# Elica PB Whirlpool Kitchen Appliances Private Limited

*(formerly known as Elica PB India Private Limited)*

# Financial Statements 2021-22

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
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# INDEPENDENT AUDITOR'S REPORT

To the Members of Elica PB Whirlpool Kitchen Appliances Private Limited
(Formerly Known as Elica PB India Private Limited)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Elica PB Whirlpool Kitchen Appliances Private Limited (Formerly Known as Elica PB India Private Limited) ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibility of Management for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 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 adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

**Other Matter**

The financial statements of the Company for the year ended March 31, 2021, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on June 11, 2021.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2022;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      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.

      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**SD/-**
**per Sanjay Vij**
Partner
Membership Number: 095169
UDIN: 22095169AJGRKG3771
Place of Signature: Gurugram
Date: May 19, 2022

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ELICA PB WHIRLPOOL KITCHEN APPLIANCES PRIVATE LIMITED (FORMERLY KNOWN AS ELICA PB INDIA PRIVATE LIMITED)**

Statement on the matters specified in paragraphs 3 and 4 of the Company Audit Report Order 2020

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(i) (b) All Property, Plant and Equipment except display stands were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years. In accordance with a planned programme to cover display stands installed at its customer locations over a period of two years, the Company has obtained confirmations from its customers or performed physical verification during the year covering substantial asset value and has planned to cover the balance in next year. The same is reasonable having regard to the size of the Company and the nature of its assets.

(i) (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory including inventory lying with third parties at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate.

(ii) (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(iii) (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(iii) (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clauses 3(iii)(c), (d), (e) and (f) of the Order are not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Kitchen Hood, Cooktops and Built in Hobs and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(ix) (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(ix) (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clauses 3(ix)(e) and (f) of the Order are not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

(xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi) (c) As represented to us by the management, the provisions of clause (xi) (c) are not applicable on the Company.

(xii)(a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi)(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year.

(xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in note 42 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 31(ii) to the financial statements.

(xx)(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 31(ii) to the financial statements.

(xxi) The Company does not have any subsidiary, associate or joint venture and accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**Sd/-**
**per Sanjay Vij**
Partner
Membership Number: 095169
UDIN: 22095169AJGRKG3771
Place of Signature: Gurugram
Date: May 19, 2022

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ELICA PB WHIRLPOOL KITCHEN APPLIANCES PRIVATE LIMITED (Formerly Known as Elica PB India Private Limited)**

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

We have audited the internal financial controls with reference to these financial statements of Elica PB Whirlpool Kitchen Appliances Private Limited (Formerly Known as Elica PB India Private Limited) ("the Company") as of March 31, 2022 in conjunction with our audit of these financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls with Reference to these Financial Statements**

A company's internal financial controls with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to these Financial Statements**

Because of the inherent limitations of internal financial controls with reference to these 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 these financial statements to future periods are subject to the risk that the internal financial control with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**Sd/-**
**per Sanjay Vij**
Partner
Membership Number: 095169
UDIN: 22095169AJGRKG3771
Place of Signature: Gurugram
Date: May 19, 2022

## Elica PB Whirlpool Kitchen Appliances Private Limited

(Formerly Known as Elica PB India Private Limited)

**Balance Sheet as at 31 March 2022**

**(Amount in INR Lacs, unless otherwise stated)**

| Particulars | Note | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5A | 1,379 | 1,188 |
| Capital work-in-progress | 5A | 27 | - |
| Intangible assets | 6 | 21 | 29 |
| Right-of-use assets | 7 | 807 | 855 |
| Financial assets | | | |
| (i) Other financial assets | 8 | 114 | 116 |
| Deferred tax assets (net) | 32 | 790 | 502 |
| Non-current Tax assets (net) | | 91 | 91 |
| Other non-current assets | 8A | 17 | 9 |
| **Total non - current assets (i)** | | **3,246** | **2,790** |
| **Current assets** | | | |
| Inventories | 9 | 9,286 | 6,844 |
| Financial assets | | | |
| (i) Trade receivables | 10 | 4,331 | 3,828 |
| (ii) Cash and cash equivalents | 11A | 8,441 | 1,691 |
| (iii) Other Bank balances | 11B | 320 | 4,098 |
| (iv) Loans | 12 | 14 | 31 |
| (v) Other financial assets | 13 | 444 | 4,417 |
| Other current assets | 14 | 644 | 205 |
| **Total current assets (ii)** | | **23,480** | **21,114** |
| **Total assets (i+ii)** | | **26,726** | **23,904** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 15 | 483 | 483 |
| (b) Other equity | 16 | 18,146 | 13,784 |
| **Total equity (i)** | | **18,629** | **14,267** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 35 | 484 | 517 |
| Provisions | 17 | 1,356 | 919 |
| **Total non - current liabilities (ii)** | | **1,840** | **1,436** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18 | - | 1,250 |
| (ii) Lease Liabilities | 35 | 386 | 396 |
| (iii) Trade payables | 19 | | |
| (a) total outstanding dues of micro and small enterprises | | 765 | 743 |
| (b) total outstanding dues of creditors other than micro and small enterprises | | 3,546 | 4,337 |
| (iv) Other financial liabilities | 20 | 32 | 49 |
| Other current liabilities | 21 | 1,139 | 913 |
| Provisions | 22 | 327 | 403 |
| Current tax liabilities (net) | 32 | 62 | 110 |
| **Total current liabilities (iii)** | | **6,257** | **8,201** |
| **Total equity and liabilities (i+ii+iii)** | | **26,726** | **23,904** |
| **Summary of significant accounting policies** | 2-4 | | |

**The accompanying Notes are an integral part of the financial statements**

As per our report of even date

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number : 301003E/E300005

Sd/-

**per Sanjay Vij**
Partner
Membership Number : 095169

Place : Gurugram
Date : 19th May, 2022

**For and on behalf of the Board of Directors of**
**Elica PB Whirlpool Kitchen Appliances Private Limited**
CIN : U29300PN2010PTC136095

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **Pralhad Bhutada** | **Vishal Bhola** | **Nishant Hundiwala** |
| Managing Director and CEO | Director | Chief Financial Officer |
| DIN : 00272306 | DIN : 08668079 | Place: Pune, India |
| Place : Las Vegas, USA | Place : Gurugram, India | |

Sd/-

**Urvi Upadhyay**
Company Secretary
Place: Gurugram, India

Date : 19th May, 2022

## Elica PB Whirlpool Kitchen Appliances Private Limited
(Formerly Known as Elica PB India Private Limited)
**Statement of Profit and Loss**
**For the year ended 31 March 2022**
**(Amount in INR Lacs, unless otherwise stated)**

| **Particulars** | **Note** | **31 March 2022** | **31 March 2021** |
|---|---|---|---|
| Revenue from contract with customers | 23 | 37,493 | 30,907 |
| Other income | 24 | 389 | 416 |
| **Total Income** | | **37,882** | **31,323** |
| **Expenses** | | | |
| Cost of raw material and components consumed | 25 | 10,836 | 7,909 |
| Purchases of traded goods | 26 | 11,795 | 9,839 |
| Changes in inventory of finished goods, work-in-progress and traded goods | 27 | (1,444) | (869) |
| Employee benefits expense | 28 | 3,460 | 3,111 |
| Finance costs | 29 | 252 | 254 |
| Depreciation and amortization expense | 30 | 890 | 822 |
| Other expenses | 31 | 6,336 | 4,050 |
| **Total expenses** | | **32,125** | **25,116** |
| **Profit before tax** | | **5,757** | **6,207** |
| **Income tax expense / (credit)** | | | |
| Current tax | 32 | 1,761 | 1,776 |
| Adjustment of tax relating to earlier years | | (53) | - |
| Deferred Tax charge / (credit) | 32 | (289) | (176) |
| **Income tax expenses / (credit)** | | **1,419** | **1,600** |
| **Profit for the year** | | **4,338** | **4,607** |
| **Other comprehensive income / (loss)** | 16 | | |
| Items that will not be reclassified to profit or loss: | | | |
| - Remeasurement gain/loss on defined benefit plans | | 3 | (2) |
| - Income tax effect | | (1) | 1 |
| **Other comprehensive income / (loss) for the year, net of tax** | | **2** | **(1)** |
| **Total comprehensive income for the year** | | **4,340** | **4,606** |
| Earnings per equity share (nominal value of share: INR 10/-) (31 March 2021 - INR 10/-) | 33 | | |
| Basic (in INR) | | 89.72 | 95.28 |
| Diluted (in INR) | | 89.72 | 95.28 |

**Summary of significant accounting policies** 2-4
**The accompanying Notes are an integral part of the financial statements**

As per our report of even date

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number : 301003E/E300005

Sd/-

**per Sanjay Vij**
Partner
Membership Number : 095169

Place : Gurugram
Date : 19th May, 2022

**For and on behalf of the Board of Directors of**
**Elica PB Whirlpool Kitchen Appliances Private Limited**
CIN : U29300PN2010PTC136095

Sd/-

**Pralhad Bhutada**
Managing Director and CEO
DIN : 00272306
Place : Las Vegas, USA

Sd/-

**Vishal Bhola**
Director
DIN : 08668079
Place : Gurugram, India

Sd/-

**Nishant Hundiwala**
Chief Financial Officer
Place: Pune, India

Sd/-

**Urvi Upadhyay**
Company Secretary
Place: Gurugram, India

Date : 19th May, 2022

## Elica PB Whirlpool Kitchen Appliances Private Limited

(Formerly Known as Elica PB India Private Limited)

**Statement of Cash flows**

**(Amount in INR Lacs, unless otherwise stated)**

**For the year ended 31 March 2022**

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Profit before tax | **5,757** | **6,207** |
| **Adjustments to reconcile profit before tax to net cash flows:** | | |
| Depreciation and amortization expenses | 890 | 822 |
| Finance costs | 249 | 198 |
| Interest income | (362) | (388) |
| Loss on disposal of property, plant and equipment | 7 | 1 |
| Unrealised foreign exchange (gain) / loss | 78 | (11) |
| Employee stock option plan | 22 | - |
| **Operating profit before working capital adjustments** | **6,641** | **6,829** |
| **Working capital adjustments :** | | |
| Decrease/ (increase) in loans | 17 | 26 |
| Decrease/(Increase) in Other financial assets | 3,942 | 4,360 |
| increase in inventories | (2,442) | (2,016) |
| Increase in trade receivables | (503) | (1,065) |
| increase in other current assets | (446) | (113) |
| Increase in provisions | 361 | 439 |
| (Decrease)/ increase in trade payables | (845) | 2,164 |
| increase in other current financial liabilities | - | 166 |
| Increase in other current liabilities | 225 | 221 |
| | **309** | **4,182** |
| | **6,950** | **11,011** |
| Income tax paid (net of refund) | **(1,757)** | **(1,982)** |
| **Net cash flows from operating activities (A)** | **5,193** | **9,029** |
| **B. Cash flow from investing activities** | | |
| Purchase of property, plant and equipment including intangible assets (Capital work in progress and capital advances) | (740) | (363) |
| Proceeds from sale of property, plant and equipment | 2 | 5 |
| Proceeds from / (Investment in) Bank deposits (having original maturity of more that 3 months) | 3,778 | (7,035) |
| Interest received | 395 | 464 |
| **Net cash flow from / (used) in investing activities (B)** | **3,435** | **(6,929)** |
| **C. Cash flow from Financing activities** | | |
| Interest paid | (179) | (145) |
| Payment of principal portion of lease liabilities | (448) | (331) |
| Repayment of Borrowings | (1,250) | - |
| **Net cash flow used in financing activities (C)** | **(1,877)** | **(476)** |
| Net increase in cash and cash equivalents (A+B+C) | 6,751 | 1,624 |
| Cash and cash equivalents at the beginning of the year | 1,691 | 67 |
| **Cash and cash equivalents at the end of the year** | **8,442** | **1,691** |
| **Cash and cash equivalents comprises:** | | |
| Cash on hand | 1 | - |
| Balance with bank | | |
| - On current accounts | 8,441 | 1,691 |
| | **8,442** | **1,691** |
| **Non-cash investing activities** | | |
| Acquisition of Right-of-use assets | **332** | **970** |

**Summary of significant accounting policies** 2-4

**The accompanying Notes are an integral part of the financial statements**

As per our report of even date

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number : 301003E/E300005

**For and on behalf of the Board of Directors of**
**Elica PB Whirlpool Kitchen Appliances Private Limited**
CIN : U29300PN2010PTC136095

Sd/-
**per Sanjay Vij**
Partner
Membership Number : 095169

Sd/-
**Pralhad Bhutada**
Managing Director and CEO
DIN : 00272306
Place : Las Vegas, USA

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Chief Financial Officer
Place: Pune, India

Sd/-
**Urvi Upadhyay**
Company Secretary
Place: Gurugram, India

Place : Gurugram
Date : 19th May, 2022

Date : 19th May, 2022

## Elica PB Whirlpool Kitchen Appliances Private Limited

(Formerly Known as Elica PB India Private Limited)

**Statement of Changes in Equity**

**For the year ended 31 March 2022**

**(Amount in INR Lacs, unless otherwise stated)**

| Particulars | No. in lacs | INR in lacs |
|---|---|---|
| **a. Equity Share Capital (refer note15):** | | |
| **At 1 April 2020** | **48** | **483** |
| Changes during the year | - | - |
| **At 31 March 2021** | **48** | **483** |
| Changes during the year | - | - |
| **At 31 March 2022** | **48** | **483** |

**b. Other Equity**

**For the year ended 31 March 2022**

| Particulars | Other equity (refer note 16) | | | | Total |
|---|---|---|---|---|---|
| | Securities Premium | Retained Earnings | Share based payments reserves | Remeasurement of defined benefit liability / asset | |
| Balance as at 1 April 2020 | 3,453 | 5,713 | - | 12 | 9,178 |
| Add: Profit for the year | - | 4,607 | - | - | 4,607 |
| Add: Other comprehensive income (net of tax) | - | - | | (1) | (1) |
| **Total comprehensive income** | 3,453 | 10,320 | - | 11 | 13,784 |
| Share Based payment reserve | - | - | - | - | - |
| **Balance as at 31 Mar 2021** | **3,453** | **10,320** | **-** | **11** | **13,784** |
| **Balance as at 1 April 2021** | **3,453** | **10,320** | **-** | **11** | **13,784** |
| Add: Profit for the year | - | 4,338 | - | - | 4,338 |
| Add: Other comprehensive income (net of tax) | - | - | - | 2 | 2 |
| **Total comprehensive income** | 3,453 | 14,658 | - | 13 | 18,124 |
| Add: Share Based payment reserve | - | - | 22 | - | 22 |
| **Balance as at 31 Mar 2022** | **3,453** | **14,658** | **22** | **13** | **18,146** |

**Summary of significant accounting policies** 2-4

**The accompanying Notes are an integral part of the financial statements**

As per our report of even date

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm registration number : 301003E/E300005

Sd/-
**per Sanjay Vij**
Partner
Membership Number : 095169

**For and on behalf of the Board of Directors of**
**Elica PB Whirlpool Kitchen Appliances Private Limited**
CIN : U29300PN2010PTC136095

Sd/-
**Pralhad Bhutada**
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Chief Financial Officer
Place: Pune, India

Sd/-
**Urvi Upadhyay**
Company Secretary
Place: Gurugram, India

Place : Gurugram
Date : 19th May, 2022

Date : 19th May, 2022

## 1. Corporate Information

Elica PB Whirlpool Kitchen Appliances Private Limited (formerly known as Elica PB India Private Limited) ('the Company') is a private company domiciled in India with its registered office situated at Pisoli, Pune. The Company was incorporated in Pune, India on 16 April 2010 under the Companies Act applicable in India, as a private limited company. The Company is primarily engaged in the manufacture, assembly and trading of extensive range of kitchen appliances such as kitchenhood, gas hobs, cooktop and others.

The Company became subsidiary of Whirlpool of India Limited as on 29 September, 2021. Pursuant to clause 24.9 of the Shareholder's agreement dated 29 September 2021 the name of the Company was required to change from Elica PB India Private Limited to Elica PB Whirlpool Kitchen Appliances Private Limited. The Company after taking approval from shareholders meeting held on 08 February 2022, filed necessary forms with the Registrar of Companies and received the Certificate of Incorporation pursuant to name change w.e.f. 24 March 2022.

These financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company in their meeting held on 04 May, 2022.

## 2. Summary of Significant Accounting Policies

### i) Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

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

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

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

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

### ii) Summary of significant accounting policies

#### a) Current versus Non-Current classification

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if

a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or
b) it is held primarily for the purpose of being traded; or
c) it is expected to be realized within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets have been classified as non-current.

A liability has been classified as current when

a) it is expected to be settled in the Company's normal operating cycle; or
b) it is held primarily for the purpose of being traded; or
c) it is due to be settled within twelve months after the reporting date ; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities have been classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

**iii) 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].

**iv) 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are 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 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 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.

**v) 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 recognized 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 recognized 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.

**vi) Depreciation on property, plant and equipment**

Depreciation is calculated on Written down method basis over the estimated useful lives of the following assets:

| Type of Assets | Useful lives estimated by the management (years) |
|---|---|
| Plant and machinery | 15 |
| Dies and Tools | 15 |
| Display Stand (*) | 5 |
| Electric Installation | 10 |
| Furniture and fixture | 10 |
| Office equipment | 5 |
| Computer | 3 |
| Server and networks | 6 |
| Vehicles | 8 |

*Useful life of Display Stand is determined by management. The Company capitalizes ‘Display Stands’ used exclusively for display at the distributor/dealers outlets. These display stands are the property of the Company and are returnable at the Company’s discretion. The management has estimated useful life of the display stands to be five years based on the payback period of display stands

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 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.

**vii) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization 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 on straight- line basis .

**viii) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. 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 available, and if no such transactions can be identified an appropriate valuation model is used. These calculations are corroborated by valuation multipliers, quoted share prices for publicly traded companies or other available fair value indicator.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flows projections beyond period covered by the most recent budgets/ forecasts, the company extrapolates cash flow projects 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 exceeded the long term average growth rate for the products, industries, or countries in which the company operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss. except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

**ix) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**a) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. if ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**b) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**c) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. 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.

**x) Financial Instrument**

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, 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 8,10 & 13.

**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 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:

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 ECL 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 financial liabilities, 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 financial liabilities 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 recognized 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 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.

### xi) Cash and Cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

### xii) Cash dividend to equity holders of the Company

The Company recognises a liability to make dividend 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.

### xiii) Inventories

Inventories are valued at the lower of Cost and Net Realisable Value.

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

a) Raw materials and Store and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average method.

b) 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 method.

c) 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 method.

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.

### xiv) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs include interest and amortization of ancillary costs incurred in connection with the arrangement of borrowing. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### xv) Revenue from contract with customer

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 paragraph 2.B.

**Sale of goods**

Revenue from sale of product is recognised at the point in time when control of the product is transferred to the customer, generally on delivery of the product. The normal credit term is 0 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (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, non-cash consideration, and consideration payable to the customer (if any).

**Rendering of services**

In view of the nature of services provided, revenue from services is recognised under the proportionate completion method provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration. Revenue from rendering of services comprises of revenue from maintenance contracts (AMC). Revenues from maintenance contracts are recognised on straight line basis which is pro-rata over the period of the contract as and when services are rendered.

**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 goods 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, 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 volume rebates to certain customers once the quantity of goods 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.

### xvi) Other Revenue Streams

**Interest Income**

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

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

### xvii) 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.

**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.

**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.

**xviii) Share-based Payments**

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.

**xix) Taxes**

**Current Income Tax and Deferred Tax**

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside 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 is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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.

**xx) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.

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

**xxi) Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. Warranty costs are estimated on the basis of past experience. Provision is made for estimated liability in respect of warranty costs in the period of sale of goods.

**Contingencies**

Provision in respect of loss contingencies relating to claims, litigations assessment, fines, penalties etc are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably. Where no reliable estimate can be made as to the outcome of an event, a disclosure is made as contingent liability. Contingent assets are not recognised in the accounts.

**Reclassifications**

The figures for the corresponding previous year have been regrouped / reclassified wherever necessaryas required by Schedule III, to make them comparable.

**3 Changes in accounting policies and disclosures**

**New and amended standards**

The Company applied for the first time certain standards and amendments, which are effective for annual period beginning on or after April 01, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective.

I. **Amendments to Ind AS 116: Covid-19-Related Rent Concessions.**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

This amendment had no impact on the financial statements of the Company.

II. **Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform**

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments have no impact on the financial statements of the Company.

III. **Conceptual framework for financial reporting under Ind AS issued by ICAI**

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

IV. **Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The definition of “Recoverable amount” is amended such that the words “the higher of an asset’s fair value less costs to sell and its value in use” are replaced with “higher of an asset’s fair value less costs of disposal and its value in use”. The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.
These amendments had no impact on the financial statements of the Company.

**Standards issued but not yet effective**

There are no standards or amendments issued on or before 31 March 2022 but not yet effective, which may have any material impact on the financial statements of the Company.

## 4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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 recognized in the standalone financial statements.

**a) Determining the lease term of contracts with renewal and termination options- Company as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

**b) Defined benefit plans**

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans 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 defined benefit plans, 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. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit obligations are given in Note 39.

**c) 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 wherever 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. Refer Note 41 for further disclosures.

**d) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**e) Revenue from contracts with customers**

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

**Determining method to estimate variable consideration and assessing the constraint**

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with volume rebates, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

**f) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and different interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

**g) 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.

## Elica PB Whirlpool Kitchen Appliances Private Limited

(Formerly Known as Elica PB India Private Limited)

**Notes to the financial statements *(continued)***

**For the year ended 31 March 2022**

**(Amount in INR Lacs, unless otherwise stated)**

**5A Property, plant and equipment and Capital work-in-progress**

| | Plant and machinery | Electric installation | Office equipment | Dies, tools & fixtures | Computers | Furniture and fixtures | Display stands | Vehicles | Total | Capital work in progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | |
| As at 1 April 2020 | **197** | **2** | **36** | **241** | **68** | **324** | **1,538** | **128** | **2,534** | **18** |
| Additions | 7 | - | 9 | 18 | 11 | 71 | 281 | - | 397 | 63 |
| Disposals | - | - | - | - | - | - | (12) | - | (12) | (81) |
| **As at 31 March 2021** | **204** | **2** | **45** | **259** | **79** | **395** | **1,807** | **128** | **2,919** | **-** |
| **As at 1 April 2021** | **204** | **2** | **45** | **259** | **79** | **395** | **1,807** | **128** | **2,919** | **-** |
| Additions | 4 | - | 2 | 16 | 17 | 20 | 458 | 184 | 701 | 27 |
| Disposals | - | - | (5) | - | - | (8) | (2) | (52) | (67) | - |
| **As at 31 March 2022** | **208** | **2** | **42** | **275** | **96** | **407** | **2,263** | **260** | **3,553** | **27** |
| **Depreciation** | | | | | | | | | | |
| **As at 1 April 2020** | **70** | **1** | **16** | **70** | **45** | **108** | **819** | **87** | **1,216** | |
| Depreciation charged for the year | 24 | - | 10 | 32 | 15 | 65 | 362 | 13 | 521 | |
| Disposals | - | - | - | - | - | - | (6) | - | (6) | |
| **As at 31 March 2021** | **94** | **1** | **26** | **102** | **60** | **173** | **1,175** | **100** | **1,731** | |
| **As at 1 April 2021** | **94** | **1** | **26** | **102** | **60** | **173** | **1,175** | **100** | **1,731** | |
| Depreciation charged for the year | 21 | - | 8 | 29 | 15 | 58 | 360 | 11 | **502** | |
| Disposals | - | - | (5) | - | - | (8) | (2) | (44) | **(59)** | |
| **As at 31 March 2022** | **115** | **1** | **29** | **131** | **75** | **223** | **1,533** | **67** | **2,174** | |
| **Net Book Values** | | | | | | | | | | |
| **As at As at 31 March 2022** | **93** | **1** | **13** | **144** | **21** | **184** | **730** | **193** | **1,379** | |
| **As at 31 March 2021** | **110** | **1** | **19** | **157** | **19** | **222** | **632** | **28** | **1,188** | |

Display stands lying with the third parties amounting to INR 2,263 lacs (31 March 2021: INR 1,807 lacs) with a net book value of INR 730 lacs (31 March 2021: INR 632 lacs)

**Capital work in progress (CWIP)**

Capital work in progress (CWIP) as at 31 March 2022 comprises expenditure for the office space extention including customer care department . Total amount of CWIP is INR 27 lacs (31 March 2021: INR Nil).

**Capital work in progress (CWIP) Ageing Schedule**

| | Projects in progress | |
|---|---|---|
| **Amount in CWIP for a period of** | **As at 31 March 2022** | **As at 31 March 2021** |
| Less than 1 year | 27 | - |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | - |
| **Total** | **27** | **-** |

**(Amount in INR Lacs, unless otherwise stated)**

## 6 Intangible

| Particulars | Computer Software |
|---|---|
| **Cost** | |
| **As at 1 April 2020** | **35** |
| Additions | **17** |
| **As at 31 March 2021** | **52** |
| **As at 1 April 2021** | **52** |
| Additions | - |
| **As at As at 31 March 2022** | **52** |
| **Amortisation** | |
| As at 1 April 2020 | **16** |
| Charge for the year | **7** |
| **As at 31 March 2021** | **23** |
| **As at 1 April 2021** | **23** |
| Charge for the year | 8 |
| **As at 31 March 2022** | **31** |
| **Net Book Value** | |
| **As at As at 31 March 2022** | **21** |
| **As at 31 March 2021** | **29** |

## 7 Right-of-use assets

| Particulars | Building | Total |
|---|---|---|
| **As at 1 April, 2020** | **179** | **179** |
| Addition | 970 | 970 |
| Depreciation expenses | 294 | 294 |
| **As at 31 March 2021** | **855** | **855** |
| Addition | 332 | 332 |
| Depreciation expenses | 380 | 380 |
| **As at As at 31 March 2022** | **807** | **807** |

**(Amount in INR Lacs, unless otherwise stated)**

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| 8 | **Other non-current financial assets** | | |
| | *(unsecured considered good unless otherwise stated)* | | |
| | Security deposits | 114 | 116 |
| | | **114** | **116** |

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| 8A | **Other non-current assets** | | |
| | *(unsecured considered good unless otherwise stated)* | | |
| | Capital advances | 17 | 9 |
| | | **17** | **9** |

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| 9 | **Inventories (valued at lower of cost and NRV)** | | |
| | Raw materials and components | 4,183 | 3,185 |
| | [Includes goods -in- transit INR 185 lacs (31 March 2021: INR 449 lacs) | | |
| | Work-in-progress | 71 | 48 |
| | Finished goods | 404 | 183 |
| | Traded goods | 4,628 | 3,428 |
| | [Includes goods -in- transit INR 570 lacs (31 March 2021: INR 725 lacs) | | |
| | | **9,286** | **6,844** |

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| 10 | **Trade Receivables** | | |
| | Trade receivables | 4,585 | 4,003 |
| | Receivables from related parties (refer note 43) | 117 | 311 |
| | Trade receivables -Credit impaired | 111 | - |
| | | **4,813** | **4,314** |
| | Less: Provision for trade discounts | 371 | 486 |
| | | **4,442** | **3,828** |
| | Impairment Allowance (allowance for bad and doubtful debts) | | |
| | Trade Receivables - credit impaired | (111) | - |
| | **Total Trade receivables** | **4,331** | **3,828** |
| | **Break-up for security details:** | | |
| | Considered good-Secured | 23 | 23 |
| | Considered good-Unsecured | 4,679 | 4,291 |
| | Receivables - credit impaired | 111 | - |
| | | **4,813** | **4,314** |

**Trade receivables Ageing Schedule**

**Outstanding for following period from due date of payment of Trade Receivables Ageing:**

| **Particulars** | **Secured - considered good** | | **Unsecured - considered good** | |
|---|---|---|---|---|
| | **As at 31 March 2022** | **As at 31 March 2021** | **As at 31 March 2022** | **As at 31 March 2021** |
| **Undisputed Trade Receivable** | | | | |
| Current but not due | - | - | 3,352 | 2,742 |
| Less than 6 months | 23 | 23 | 1,411 | 1,526 |
| 6 months -1 year | - | - | 10 | 4 |
| 1-2 years | - | - | 11 | 13 |
| 2-3 years | - | - | 3 | 4 |
| More than 3 years | - | - | 3 | 2 |
| **Total** | **23** | **23** | **4,790** | **4,291** |
| **Undisputed Trade Receivable- Credit Impaired** | | | **Unsecured - considered doubtful** | |
| Current but not due | - | - | - | - |
| Less than 6 months | - | - | 87 | - |
| 6 months -1 year | - | - | 7 | - |
| 1-2 years | - | - | 11 | - |
| 2-3 years | - | - | 3 | - |
| More than 3 years | - | - | 3 | - |
| **Total** | **-** | **-** | **111** | **-** |

Refer note 41 for Company's exposure to credit and currency risk.

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 respectively in which any director is a partner, a director or a member.

For terms and conditions with related parties, refer to Note 43

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **11A Cash and cash equivalents** | | |
| (i) Cash in hand | 1 | - |
| (ii) Balances with banks | | |
| - On current accounts | 906 | 485 |
| - Deposit with remaining maturity for less than 3 months | 7,534 | 1,206 |
| | **8,441** | **1,691** |

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 2022, the company had available INR 280 lacs (31 March 2021: INR 496 lacs) of undrawn committed borrowing facilities.

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **11B Other Bank balances** | | |
| Other Deposit with remaining maturity for more than 3 months but less than 12 months | 320 | 4,098 |
| | **320** | **4,098** |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **12 Current loans** | | |
| *(unsecured considered good unless otherwise stated)* | | |
| Advance to employees | 14 | 31 |
| | **14** | **31** |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **13 Other current financial assets** | | |
| *(unsecured considered good unless otherwise stated)* | | |
| Security deposits | 23 | - |
| Interest accrued on Bank deposits | 41 | 73 |
| Bank deposits (Deposits with maturity of more than 12 months) | 380 | 4,344 |
| | **444** | **4,417** |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **14 Other current assets** | | |
| *(unsecured considered good unless otherwise stated)* | | |
| Advances for supply of goods/services | 125 | 75 |
| Balance with Government authorities | 419 | 6 |
| Prepaid expenses | 92 | 120 |
| Claims receivable | 6 | 2 |
| Custom duty receivable | 2 | 2 |
| | **644** | **205** |

**Break up of financial assets carried at amortised cost**

| **Particulars** | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Security deposits | 137 | 116 |
| Trade Receivables | 4,331 | 3,828 |
| Cash and cash equivalents | 8,441 | 1,691 |
| Other Bank balances | 320 | 4,098 |
| Current loans | 14 | 31 |
| Interest accrued on Bank deposits | 41 | 73 |
| Bank Deposits | 380 | 4,344 |
| | **13,664** | **14,181** |

**(Amount in INR Lacs, unless otherwise stated)**

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| **15** | **Share capital** | | |
| | **Authorised** | | |
| | 9,300,000 (31 March 2021: 9,300,000) equity shares of INR 10/- each. | **930** | **930** |
| | **Issued, subscribed and paid-up** | | |
| | 4,834,687 (31 March 2021: 4,834,687) equity shares of INR 10/- each fully paid up | 483 | 483 |
| | | **483** | **483** |

**15.1 Rights, preferences and restrictions 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.

**15.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year**

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| **Equity shares** | **Number** | **Amount** | **Number** | **Amount** |
| At the commencement and at the end of the year | 48,34,687 | 483 | 48,34,687 | 483 |
| Shares issued during the year | - | - | - | - |
| At the end of the year | **48,34,687** | **483** | **48** | **483** |

**15.3 Shares of the Company held by Holding Company/Joint Venturer is set out below:**

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| **Name of Shareholder** | **Number of shares** | **Amount** | **Number of shares** | **Amount** |
| Whirlpool of India Limited (Holding Company, Joint Venturer till 28 September 2021) | 42,18,260 | 422 | 23,68,997 | 237 |
| Elica S.p.A - Italy (Joint Venturer till 28 September 2021) | 3,08,211 | 31 | 12,32,845 | 123 |
| Mr. Pralhad Bhutada jointly with Mrs Pallavi Bhutada (Joint Venturer till 28 September 2021) | 1,54,911 | 15 | 7,95,922 | 80 |
| | **46,81,382** | **468** | **43,97,764** | **440** |

**(Amount in INR Lacs, unless otherwise stated)**

**15.4 Particulars shareholders holding more than 5% shares is set out below:**

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| **Name of Shareholder** | **Number of shares** | **%** | **Number of shares** | **%** |
| Whirlpool of India Limited | 42,18,260 | 87.25% | 23,68,997 | 49.00% |
| Elica S.p.A - Italy | 3,08,211 | 6.37% | 12,32,845 | 25.50% |
| Mr. Pralhad Bhutada jointly with Mrs Pallavi Bhutada* | 1,54,911 | 3.20% | 7,95,922 | 16.46% |
| Mr. Dileep Shringarpure* | 1,07,920 | 2.23% | 2,97,961 | 6.16% |
| | **47,89,302** | **99.05%** | **46,95,725** | **97.12%** |

* Shareholding % discolsed in current year due to shareholding % of last year for such shareholders exceeded the threshold 5% or more

**15.5 Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

Pursuant to the resolution passed at the board meeting held on 6 April 2018, 1 compulsorily convertible debenture of INR 3,527 lacs each was converted into 734,687 equity shares of INR 10 each at a premium of INR 3,453 lacs as on 6 April 2018.

**15.6 Details of shares held by promoters**

| | As at 31 March 2022 | | | | |
|---|---|---|---|---|---|
| **Promoter Name** | **No. of shares at the beginning of the year** | **Change during the year No. of shares** | **No. of shares at the end of the year** | **% of Total Shares** | **% change during the year** |
| Whirlpool of India Limited | 23,68,997 | 18,49,263 | 42,18,260 | 87.25% | 78.06% |

| | As at 31 March 2021 | | | | |
|---|---|---|---|---|---|
| **Promoter Name** | **No. of shares at the beginning of the year** | **Change during the year** | **No. of shares at the end of the year** | **% of Total Shares** | **% change during the year** |
| Elica S.p.A - Italy | 12,32,845 | - | 12,32,845 | 25.50% | 0.00% |
| Mr. Pralhad Bhutada jointly with Mrs Pallavi Bhutada | 7,95,922 | - | 7,95,922 | 16.46% | 0.00% |

**(Amount in INR Lacs, unless otherwise stated)**

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **16 Other equity** | | |
| **Other reserves** | | |
| Securities premium | 3,453 | 3,453 |
| Retained earnings | 14,658 | 10,320 |
| Other comprehensive income | 13 | 11 |
| Share based payments reserves | 22 | - |
| **Total other reserves** | **18,146** | **13,784** |
| | | |
| **Securities premium reserve** | | |
| Balance at the beginning of the year | **3,453** | **3,453** |
| Add: Addition during the year | **-** | - |
| **Closing Balance** | **3,453** | **3,453** |

Securities premium is used to record the premium received on issue of shares. The same is generated on account of conversion of compulsory convertible debentures into equity shares pursuant to resolution passed at the board meeting held on 6 April 2018. It is utilised in accordance with the provisions of the Companies Act, 2013.

| | | |
|---|---|---|
| **Surplus in the statement of Profit & Loss** | | |
| Balance at the beginning of the year | 10,320 | 5,713 |
| Add: Profit for the year | 4,338 | 4,607 |
| Add: Share Based payment reserve | - | - |
| **Closing balance** | **14,658** | **10,320** |
| **Components of other comprehensive income** | | |
| **Remeasurement of defined benefit liability/(asset), net of tax** | | |
| Balance at the beginning of the year | 11 | 12 |
| Addition during the year | 2 | (1) |
| **Closing balance** | **13** | **11** |

Retained earnings represents the undistributed profits of the Company accumulated as on Balance Sheet date.
Remeasurements of defined benefit liability/(asset) comprises actuarial gains and losses and return on plan assets (excluding interest income)

| | | |
|---|---|---|
| **Share based payments reserves** | | |
| Balance at the beginning of the year | - | - |
| Add: Addition during the year | 22 | - |
| **Closing Balance** | **22** | **-** |

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 44 for further details. It represents amount of parent equity employee stock option outstanding/transferred/exercised during the year.

**(Amount in INR Lacs, unless otherwise stated)**

| | | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|---|
| 17 | **Non current provisions** | | | |
| | **Provision for Employee benefits** | | | |
| | Gratuity | | 108 | 98 |
| | Compensated absences | | 90 | 88 |
| | | (A) | **198** | **186** |
| | **Other provisions** | | | |
| | Provision for warranties | | 1,158 | 733 |
| | | (B) | **1,158** | **733** |
| | **Total Non current provisions** | (A) + (B) | **1,356** | **919** |

**Movement in provision for warranties**

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **As at the beginning of the year** | **1,106** | **834** |
| Charged/(credited) to profit or loss | | |
| - additional provision recognised | 497 | 410 |
| - unused amount reversed | - | - |
| - unwinding of discount | 148 | 84 |
| Amounts utilised during the year | (297) | (222) |
| **As at the end of the year** | **1,454** | **1,106** |
| Non- current provision | 1,157 | 733 |
| Current provision | 297 | 373 |

**Provision for warranties:**

The Company provides warranty for kitchen hoods, cooktops, hobs and other products. The Company provides warranty for 15 years on certain kitchen hoods and warranty of 0-3 years on other products. The Provision for warranties is estimated for warranty claims in respect of products sold during the year on the basis of past experience regarding failure trends of products and cost of rectification or replacement.

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| 18 | **Current borrowings** | | |
| | **Term loan from the Joint Venturer** | | |
| | External Commercial Borrowing ("ECB") (unsecured) (refer note 1 below) | - | 1,250 |
| | | **-** | **1,250** |

**Note:**

1. Term loan from the Joint Venturer was carrying interest at applicable LIBOR EUR six months plus margin (500 basis points). As per the loan agreement, loan was repayable in full after 7 years from the date of loan, i.e., 19 November 2015. However this was repaid on 16 September 2021.

2. Loan covenants
   a. Term loans do not carry any debt covenant
   b. The company has not defaulted on any loans payable

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **Changes in liabilities arising from financing activities** | | |
| **Current borrowings** | | |
| Opening balances | 1,250 | 1,250 |
| Cash flows | 1,250 | - |
| Closing balances | **-** | **1,250** |

## Elica PB Whirlpool Kitchen Appliances Private Limited
(Formerly Known as Elica PB India Private Limited)

**Notes to the financial statements *(continued)***
*For the year ended 31 March 2022*

**(Amount in INR Lacs, unless otherwise stated)**

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| **19** | **Trade payables** | | |
| | (a) Trade payable: micro enterprises and small enterprises | 765 | 743 |
| | (b) Total outstanding dues of creditors other than micro enterprises and small enterprises & related parties | 2,851 | 2,892 |
| | (c) Trade payable to related parties | 695 | 1,445 |
| | | **4,311** | **5,080** |

**Trade Payables Ageing**

| Outstanding for following period from due date of payment | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|---|
| | Micro enterprises and small enterprises | | Total outstanding dues of creditors other than micro enterprises and small enterprises | |
| **Undisputed Trade Payables dues** | | | | |
| Unbilled | - | - | 305 | 104 |
| Not due | 239 | 433 | 2,447 | 2,739 |
| Less than 1 year | 526 | 309 | 785 | 1,475 |
| 1-2 years | - | - | - | 2 |
| 2-3 years | - | - | - | 1 |
| More than 3 years | - | - | - | 8 |
| **Total** | **765** | **742** | **3,537** | **4,329** |
| **Disputed Trade Payables dues** | | | | |
| Less than 1 year | - | - | - | 5 |
| 1-2 years | - | - | 5 | 4 |
| 2-3 years | - | - | 4 | - |
| More than 3 years | - | - | - | - |
| **Total disputed dues** | **-** | **-** | **9** | **9** |
| **Total** | **765** | **742** | **3,546** | **4,338** |

**Terms and conditions of the above financial liabilities:**
- Trade payables are non-interest bearing and are normally settled on 60-day terms
- For terms and conditions with related parties, refer to Note 43

For explanations on the Company's credit risk management processes, refer to Note 41 iii

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| **20** | **Other financial liabilities** | | |
| | Interest accrued but not due on external commercial borrowings | - | 4 |
| | Payable towards Capital goods | 32 | 45 |
| | | **32** | **49** |

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| **21** | **Other current liabilities** | | |
| | Statutory dues payable | 401 | 292 |
| | Contract liabilities * | 137 | 142 |
| | Deferred revenue (annual maintenance service contracts) (refer below) | 18 | 26 |
| | Other liabilities | 583 | 453 |
| | | **1,139** | **913** |

**Contract liabilities / Deferred revenue (annual maintenance service contracts)**

A deferred revenue is recognised when the Company has obligation to provide maintenance services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company provides such services to the customer, a deferred revenue is recognised when the payment is made or the payment is due (whichever is earlier). Deferred revenue is recognised as revenue when the Company performs servics under the contract.

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Opening Balance** | 26 | 28 |
| Add: Revenue recognised during the year | 171 | 143 |
| Less: Invoice during the year | (179) | (145) |
| **Closing Balance** | **18** | **26** |

## Elica PB Whirlpool Kitchen Appliances Private Limited
(Formerly Known as Elica PB India Private Limited)

**Notes to the financial statements *(continued)***
*For the year ended 31 March 2022*

**(Amount in INR Lacs, unless otherwise stated)**

| | | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|---|
| **22** | **Current Povisions** | | | |
| | **Provision for Employee benefits** | | | |
| | Compensated absences | | 30 | 30 |
| | | (A) | **30** | **30** |
| | **Other provisions** | | | |
| | Provision for warranty (also refer note 17) | | 297 | 373 |
| | | (B) | **297** | **373** |
| | **Total Current provisions** | (A) + (B) | **327** | **403** |

**(Amount in INR Lacs, unless otherwise stated)**

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **23 Revenue from contract with customers** | | |
| **Sale of products (transferred at point of time)** | | |
| - Manufactured goods | 16,949 | 13,468 |
| - Traded goods | 20,325 | 17,262 |
| | **37,274** | **30,730** |
| **Sale of services (transferred over time)** | 171 | 143 |
| **Other operating revenue** | | |
| - Scrap Sales | 48 | 34 |
| **Total** | **37,493** | **30,907** |

**Disclosure for revenue from contracts with customers**

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Revenue recognised from contracts with customers** | | |
| Disaggregation of revenue | | |
| **Based on type of goods** | | |
| - Sale of trade goods | 20,325 | 17,262 |
| - Sale of manufactured goods | 16,949 | 13,468 |
| - Sale of scrap | 48 | 34 |
| - Sale of services | 171 | 143 |
| **Based on market/type of customer** | | |
| - India | 37,314 | 30,769 |
| - Outside India | 179 | 138 |

**Performance obligations**

The Company satisfies its performance obligations pertaining to the sale of traded ,manufactured goods and scrap in time when the goods are delivered to and have been accepted at their premises. The payment is generally due within 30 - 90 days.
There are no other significant obligations attached in the contract with customer.
Revenue from rendering of services comprises of revenue from maintenance contracts (AMC). Revenues from maintenance contracts are recognised on straight line basis which is pro-rata over the period of the contract as and when services are rendered.

Refer note 10 balance of trade receivables and note 21 for deferred revenue as at the year end.

**Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Revenue as per contracted price | 39,770 | 32,614 |
| Less: Adjustments | - | - |
| Sales return | (244) | (128) |
| Discount | (2,033) | (1,579) |
| **Revenue from contract with customers** | **37,493** | **30,907** |

| **Contract balances** | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Trade receivables | 4,331 | 3,828 |
| Contract liabilities | 137 | 142 |

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.
Contract liabilities consist of short-term advances received to supply goods from customer.

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **24 Other Income** | | |
| Interest income from bank deposits and others | 354 | 381 |
| Gain on sale of / disposal of property, plant and equipment | 7 | - |
| Interest income on fair value of security deposits | 8 | 7 |
| Foreign Exchange variation (net) | - | 17 |
| Miscellaneous income | 20 | 11 |
| | **389** | **416** |

**(Amount in INR Lacs, unless otherwise stated)**

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **25** | **Cost of materials and components consumed** | | |
| | Inventory at the beginning of the year | 3,185 | 2,039 |
| | Add: Purchases | 11,834 | 9,055 |
| | Less: Inventory at the end of the year | 4,183 | 3,185 |
| | **Cost of Raw materials and components consumed** | **10,836** | **7,909** |

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **26** | **Purchase of Traded goods** | | |
| | Purchases of Kitchen Appliances and others | 11,795 | 9,839 |
| | | **11,795** | **9,839** |

**(Amount in INR Lacs, unless otherwise stated)**

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **27** | **Changes in inventory of finished goods, work-in-progress and Traded goods** | | |
| | **Inventory at the beginning of the year** | | |
| | - Work in progress | 48 | 43 |
| | - Finished goods | 183 | 425 |
| | - Traded goods | 3,428 | 2,322 |
| | | **3,659** | **2,790** |
| | **Inventory at the end of the year** | | |
| | - Work in progress | 71 | 48 |
| | - Finished goods | 404 | 183 |
| | - Traded goods | 4,628 | 3,428 |
| | | **5,103** | **3,659** |
| | **Changes in inventory** | | |
| | - Work in progress | (23) | (5) |
| | - Finished goods | (221) | 242 |
| | - Traded goods | (1,200) | (1,106) |
| | **(Increase) / decrease in inventory** | **(1,444)** | **(869)** |

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **28** | **Employee benefits expense** | | |
| | Salaries, wages and bonus | 3,174 | 2,871 |
| | Contribution to provident and other funds | 130 | 113 |
| | Employee stock option (refer note 44) | 22 | - |
| | Compensated absences | 20 | 30 |
| | Gratuity | 29 | 33 |
| | Staff welfare expenses | 85 | 64 |
| | | **3,460** | **3,111** |

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **29** | **Finance costs** | | |
| | Interest expense on financial liabilities measured at amortised cost | 27 | 61 |
| | Interest on direct taxes | 3 | 56 |
| | Unwinding of discount due to passage of time on warranty (refer note 17) | 148 | 84 |
| | Interest expense on lease liabilities | 74 | 53 |
| | | **252** | **254** |

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **30** | **Depreciation and amortisation** | | |
| | Depreciation of property, plant and equipment | 502 | 521 |
| | Depreciation of Right-of-use Asset | 380 | 294 |
| | Amortisation of intangible assets | 8 | 7 |
| | | **890** | **822** |

**(Amount in INR Lacs, unless otherwise stated)**

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **31** | **Other expenses** | | |
| | Power and fuel | 39 | 35 |
| | Contractual charges | 935 | 711 |
| | Rent | 125 | 71 |
| | Rates and taxes | 130 | 70 |
| | Repairs and maintenance | 58 | 24 |
| | Legal and professional fees | 331 | 246 |
| | Payments to auditors (refer note (i) below) | 21 | 25 |
| | Travelling and conveyance expenses | 160 | 103 |
| | Foreign exchange variation (net) | 78 | - |
| | Corporate social responsibility expenses (refer note (ii) below) | 91 | 72 |
| | Insurance | 86 | 83 |
| | Freight and forwarding | 993 | 849 |
| | Royalty | 58 | 108 |
| | Technical License Fee | 25 | - |
| | Trademark License Fee | 710 | - |
| | Whirlpool Royalties | 8 | - |
| | Warranties (refer note 17) | 497 | 410 |
| | Carrying, forwarding and distribution expenses | 760 | 575 |
| | Allowances for doubtful debts and advances | 111 | - |
| | Sales promotion, marketing and advertisement | 914 | 517 |
| | Loss on sale / disposal of property, plant and equipment | - | 1 |
| | Miscellaneous expenses | 206 | 150 |
| | | **6,336** | **4,050** |

**Note:**

| **(i) Payments to statutory auditors*** | 31 March 2022 | 31 March 2021 |
|---|---|---|
| As auditor | | |
| - Statutory audit | 12 | 9 |
| - Tax audit | 3 | 3 |
| - Other audit services | 6 | 12 |
| Reimbursement of expenses | - | 1 |
| **Total** | **21** | **25** |

* Excludes applicable taxes

| **(ii) Details of corporate social responsibility expenditure** | 31 March 2022 | 31 March 2021 |
|---|---|---|
| a) Gross amount required to be spent by the Company during the year | 91 | 72 |
| b) Amount spent during the year: | | |
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purpose other than (i) above | - | - |
| 1. Contribution to Chaitnya Seva Trust | - | 10 |
| 2. Support to a college by providing desktop Computers in order to facilitate Computer Education for students | 7 | |
| 3. Support by providing education and other recreational activities to Umed Pariwar, a rehabilitation centre for differently abled adults | 6 | - |
| 4. Skill Development by providing soft skills training and employment opportunities (Course - Manual Insertion Operator) | 10 | - |
| 5. Tree Plantation Project | 10 | - |
| 6.Contribution to Prime Minister National Relief Fund | - | 51 |
| 7.Contribution to Pratibha Tai Pawar Madhyamik School | - | 5 |
| (iii) On purpose other than (i) and (ii) above, Contribution to PM CARE Fund | 58 | 6 |
| | **91** | **72** |
| **Total** | **91** | **72** |
| c) Unspent amount | - | - |

**(Amount in INR Lacs, unless otherwise stated)**

**32 Income tax expense**

| **A. Amounts recognised in profit or loss** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Current year | 1,761 | 1,756 |
| Tax expense / (refund) for earlier years | (53) | 20 |
| **Current tax (a)** | **1,708** | **1,776** |
| Attributable to - | | |
| Origination and reversal of temporary differences | (289) | (176) |
| Deferred tax income relating to changes in tax rates/ Reduction in tax rates | - | - |
| **Deferred tax (b)** | **(289)** | **(176)** |
| **Tax expense (a) + (b)** | **1,419** | **1,600** |

| **B. Income tax recognised in other comprehensive income** | **31 March 2022** | | | **31 March 2021** | | |
|---|---|---|---|---|---|---|
| | **Before tax** | **Tax(expense) benefit** | **Net of tax** | **Before tax** | **Tax (expense) benefit** | **Net of tax** |
| Remeasurements of defined benefit obligations | 3 | (1) | 2 | (2) | 1 | (2) |
| | **3** | **(1)** | **2** | (2) | 1 | (2) |

| **C. Reconciliation of effective tax rate** | **31 March 2022** | | **31 March 2021** | |
|---|---|---|---|---|
| | **%** | **Amount** | **%** | **Amount** |
| **Accounting Profit before tax** | | 5,757 | | 6,207 |
| **At Statutory tax rate (A)** | 25.168% | 1,449 | 25.168% | 1,562 |
| **Effect of:** | | | | |
| Non deductible expenses | 0.41% | 23 | 0.29% | 18 |
| Increase/decrease in tax rate on deferred tax expense | 0.00% | - | 0.00% | - |
| Tax expense/(refund) of previous year | -0.93% | (53) | 0.32% | 20 |
| **Total (B)** | | | | |
| **Effective tax rate / tax expense (A+B)** | **24.65%** | **1,419** | **25.78%** | **1,600** |

The company has opted for Taxation under section 115BAA of Income Tax Act, 1961. Accordingly, provision for income tax and deferred tax as at 31 March 2022 and 31 March 2021 are recognised at 25.168%.

| **D. Recognised deferred tax assets and liabilities** | **Net deferred tax (assets) liabilities** | |
|---|---|---|
| | **31 March 2022** | **31 March 2021** |
| **Deferred tax assets** | | |
| Provision - employee benefits | (57) | (54) |
| Provision - others | (772) | (493) |
| Other items | (59) | (29) |
| | (888) | (576) |
| **Deferred tax liabilities** | | |
| Property, plant and equipment and intangible assets | 96 | 74 |
| | 96 | 74 |
| **Net deferred tax (assets) / liabilities** | **(791)** | (502) |

## Elica PB Whirlpool Kitchen Appliances Private Limited

(Formerly Known as Elica PB India Private Limited)

**Note to the financial statements *(continued)***

*For the year ended 31 March 2022*

**(Amount in INR Lacs, unless otherwise stated)**

| Movement in temporary differences: | As at 1 April 2020 | Recognised in profit or loss during 2020-21 | Recognised in OCI during 2020-21 | As at 31 March 2021 | Recognised in profit or loss during 2021-22 | Recognised in OCI during 2021-22 | As at 31 Mar 2022 |
|---|---|---|---|---|---|---|---|
| Property, plant and equipment and intangible assets | 109 | (35) | - | 74 | 22 | - | **96** |
| Provision for employee benefits | (46) | (7) | (1) | (54) | (4) | 1 | **(57)** |
| Provision - others | (362) | (131) | - | (493) | (279) | - | **(772)** |
| Expenses allowable on payment basis and others | (27) | (2) | - | (29) | (30) | - | **(59)** |
| | **(326)** | **(175)** | **(1)** | **(502)** | **(291)** | **1** | **(790)** |

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income, tax planning strategies and impact of other marketing conditions including COVID-19 in making this assessment.

Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income are reduced.

**(Amount in INR Lacs, unless otherwise stated)**

**33 Earnings per share (EPS)**

**A. Basic earnings per share**

The calculation of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purpose of basic earnings per share calculation are as follows:

| **i. Profit attributable to equity shareholders (basic)** | | **31 March 2022** | **31 March 2021** |
|---|---|---|---|
| Profit for the year, attributable to the equity holders | | 4,338 | 4,607 |

| **ii. Weighted average number of equity shares (basic)** | **Note** | **31 March 2022** | **31 March 2021** |
|---|---|---|---|
| Opening balance | 15 | 48,34,687 | 48,34,687 |
| Effect of changes during the year | | - | - |
| **Weighted average number of equity shares for the year** | | 48,34,687 | 48,34,687 |
| **Total basic earnings per share attributable to equity share holder of the Company** | | 89.72 | 95.28 |

**B. Diluted earnings per share**

The calculation of diluted earning per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjusting for the effects of all dilutive potential equity shares as follows:

| **i. Profit attributable to equity shareholders (diluted)** | | **31 March 2022** | **31 March 2021** |
|---|---|---|---|
| Profit for the year, attributable to the equity holders | | 4,338 | 4,607 |
| Interest expense on convertible debentures, net of tax | | - | - |
| **Profit for the year, attributable to the equity holders (diluted)** | | 4,338 | 4,607 |

| **ii. Weighted average number of equity shares (diluted)** | **Note** | **31 March 2022** | **31 March 2021** |
|---|---|---|---|
| Opening balance | 15 | 48,34,687 | 48,34,687 |
| Effect of dilutive potential equity shares | | - | - |
| **Weighted average number of equity shares for the year** | | 48,34,687 | 48,34,687 |
| **Total diluted earnings per share attributable to equity share holder of the Company** | | 89.72 | 95.28 |

| **34 Contingent liability and commitments (to the extent not provided for)** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| a. Claims against the Company not acknowledged as debt | - | - |

**35 Leases -The Company as a lease**

The Company has entered into operating lease arrangements for office space generally have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the company is restricted from assigning and subleasing the leased asset. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The company also has certain leases of office space with lease terms of 12 months or less. The company applies the 'short-term lease' recognition exemptions for these leases.

**A. Right of use assets**

| | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Opening Balance | 855 | 179 |
| Add: Addition during the year | 332 | 970 |
| Less: Depreciation charged for the year | 380 | 294 |
| **Closing Balance** | **807** | **855** |

**B. Lease liabilities**

| | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Opening Liabilities | 912 | 221 |
| Add: Addition during the year | 332 | 970 |
| Add: Interest Accrued on Lease liability | 74 | 53 |
| Less: Cash outflows for leases | (448) | (331) |
| **Closing liabilities** | **870** | **913** |

**(Amount in INR Lacs, unless otherwise stated)**

**Bifurcation of Lease Liabilities**

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Current | 386 | 396 |
| Non Current | 484 | 517 |
| **Total** | **870** | **913** |

The effective interest rate for lease liabilities ranges 7.9% to 9.5% (31 March 2021: 7.5%), with maturity between 2022-2027 (31 March 2021: 2022-2027)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **The following are the amounts recognised in profit or loss:** | | |
| Depreciation expense of right-of-use assets | 380 | 294 |
| Interest expense on lease liabilities | 74 | 53 |
| Expense relating to short-term leases (included in other expenses) | 125 | 71 |
| **Total amount recognised in profit or loss** | **579** | **418** |

**36 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 2022 and 31 March 2021

**37 Transfer pricing**

The Company is in the process of establishing a system of maintenance of information and documents as required by transfer pricing legislation under section 92-92F of the Income Tax Act, 1961 for the financial year 2021-22.
Management is of the opinion that its international transactions are at arm's length. Accordingly, the Company's Management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

**38 Segment reporting**

**A. Business Segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is engaged in manufacturing and trading of kitchen hoods, hobs, cook tops and cooking ranges, the risks and returns on these being similar, it recognizes kitchen appliances as its only primary business segment. The 'Chief Operating Decision Maker' i.e MD and CEO monitors the operating results of the Company's business as single segment. Accordingly in context of 'Ind AS 108 - Operating Segments' the principle business of the Company constitute a single reportable segment. Accordingly, income from sale of goods comprises the primary basis of segmental information set out in these financial statements.

**B. Geographical Segments**

| Based on market/type of customer | 31 March 2022 | 31 March 2021 |
|---|---|---|
| - India | 37,314 | 30,769 |
| - Outside India | 179 | 138 |

**(Amount in INR Lacs, unless otherwise stated)**

**39 Assets and liabilities relating to employee benefits**

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Net defined benefit liability - Gratuity plan | 108 | 98 |
| Liability for compensated absences | 120 | 118 |
| **Total employee benefit liabilities** | **228** | **216** |
| **Non-current** | 198 | 186 |
| **Current** | 30 | 30 |

For details about the related employees benefit expenses (including those of Defined Contribution Plan), see note 28.

The Company operates the following post employment benefit plans:
The Company has a defined benefit plan, governed by the Payment of Gratuity Act, 1972. Benefit plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days for every completed year of service or part thereof in excess of six months., based on the rates of wages last drawn by the employee concerned.

The defined benefit plan for gratuity is administered and funded through a Group Gratuity Scheme with Life Insurance Corporation of India.

These defined benefit plans expose the Company to actuarial risk, such as longevity risk, interest rate risk and market (investment) risk and salary increment risk.

**A. Funding**

Gratuity Plan is funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of Gratuity Plan is based on separate actuarial valuation for funding purposes for which assumption may differ from the assumptions set out in (E). Employees do not contribute to the plan.

The Company expects to pay INR 15 lacs in contributions to its defined benefit plans in the financial year 2022-23.

**B. Reconciliation of the net defined benefit liability**

**The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:**

| **Reconciliation of present value of defined benefit obligation (A)** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Balance at the beginning of the year | 221 | 183 |
| Current service cost | 25 | 28 |
| Interest cost | 11 | 11 |
| Actuarial (gain)/ loss on obligations recognised in other comprehensive income in other comprehensive income | | |
| - changes in demographic assumptions | - | (4) |
| - changes in financial assumptions | (3) | 18 |
| - experience variance | - | (12) |
| Benefits paid | (2) | (2) |
| **Balance at the end of the year** | **252** | **222** |

| **Reconciliation of present value of plan assets (B)** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Balance at the beginning of the year | 124 | 105 |
| Interest income | 7 | 7 |
| Employers contributions | 15 | 15 |
| Benefits paid | (2) | (2) |
| Return on plan assets | - | (1) |
| **Balance as the end of the year** | **144** | **124** |
| **Net defined benefit liability (A) - (B)** | **108** | **98** |

| **C. (i) Expense recognised in profit or loss** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Current service cost | 25 | 28 |
| Interest expense (net) | 4 | 4 |
| **Total** | **29** | **32** |

| **C. (ii) Remeasurements recognised in other comprehensive income** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Opening amount recognised in OCI | (9) | **(11)** |
| Actuarial (gain)/loss on defined benefit obligation | (3) | 2 |
| Return on plan assets excluding interest income | 0 | 0 |
| **Total** | **(12)** | **(9)** |

| **D. Plan assets** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Plan assets comprise of the following: | | |
| State Government securities | - | - |
| High quality corporate bonds | - | - |
| Equity shares of listed companies | - | - |
| Funds managed by Insurer | 100% | 100% |
| Other Investments | - | - |
| | **100%** | **100%** |

**(Amount in INR Lacs, unless otherwise stated)**

| **E. Defined benefit obligation** | | **31 March 2022** | **31 March 2021** |
|---|---|---|---|
| **i. Actuarial assumptions** | | | |
| **Principal actuarial assumptions at the reporting date:** | | | |
| Discount rate | | 6.50% | 5.90% |
| Future salary growth | | | |
| Until 1 year | | 8.50% | 8.50% |
| More than 1 year | | 7.50% | 7.50% |
| Attrition rate | Age (years) | | |
| | 21-30 | 26% | 26% |
| | 31-50 | 14% | 14% |
| | 51-59 | 17% | 17% |
| Mortality rate (% of IALM 2006-08) | | 100% | 100% |

Assumptions regarding future mortality are based on published statistics and mortality tables (i.e. Indian Assured Live Mortality (2006-08).

At 31 March 2022, the weighted average duration of the defined benefit obligation is 5.12 years (31 March 2021: 5.47 years)

**ii. Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

| | **31 March 2022** | | **31 March 2021** | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (0.5% movement) | (244) | (256) | (215) | (227) |
| Future salary growth (0.5% movement) | 257 | 247 | 227 | 215 |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The following payments are expected contributions to the defined benefit plan in future years:

| | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 44 | 37 |
| Between 2 and 5 years | 189 | 136 |
| Between 5 and 10 years | 155 | 55 |
| **Total expected payments** | **388** | **228** |

Note : Amount in brackets represent unfavourable position to the profit of the Company.

**40 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006**

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at The disclosure pursuant to the said Act, to the extent of information received and available with the Company is as under

| | **31 March 2022** | **31 March 2021** |
|---|---|---|
| a) The principal amount and the interest due thereon remaining unpaid to supplier at the end of | | |
| -Principal | 765 | 743 |
| -Interest | 5 | 2 |
| b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| - Interest paid | - | - |
| - Payment made to suppliers (other than interest) beyond the appointed day during the year | 3,274 | 1,859 |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | 26 | 21 |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year | 31 | 23 |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium | 99 | 69 |

The Company has not received intimation from certain its suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, relating to amounts unpaid as at the year end together with interest paid / payable as required under the Act are made to the extent for the parties who have confirmed their status under Micro, Small and Medium Enterprises Development Act, 2006.

## Elica PB Whirlpool Kitchen Appliances Private Limited

(Formerly Known as Elica PB India Private Limited)

**Notes to the financial statements (continued)**

*For the year ended 31 March 2022*

**(Amount in INR Lacs, unless otherwise stated)**

**41 i Categories of financial instruments**

| Particulars | Note | As at 31 March 2022 | Fair value | | |
|---|---|---|---|---|---|
| | | Amortised cost | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| ***Financial assets measured at fair value through profit & loss*** | | | | | |
| Security deposits | 8 & 13 | 137 | - | - | 137 |
| Trade Receivables | 10 | 4,331 | - | - | 4,331 |
| Cash and cash equivalents | 11 A | 8,441 | - | - | 8,441 |
| Other Bank balances | 11 B | 320 | - | - | 320 |
| Current loans | 12 | 14 | - | - | 14 |
| Interest accrued on Bank deposits | 13 | 41 | - | - | 41 |
| Bank Deposits | 13 | 380 | - | - | 380 |
| **Total financial assets** | | **13,664** | **-** | **-** | **13,664** |

| Particulars | Note | As at 31 March 2021 | Fair value | | |
|---|---|---|---|---|---|
| | | Amortised cost | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| ***Financial assets measured at fair value through profit & loss*** | | | | | |
| Security deposits | 8 & 13 | 116 | - | - | 116 |
| Trade Receivables | 10 | 3,828 | - | - | 3,828 |
| Cash and cash equivalents | 11 A | 1,691 | - | - | 1,691 |
| Other Bank balances | 11 B | 4,098 | - | - | 4,098 |
| Current loans | 12 | 31 | - | - | 31 |
| Interest accrued on Bank deposits | 13 | 73 | - | - | 73 |
| Bank Deposits | 13 | 4,344 | - | - | 4,344 |
| **Total financial assets** | | **14,181** | **-** | **-** | **14,181** |

| Particulars | Note | As at 31 March 2022 | Fair value | | |
|---|---|---|---|---|---|
| | | Amortised cost | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| ***Financial liabilities*** | | | | | |
| External Commercial Borrowings | 18 | - | - | - | - |
| Lease Liabilities | 35 | 386 | - | - | 386 |
| Trade payables | 19 | 4,311 | - | - | 4,311 |
| Other financial liabilities | 20 | 32 | - | - | 32 |
| **Total financial liabilities** | | **4,729** | **-** | **-** | **4,729** |

| Particulars | Note | As at 31 March 2021 | Fair value | | |
|---|---|---|---|---|---|
| | | Amortised cost | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| ***Financial liabilities*** | | | | | |
| External Commercial Borrowings | 18 | 1,250 | - | - | 1,250 |
| Lease Liabilities | 35 | 396 | - | - | 396 |
| Trade payables | 19 | 5,080 | - | - | 5,080 |
| Other financial liabilities | 20 | 49 | - | - | 49 |
| **Total financial liabilities** | | **6,775** | **-** | **-** | **6,775** |

**41 ii (a) Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level is as follows

**Level 1**: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2**: Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3**: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**41 ii (b)** As per Ind AS 107 "Financial Instrument:Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Financial assets and liabilities such as trade receivables, employee dues, cash and cash equivalent, bank balance other than cash and cash equivalents, security deposits, interest accrued on fixed deposits, deferred rent, loans repayable on demand, trade payables, interest accrued, accrued employee liabilities, payable on account of capital purchases etc. are largely short-term in nature. The fair values of these financial assets and liabilities approximate their carrying amount due to the short-term nature of such assets and liabilities.

**(Amount in INR Lacs, unless otherwise stated)**

**41 iii Financial risk management**

The Company has exposure to the following risk arising from financial instruments:
- credit risk (see (iii B) below);
- liquidity risk (see (iii C) below); and
- market risk (see (iii D) below).

**41 iii (A) Risk management framework**

The Company's principal financial liabilities, other than derivatives, comprise trade and other financial liability. 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 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. 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

**41 iii (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 10. 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**

The Bank balance is held with Banks. Credit risk on Bank balance is limited as the Company generally invest in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Bank balance primarily include investment in fixed deposit with banks for a specified time period.

**41 iii (C) 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.

| | Less than 1 year | More than 1 year | Total |
|---|---|---|---|
| | INR in lacs | INR in lacs | INR in lacs |
| As at 31 March 2022 | | | |
| (i) Borrowings | - | - | - |
| (ii) Lease Liabilities | 386 | 484 | 870 |
| (iii) Trade payables | 4,311 | - | 4,311 |
| (iv) Other financial liabilities | 32 | - | 32 |
| **Total** | **4,729** | **484** | **5,213** |

| | Less than 1 year | More than 1 year | Total |
|---|---|---|---|
| | INR in lacs | INR in lacs | INR in lacs |
| As at 31 March 2021 | | | |
| (i) Borrowings | 1,250 | - | 1,250 |
| (ii) Lease Liabilities | 396 | 517 | 913 |
| (iii) Trade payables | 5,080 | - | 5,080 |
| (iv) Other financial liabilities | 49 | - | 49 |
| **Total** | **6,775** | **517** | **7,292** |

**41 iii (D) 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 2022 and 31 March 2021.

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 2022 and 31 March 2021

**a) Currency risk**
The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency (INR) of the Company.

**(Amount in INR Lacs, unless otherwise stated)**

**Exposure to currency risk**

The summary of quantitative data about the Company's exposure to currency risk as at reporting date is as follows:

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | INR | EUR | INR | EUR |
| Advances to suppliers | 4 | 0 | - | - |
| Trade payables | (173) | (2) | (205) | (2) |
| **Net exposure in respect of recognised assets and liabilities** | (169) | (2) | (205) | (2) |

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | INR | USD | INR | USD |
| Advances to suppliers | 53 | 1 | 56 | 1 |
| Trade payables | (419) | (6) | (909) | (12) |
| **Net exposure in respect of recognised assets and liabilities** | (366) | (5) | (853) | (11) |

A reasonably possible strengthening (weakening) of the US Dollar and other currencies against INR at 31 March 2022 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assume that all other variables as remain constant other than change in foreign currency rate to INR.

1 % increase or decrease in foreign currency rate will have following impact on profit before tax:

| | Impact on profit before tax* | | | | Impact on equity, net of tax* | | | |
|---|---|---|---|---|---|---|---|---|
| | 31 March 2022 | | 31 March 2021 | | 31 March 2022 | | 31 March 2021 | |
| | Strengthening | (Weakening) | Strengthening | (Weakening) | Strengthening | (Weakening) | Strengthening | (Weakening) |
| EUR | (2) | 2 | (2) | 2 | (1) | 1 | (2) | 2 |
| USD | (4) | 4 | (9) | 9 | (3) | 3 | (6) | 6 |
| Net exposure in respect of recognised assets | (6) | 6 | (11) | 11 | (4) | 4 | (8) | 8 |

* amount in brackets represent unfavourable position to the Company's profit and loss

**b) 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 facility provided by the respective bank 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.

**(Amount in INR Lacs, unless otherwise stated)**

**42 Ratio Analysis and its elements**

| Ratio | Numerator | Denominator | 31 March 2022 | 31 March 2021 | % change | Reason for variance |
|---|---|---|---|---|---|---|
| Current ratio | Current Assets | Current Liabilities | 3.75 | 2.57 | (45.76%) | Change in ratio on account of repayment of ECB Loan during the year. |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | 0.43 | 0.68 | 35.65% | Change in ratio on account of repayment of ECB Loan during the year. |
| Debt Service Coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | 2.78 | 10.99 | 74.69% | change in ratio due to repayment of ECB Loan during the year. |
| Return on Equity ratio | Net Profits after taxes - Preference Dividend | Average Shareholder's Equity | 0.26 | 0.39 | 31.52% | Movement in ratio on acount fluctuation in net profit for the year trending from 31 March 2020 to 31 March 2022 |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory | 2.75 | 3.09 | 10.94% | |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 8.66 | 8.07 | (7.23%) | |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | 5.03 | 5.05 | 0.40% | |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets - Current liabilities | 2.18 | 2.39 | 9.05% | |
| Net Profit ratio | Net Profit | Net sales = Total sales - sales return | 0.12 | 0.15 | 22.39% | |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 0.25 | 0.31 | 21.38% | |
| Return on Investment | Interest (Finance Income) | Investment | 5,902.77 | 6,352.44 | 7.08% | |

**42A Other Statutory Information**

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(ii) The Company do not have any transactions with companies struck off.
(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

**(Amount in INR Lacs, unless otherwise stated)**

**43 Related party disclosures**

**A. Parent , Ultimate controlling party and Fellow Subsidiary**

| Sr. No. | Name | Relationship |
|---|---|---|
| 1 | Elica S.p.A., Italy* | Joint Venturer till 28-09-2021 |
| 2 | Whirlpool of India Limited | Joint Venturer till 28-09-2021<br>Holding Company w.e.f. 29-09-2021 |
| 3 | Whirlpool Corporation | Ultimate Holding Company w.e.f 29.09.2021 |
| 4 | Whirlpool EMEA SPA – Italy | Group Companies / Enterprise where common control exists and with whom transactions have taken place during the year. |
| 5 | Whirlpool Product Development (Shenzhen) Company Limited – China | Group Companies / Enterprise where common control exists and with whom transactions have taken place during the year. |
| 6 | Mr. Pralhad Bhutada Jointly with Mrs. Pallavi Bhutada | Party holding significant influence over the company through voting power ('significant shareholder') |
| 7 | Zhejiang Elica Putian Electric Co. Ltd., China | Subsidiaries of Elica Spa Italy |
| 8 | Europlak SV Cucine India Limited | Enterprises over which key management personnel exercises significant influence |
| 9 | Nirmal Enterprises | Relative of a Director |
| 10 | Tirupati Appliances | Relative of a Director |
| 11 | Yashashree Enterprise | Relative of a Director |
| 12 | Shubh Enterprises | Relative of a Director |
| 13 | Whirlpool Taiwan Co., Ltd | Group Companies / Enterprise where common control exists and with whom transactions have taken place during the year. |
| 14 | Whirlpool Properties INC | Group Companies / Enterprise where common control exists and with whom transactions have taken place during the year. |
| 15 | EMC FIME SRL | EMC FIME is a controlled company of Elica Spa |

* Having reprsentation in Board of Directors

**B. Key management personnel**

| Sr. No. | Name | Relationship |
|---|---|---|
| **1** | Vishal Bhola | Director and Chairman<br>*(Chairman w.e.f 29.09.2021)* |
| **2** | Pralhad Bhutada | CEO & Managing Director |
| **3** | Dileep Shringarpure | Whole time Director *(Resigned w.e.f. 29.09.2021)* |
| **4** | Shenpo Wu | Director |
| **5** | Guilio Cocci | Director *(Appointed w.e.f 29.09.2021)* |
| **6** | Roopali Singh | Director *(Appointed w.e.f 29.09.2021)* |
| **7** | Nishant Hundiwala | Chief Financial Officer |
| **8** | Urvi Upadhyay | Company Secretary & Compliance Officer<br>(Appointed w.e.f 01.11.2021) |
| **9** | Preeti Yadav | Company Secretary & Compliance Officer<br>*(Resigned w.e.f. 13-11-2021)* |
| **10** | Pallavi Bhutada | Relatives of Director |
| **11** | Tanmay Shringarpure | Relatives of Director (Dileep Shringarpure) |
| **12** | Sunil Dsouza | *Director (Resigned w.e.f. 04.04.2020)* |
| **13** | Mauro Sacchetto | Director *(Resigned w.e.f 16.04.2021)* |

| Key management personnel compensations | Pralhad Bhutada | | Nishant Hundiwala | |
|---|---|---|---|---|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| Short term employee benefits | 1,106 | 1,158 | 37 | 31 |
| Employee stock option (refer note 44) | 22 | - | - | - |
| Post-employment defined contribution plan | 13 | 12 | 1 | 1 |
| | **1,141** | **1,170** | **38** | **32** |

The amount disclosed above are the amounts recognised during the reporting period related to key management personnel. As the liabilities for the gratuity and compensated absence is provided on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable and therefore not included above.

**C. Remuneration to non executive directors/ relatives of director/ company secretary**

| Name | Relationship | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| Mr. Dileep Shringarpure ( Resigned w.e.f. 29-09-2021) | Director | 30 | 24 |
| Mrs. Pallavi Bhutada | Relatives of Director | 41 | 34 |
| Mr. Tanmay Shringarpure | Relatives of Director | 7 | 6 |
| Ms. Preeti Yadav ( Resigned w.e.f. 13-11-2021 ) | Company Secretary | 4 | 6 |
| Ms. Urvi Upadhyay | Company Secretary | 3 | - |
| | | **85** | **70** |

**(Amount in INR Lacs, unless otherwise stated)**

**D. Related party transactions other than those with key management personnel**

| Transaction / Balance | Enterprise | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **Sale of traded Goods** | Whirlpool of India Limited | 866 | 1,200 |
| | Nirmal Enterprises | 739 | 460 |
| | Tirupati Appliances | - | 4 |
| | Yashashree Enterprise | 42 | 29 |
| | Shubh Enterprises | 77 | 87 |
| **Sale of Services** | Whirlpool of India Limited | 1 | 2 |
| **Purchase of raw material** | Elica S.p.A., Italy | 418 | 413 |
| | EMC FIME SRL | 92 | - |
| **Purchase of stock in trade** | Elica S.p.A., Italy | 11 | 1 |
| | Whirlpool of India Limited | 1,790 | 1,814 |
| | Europlak SV Cucine India Limited | 12 | - |
| | Nirmal Enterprises | 3 | 1 |
| | Whirlpool EMEA SPA – Italy | 33 | - |
| | Shubh Enterprises | 1 | - |
| **Purchases of Display Stands** | Europlak SV Cucine India Limited | 446 | 285 |
| **Royalty** | Elica S.p.A., Italy | 58 | 108 |
| | Whirlpool Properties INC | 8 | - |
| **Interest on ECB** | Elica S.p.A., Italy | 26 | 58 |
| **Product Development Expenses** | Zhejiang Elica Putian Electric Co. Ltd., China | - | 3 |
| **Others** | Europlak SV Cucine India Limited | - | 1 |
| | Nirmal Enterprises | 35 | 36 |
| | Yashashree Enterprise | 58 | 48 |
| **External commercial borrowings repaid** | Elica S.p.A., Italy | 1,250 | - |
| **Insurance Charges** | Elica S.p.A., Italy | - | 12 |
| **Trademark License Fee** | Elica S.p.A., Italy | 710 | - |
| **Technical License Fee** | Elica S.p.A., Italy | 25 | - |
| **Recovery of expenses:** | | | |
| **Sales promotion, marketing and advertisement** | Elica S.p.A., Italy | - | 88 |
| **Balance outstanding** | | | |
| **A. Trade receivables** | Whirlpool of India Limited | - | 226 |
| | Nirmal Enterprises | 106 | 68 |
| | Tirupati Appliances | - | 1 |
| | Shubh Enterprises | 11 | 16 |
| **B. Other receivables** | Elica S.p.A., Italy | - | 39 |
| **C. External commercial borrowings** | Elica S.p.A., Italy | - | 1,250 |

**(Amount in INR Lacs, unless otherwise stated)**

| | | | |
|---|---|---|---|
| **D. Payables (including interest accrued but not due)** | Elica S.p.A., Italy | 485 | 436 |
| | Europlak SV Cucine India Limited | 23 | 45 |
| | Whirlpool of India Limited | 74 | 959 |
| | Whirlpool EMEA SPA – Italy | 33 | - |
| | Whirlpool Properties INC | 8 | - |
| | Yashashree Enterprise | 4 | 10 |
| | EMC FIME SRL | 92 | - |

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**44 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.

**Details of these plans are given below:**

II. Restricted Stock Units (RSU) & Performance Stock Units (PSU)

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.

**Restricted Stock and Performance Share Units**

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| | Number of Options | |
| Outstanding at the beginning of the year | - | - |
| Granted during the year | 1,000 | - |
| Transfer/ Expired/ Forfeited during the year | - | - |
| Exercised during the year | - | - |
| Outstanding at the end of the year | **1,000** | **-** |

**45 Risk assessment by the Company of COVID-19 (Global Pandemic):**

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended 31 March 2022 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements

**For S.R. Batliboi & Co. LLP**
*Chartered Accountants*
ICAI Firm registration number : 301003E/E300005

Sd/-
**per Sanjay Vij**
Partner
Membership Number : 095169

Place : Gurugram
Date : 19th May, 2022

**For and on behalf of the Board of Directors of**
**Elica PB Whirlpool Kitchen Appliances Private Limited**
CIN : U29300PN2010PTC136095

Sd/-
**Pralhad Bhutada**
Managing Director and CEO
DIN : 00272306

Sd/-
**Vishal Bhola**
Director
DIN : 08668079

Sd/-
**Nishant Hundiwala**
Chief Financial Officer

Sd/-
**Urvi Upadhyay**
Company Secretary
Place: Gurugram, India

Date : 19th May, 2022

**FORM NO. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To
The Members
ELICA PB WHIRLPOOL KITCHEN APPLIANCES PRIVATE LIMITED
*Formerly known as ELICA PB INDIA PRIVATE LIMITED*
CIN - U29300PN2010PTC136095
37/1/1 KONDHWA PISOLI ROAD,
TALUKA HAVELI PUNE MH 411060 IN

We, (NC Khanna, Company Secretaries "Firm") have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ELICA PB WHIRLPOOL KITCHEN APPLIANCES PRIVATE LIMITED** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, and also the information, explanations and clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, during the audit period covering the financial year ended on 31st March, 2022, the Company has 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, 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 thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') which includes the following*:
    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding 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, 2018

**[Not applicable as there was no reportable event held during the financial year under review];*

(vi) Other laws applicable to the Company

We have examined the framework, processes and procedures of compliance of Environmental Laws, Labour Laws & other General Laws. The reports, compliances etc. with respect to these laws have been examined by us on a test check basis.

**Industry Specific laws applicable to the Company**

The Company has identified the following laws as specifically applicable to the Company:
(a) E-waste (Management) Rules, 2016
(b) The Bureau of Indian Standard Rules, 1987
(c) The Legal Metrology Act, 2009

We have also examined the compliances with the applicable clauses of the following:

- Secretarial Standards issued by the Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")*.

**[Not applicable as the Company is not listed Entity during the financial year under review];*

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors (including Woman 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 notices were given to all directors to schedule the Board/Committee Meetings along with agenda & detailed notes on agenda in accordance with applicable statutory provisions and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting, for meaningful participation thereat.

All decisions at Board/Committee meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors /Committees of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, following *inter alia* major events have occurred:-

(i) Whirlpool of India Limited ("Whirlpool") has acquired additional equity shares of 38.25% of issued and paid up share capital of the Company, taking its total shareholding in the Company to 87.25% on 29th September, 2021. Thus, Company has become a subsidiary of Whirlpool.
(ii) The Company has changed its name from Elica PB India Private Limited to Elica PB Whirlpool Kitchen Appliances Private Limited with effect from 24th March, 2022.

(iii) Since Company has become the subsidiary of Whirlpool (a listed entity), pursuant to Section 2(71), it is a deemed public company. Hence, the Company is required to –

- Appoint Independent Directors as per Section 149 of the Act
- Constitute Audit Committee and Nomination & Remuneration Committee as per Section 177 and 178 respectively of the Act.

Sd/-

**For N C Khanna, Company Secretaries**
N C Khanna
FCS No. 4268
CP No.5143
UDIN: F004268D000306306

Place : New Delhi
Date: 19th May, 2022

This Report is to be read with our 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**

To
The Members
ELICA PB WHIRLPOOL KITCHEN APPLIANCES PRIVATE LIMITED
*Formerly known as ELICA PB INDIA PRIVATE LIMITED*
CIN - U29300PN2010PTC136095
37/1/1 KONDHWA PISOLI ROAD,
TALUKA HAVELI PUNE MH 411060 IN

Our Secretarial Audit Report of even date, for the financial year ended 31st March, 2022 is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis of our opinion.

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

**Disclaimer**

5. 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.

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Sd/-
**For N C Khanna, Company Secretaries**
N C Khanna
FCS No. 4268
CP No.5143

Place : New Delhi
Date: 19th May, 2022