Whirlpool Mauritius Ltd, the holding company | | |
| 952 lacs (31 March 2018: 952 lacs) equity shares of INR 10 each | <u>9,515</u> | 9,515 |

Details of shareholders holding more than 5% shares in the Company

| Name of the shareholder | As at 31 March 2019 | | As at 31 March 2018 | |
|--|---------------------|------------------------|---------------------|------------------------|
| | No. in lacs | % holding in the class | No. in lacs | % holding in the class |
| Equity shares of INR 10 each fully paid | | | | |
| Whirlpool Mauritius Ltd | <u>952</u> | <u>75</u> | 952 | 75 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**13. Other equity**

| Particulars | (INR in lacs) |
|-------------------------------------|----------------------|
| Share premium | |
| At 1 April 2017 | 1,269 |
| Increase/(decrease) during the year | - |
| At 31 March 2018 | <u>1,269</u> |
| Increase/(decrease) during the year | - |
| At 31 March 2019 | <u><u>1,269</u></u> |

| Share based payments reserve | (INR in lacs) |
|---|----------------------|
| At 1 April 2017 | 2,949 |
| Add: Compensation options granted during the year (refer note 24) | 991 |
| At 31 March 2018 | <u>3,940</u> |
| Add: Compensation options granted during the year (refer note 24) | 499 |
| At 31 March 2019 | <u><u>4,439</u></u> |

The ultimate holding company provides various share-based payment schemes to the employees of the Company including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees as a part of their remuneration. Refer note 33 for further details.

| Capital redemption reserve | (INR in lacs) |
|-------------------------------------|----------------------|
| At 1 April 2017 | 15,234 |
| Increase/(decrease) during the year | - |
| At 31 March 2018 | <u>15,234</u> |
| Increase/(decrease) during the year | - |
| At 31 March 2019 | <u><u>15,234</u></u> |

In an earlier year, pursuant to the redemption of non-cumulative preference share, the Company had created capital redemption reserve out of available profits as per the relevant provisions of the erstwhile Companies Act.

| Capital reserve | (INR in lacs) |
|-------------------------------------|----------------------|
| At 1 April 2017 | 46 |
| Increase/(decrease) during the year | - |
| At 31 March 2018 | <u>46</u> |
| Increase/(decrease) during the year | - |
| At 31 March 2019 | <u><u>46</u></u> |

| Capital subsidy | (INR in lacs) |
|-------------------------------------|----------------------|
| At 1 April 2017 | 1 |
| Increase/(decrease) during the year | - |
| At 31 March 2018 | <u>1</u> |
| Increase/(decrease) during the year | - |
| At 31 March 2019 | <u><u>1</u></u> |

| Incentive reserve | (INR in lacs) |
|---|----------------------|
| At 1 April 2017 | 152 |
| Increase/(decrease) during the year (refer note 24) | 131 |
| At 31 March 2018 | <u>283</u> |
| Increase/(decrease) during the year (refer note 24) | 66 |
| At 31 March 2019 | <u><u>349</u></u> |

The ultimate holding company gives performance based cash incentives to certain employees including key management personnel during the year. The incentive reserve is used to recognise the value of payments provided to employees as a part of their remuneration.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| | |
|--|-----------------------|
| Retained earnings | (INR in lacs) |
| At 1 April 2017 | 115,968 |
| Add: Profit for the year | 35,067 |
| Less: Other comprehensive income (refer note 29) | (279) |
| Less: Cash dividends (refer note 14) | (3,807) |
| Less: Dividend distribution tax (refer note 14) | (775) |
| At 31 March 2018 | <u>146,174</u> |
| Add: Profit for the year | 40,974 |
| Less: Other comprehensive income (refer note 29) | (516) |
| Less: Cash dividends (refer note 14) | (5,076) |
| Less: Dividend distribution tax (refer note 14) | (1,043) |
| At 31 March 2019 | <u><u>180,513</u></u> |

| | | |
|---------------------------|----------------------|----------------------|
| | (INR in lacs) | |
| | 31 March 2019 | 31 March 2018 |
| Total other equity | 201,851 | 166,947 |

14. Distribution made and proposed

| | | |
|---|----------------------|----------------------|
| | (INR in lacs) | |
| Particulars | 31 March 2019 | 31 March 2018 |
| Cash dividends on equity shares declared and paid: | | |
| Final dividend for the year ended on 31 March 2018: INR 4 per share (31 March 2017: INR 3 per share) | 5,076 | 3,807 |
| Dividend distribution tax on final dividend | 1,043 | 775 |
| | <u>6,119</u> | <u>4,582</u> |
| Proposed dividends on Equity shares: | | |
| Final cash dividend for the year ended on 31 March 2019: INR 5 per share (31 March 2018: INR 4 per share) | 6,344 | 5,076 |
| Dividend distribution tax on proposed dividend | 1,304 | 1,043 |
| | <u>7,648</u> | <u>6,119</u> |

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March.

15. Financial Liabilities

| | | |
|--|----------------------|----------------------|
| | (INR in lacs) | |
| Particulars | 31 March 2019 | 31 March 2018 |
| (i) Trade payables | | |
| Trade payables | | |
| • Total outstanding dues of micro enterprises and small enterprises (refer note 37 for details of dues to micro and small enterprises) | 3,649 | 2,214 |
| • Total outstanding dues of creditors other than micro enterprises and small enterprises | 120,143 | 113,271 |
| | <u>123,792</u> | <u>115,485</u> |
| Current | 123,622 | 115,298 |
| Non-current | 170 | 187 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| (ii) Other payables | | |
| Sundry deposits | 520 | 458 |
| Advance from customers | 2,484 | 2,202 |
| Payables for capital goods | 375 | 858 |
| Tax deducted at source (TDS) payable | 2,088 | 1,369 |
| Goods and service tax (GST) / Value added tax (VAT) | 3,599 | 2,755 |
| Unclaimed dividend | 56 | 23 |
| Other statutory dues | 385 | 435 |
| | <u>9,507</u> | <u>8,100</u> |
| Current | 8,987 | 7,642 |
| Non-current | 520 | 458 |

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled as per agreed credit terms

Other payables are non-interest bearing and have an average term varying from 0 to 180 days

For explanations on the Company's credit risk management processes, refer note 42.

| Break up of financial liabilities carried at amortised cost | (INR in lacs) | |
|--|----------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| Trade payables | 123,792 | 115,485 |
| Other Payables | 9,507 | 8,100 |
| Total financial liabilities carried at amortised cost | <u>133,299</u> | <u>123,585</u> |

16. Provisions

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| (i) Provision for employee benefits | | |
| Provision for staff benefit schemes | 406 | 407 |
| Provision for gratuity (refer note 32) | 269 | 284 |
| Provision for compensated absence | 1,847 | 1,709 |
| | <u>2,522</u> | <u>2,400</u> |
| Breakup of provision for employee benefits | | |
| Current | 603 | 575 |
| Non-current | 1,919 | 1,825 |
| (ii) Others | | |
| Provisions for product warranties (refer below) | 13,931 | 10,280 |
| Provisions for litigations (refer below) | 5,534 | 5,357 |
| | <u>19,465</u> | <u>15,637</u> |
| Total provisions (i + ii) | <u>21,987</u> | <u>18,037</u> |
| Current | 3,351 | 2,938 |
| Non-current | 18,636 | 15,099 |

Movement in other provisions

| | (INR in lacs) | |
|--|----------------------|----------------------|
| Provision for product warranties | 31 March 2019 | 31 March 2018 |
| At 1 April | 10,280 | 8,172 |
| Arising during the year | 5,582 | 4,470 |
| Utilised | (2,837) | (2,695) |
| Unused amounts reversed | 126 | (17) |
| Unwinding of discount due to passage of time | 780 | 350 |
| At 31 March | 13,931 | 10,280 |
| Current | 2,748 | 2,363 |
| Non-current | 11,183 | 7,917 |

Provision for product warranties

Provision for warranties is recognized on actuarial basis for expected warranty claims on products sold. It is expected that most of this cost will be paid over the warranty period as per warranty terms ranging from 1 to 10 years. Assumptions used to calculate the provision for warranties were based on current and previous year sales level and the failure trend in respect of defective products.

| | (INR in lacs) | |
|---|----------------------|----------------------|
| Provisions for litigations (refer note 35) | 31 March 2019 | 31 March 2018 |
| At 1 April | 5,357 | 4,780 |
| Arising during the year | 716 | 1,562 |
| Unused amounts reversed | (539) | (985) |
| At 31 March | 5,534 | 5,357 |
| Current | - | - |
| Non-current | 5,534 | 5,357 |

Provisions for litigations

In view of large number of cases, it is not practicable to disclose individual details. Above provisions are affected by numerous uncertainties and management has taken all efforts to make a best estimate. Timing of economic benefit outflow will depend upon timing of decision of cases in litigation which is highly uncertain based on past experience of the management in other litigations. Hence, it is not possible to determine the exact period of outflow, if any, of funds for these litigations. Therefore, provision has been recorded at the gross value of liabilities.

17. Government grants

| | (INR in lacs) | |
|------------------------------|----------------------|----------------------|
| Particulars | 31 March 2019 | 31 March 2018 |
| At 1 April | 678 | 735 |
| Received during the year | - | - |
| Amortisation during the year | 57 | 57 |
| At 31 March | 621 | 678 |
| Current | 57 | 57 |
| Non-current | 564 | 621 |
| | 621 | 678 |

Government grant has been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**18. Deferred revenue**

| Particulars | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| At 1 April | 647 | 623 |
| Deferred during the year | 1,539 | 1,387 |
| Released to the statement of profit and loss | 1,456 | 1,363 |
| At 31 March | 730 | 647 |
| Current | 730 | 647 |
| Non-current | - | - |
| | 730 | 647 |

The deferred revenue relates to the advance received for the annual maintenance contract (AMC) charges received from the customer.

19. Income Tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Statement of Profit and Loss:**Profit or loss section**

| Particulars | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Current income tax: | | |
| Current income tax charge | 22,320 | 19,954 |
| Adjustments in respect of current income tax of previous year | (6) | 109 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (372) | (1,048) |
| Income tax expense reported in the statement of profit and loss | 21,942 | 19,015 |

OCI section

Deferred tax related to items recognised in OCI during in the year:

| Particulars | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Net (gain)/loss on remeasurements of defined benefit plans | (278) | (150) |
| Income tax charged to OCI | (278) | (150) |

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March 2019 and 31 March 2018:

| Particulars | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Accounting profit before income tax | 62,647 | 54,082 |
| At statutory income tax rate of 34.944% (31 March 2018: 34.608%) | 21,891 | 18,717 |
| Adjustments in respect of current income tax of previous years | (6) | 109 |
| Non-deductible expenses/ additional allowances for tax purposes: | | |
| Employee stock option | 175 | 343 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Cash Incentives | 23 | 45 |
| Interest and penalty charges | 16 | 39 |
| Depreciation on leasehold land | - | 2 |
| Weighted deduction claimed for research & development expenses | (479) | (477) |
| CSR expenditure | 322 | 263 |
| Effect of change in rates | - | (26) |
| Additional capital allowance under section 32AC of the Income tax act, 1961 | - | - |
| At the effective income tax rate of 35.025% (31 March 2018: 35.159%) | 21,942 | 19,015 |
| Income tax expense reported in the Statement of Profit and Loss | 21,942 | 19,015 |
| | 21,942 | 19,015 |

Deferred tax

| Deferred tax relates to the following: | Balance Sheet | | Statement of Profit and Loss | |
|--|---------------|---------------|------------------------------|---------------|
| | (INR in lacs) | | (INR in lacs) | |
| Impact of Profit and Loss | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting purpose | (1,003) | (872) | 131 | (573) |
| Impact of expenditure charged to the statement of profit & loss in current year/earlier years but allowable for tax purpose on payment basis | 2,635 | 2,502 | (133) | (264) |
| Provision for doubtful debts and advances | 731 | 612 | (119) | (109) |
| Deferred grant | 251 | 271 | 20 | 17 |
| Discounting of warranty provisions | 106 | (167) | (273) | (120) |
| Others | - | 2 | 2 | 1 |
| Impacting OCI | | | | |
| Re-measurement gains on defined benefit plans | 720 | 442 | - | - |
| Deferred tax (income)/expense | | | (372) | (1,048) |
| Net deferred tax assets/(liabilities) | 3,440 | 2,790 | | |

Reflected in the balance sheet as follows:

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Opening balance as of 1 April | 2,790 | 1,592 |
| Tax income/(expense) during the period recognised in profit or loss | 372 | 1,048 |
| Tax income/(expense) during the period recognised in OCI | 278 | 150 |
| Closing balance as at 31 March | 3,440 | 2,790 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**20. Revenue from operations****(A) Revenue from contracts with customers**

| Particulars | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Sale of products (including excise duty) | 520,691 | 479,721 |
| Sale of services | 17,837 | 16,219 |
| Total | 538,528 | 495,940 |

Goods and Service Tax (GST) was effective from 1 July 2017, consequently excise duty, value added tax (VAT), service tax etc. were replaced with GST. Until 30 June 2017, 'Sale of products' includes the amount of excise duty recovered on sales amounting to INR 15,392 lacs. The Company collects GST on behalf of the Government and not included in 'Sale of products', and therefore revenue from 'Sale of products' for the year ended 31 March 2019 is not comparable with that of the previous year.

20.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Segment | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Type of goods | | |
| Revenue from external customers | 520,691 | 479,721 |
| Total revenue from contracts with customers | 520,691 | 479,721 |
| India | 503,404 | 463,368 |
| Outside India | 17,287 | 16,353 |
| Total revenue from contracts with customers | 520,691 | 479,721 |
| Type of Services | | |
| Revenue from external customers | 17,837 | 16,219 |
| Total revenue from contracts with customers | 17,837 | 16,219 |
| India | 2,323 | 2,204 |
| Outside India | 15,514 | 14,015 |
| Total revenue from contracts with customers | 17,837 | 16,219 |

20.2 Contract balances

| Particulars | (INR in lacs) | |
|----------------------|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Trade receivables | 25,562 | 24,031 |
| Contract liabilities | 2,484 | 2,202 |

Trade receivables are non interest bearing. Credit period generally falls in the range of 0 to 135 days.

Contract liabilities consist of short-term advances received to supply goods from customer.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

20.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

| Particulars | (INR in lacs) | |
|---------------------------------------|----------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| Revenue as per contracted price | 657,577 | 620,682 |
| Less: Adjustments | | |
| Sales return | (7,196) | (640) |
| Discount | (111,853) | (108,710) |
| Excise duty on sale of goods | - | (15,392) |
| Revenue from contracts with customers | <u>538,528</u> | <u>495,940</u> |

20.4 Performance obligations

The performance obligation is satisfied upon delivery of the product and payment is generally due within 0 to 135 days from delivery.

(B) Other operating income

| Particulars | (INR in lacs) | |
|-------------------------------|----------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| Export incentives | 1,237 | 2,643 |
| Total | <u>1,237</u> | <u>2,643</u> |
| Grand Total ((A)+ (B)) | <u>539,765</u> | <u>498,583</u> |

21. Other income

| Particulars | (INR in lacs) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Interest income on | | |
| Bank deposits | 6,816 | 5,874 |
| Investments in unquoted debt securities | 1,880 | 1,169 |
| Financial assets valued at amortised cost | 121 | 109 |
| Others | 33 | - |
| Other non-operating income | | |
| Government grants (refer note 17) | 57 | 57 |
| Net gain on disposal of property, plant and equipment | 51 | - |
| Fair value gain on financial instruments at fair value through profit or loss | - | 116 |
| Exchange differences (net) | 842 | 1,082 |
| Provision no longer required written back | 35 | 63 |
| Miscellaneous | 635 | 202 |
| | <u>10,470</u> | <u>8,672</u> |

Government grant has been received for the purchase of certain assets of plant and equipment in the prior years. There are no unfulfilled conditions or contingencies attached to these grants.

Fair value gain on financial instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting and embedded derivatives.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**22. Cost of raw material and components consumed**

| Particulars | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Inventory at the beginning of the year | 15,623 | 12,043 |
| Add: Purchases | 307,410 | 233,173 |
| | <u>323,033</u> | <u>245,216</u> |
| Less: Sale of raw material and components | 8,481 | 7,042 |
| Less: Inventory at the end of the year | 17,582 | 15,623 |
| Cost of raw material and components consumed | <u>296,970</u> | <u>222,551</u> |

23. Changes in inventories of finished goods, work in progress and stock in trade

| Particulars | (INR in lacs) | |
|---|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Inventory at the beginning of the year | | |
| Work in progress (a) | 44 | 91 |
| Spares for finished goods (b) | 7,322 | 6,529 |
| Finished goods (c) | 37,284 | 46,278 |
| Stock in trade (d) | 20,471 | 23,752 |
| | <u>65,121</u> | <u>76,650</u> |
| Inventory at the end of the year | | |
| Work in progress (e) | 42 | 44 |
| Spares for finished goods (f) | 7,751 | 7,322 |
| Finished goods (g) | 49,104 | 37,284 |
| Stock in trade (h) | 14,199 | 20,471 |
| | <u>71,096</u> | <u>65,121</u> |
| (Increase)/Decrease in Inventories | | |
| Work in progress (a-e) | 2 | 47 |
| Spares for finished goods (b-f) | (429) | (793) |
| Finished goods (c-g) | (11,820) | 8,994 |
| Stock in trade (d-h) | 6,272 | 3,281 |
| | <u>(5,975)</u> | <u>11,529</u> |

24. Employee benefits expense

| Particulars | (INR in lacs) | |
|---|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Salaries, wages and bonus | 44,554 | 40,713 |
| Cash Incentives (refer note 13) | 66 | 131 |
| Contribution to provident and other funds | 1,474 | 1,375 |
| Employee stock option (refer note 34) | 499 | 991 |
| Other post employment benefits | 114 | 113 |
| Gratuity (refer note 32) | 315 | 313 |
| Staff welfare | 2,283 | 1,889 |
| | <u>49,305</u> | <u>45,525</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

25. Depreciation and amortisation expense

(INR in lacs)

| Particulars | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| Depreciation of tangible assets (refer note 3) | 10,930 | 9,984 |
| Amortisation of intangible assets (refer note 4) | 201 | 167 |
| | 11,131 | 10,151 |

26. Other expenses

(INR in lacs)

| Particulars | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Consumption of stores and spares | 606 | 482 |
| Processing charges | 449 | 178 |
| Customer service | 9,585 | 9,188 |
| Excise duty on increase/(decrease) in inventory | - | (2,091) |
| Power and fuel | 3,715 | 3,140 |
| Freight and forwarding | 32,701 | 29,394 |
| Rent | 7,415 | 7,256 |
| Rates and taxes | 88 | 446 |
| Insurance | 340 | 361 |
| Repairs and maintenance | | |
| Plant and machinery | 1,328 | 1,269 |
| Buildings | 540 | 549 |
| Others | 1,317 | 1,134 |
| Corporate social responsibility (CSR) (refer details below) | 921 | 759 |
| Advertising and sales promotion | 6,921 | 7,285 |
| Royalty | 5,080 | 4,573 |
| Travelling and conveyance | 3,441 | 3,771 |
| Legal and professional | 1,821 | 1,977 |
| Technical Know-How | 2,454 | 2,111 |
| Directors' sitting fees | 56 | 49 |
| Payment to auditor (refer details below) | 33 | 31 |
| Loss on sale of fixed assets (net) | - | 70 |
| Allowances for doubtful debts and advances | 374 | 355 |
| Research expenses (refer note 28) | 3,523 | 3,570 |
| Fair value loss on financial instruments at fair value through profit or loss | 636 | - |
| Miscellaneous | 5,446 | 5,932 |
| | 88,790 | 81,789 |

Fair value loss on financial instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting and embedded derivatives.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**Payment to Auditors*****(INR in lacs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|--|----------------------|----------------------|
| As auditor: | | |
| Audit fee (Including limited review) | 29 | 28 |
| In other capacity: | | |
| Other services (certification fees) (INR 1 lac relating to earlier year) | 3 | 1 |
| Reimbursement of expenses | 2 | 2 |
| | <u>34</u> | <u>31</u> |

* Excludes applicable taxes.

Details of CSR expenditure:**(INR in lacs)**

| Particulars | | 31 March 2019 | 31 March 2018 |
|--|----------------|------------------------|----------------------|
| (a) Gross amount required to be spent by the Company during the year | | 916 | 750 |
| (b) Amount spent during the year ending on 31 March 2019: | In cash | Yet to be paid in cash | |
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 699 | 222 | 921 |
| (b) Amount spent during the year ending on 31 March 2018: | In cash | Yet to be paid in cash | |
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 567 | 192 | 759 |

27. Finance costs**(INR in lacs)**

| Particulars | 31 March 2019 | 31 March 2018 |
|--|----------------------|----------------------|
| Interest | | |
| - on banks | - | 5 |
| - others | 46 | - |
| Bank charges | 83 | 84 |
| Unwinding of discount due to passage of time (refer note 16) | 780 | 350 |
| Total finance costs | <u>909</u> | <u>439</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

28. Research expenses

| Particulars | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| The Company has four in-house research and development centres, which undertakes the research and development activities for the Company. Research and development costs that are not eligible for capitalisation are expensed in the period incurred and are recognised in other expenses. Breakup of such expenses are as under- | | |
| Particulars | | |
| Raw Materials & components, finished goods and spares consumed | 1,113 | 1,219 |
| Salaries, wages and bonus | 1,176 | 1,058 |
| Contribution to provident and other funds | 42 | 35 |
| Other post employment benefits | 17 | 15 |
| Staff welfare | 65 | 63 |
| Travelling and conveyance | 298 | 275 |
| Depreciation and amortisation expense | 301 | 184 |
| Others | 511 | 721 |
| | <u>3,523</u> | <u>3,570</u> |

29. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI in equity is shown below:

| Particulars | (INR in lacs) | |
|---|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Re-measurement gains/(losses) on defined benefit plans (net of tax effect thereon) | (518) | (279) |
| Share of other comprehensive gains/(losses) of a Joint Venture | 2 | - |
| | <u>(516)</u> | <u>(279)</u> |

30. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars | 31 March 2019 | 31 March 2018 |
|---|----------------------|----------------------|
| Profit attributable to equity holders of the Company for basic and diluted earnings (INR in lacs) | 40,974 | 35,067 |
| Weighted average number of Equity shares for basic and diluted EPS | 126,871,830 | 126,871,830 |
| Basic and diluted EPS (in INR) | 32.30 | 27.64 |

31. Significant accounting judgements, estimates and assumptions

The preparation of the consolidated 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 affected in future periods.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue of contract with customers:

Determining method to estimate variable consideration and assessing the constraint:

Certain contracts for the sale of products include a right to return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use the most appropriate method based on which Company can predict the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the most appropriate method in estimating the variable consideration for the sale of products with rights of return and volume rebates, given the large number of customer contracts that have similar characteristics.

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 condition. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant 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.

Share-based payments

The Company measures the cost of equity-settled transactions with employees by ultimate holding Company using a Black Scholes Options Pricing model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 33.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical 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 include the determination of the discount rate, future salary increases and mortality rates. 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, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 32.

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 valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 40 and 41 for further disclosures.

Product warranties accruals

The provisions for product warranties, on account of goods sold, recorded in the balance sheet on the basis of actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and failure rates. Due to the complexities involved in the valuation and its long-term nature, a provision for product warranty 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, the management considers the interest rates of government bonds in currencies consistent with the currencies of the product warranty provision.

The failure rate is based on actual number of calls received by the Company from customers on account of complaints. Further details about provisions for product warranties are given in note 16.

32. Gratuity and other post-employment benefit plans

Gratuity (being administered by a Trust) is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employee completing 5 years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions as demanded by the insurer are deposited, to a Gratuity Trust Fund established to provide gratuity benefits. The Trust has taken an Insurance policy, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

The Company also provide certain additional retirement benefits to the employees of the Faridabad Refrigeration Operations where INR 35,000 is paid to employee on his retirement. This retirement benefit is an unfunded defined benefit scheme. The Company makes provision of such liability on the basis of actuarial valuation carried out by an independent actuary.

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 balance sheet for the respective plans:

Additional Employee benefit

| Particulars | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Past service cost | - | - |
| Interest cost on benefit obligation | 4 | 5 |
| Net actuarial (gain) / loss recognised in the year | 14 | 25 |
| Net benefit expense | 18 | 30 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Changes in the present value of the defined benefit obligation of additional employee benefits are as follows :

| | (INR in lacs) |
|--|---------------|
| Defined benefit obligation at 1 April 2017 | 144 |
| Interest cost | 5 |
| Service cost | - |
| Benefits paid | (22) |
| Actuarial (gains) / losses on obligation | 25 |
| Defined benefit obligation at 31 March 2018 | 152 |
| Interest cost | 4 |
| Service cost | - |
| Benefits paid | (12) |
| Actuarial (gains) / losses on obligation | 14 |
| Defined benefit obligation at 31 March 2019 | 158 |

Gratuity Plan

| | Gratuity cost charged to the Statement of profit and loss | | | Remeasurement gains/(losses) in other comprehensive income | | | | | (INR in Lacs) | | |
|---|---|--------------|--------------------------------|--|---------------|--|---|------------------------|---------------------------|---------------------------|--------------|
| | 1 April | Service cost | Net interest expense/ (Income) | Sub-total included in profit or loss (refer note 24) | Benefits paid | Return on plan assets (excluding amounts included in net interest expense) | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI | Contributions by employer | 31 March |
| Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2019: | | | | | | | | | | | |
| Defined benefit obligation | (7,316) | (385) | (446) | (831) | 846 | - | (58) | (838) | (896) | - | (8,197) |
| Fair value of plan assets | 7,032 | - | 496 | 496 | (846) | 100 | - | - | 100 | 1,146 | 7,928 |
| Benefit liability | (284) | | | (335)* | | | | | (796) | 1146 | (269) |

* Includes expenses reclassified as research expenses of INR 20 lacs.

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2018:

| | | | | | | | | | | | |
|----------------------------|-------------|-------|-------|---------------|-------|------|------|-------|--------------|------------|--------------|
| Defined benefit obligation | (6,733) | (379) | (403) | (782) | 558 | - | (94) | (265) | (359) | - | (7,316) |
| Fair value of plan assets | 6,647 | - | 455 | 455 | (558) | (70) | - | - | (70) | 558 | 7,032 |
| Benefit liability | (86) | | | (327)* | | | | | (429) | 558 | (284) |

* Includes expenses reclassified as research expenses of INR 14 lacs.

The major categories of plan assets of the fair value of the total plan assets are as follows:

| Particulars | (INR in lacs) | |
|------------------------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Unquoted investments: | | |
| Insurance Scheme Products | 7,928 | 7,032 |
| Total | 7,928 | 7,032 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The principal assumptions used in determining gratuity and post-employment benefit obligations for the Company's plans are shown below:

| | (INR in lacs) | |
|---------------------------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| | % | % |
| Discount rate: | | |
| Gratuity plan | 7.00 | 7.20 |
| Additional Employee benefit | 7.00 | 7.20 |
| Future salary increases: | | |
| Gratuity plan | 6.0 | 6.0 |
| Additional Employee benefit | NA | NA |
| Life expectation for: | Years | Years |
| Gratuity plan | 7.00 | 7.60 |
| Additional Employee benefit | NA | NA |

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 and 31 March 2018 is as shown below:

Gratuity plan:

Impact on defined benefit obligation

| Assumptions | (INR in lacs) | | | |
|-------------------|---------------|---------------|-------------------------|---------------|
| | Discount rate | | Future salary increases | |
| | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| Sensitivity Level | | | | |
| 31 March 2019 | 144 | (150) | (151) | 146 |
| 31 March 2018 | 151 | (122) | (25) | 243 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

| Particulars | (INR in lacs) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Within the next 12 months (next annual reporting period) | 2,568 | 1,968 |
| Between 2 and 5 years | 4,769 | 4,283 |
| Between 5 and 10 years | 3,854 | 3,830 |
| Total expected payments | 11,191 | 10,081 |

The average duration of the defined benefit plan obligation at the end of the reporting period is 13.47 years (31 March 2018: 13.54 years).

33. Interest in Other Entities

(a) Summary of Financial information of Joint Venture

During the year, the Company has acquired 49% of the issued and paid up share capital of Elica PB India Private Limited (Elica). Elica is primarily engaged in the manufacture, assembly and trading of extensive range of kitchen appliances such as Kitchenhood, gashobs, cooktop and others. Elica is a private entity that is not listed on any public exchange.

The Company has accounted for the investment in Elica using equity method and carried out the fair valuation of the assets and liabilities of Elica as on 10 September 2019 for the purpose of purchase price allocation (PPA) as per Ind AS 28 "Investment in associates and joint venture." The total purchase consideration of aforesaid transactions grossed to

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

100% equity shares of Elica amounts to INR 33,150 lacs (excluding share acquisition related expenses). The adjusted purchase consideration has been arrived as follows:-

| Particulars | (INR in lacs) |
|--|----------------------|
| Purchase Consideration for 100 % equity stake | 33,150 |
| Add:- Borrowings (Long term + short term) | 1,730 |
| Less:- Non operative loans and advances | 250 |
| Less :- Cash and cash equivalents | 2,710 |
| Total adjusted purchase consideration (A) | 31,920 |
| Less:- Fair value of:- | |
| Tangible fixed assets | 880 |
| Intangible assets | 16,420 |
| Capital work in progress | 30 |
| Non-cash working capital | 2,750 |
| Total (B) | 20,080 |
| Excess purchase consideration over fair value of net assets (Goodwill) C= (A-B) | 11,840 |
| Net Deferred tax liability created on difference in book value and fare value of intangible assets (D) | 5,731 |
| Adjusted Goodwill E= (C+D) | 17,571 |
| Proportion of the Company ownership –(F) | 49% |
| Goodwill included in investment made by the Company in Elica (E*F) | 8,610 |

The following table illustrates the summarised financial information of the Company's investment in Elica PB India Private Limited:

| | As at 31 March 2019 |
|---------------------------------------|--------------------------------|
| | INR lacs |
| Current Assets | 12,497 |
| Non-current Assets* | 35,084 |
| Current Liabilities | 6,536 |
| Non-current Liabilities* | 7,342 |
| Equity | 33,703 |
| Proportion of the Company's ownership | 49% |
| Carrying amount of investment | 16,514 |
| Acquisition related expenses | 979 |
| Total Carrying amount | 17,493 |

*The financial information includes intangible asstes and goodwill amount identified by the Company at the time of purchase price allocation (PPA) on the date of investment.

**For the period
11 September 2018
to 31 March 2019**

| | INR lacs |
|--|-----------------|
| Revenue | 14,862 |
| Other income | 106 |
| Cost of raw material consumed | 7,881 |
| Employee benefits expense | 1,694 |
| Other expenses | 3,662 |
| Depreciation and amortisation | 244 |
| Finance costs | 103 |
| Profit before tax | 1,384 |
| Income tax expense | 441 |
| Profit for the year | 943 |
| Other Comprehensive Income (net of taxes) | 4 |
| Total Comprehensive Income for the period | 947 |
| Amortisation of Intangible assets (net of taxes) | (394) |
| Derived Profit for consolidation | 553 |
| Company's share of profit for the year | 271 |

The Company has an agreement with its joint venture that the profits of the joint venture will not be distributed until it obtains the consent of the Company. The parent does not foresee giving such consent at the reporting date.

The joint venture had contingent liabilities of INR 258 lacs and Nil capital commitments as at 31 March 2019.

(b) Interest in Joint venture company consolidated using equity method of accounting

| Name of Company | Country of Incorporation | % of ownership interest 31 March 2019 | Quoted fair value 31 March 2019 | Carrying amount 31 March 2019 |
|--------------------------------|--------------------------|---------------------------------------|---------------------------------|-------------------------------|
| Elica PB India Private Limited | India | 49% | * | 17,493 |

* Unlisted Entity- no quoted price available.

34. Share-based payments

The Company does not provide any share-based compensation to its employees. However, the ultimate holding Company, Whirlpool Corporation, USA has provided various share-based payment schemes to employees.

A. Details of these plans are given below:

I. Employee Stock Options

A stock option gives an employee, the right to purchase shares of Whirlpool Corporation at a fixed price for a specific period of time. The grant price (or strike price) is fixed based on the closing price of Whirlpool Corporation common stock on the date of grant. Stock options vest in three equal annual installments and expire in ten years from the date they are granted.

II. Restricted Stock Units (RSU)& Performance Stock Units (PSU)

- a. Performance - These are the units of stock granted to employee at nil exercise price. It converts one for one shares of Whirlpool Corporation at the end of the vesting period of three years.
- b. Time based – These are the units of stock granted to employee at nil exercise price. It converts one for one shares of Whirlpool Corporation at the end of the vesting period. One third of the option vests after one year, another one third vests after two years and final one third will vests after three years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The expense recognised for employee services received during the year is shown in the following table:

| Particulars | (INR in lacs) | |
|--|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Expense arising from equity-settled share-based payment transactions | 499 | 991 |
| Total expense arising from share-based payment | 499 | 991 |

There were cancellations in employee stock options and restricted stock units (RSU) and performance stock units (PSU). Refer below movement for details.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements during the year:

(a) Employee Stock Option

| | 31 March 2019 | 31 March 2019 | 31 March 2018 | 31 March 2018 |
|---------------------------|----------------------------|----------------------|----------------------|----------------------|
| | Number | WAEP | Number | WAEP |
| Outstanding at 1 April | 37,251 | \$ 139.25 | 35,217 | \$ 132.95 |
| Granted during the year | - | - | 4,883 | \$ 172.10 |
| Forfeited during the year | (604) | \$191.32 | (1,542) | \$ 166.59 |
| Exercised during the year | (3,374)¹ | \$ 71.73 | (1,307) ¹ | \$ 59.85 |
| Expired during the year | - | - | - | - |
| Outstanding at 31 March | 33,273 | \$ 145.15 | 37,251 | \$ 139.25 |
| Exercisable at 31 March | 28,116 | \$ 139.69 | 26,010 | \$ 126.69 |

¹The weighted average share price at the date of exercise of these options was \$ 142.29 (31 March 2018: \$ 180.06)

The weighted average remaining contractual life for the share options outstanding as at 31 March 2018 was 5.96 years (31 March 2018:6.62 years).

The weighted average fair value of options granted during the year was \$ Nil (31 March 2018: \$35.47).

The range of exercise prices for options outstanding at the end of the year was \$ 71.03 to \$ 213.23 (31 March 2018: \$31.82 to \$213.23).

The following tables list the inputs to the models used for the options granted during the year ended 31 March 2019 and 31 March 2018, respectively:

For year ended 31 March 2019:

No options have been granted during the year .

For year ended 31 March 2018:

| | Grant I | Grant II |
|--|----------------|-----------------|
| Dividend yield (%) | 2.13 | 2.38 |
| Expected volatility (%) | 29.00 | 26.78 |
| Risk-free interest rate (%) | 1.93 | 2.63 |
| Expected life of share options (years) | 4.27 | 4.31 |
| Weighted average share price (\$) | 171.33 | 172.70 |
| Model used | Black-Scholes | Black-Scholes |

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.

(b) Restricted Stock and Performance Share Units

| | 31 March 2019 | 31 March 2018 |
|--|--------------------------|---------------|
| | Number of options | |
| Outstanding at the beginning of the year | 17,017 | 17,441 |
| Granted during the year | 8,098 | 1,622 |
| Transfer/ Forfeited during the year | 297 | 271 |
| Exercised during the year | 2,397 | 1,775 |
| Outstanding at the end of the year | 22,421 | 17,017 |

35. Commitments and contingencies

a. Leases

i. Operating lease commitments – Company as lessee

Lease rent agreement are for computer hardware devices, licenses and software's, vehicles, offices, godowns and warehouses. There are no subleases and there are no restrictions imposed by lease arrangements. Leases are renewable on mutual consent of both the parties.

The Company has paid INR 7,415 lacs (31 March 2018: INR 7,256 lacs) during the year towards minimum lease payment.

Future minimum rentals payable under non-cancellable operating leases as at 31 March are,as follows:

| | (INR in lacs) | |
|---|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Within one year | 1,800 | 1,741 |
| After one year but not more than five years | 2,981 | 3,999 |
| More than five years | 347 | 437 |
| | <u>5,128</u> | <u>6,177</u> |

ii. Operating lease commitments – Company as lessor

The Company has entered into operating lease for a specific area of its building located at Faridabad (having net book value of INR 11 lacs as at 31 March 2019 and INR 13 lacs as at 31 March 2018). The lease is renewable with mutual consent of both the parties. The income recognised in the Statement of profit and loss under the head "Other Income" is INR 96 lacs (31 March 2018: INR 96 lacs).

b. Commitments

Capital work contracted but still under execution (net of advances) is estimated at INR 5,452 lacs (31 March 2018: INR 4,231 lacs).

c. Contingentliabilities

I. Direct tax litigations

| | (INR in lacs) | |
|--|-----------------------|----------------------|
| Particulars | 31 March 2019 | 31 March 2018 |
| Transfer Pricing adjustments (refer note (a)) | 124,714 | 121,352 |
| Other than transfer pricing adjustments (refer note (b)) | 4,199 | 4,275 |
| Total | <u>128,913</u> | <u>125,627</u> |

a) For AY 2003-04 to 2005-06, the assessing officer made additions amounting to INR 17,703 lacs (31 March 2018: INR 21,331 lacs) on account of transfer pricing adjustment for differences between the arm's length price and prices charged/received by the Company from associated enterprises. During the year, the Company

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

has received a favorable order from appellate authority for AY 2003-04 giving a relief for an amount of INR 3,628 lacs.

For AY 2008-09 to 2015-16, Transfer Pricing Adjustments were made by the Transfer Pricing Officer/ Assessing Officer amounting to INR 107,001 lacs (31 March 2018: INR 100,021 lacs) on account of alleged excess expenditure on Advertisement, Marketing and Sales Promotion (AMP) expenses incurred by the Company for promotion of 'Whirlpool' brand owned by the holding company. During the FY 2018-19, the company has received appellate order (s) for AY 2009-10 to AY 2014-15, from Hon'ble ITAT setting aside the order(s) of the Assessing Officer / Transfer Pricing officer. The appellate orders are based on the order of Hon'ble High Court for AY 2008-09 where it was held that there was no international transaction between the company and its Associates Enterprises and consequently, no transfer pricing adjustment is called for. However, the Tax Department has challenged the order of the Hon'ble High Court for A.Y. 2008-09 by filing Special Leave Petition (SLP) before the Hon'ble Supreme Court, Accordingly, the final consequence of TP adjustments involved for all A.Y. 2008-09 to AY 2014-15 on account of AMP expenses adjustments will depend on the acceptance /outcome of the pending SLP of Tax Department for A.Y. 2008-09.

- b) In the Income-tax assessments for preceding assessment years, the Assessing Officer has made disallowances of various expenses. These matters pertain to AY 1994-95 to 2015-16.

During the current year, the Company has received favorable order from appellate authorities amounting to INR 5,236 lacs for AY 2008-09. Further, for AY 2010-11 and 2011-12, ITAT has set aside and remanded back to the assessing officer for issuance of fresh assessment order.

All of the above mentioned matters are pending with various judicial/appellate authorities including DRP, CIT(A), ITAT, High court and Supreme court. For some of the matters, judicial/appellate authorities have decided the cases in favor of the Company. However, these are being contested again by the Department of Income tax.

The Company believes that it has merit in these cases and it is only possible, but not probable, that these cases may be decided against the Company. Hence, these have been disclosed as contingent liability and no provision for any liability has been deemed necessary in the financial statements.

II. Other litigations

| Particulars | (INR in lacs) | |
|--|------------------------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| i. Claims against the Company not acknowledged as debts: These claims are in respect of various cases filed by ex-employees, consumers and trade partners. The legal proceedings are on going and therefore it is not practicable to state the timing of any payment. The management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been recognised in these financial statements. | 602 | 1,074 |
| ii. Others – Pending litigations - Excise duty and service tax - Sales tax/ value added tax assessments In view of large number of cases, it is not practicable to disclose individual details of all the cases. On the basis of current status of individual case and as per legal advice obtained by the Company, wherever applicable, the Company is confident of winning the above cases and is of view that no provision is required in respect of these litigations. The Company has also submitted bank guarantees with respective government authorities towards some of these pending litigations which have been included in point (d) below. | 2,010 3,110 | 2,116 3,167 |
| iii. Letter of credits with bank | 12,539 | 9,003 |
| iv. Bank Guarantees for performance commitment (excluding financial guarantees given to Government Authorities). | 156 | 68 |

III. During the previous year, the Government of India - Ministry of Environment, Forest and Climate Change amended the E-Waste (Management) Rules 2016 and issued E-Waste (Management) Amendment Rules, 2018 (“E-waste Rules”). As per the E-Waste Rules, Companies dealing in certain categories of products as specified therein are required to undertake specific activities to channelize a specified quantity of E-Waste. Presently the impact of non compliance with the requirements of these rules is not ascertainable since the necessary guidelines from Central Pollution Control Board (CPCB) are awaited.

The obligation to channelize E-Waste is applicable to the Company w.e.f 1 October 2017. Based on the estimates made by the management in accordance with the relevant provisions of the E-Waste rules, the Company was required to channelize 12,403 MT (31 March 2018 : 3,140 MT) of E-waste out of which 12,497 MT (31 March 2018 : 2,340 MT) has been channelised during the year by the Company.

IV. The Hon’ble Supreme Court of India (“SC”) by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Based on the legal opinion, pending decision on the subject review petition and directions from the EPFO, the management has a view that the applicability of the decision is prospective and accordingly, the Company after analyzing all the allowances in the pay structure has implemented the judgement prospectively from March 2019. The impact for the past period, will depend upon the outcome of subject review petition and directions from the EPFO and hence has been disclosed as a Contingent liability in the financial statements. The impact of the same is not ascertainable.

d. Financial guarantees

Bank Guarantees given to Government Authorities for various tax litigations amounts to INR 1,382 lacs (31 March 2018: INR 1,275 lacs).

36. Related party transactions

Following are the Related Parties and transactions entered with related parties for the relevant financial year:

| | |
|---|--|
| Key Management Personnel | 1. Mr. Arvind Uppal, Chairman & Non Executive Director 2. Mr. Sunil D’Souza, Managing Director 3. Mr. Anil Berera, Executive Director & Chief Financial Officer (Till 11 May 2018) 4. Mr. AHB Narayan Reddy, Executive Director 5. Mrs. Roopali Singh, Company Secretary 6. Mr. Sanjiv Verma, Independent Director 7. Mr. Anand Bhatia, Independent Director 8. Mr. Yatin Malhotra, Chief Financial Officer (w.e.f. 11 May 2018) 9. Mrs. Sonu Bhasin, Independent Director |
| Parties having direct or indirect control over the Company | 1. Whirlpool Corporation (Ultimate Holding Company) 2. Whirlpool Mauritius Limited (Holding Company) |
| Group Companies / Enterprise where common control exists and with whom transactions have taken place during the year. | 1. Whirlpool Technologia 2. Whirlpool S.A. 3. Whirlpool Southeast Asia Pte 4. Whirlpool (Hong Kong) Limited 5. Whirlpool (China) Investment Co. Ltd. 6. Guangdong Whirlpool Electrical Appliances Co. Ltd. 7. Whirlpool Product Development (Shenzhen) Co. Ltd. 8. Whirlpool (Australia) Pty Limited 9. Whirlpool Asia LLP 10. Whirlpool Europe S.R.L. 11. Whirlpool Poland SA 12. Whirlpool South Africa (Pty) Ltd. |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| | | |
|---|-----|--|
| | 13. | Beijing Embraco Snowflake Compressor Co. Ltd. |
| | 14. | Indesit Company SpA |
| | 15. | Whirlpool EMEA S.p.a |
| | 16. | Whirlpool Marocs.a.r.l |
| | 17. | Whirlpool Taiwan Ltd. |
| | 18. | Whirlpool Slovakia Spols.r.o |
| | 19. | Whirlpool Properties Inc. |
| | 20. | Whirlpool Microwave Products Development Limited |
| | 21. | Whirlpool France S.A.S. |
| | 22. | Whirlpool Overseas Hong Kong Ltd. |
| | 23. | Indesit Company PolskaSp.z.oo. |
| | 24. | Whirlpool (China) Co. Ltd |
| Companies where Joint control exists and with whom transaction have taken place during the year | 1. | Elica PB India Private Limited (w.e.f 10 September 2018) |
| Entities under Significant influence of Key management personnel | 1. | Whirlpool of India Gratuity Fund |
| | 2. | Whirlpool of India Superannuation Scheme |

| Particulars | Ultimate Holding Company/Holding Company (INR in Lacs) | | Enterprises under common control (INR in Lacs) | | Companies where Joint control exists (INR in Lacs) | | Entities under Significant influence of Key management personnel | |
|---|--|---------------|--|---------------|--|---------------|--|---------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| A) Transactions | | | | | | | | |
| (1) Purchase of raw materials and spare parts (net of returns) | | | | | | | | |
| - Whirlpool Corporation | 17 | 22 | - | - | - | - | - | - |
| - Whirlpool Microwave Products Development Limited | - | - | 11 | 21 | - | - | - | - |
| - Whirlpool EMEA S.p.a. | - | - | 141 | 24 | - | - | - | - |
| - Beijing Embraco Snowflake Compressor Co. Ltd | - | - | 4,832 | 2,221 | - | - | - | - |
| - Whirlpool (China) Investment Co. Ltd. | - | - | 112 | 518 | - | - | - | - |
| - Others | - | - | 1 | 1 | - | - | - | - |
| Total | 17 | 22 | 5,097 | 2,785 | - | - | - | - |
| (2) Purchase of trading goods (net of returns) | | | | | | | | |
| - Whirlpool Corporation | 567 | 512 | - | - | - | - | - | - |
| - Whirlpool EMEA S.p.a. | - | - | 1,634 | 3,669 | - | - | - | - |
| - Whirlpool (China)Co., Ltd | - | - | 620 | - | - | - | - | - |
| - Whirlpool Microwave Products Development Limited | - | - | 576 | 783 | - | - | - | - |
| - Whirlpool Slovakia SpolSro | - | - | 1,272 | 1,707 | - | - | - | - |
| - Elica PB India Private Limited | - | - | - | - | 203 | - | - | - |
| - Others | - | - | 175 | 411 | - | - | - | - |
| Total | 567 | 512 | 4,277 | 6,570 | 203 | - | - | - |
| (3) Purchase of capital goods | | | | | | | | |
| - Whirlpool (China) Investment Co. Ltd. | - | - | 1,156 | - | - | - | - | - |
| Total | - | - | 1,156 | - | - | - | - | - |
| (4) Sale of manufactured goods (net of returns) | | | | | | | | |
| - Whirlpool Europe S.R.L. | - | - | 13 | 24 | - | - | - | - |
| - Whirlpool Southeast Asia Pte | - | - | 3,850 | 3,685 | - | - | - | - |
| - Whirlpool EMEA S.p.a. | - | - | 1,128 | 1,158 | - | - | - | - |
| - Whirlpool Marocs.a.r.l | - | - | 533 | 380 | - | - | - | - |
| - Whirlpool (Australia) Pty Limited. | - | - | 544 | 733 | - | - | - | - |
| - Elica PB India Private Limited | - | - | - | - | 1,485 | - | - | - |
| - Others | - | - | 135 | 645 | - | - | - | - |
| Total | - | - | 6,203 | 6,625 | 1,485 | - | - | - |

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| Particulars | Ultimate Holding Company/Holding Company (INR in Lacs) | | Enterprises under common control (INR in Lacs) | | Companies where Joint control exists (INR in Lacs) | | Entities under Significant influence of Key management personnel | |
|---|--|---------------|--|---------------|--|---------------|--|---------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| (5) Reimbursement of expenses incurred on behalf of the parties by Company | | | | | | | | |
| - Whirlpool Corporation | 1,737 | 964 | - | - | - | - | - | - |
| - Whirlpool Asia LLP | - | - | 122 | 92 | - | - | - | - |
| - Whirlpool EMEA S.p.a. | - | - | 66 | 277 | - | - | - | - |
| - Others | - | - | 316 | 373 | - | - | - | - |
| Total | 1,737 | 964 | 504 | 742 | - | - | - | - |
| (6) Reimbursement of expenses incurred on behalf of the Company by parties | | | | | | | | |
| - Whirlpool Corporation | 1,177 | 193 | - | - | - | - | - | - |
| - Whirlpool Product Development (Shenzhen) Co. Ltd | - | - | 40 | 40 | - | - | - | - |
| - Whirlpool Asia LLP | - | - | 1,127 | 896 | - | - | - | - |
| - Whirlpool (China) Investment Co.Ltd. | - | - | 125 | 193 | - | - | - | - |
| - Others | - | - | 86 | 41 | - | - | - | - |
| Total | 1,177 | 193 | 1,378 | 1,170 | - | - | - | - |
| (7) Sale of services | | | | | | | | |
| - Whirlpool Corporation | 13,349 | 10,324 | - | - | - | - | - | - |
| - Whirlpool Europe S.R.L. | - | - | - | - | - | - | - | - |
| - Whirlpool EMEA S.p.a. | - | - | - | 1,764 | - | - | - | - |
| - Others | - | - | 2,218 | 1,939 | - | - | - | - |
| Total | 13,349 | 10,324 | 2,218 | 3,703 | - | - | - | - |
| (8) Royalty fee (Brand Assistance) | | | | | | | | |
| - Whirlpool Properties Inc. | - | - | 5,080 | 4,573 | - | - | - | - |
| Total | - | - | 5,080 | 4,573 | - | - | - | - |
| (9) Technical know-how fee (Brand Assistance) | | | | | | | | |
| - Whirlpool Corporation | 2,454 | 2,111 | - | - | - | - | - | - |
| Total | 2,454 | 2,111 | - | - | - | - | - | - |
| (10) Contributions made by the Company | | | | | | | | |
| - Whirlpool of India Gratuity Fund | - | - | - | - | - | - | 300 | - |
| - Whirlpool of India Superannuation Scheme | - | - | - | - | - | - | 79 | 94 |
| Total | - | - | - | - | - | - | 379 | 94 |
| (11) Dividend paid during the year | | | | | | | | |
| - Whirlpool Mauritius Limited | 3,807 | 2,855 | - | - | - | - | - | - |
| Total | 3,807 | 2,855 | - | - | - | - | - | - |
| (12) Investment in unquoted debt securities | | | | | | | | |
| - Whirlpool S.A. | - | - | - | 32,030 | - | - | - | - |
| Total | - | - | - | 32,030 | - | - | - | - |
| (13) Interest income on unquoted debt securities | | | | | | | | |
| - Whirlpool Corporation | 532 | 486 | - | - | - | - | - | - |
| - Whirlpool S.A. | - | - | 1,348 | 683 | - | - | - | - |
| Total | 532 | 486 | 1,348 | 683 | - | - | - | - |
| B) Balance outstanding at the year end: | | | | | | | | |
| Trade receivables* | | | | | | | | |
| - Whirlpool Corporation | 1,698 | 1,438 | - | - | - | - | - | - |
| - Whirlpool Southeast Asia Pte | - | - | 357 | 1,448 | - | - | - | - |
| - Whirlpool Europe S.R.L. | - | - | 35 | 46 | - | - | - | - |
| - Whirlpool South Africa (Pty) Ltd | - | - | 9 | 657 | - | - | - | - |
| - Whirlpool Overseas Hong Kong Ltd. | - | - | 352 | 113 | - | - | - | - |
| - Elica PB India Private Limited | - | - | - | - | 1,261 | - | - | - |
| - Others | - | - | 765 | 364 | - | - | - | - |
| Total | 1,698 | 1,438 | 1,518 | 2,628 | 1,261 | - | - | - |
| Trade payables* | | | | | | | | |
| - Whirlpool Corporation | 2,024 | 742 | - | - | - | - | - | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| Particulars | Ultimate Holding Company/Holding Company (INR in Lacs) | | Enterprises under common control (INR in Lacs) | | Companies where Joint control exists (INR in Lacs) | | Entities under Significant influence of Key management personnel | |
|--|--|---------------|--|---------------|--|---------------|--|---------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| - Whirlpool Properties Inc. | - | - | 1,190 | 1,149 | - | - | - | - |
| - Whirlpool EMEA S.p.a. | - | - | 927 | 1,420 | - | - | - | - |
| - Whirlpool Microwave Products Development Limited | - | - | 103 | 143 | - | - | - | - |
| - Whirlpool Europe S.R.L | - | - | - | 12 | - | - | - | - |
| - Beijing Embraco Snowflake Compressor Co. Ltd. | - | - | 2,446 | 52 | - | - | - | - |
| - Whirlpool Slovakia Spols.r.o | - | - | 457 | 1,208 | - | - | - | - |
| - Whirlpool (China) Investment Co. Ltd. | - | - | 1,563 | 803 | - | - | - | - |
| - Elica PB India Private Limited | - | - | - | - | 99 | - | - | - |
| - Others | - | - | 24 | 220 | - | - | - | - |
| Total | 2,024 | 742 | 6,710 | 5,007 | 99 | - | - | - |
| Investment in unquoted debt securities* | | | | | | | | |
| - Whirlpool Corporation | 13,712 | 13,712 | - | - | - | - | - | - |
| - Whirlpool S.A.** | - | - | 32,030 | 32,030 | - | - | - | - |
| Total | 13,712 | 13,712 | 32,030 | 32,030 | - | - | - | - |
| Investment in unquoted equity shares | | | | | | | | |
| - Elica PB India Private Limited# | - | - | - | - | 16,244 | - | - | - |
| Total | - | - | - | - | 16,244 | - | - | - |
| Interest receivable on unquoted debt securities | | | | | | | | |
| - Whirlpool Corporation | 258 | 159 | - | - | - | - | - | - |
| - Whirlpool S.A. | - | - | 745 | 683 | - | - | - | - |
| Total | 258 | 159 | 745 | 683 | - | - | - | - |

*Exclusive of reinstatement due to exchange fluctuation.

** The ultimate holding Company has given the guarantee against the investment.

The amount does not include the cost incurred by the Company at time of acquisition of shares which has been reported in the total investment amount in the financial statements.

Terms and conditions of transactions with related parties

All the above mentioned transactions with the 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 and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables other than the letter of comfort which has been given by the ultimate holding Company, Whirlpool Corporation, to respective banks against bank overdraft, cash credit, letter of credit etc. facilities provided to the Company.

Transactions with key management personnel

Compensation of key management personnel of the Company

| | (INR in lacs) | |
|------------------------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Short-term employee benefits | 1,235 | 1,861 |
| Post-employment benefits | 5 | 160 |
| Other long-term benefits | 4 | 56 |
| Share-based payment | 201 | 763 |
| Director sitting fees | 56 | 49 |
| Legal and professional fees | 27 | 9 |
| Total | 1,528 | 2,898 |

The amounts disclosed above are the amounts recognised as an expense during the reporting period related to key management personnel.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

37. Segment information

The Company's operations predominantly comprise of only one segment i.e. Home Appliances. The management also reviews and measures the operating results taking the whole business as one segment and accordingly, makes decision about resource allocation. In view of the same, separate segmental information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments".

Geographical Information

| | (INR in lacs) | |
|--|----------------|----------------|
| | 31 March 2019 | 31 March 2018 |
| Revenue from external customers | | |
| Sale of Products | | |
| Within India | 503,404 | 463,368 |
| Outside India | 17,287 | 16,353 |
| Total | <u>520,691</u> | <u>479,721</u> |

| | (INR in lacs) | |
|-------------------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Sale of Services | | |
| Within India | 2,323 | 2,204 |
| Outside India | 15,514 | 14,015 |
| Total | <u>17,837</u> | <u>16,219</u> |

The revenue information above is based on the locations of the customers.

Non-current operating assets

The Company has common non-current operating assets for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

38. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:-

| | (INR in lacs) | |
|--|---------------|---------------|
| Particulars | 31 March 2019 | 31 March 2018 |
| The Principal amount and the Interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal Amount | 3,604 | 2,194 |
| Interest due on above | 45 | 20 |
| Interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | 31 |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | 45 | 20 |
| Amount of interest accrued and remaining unpaid at the end of each accounting year | | |
| FY 2016-17 | 5 | 5 |
| FY. 2017-18 | 15 | 15 |
| FY. 2018-19 | 45 | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | 65 | 20 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**39. Hedging activities and derivatives****Derivatives not designated as hedging instruments**

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as hedge instrument and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally for the following period:

- From one to three months in case of vendor payments
- From one to three years in case of investment in senior notes (including interest).

40. Fair values

The management assessed that cash and cash equivalents, trade receivables, loans, other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The loss allowance on the financial assets as at 31 March 2019: INR 136 lacs (31 March 2018: INR 155 lacs) provided in the books on account of uncertainty of recoverability for the amount.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Security Deposits disclosed under loans are evaluated by the Company based on parameters such as interest rates, risk factors, risk characteristics and individual creditworthiness of the counterparty. Based on this evaluation, allowances are taken into account for the expected credit losses of these security deposits.

41. Fair values hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019:

| Particulars | Fair value measurement using | | | | |
|--|------------------------------|-------------|---|---|---|
| | Date of valuation | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | | INR in lacs | | | |
| Financial assets measured at fair value through profit & loss | | | | | |
| Derivatives Financial Instrument | 31 March 2019 | 1,230 | - | 1,230 | - |
| Financial assets measured at amortised cost: | | | | | |
| Investment | 31 March 2019 | 65,633 | - | - | 65,633 |
| Loans | | 2,078 | - | - | 2,078 |
| Bank Deposits | | 2 | - | - | 2 |
| Interest accrued on bank deposits and investment | | 1,363 | - | - | 1,363 |
| Insurance claim receivable | | 14 | - | - | 14 |
| Trade receivables | | 25,562 | - | - | 25,562 |
| Cash and cash equivalents | | 105,367 | - | - | 105,367 |
| Other bank balances | | 733 | - | - | 733 |
| Financial liabilities carried at amortised costs | | | | | |
| Trade payables | 31 March 2019 | 123,791 | - | - | 125,791 |
| Other payables | | 9,507 | - | - | 9,507 |

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

| Particulars | Fair value measurement using | | | | |
|--|------------------------------|-------------|---|---|---|
| | Date of valuation | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | | INR in lacs | | | |
| Financial assets measured at fair value through profit & loss | | | | | |
| Derivatives Financial Instrument | 31 March 2018 | 1,666 | - | 1,666 | - |
| Financial assets measured at amortised cost: | | | | | |
| Investment | 31 March 2018 | 45,632 | - | - | 45,632 |
| Loans | | 1,905 | - | - | 1,905 |
| Bank Deposits | | 11 | - | - | 11 |
| Interest accrued on bank deposits and investment | | 1,365 | - | - | 1,365 |
| Insurance claim receivable | | - | - | - | - |
| Trade receivables | | 24,031 | - | - | 24,031 |
| Cash and cash equivalents | | 97,501 | - | - | 97,501 |
| Other bank balances | | 684 | - | - | 684 |

| Particulars | Fair value measurement using | | | | |
|---|------------------------------|-------------|---|---|---|
| | Date of valuation | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | | INR in lacs | | | |
| Financial liabilities carried at amortised costs | | | | | |
| Trade payables | 31 March 2018 | 115,485 | - | - | 115,485 |
| Other payables | | 8,100 | - | - | 8,100 |

42. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include deposits and derivative financial instruments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and provisions.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2019 and 31 March 2018.

a. 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 overdraft, letter of credit, cash credit etc. facilities provided by the respective banks to the Company carrying variable interest rates.

Since, the Company has not availed any longterm credit facilities, therefore there is no need for the Company to enter into hedge contract to mitigate the possible exposure risk.

b. 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum period of three month for hedges of forecasted purchases and a maximum period of three year period for hedges of forecasted cash inflow relating to senior notes (including interest).

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro 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.

The Company's exposure to foreign currency changes for all other currencies is not material.

Foreign currency sensitivity

| Currency | (INR in lacs) | | | |
|----------|-----------------|---------|-----------------|-------|
| | % 31 March 2019 | | % 31 March 2018 | |
| USD | 5% | 1,077 | 1% | 251 |
| | (5%) | (1,077) | (1%) | (251) |
| Euro | 4% | (53) | 5% | (64) |
| | (4%) | 53 | (5%) | 64 |

c. Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of various electronic parts which consist of copper element and therefore require a continuous supply of the same. However, due to the non-significant movement in the prices of the copper, the Company has not entered into any forward contracts for commodity hedging purpose.

B. 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 financial institutions, foreign exchange transactions and other financial instruments.

a. Trade receivables

Customer credit risk is managed subject to the Company’s established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and balances of customers are not covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 8. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company’s treasury department in accordance with the Company’s policy. Investments of surplus funds are made only with approved banks and within limits assigned to each bank by the ultimate holding Company.

The Company’s maximum exposure to credit risk for the components of the balance sheet at 31 March 2019, 31 March 2018 is the carrying amounts as illustrated in note 9 except for financial guarantees. The Company’s maximum exposure relating to financial guarantees is noted in note 35.

Liquidity risk

The Company monitors its risk of a shortage of funds through fund management exercise at regular intervals.

The table below summarises the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments.

| | INR in lacs | | |
|---------------------------------|------------------|------------------|----------------|
| | Less than 1 year | More than 1 year | Total |
| Year ended 31 March 2019 | | | |
| Trade Payables | 123,621 | 170 | 123,791 |
| Other Payables | 8,987 | 520 | 9,507 |
| | 132,608 | 690 | 133,298 |
| Year ended 31 March 2018 | | | |
| Trade Payables | 115,298 | 187 | 115,485 |
| Other Payables | 7,642 | 458 | 8,100 |
| | 122,940 | 645 | 123,585 |

43. Capital management

For the purpose of the Company’s capital management, capital includes issued equity capital, share premium and all 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 structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**44. Standards issued but not effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 Leases

Ind AS 116 Leases has been notified during the current year and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Company intends to adopt these standards when they become effective from 1 April 2019 and currently, The Company has performed an assessment to identify the impact and the same is coming out to be not significant.

- 45.** During the year, the Company has acquired 49% of the issued and paid up capital of Elica PB India Private Limited (Elica) and considering the other terms on investment, Elica is considered as Jointly controlled Company. Refer Note 2(II) and 33 for details relating to the preparation of Consolidated Financial Statement for the year. The Company, to comply with applicable Indian accounting standards in India has given the disclosure of comparative financial information in the financial statements, which is similar to the comparative information presented in the standalone financial statements of the Company. Accordingly, the numbers for the year ended and as at 31 March 2019 is not comparable with that of previous year.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Manish P Bathija
Partner
Membership No. 216706

Place of Signature : Gurugram
Date : 24 May 2019

For and on behalf of the Board of Directors of
Whirlpool of India Limited

Arvind Uppal
Chairman
DIN:00104992
Yatin Malhotra
Chief Financial Officer

Sunil D'Souza
Managing Director
DIN:07194259

Roopali Singh
Company Secretary

Anil Berera
Executive Director
DIN: 00306485

Form AOC-I
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part “A”:Subsidiaries
Not Applicable
Part “B”: Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

INR in Lacs

| | Name of Associates/Joint Ventures | Elica PB India Pvt Ltd |
|---|---|----------------------------------|
| 1 | Latest audited Balance Sheet Date | 31st Mar 2019 |
| 2 | Shares of Associate/Joint Ventures held by the company on the year end | |
| | No. | 23,68,997 |
| | Amount of Investment in Associates/Joint Venture | 17,222 |
| | Extend of Holding % | 49% |
| 3 | Description of how there is significant influence | Shareholding Pattern |
| 4 | Reason why the associate/joint venture is not consolidated | Consolidated using Equity Method |
| 5 | Networth attributable to Shareholding as per latest audited Balance Sheet | 2,945.39 |
| 6 | Profit / Loss for the year* | |
| | i. Considered in Consolidation | 271 |
| | ii. Not Considered in Consolidation | 282 |

*Refer Note No. 33(Interest in Other Entities) of the Consolidated Financial Statements for details.

 For and on behalf of the Board of Directors
 of **Whirlpool of India Limited**
Arvind Uppal
 Chairman
 DIN:00104992

Sunil D’Souza
 Managing Director
 DIN:07194259

Anil Berera
 Executive Director
 DIN: 00306485

 Place of Signature : Gurugram
 Date : 24 May 2019

Yatin Malhotra
 Chief Financial Officer

Roopali Singh
 Company Secretary

WHIRLPOOL RANGE OF HOME APPLIANCES




Whirlpool

WHIRLPOOL OF INDIA LIMITED | Corporate Office: Plot No. 40, Sector - 44, Gurgaon - 122002
For inquiries, please call us at: 1800-208-1800 (Toll Free)

www.whirlpoolindia.com

 www.whirlpoolindia/store

 For disposal of e-waste generated, kindly call @ 1800-208-1800

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