

**LG Electronics India Pvt. Ltd.**

Financial Statements for the Year Ended  
March 31, 2022

and Independent Auditor's Report

# Price Waterhouse Chartered Accountants LLP

## Independent auditor's report

To the Members of LG Electronics India Private Limited

## Report on the audit of the financial statements

### Opinion

1. We have audited the accompanying financial statements of LG Electronics India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 opinion.

### Emphasis of Matter

4. We draw your attention to Note 32 to the accompanying financial statements, where it is stated that the Company had entered into a Revised License Agreement dated July 27, 2017 with its parent Company, i.e., LG Electronics Inc., Korea, for the use of technology and brand name. In accordance with the aforesaid agreement, the Company is liable to pay royalty to LG Electronics Inc., Korea. Based on the original agreement, royalty amounting to Rs. 2,548 million has been accrued during the year ended March 31, 2022, and remaining portion of royalty based on the aforesaid Revised License Agreement amounting to Rs. 52,856 million pertaining to the period from April 01, 2016 to March 31, 2022 is contingent upon conclusion of the Advance Pricing Agreement with the Government of India. Consequently, the Company has not accrued the remaining portion and the obligation has been disclosed as a contingent liability.

Our opinion is not modified in respect of this matter.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board 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 the 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.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the 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

8. 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.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 controls.



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

#### **Report on Other Legal and Regulatory Requirements**

11. 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 B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. 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 except that the back-up of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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.
  - (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 maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 12(b) above that the back-up of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.



- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31(A) to the financial statements;
  - ii. The Company has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2022.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
  - 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 42(vii) to the financial statements);  
  
(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(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 42(vii) to the financial statements); and  
  
(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The dividend paid during the year by the Company is in compliance with Section 123 of the Act.



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13. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

*Anurag Khandelwal*

Anurag Khandelwal  
Partner  
Membership Number: 078571

UDIN: 22078571ARHAYL5367  
Place: Gurugram  
Date: September 07, 2022

## **Annexure A to Independent auditor's report**

Referred to in paragraph 12(g) of the Independent auditor's report of even date to the members of LG Electronics India Private Limited on the financial statements for the year ended March 31, 2022  
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### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of LG Electronics India Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



## **Annexure A to Independent auditor's report**

Referred to in paragraph 12(g) of the Independent auditor's report of even date to the members of LG Electronics India Private Limited on the financial statements for the year ended March 31, 2022  
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### **Meaning of Internal Financial Controls with reference to financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

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

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Anurag Khandelwal  
Partner  
Membership Number: 078571

UDIN: 22078571ARHAYL5367  
Place: Gurugram  
Date: September 07, 2022



## **Annexure B to Independent auditor's report**

Referred to in paragraph 11 of the Independent auditor's report of even date to the members of LG Electronics India Private Limited on the financial statements as of and for the year ended March 31, 2022

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- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.  

(B) The Company is maintaining proper records showing full particulars of intangible assets.
  - (b) The property, plant and equipment of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
  - (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3(a) to the financial statements, are held in the name of the Company.
  - (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Consequently, as stated in Note 42(x) to the financial statements, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including right of use assets) or intangible assets does not arise.
  - (e) Based on the information and explanations furnished to us, as stated in Note 42(i) to the financial statements, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventories, excluding commercial air conditioner inventories of Rs. 24 million lying with third parties (refer Note 9 to the financial statement), have been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of other inventories lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
  - (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise. Also refer Note 42(ii) to the financial statements.



### **Annexure B to Independent auditor's report**

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- iii. (a) The Company has granted unsecured loans to few employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to parties other than subsidiaries, joint ventures and associates are as per the table given below:

<b>Particulars</b>	<b>Loans (Amount in INR million)</b>
Aggregate amount granted/ provided during the year - Loans to employees	57
Balance outstanding as at balance sheet date in respect of the above case	79

(Also refer Note 6 to the financial statements)

- (b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loans, the schedule of repayment of principal has been stipulated, and the parties are repaying the principal amounts, as stipulated.
- (d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans. (Also refer Note 6 to the financial statements).
- (f) There were no loans/advances in nature of loans which were granted during the year, including to promoters/related parties other than loans granted to few employees. The loans granted during the year to employees, had stipulated the scheduled repayment of principal and the same were not repayable on demand.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.



**Annexure B to Independent auditor's report**

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- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, and is regular in depositing undisputed statutory dues, including employees' state insurance, income tax, service tax, duty of customs, sales tax, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also, refer Note 31(A)(v) to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

(Rs. in million)

Name of the Statute	Nature of Dues	Amount#	Amount deposited	Amount not paid	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Central Excise	2,285.32	81.09	2,204.23	December 1998 to January 2004	Custom Excise & Service Tax Appellate Tribunal
The Customs Act, 1962	Customs Duty	0.61	-	0.61	2001-02	Commissioner of Customs IGI, Delhi
The Customs Act, 1962	Customs Duty	15.41	-	15.41	2004-05 and 2006-07	Custom Excise & Service Tax Appellate Tribunal
The Customs Act, 1962	Customs Duty	0.02	-	0.02	2003-04	Commissioner of Customs Indira Gandhi International Airport, New Delhi
The Customs Act, 1962	Customs Duty	9.46	0.65	8.81	March 2019	Custom Excise & Service Tax Appellate Tribunal
The Customs Act, 1962	Customs Duty	6.99	-	6.99	April 01, 2018 to October 18, 2018	Commissioner of Customs IGI, Delhi
The Customs Act, 1962	Customs Duty	0.80	-	0.80	September 2006	Bombay High Court
The Customs Act, 1962	Customs Duty	69.76	-	69.76	2020-21	Custom Excise & Service Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax	0.57	-	0.57	2000-01	Commissioner of Income Tax (Appeals)



**Annexure B to Independent auditor's report**

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(Rs. in million)

Name of the Statute	Nature of Dues	Amount#	Amount deposited	Amount not paid	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	101.00	101.00	-	2001-02	High Court, Allahabad
Income Tax Act, 1961*	Income Tax	172.43	126.33	46.10	2002-03	High Court, Allahabad
Income Tax Act, 1961*	Income Tax	149.90	135.41	14.49	2003-04	High Court, Allahabad
Income Tax Act, 1961*	Income Tax	624.84	241.12	383.72	2004-05	High Court, Delhi
Income Tax Act, 1961*	Income Tax	623.40	254.50	368.90	2005-06	High Court, Delhi
Income Tax Act, 1961	Income Tax	83.73	-	83.73	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961*	Income Tax	696.72	380.30	316.42	2006-07	High Court, Allahabad
Income Tax Act, 1961	Income Tax	48.18	-	48.18	2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	669.18	363.19	305.99	2007-08	High Court, Delhi
Income Tax Act, 1961	Income Tax	71.46	-	71.46	2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	775.38	310.51	464.87	2008-09	High Court, Delhi
Income Tax Act, 1961	Income Tax	69.52	-	69.52	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	7,783.36	580.15	7,203.21	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	1,350.33	184.05	1,166.28	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	320.01	51.74	268.27	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,624.09	100.00	1,524.09	2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	225.90	45.18	180.72	2009-10 (Revision)	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,573.38	100.00	1,473.38	2012-13	Income Tax Appellate Tribunal



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**(Rs. in million)**

Name of the Statute	Nature of Dues	Amount#	Amount deposited	Amount not paid	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	47.61	-	47.61	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	21.57	-	21.57	2004-05	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	40.34	-	40.34	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,017.36	150.00	1,867.36	2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,748.19	60.00	1,688.19	2014-15	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,510.13	-	1,510.13	2015-16	High Court, Delhi
Legal Metrology Act, 2009	Metrology Demand	0.15	-	0.15	2014-2015	Patiala House Court
Legal Metrology Act, 2009	Metrology Demand	0.15	-	0.15	2015-16	Patiala House Court
Legal Metrology Act, 2009	Metrology Demand	0.15	-	0.15	2015-16	District Court, Gautam Budh Nagar
Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	36.55	9.03	27.52	August 2012- March 2015	Bombay High Court
Finance Act, 1994	Service Tax	1,042.60	-	1,042.60	April 2006 to October 2010	High Court Allahabad, Uttar Pradesh
Finance Act, 1994	Service Tax	18.00	-	18.00	April 2012 to December 2015	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	158.00	6.00	152.00	September 2004 to March 2008	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	112.26	3.70	108.56	August 2002 to March 2006	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	6.14	0.31	5.83	April 2010 to March 2011	Custom Excise & Service Tax



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**(Rs. in million)**

Name of the Statute	Nature of Dues	Amount#	Amount deposited	Amount not paid	Period to which amount relates	Forum where dispute is pending
						Appellate Tribunal
Finance Act, 1994	Service Tax	59.21	-	59.21	April 2012 to September 2015 and April 2011 to January 2013	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	10.13	5.06	5.07	July 2012 to December 2015	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	7.30	-	7.30	October 2015 to July 2016	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	196.96	7.38	189.58	June 2010 to March 2015	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	48.91	1.85	47.06	April 2015 to December 2015	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	112.00	3.52	108.48	April 2012 to December 2015	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	64.00	2.71	61.29	January 2016 to June 2017	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	120.24	4.76	115.48	April 2011 to March 2015	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	5.88	-	5.88	April 2015 to June 2015	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	58.26	2.19	56.07	July 2015 to March 2016	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	2.25	0.09	2.16	April 2007 to April 2013	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	3.24		3.24	August 2016 to June 2017	Commissioner (Appeals)



**Annexure B to Independent auditor's report**

Referred to in paragraph 11 of the Independent auditor's report of even date to the members of LG Electronics India Private Limited on the financial statements as of and for the year ended March 31, 2022

Page 7 of 13

(Rs. in million)

Name of the Statute	Nature of Dues	Amount#	Amount deposited	Amount not paid	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	92.06	3.45	88.61	July 2011 to March 2016	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	15.84	1.44	14.40	April 2016 to June 2017	Commissioner (Appeals)
UP Trade Tax Act, 1948	VAT/ Sales tax	166.97	-	166.97	1997-98	High Court Allahabad, Uttar Pradesh
Orissa Entry Tax Act, 1999	VAT/ Sales tax	7.03	5.50	1.53	2003-04	High Court, Orissa
West Bengal Sales Tax Act, 1994	VAT/ Sales tax	10.69	-	10.69	2000-01	Sales Tax Tribunal
Kerala VAT Act, 2003	VAT/ Sales tax	25.26	5.91	19.35	2006-07	High Court, Kerala
Madhya Pradesh Vanijiyik Kar Adhinyam, 1994	VAT/ Sales tax	4.51	2.51	2.00	2001-02	High Court, Madhya Pradesh
Madhya Pradesh Vanijiyik Kar Adhinyam, 1994	VAT/ Sales tax	1.23	1.23	-	1998-99	Madhya Pradesh High Court
Orissa Entry Tax Act, 1999	VAT/ Sales tax	1.89	0.60	1.29	2002-03	Sales Tax Tribunal
Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	3.78	1.44	2.34	April 2008 to March 2013	Sales Tax Tribunal
Bihar Finance Act, 1961	VAT/ Sales tax	5.43	5.43	-	2002-03	Commissioner (Appeals)
Gujrat VAT Act, 2003	VAT/ Sales tax	4.78	3.29	1.49	2006-07	Sales tax Tribunal
UP Trade Tax Act, 1948	VAT/ Sales tax	1.93	-	1.93	2003-04	High Court Allahabad, Uttar Pradesh
Kerala VAT Act, 2003	VAT/ Sales tax	3.44	7.00	-	2007-08	Commissioner (Appeals)
Kerala VAT Act, 2003	VAT/ Sales tax	1.63	0.54	1.09	2008-09	Sales Tax Tribunal
Tamil Nadu VAT Act, 2006	VAT/ Sales tax	2.94	3.11	-	2007-08	Sales Tax Tribunal
Bihar VAT Act, 2005	VAT/ Sales tax	11.33	3.32	8.01	2008-09	Sales Tax Tribunal



**Annexure B to Independent auditor's report**

Referred to in paragraph 11 of the Independent auditor's report of even date to the members of LG Electronics India Private Limited on the financial statements as of and for the year ended March 31, 2022

Page 8 of 13

(Rs. in million)

Name of the Statute	Nature of Dues	Amount#	Amount deposited	Amount not paid	Period to which amount relates	Forum where dispute is pending
Jharkhand VAT Act, 2005	VAT/ Sales tax	2.25	-	2.25	2009-10	Commissioner (Appeals)
UP VAT Act, 2008	VAT/ Sales tax	2.01	1.64	0.37	2010-11	Sales Tax Tribunal
Tamil Nadu VAT Act, 2006	VAT/ Sales tax	1.66	2.29	-	2011-12	Sales Tax Tribunal
West Bengal Sales Tax Act, 1994	VAT/ Sales tax	98.78	15.00	83.78	2011-12	Sales Tax Tribunal
Bihar VAT Act, 2005	VAT/ Sales tax	5.57	5.57	-	2011-12	Sales Tax Tribunal
Rajasthan VAT Act, 2003	VAT/ Sales tax	102.46	-	102.46	April 2008 to March 2010	Rajasthan High Court
Rajasthan VAT Act, 2003	VAT/ Sales tax	7.56	7.59	-	April 2009 to March 2013	Rajasthan High Court
UP VAT Act, 2008	VAT/ Sales tax	1.65	1.49	0.16	2011-12	Commissioner (Appeals)
Orissa VAT Act, 2004	VAT/ Sales tax	2.49	0.33	2.16	2008-09	Commissioner (Appeals)
West Bengal Sales Tax Act, 1994	VAT/ Sales tax	0.51	-	0.51	2009-10	Commissioner (Appeals)
Orissa VAT Act, 2004	VAT/ Sales tax	1.26	0.15	1.11	2007-08	Sales Tax Tribunal
Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	0.25	0.23	0.02	2010-11	Sales Tax Tribunal
Delhi VAT Act, 2004	VAT/ Sales tax	0.25	0.04	0.21	April 2015 to December 2015	Commissioner (Appeals)
Rajasthan VAT Act, 2003	VAT/ Sales tax	26.68	1.24	25.44	2010-11	Sales Tax Tribunal
UP VAT Act, 2008	VAT/ Sales tax	2.41	3.09	-	2012-13	Sales Tax Tribunal
Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	20.67	-	20.67	2017-18	Sales Tax Tribunal
Kerala VAT Act, 2003	VAT/ Sales tax	55.04	4.03	51.01	2015-16	Commissioner (Appeals)
UP VAT Act, 2008	VAT/ Sales tax	6.02	0.16	5.86	April 2017 to June 2017	Commissioner (Appeals)
Kerala VAT Act, 2003	VAT/ Sales tax	25.31	-	25.31	2016-17	High Court, Kerala





**Annexure B to Independent auditor's report**

Referred to in paragraph 11 of the Independent auditor's report of even date to the members of LG Electronics India Private Limited on the financial statements as of and for the year ended March 31, 2022

Page 9 of 13

**(Rs. in million)**

Name of the Statute	Nature of Dues	Amount#	Amount deposited	Amount not paid	Period to which amount relates	Forum where dispute is pending
Kerala VAT Act, 2003	VAT/ Sales tax	3.73	-	3.73	2017-18	High Court, Kerala
Delhi VAT Act, 2004	VAT/ Sales tax	25.72	-	25.72	2017-18	Commissioner (Appeals)
Chattisgarh VAT Act, 2003	VAT/ Sales tax	1.48	0.15	1.33	2016-17	Commissioner (Appeals)
Maharashtra VAT Act, 2002	VAT/ Sales tax	5.45	-	5.45	2006-07	Bombay High Court
Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	3.26	3.26	-	2011-12	Rajasthan High Court
Karnataka VAT Act, 2003	VAT/ Sales tax	3.33	1.58	1.75	2012-13	Sales Tax Tribunal
Karnataka VAT Act, 2003	VAT/ Sales tax	3.10	1.22	1.88	2013-14	Sales Tax Tribunal
West Bengal Sales Tax Act, 1994	VAT/ Sales tax	4.88	0.52	4.36	2013-14	Commissioner (Appeals)
Jharkhand VAT Act, 2005	VAT/ Sales tax	8.18	1.64	6.54	2010-11	Commissioner (Appeals)
Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	0.38	0.38	-	2012-13	Sales Tax Tribunal
Jharkhand VAT Act, 2005	VAT/ Sales tax	1.74	-	1.74	2015-16	Commissioner (Appeals)
Kerala VAT Act, 2003	VAT/ Sales tax	62.89	-	62.89	2009-10	High Court, Kerala
Bihar VAT Act, 2005	VAT/ Sales tax	0.58	0.10	0.48	2013-14	Sales Tax Tribunal
Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	1.12	1.60	-	2013-14	Sales Tax Tribunal
Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	2.97	4.66	-	2014-15	Sales Tax Tribunal
Kerala VAT Act, 2003	VAT/ Sales tax	44.99	1.93	43.06	2010-11	Kerala High Court and Sales Tax Tribunal
Kerala VAT Act, 2003	VAT/ Sales tax	2.49	4.10	-	2011-12	High Court, Kerala
Kerala VAT Act, 2003	VAT/ Sales tax	4.13	1.25	2.88	2012-13	High Court, Kerala



**Annexure B to Independent auditor's report**

Referred to in paragraph 11 of the Independent auditor's report of even date to the members of LG Electronics India Private Limited on the financial statements as of and for the year ended March 31, 2022

Page 10 of 13

**(Rs. in million)**

Name of the Statute	Nature of Dues	Amount#	Amount deposited	Amount not paid	Period to which amount relates	Forum where dispute is pending
UP VAT Act, 2008	VAT/ Sales tax	6.24	5.06	1.18	2013-14	Commissioner (Appeals)
Gujrat VAT Act, 2003	VAT/ Sales tax	0.38	0.23	0.15	2012-13	Sales Tax Tribunal
Kerala VAT Act, 2003	VAT/ Sales tax	9.26	0.79	8.47	2013-14	High Court, Kerala
Kerala VAT Act, 2003	VAT/ Sales tax	0.90	-	0.90	2008-09	High Court, Kerala
AP VAT Act, 2005	VAT/ Sales tax	0.43	0.39	0.04	2015-16	Sales Tax Tribunal
TSVAT Act 2005	VAT/ Sales tax	100.16	23.90	76.26	2012-13 to 2013-14	Telangana High Court
Rajasthan VAT Act, 2003	VAT/ Sales tax	0.93	-	0.93	2015-16	Assessing officer
Karnataka VAT Act, 2003	VAT/ Sales tax	3.94	1.02	2.92	2011-12	Sales Tax Tribunal
Kerala VAT Act, 2003	VAT/ Sales tax	0.64	0.19	0.45	2011-12	Sales Tax Tribunal
Kerala VAT Act, 2003	VAT/ Sales tax	0.19	0.06	0.13	2012-13	Sales Tax Tribunal
UP VAT Act, 2008	VAT/ Sales tax	0.85	0.85	-	2008-09	Sales Tax Tribunal
UP VAT Act, 2008	VAT/ Sales tax	0.38	0.38	-	2015-16	Commissioner (Appeals)
Uttarakhand VAT Act, 2005	VAT/ Sales tax	0.16	0.17	-	2013-14	Commissioner (Appeals)
Bihar VAT Act, 2005	VAT/ Sales tax	1.05	1.24	-	2007-08	Commissioner (Appeals)
Jharkhand VAT Act, 2005	VAT/ Sales tax	0.49	0.49	-	2013-14	Commissioner (Appeals)
West Bengal Sales Tax Act, 1994	VAT/ Sales tax	7.94	0.79	7.15	2016-17	Commissioner (Appeals)
Karnataka VAT Act, 2003	VAT/ Sales tax	4.17	1.25	2.92	2014-15	Sales Tax Tribunal
Income Tax Act, 1961	Withholding Tax	93.58	221.61	-	2004-05 to 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Withholding Tax	30.07	30.07	-	2010-11	Income Tax Appellate Tribunal



**Annexure B to Independent auditor's report**

Referred to in paragraph 11 of the Independent auditor's report of even date to the members of LG Electronics India Private Limited on the financial statements as of and for the year ended March 31, 2022  
Page 11 of 13

(Rs. in million)						
Name of the Statute	Nature of Dues	Amount#	Amount deposited	Amount not paid	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Withholding Tax	146.19	-	146.19	2011-12 to 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Withholding Tax	274.44	-	274.44	2014-15 to 2018-19	Commissioner of Income Tax (Appeals)
<b>Total</b>		<b>28,385.71</b>	<b>3,710.32</b>	<b>24,812.47</b>		

#Amount as per demand orders including interest and penalty, wherever applicable.

\* Amount not deposited relates to matters decided in favour of the Company and appeal has been filed by the Department in higher forums.

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that have not been recorded in the books of account.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority. Also refer Note 42(iii) to the financial statements.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.



## **Annexure B to Independent auditor's report**

Referred to in paragraph 11 of the Independent auditor's report of even date to the members of LG Electronics India Private Limited on the financial statements as of and for the year ended March 31, 2022  
Page 12 of 13

- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi) (c) of the Order is not applicable to the Company.



## **Annexure B to Independent auditor's report**

Referred to in paragraph 11 of the Independent auditor's report of even date to the members of LG Electronics India Private Limited on the financial statements as of and for the year ended March 31, 2022

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- (d) Based on the information and explanations provided by the management of the Company, the Group\* does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.  
\* as interpreted in accordance with Notification No. DNBS. (PD) 219/CGM(US)-2011 dated January 5, 2011 issued by Reserve Bank of India.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (also refer Note 41 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.  
(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also refer Note 33 to the financial statements)
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Anurag Khandelwal  
Partner  
Membership Number: 078571

UDIN: 22078571ARHAYL5367  
Place: Gurugram  
Date: September 07, 2022

**I.G ELECTRONICS INDIA PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2022**

(In Million)

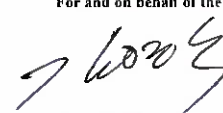
	Note No.	As at	As at
		March 31, 2022	March 31, 2021
		₹	₹
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3(a)	10,357	10,418
(b) Capital work-in-progress	3(b)	1,021	333
(c) Intangible assets	4(a)	88	71
(d) Intangible assets under development	4(b)	-	5
(e) Financial assets			
(i) Trade receivables	5	-	-
(ii) Loans	6	58	33
(iii) Other financial assets	7	1,011	918
(f) Deferred tax assets (net)	2c(b)	1,278	1,432
(g) Other non-current assets	8	2,437	2,381
<b>Total non-current assets</b>		<b>16,289</b>	<b>15,594</b>
<b>Current assets</b>			
(a) Inventories	9	24,094	26,418
(b) Financial assets			
(i) Trade receivables	5	13,811	10,565
(ii) Cash and cash equivalents	10	37,094	55,168
(iii) Loans	6	21	13
(iv) Other financial assets	7	1,215	1,163
(c) Other current assets	8	1,553	1,690
(d) Assets classified as held for sale	35	112	-
<b>Total current assets</b>		<b>77,903</b>	<b>94,996</b>
<b>Total assets</b>		<b>94,192</b>	<b>110,590</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	1,131	1,131
(b) Other equity	12	53,876	64,734
<b>Total equity</b>		<b>55,007</b>	<b>65,865</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	17	2,347	2,478
(b) Provisions	13	743	1,071
(c) Other non-current liabilities	14	931	829
<b>Total non-current liabilities</b>		<b>4,021</b>	<b>4,378</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		3,189	2,611
- total outstanding dues of creditors other than micro enterprises and small enterprises		23,351	36,787
(ii) Lease liabilities	17	561	534
(iii) Other financial liabilities	16	2,880	2,233
(b) Provisions	13	1,025	1,193
(c) Other current liabilities	14	4,089	3,080
(d) Liabilities directly associated with assets classified as held for sale	35	63	-
<b>Total current liabilities</b>		<b>35,164</b>	<b>40,347</b>
<b>Total liabilities</b>		<b>39,185</b>	<b>44,725</b>
<b>Total equity and liabilities</b>		<b>94,192</b>	<b>110,590</b>


See accompanying notes forming part of the financial statements  
This is the Balance Sheet referred to in our report of even date


**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No: 012754NNS00016

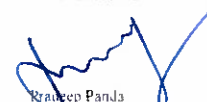
  
Anurag Khandelwal  
Partner  
Membership No: 078571

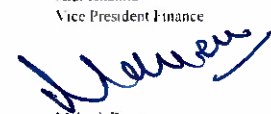
**For and on behalf of the Board of Directors**

  
Younglak Kim  
Managing Director  
DIN: 08672238

  
Dong Myung Seo  
Director and Chief  
Financial Officer  
DIN: 09481866

  
Anil Khanna  
Vice President Finance

  
Ranjeet Panda  
Company Secretary  
Membership No: ECS1543

  
Mahesh Batra  
Sr. General Manager Accounting

Place: Gurugram  
Date: September 07, 2022

Place: Noida  
Date: September 07, 2022

**LG ELECTRONICS INDIA PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

(In Million)

	Note No.	Year ended	Year ended
		March 31, 2022	March 31, 2021
		₹	₹
<b>A. Continuing operations</b>			
Revenue from operations	18	168,342	150,866
Other income	19	2,038	1,702
<b>Total income</b>		<b>170,380</b>	<b>152,568</b>
<b>Expenses</b>			
Cost of materials consumed	20(a)	100,322	83,134
Purchases of traded goods	20(b)	14,917	13,285
Changes in inventories of finished goods, traded goods and work-in-progress	20(c)	2,766	(760)
Employee benefit expenses	21	7,255	6,610
Finance costs	22	225	156
Depreciation and amortisation expense	23	2,584	2,430
Other expenses	24	23,995	23,068
<b>Total expenses</b>		<b>154,064</b>	<b>129,952</b>
<b>Profit before tax continuing operations</b>		<b>16,316</b>	<b>22,616</b>
<b>Income tax expense</b>			
- Current tax	26(a)	4,198	6,120
- Short provision for tax relating to prior years	26(a)	5	58
- Deferred tax	26(b)	147	(227)
<b>Total tax expense</b>		<b>4,260</b>	<b>5,951</b>
<b>Profit for the year after tax from continuing operations</b>		<b>12,056</b>	<b>16,665</b>
<b>B. Discontinued operations</b>			
Loss from discontinued operations before tax	35	(415)	(1,866)
Tax expense of discontinued operations	35	(107)	(491)
<b>Loss after tax from discontinued operations</b>		<b>(509)</b>	<b>(1,375)</b>
<b>Profit for the year</b>		<b>11,747</b>	<b>15,290</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of post-employment benefit obligation	27	23	(24)
Income tax relating to these items	26(b)	(7)	6
<b>Other comprehensive income (Net of tax)</b>		<b>21</b>	<b>(18)</b>
<b>Total comprehensive income for the year</b>		<b>11,768</b>	<b>15,272</b>
<b>Earnings per equity share (₹)</b>			
<b>(1) Basic</b>			
For continuing operations	29	106.57	147.31
For discontinued operations	29	(2.73)	(12.15)
For continuing and discontinued operations	29	103.84	135.16
<b>(2) Diluted</b>			
For continuing operations	29	106.57	147.31
For discontinued operations	29	(2.73)	(12.15)
For continuing and discontinued operations	29	103.84	135.16

See accompanying notes forming part of the financial statements

This is the Statement of Profit and Loss (including other comprehensive income) referred to in our report of even date

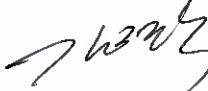
For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/NS00016

  
Anurag Khandelwal  
Partner

Membership No. 078571

For and on behalf of the Board of Directors

  
Younglak Kim  
Managing Director

DIN: 08672238

  
Dong Myung Seo  
Director and Chief

Financial Officer  
DIN: 09481866

  
Atul Khanna  
Vice President Finance

Membership No. 078571

  
Pradeep Panda  
Company Secretary  
Membership No. FCS3543

  
Mahesh Batra  
Sr. General Manager Accounting

Place: Gurugram

Date: September 07, 2022

Place: Noida

Date: September 07, 2022

LG ELECTRONICS INDIA PRIVATE LIMITED  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(In Million)

	Year ended		Year ended	
	March 31, 2022		March 31, 2021	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax from continuing operations	16,316		22,816	
Loss before tax from discontinued operations	(418)		(1,866)	
<b>Profit before income tax including discontinued operations</b>		<b>15,898</b>		<b>20,750</b>
<i>Adjustments for:</i>				
Depreciation and amortisation expense	2,612		2,460	
Profit on sale of property, plant and equipment (net)	(33)		(8)	
Interest income on bank deposits	(1,624)		(1,623)	
Finance costs	225		156	
Property, plant and equipment written off	1		3	
Allowance for doubtful trade receivables, other assets and other financial assets	73		44	
Trade and other receivables, loans and advances written off	13		29	
Provision for warranty written back	(94)		3	
Provision for service tax liability written back	(144)		-	
Sundry advances (written back) written off	(1)		2	
Unrealised (gain) / loss on foreign currency (Net)	62		57	
		889		1,123
Operating profit before change in operating assets and liabilities		16,787		21,873
<i>Changes in working capital:</i>				
<i>Adjustment for (increase) / decrease in operating assets:</i>				
Inventories	2,238		(4,193)	
Trade receivables	(3,282)		(5,654)	
Other assets	122		(104)	
Other financial assets	(186)		86	
Loans	(30)		(3)	
<i>Adjustment for increase / (decrease) in operating liabilities:</i>				
Trade payables	(6,941)		12,220	
Provisions	60		127	
Other liabilities	1,105		1,616	
Other financial liabilities	121		25	
		(6,793)		4,229
Cash generated from operations		9,994		26,102
Net income tax (paid) / refunds		(4,016)		(5,676)
<b>Net cash inflow/(outflow) from operating activities (A)</b>		<b>5,979</b>		<b>20,426</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment and intangible assets (including Capital work-in-progress and Intangible assets under development)		(2,733)		(1,760)
Proceeds from government grant		296		333
Proceeds from sale of property, plant and equipment		38		11
Interest income on bank deposits		1,667		1,718
<b>Net cash (outflow)/inflow from investing activities (B)</b>		<b>(732)</b>		<b>302</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Principal payment of lease liabilities		(414)		(243)
Interest paid on lease liabilities		(225)		(156)
Interim dividend		(22,626)		(13,327)
<b>Net cash (outflow)/inflow from financing activities (C)</b>		<b>(23,265)</b>		<b>(13,726)</b>




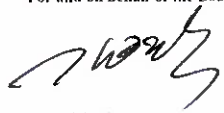




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**LG ELECTRONICS INDIA PRIVATE LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

(In Million)


	Year ended March 31, 2022		Year ended March 31, 2021	
	₹	₹	₹	₹
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(18,018)		7,402
Cash and cash equivalents at the beginning of the year		55,108		48,106
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		4		-
<b>Cash and cash equivalents at the end of the year</b>		<b>37,094</b>		<b>55,108</b>
<b>Non-cash investing activities</b>				
Acquisition of right of use assets		312		2,772
<b>Cash and cash equivalents at the end of the year</b>				
Comprises				
(a) Cash on hand		6		6
(b) Balances with banks				
(i) In current accounts		309		553
(ii) In EEFC accounts		308		137
(c) Bank deposits with maturity of less than three months		36,480		54,412
		<b>37,094</b>		<b>55,108</b>
See accompanying notes forming part of the financial statements				
This is the Statement of Cash Flows referred to in our report of even date				
<b>For Price Waterhouse Chartered Accountants LLP</b> Firm Registration No. 012754NNS30016  Anurag Khandelwal Partner Membership No. 078571		<b>For and on behalf of the Board of Directors</b>  Younglak Kim Managing Director DIN : 08672238		
		 Dong Myung Seo Director and Chief Financial Officer DIN : 09481866		
		 Atul Khanna Vice President Finance		
		 Mahesh Batra Sr. General Manager Accounting		
Place Gurugram Date: September 07, 2022		Place Noida Date: September 07, 2022		
		 Pradeep Panda Company Secretary Membership No. FC 53543		

**I.G. ELECTRONICS INDIA PRIVATE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

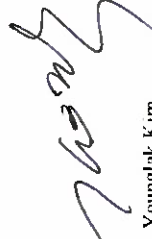
	Reserves and surplus				Total
	Equity share capital	Amalgamation reserve	Retained earnings	General reserve	
	₹	₹	₹	₹	₹
Balance as at April 01, 2020	1,131	364	60,601	1,824	62,789
Profit for the year	-	-	15,290	-	15,290
Other comprehensive income	-	-	(18)	-	(18)
Total comprehensive income for the year	-	-	15,272	-	15,272
Interim dividend paid @ ₹ 117.80 per share	-	-	13,327	-	13,327
Balance as at March 31, 2021	1,131	364	62,546	1,824	64,734
Balance as at April 01, 2021	1,131	364	62,546	1,824	64,734
Profit for the year	-	-	11,747	-	11,747
Other comprehensive income	-	-	21	-	21
Total comprehensive income for the year	-	-	11,768	-	11,768
Transactions with owners in their capacity as owners :					
Interim dividend paid @ ₹ 200.00 per share	-	-	22,626	-	22,626
Balance as at March 31, 2022	1,131	364	51,688	1,824	53,876


See accompanying notes forming part of the financial statements  
 This is the Statement of Changes in Equity referred to in our report of even date.


**For Price Waterhouse Chartered Accountants LLP**  
 Firm Registration No. : 012754/N/NS000016


  
 Anurag Khandelwal  
 Partner  
 Membership No. : 078571


**For and on behalf of the Board of Directors**

  
 Younglak Kim  
 Managing Director  
 DIN : 08672238

  
 Dong Myung Seo  
 Director and Chief Financial Officer  
 DIN : 09481866

  
 Atul Khanna  
 Vice President Finance

  
 Pradeep Panda  
 Company Secretary  
 Membership No. : FCS3543

  
 Mahesh Batra  
 Sr General Manager Accounting

Place : Gurugram  
 Date : ~~September 07, 2022~~

Place : Noida  
 Date : ~~September 07, 2022~~

**LG Electronics India Private Limited**  
**Notes to the financial statements**

**1. Background**

LG Electronics India Private Limited (the Company) having corporate identification number (CIN) U32107DL1997PTC220109 was incorporated on January 20, 1997 in India, having registered office at Delhi and is engaged in the business of manufacture and trade in Television (Flat panel, Signage, Projectors, Monitor TV etc.), Air Conditioners, Refrigerators, Microwave Ovens, Washing Machines, Compressors, Vacuum Cleaners, Ceiling Fan, Optical Disk Drive, Monitor, Audio and Digital Video Display Systems, GSM handset, Water Purifiers, Air Purifiers, Personal Computer, Security Camera, Dishwasher and LED Lights

The Manufacturing facilities of Company are situated at Greater Noida in the State of Uttar Pradesh and in Ranjangaon near Pune in the State of Maharashtra. The Company is closely held with 113,128,726 Shares held by LG Electronics Inc., South Korea and balance 6 shares held by LG Soft India Private Limited as nominee

The financial statements were approved by the Board of Directors and authorised for issue on September 07, 2022

**2. Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated

**A) Basis of preparation**

**Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

**Historical cost convention**

The financial statements have been prepared on the historical cost basis except for the following:

- i) Certain financial assets and liabilities (including derivative instruments) and,
- ii) Defined benefit plans - plan assets measured at fair value

**Fair value** - 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.

**New and amended standards adopted by the Company**

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2021

- i) Extension of COVID-19 related concessions – amendments to Ind AS 116
- ii) Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments, Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116 Leases

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

**New amendments issued but not effective**

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 01, 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions

**Reclassifications consequent to amendments to Schedule III**

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 01, 2021

Consequent to above, the Company has changed the classification, presentation of security deposit and lease liabilities, in the current year

The security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item

The lease liabilities have been included in the 'financial liabilities' previously these liabilities were included in 'other financial liabilities' line item

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below.

(In Million)

Balance sheet (extract)	As at March 31, 2021	Increase/ (Decrease)	As at March 31, 2021
	(as previously reported)		(restated)
	₹	₹	₹
Loans (current)	154	(141)	13
Other financial assets (current)	1,022	141	1,163
Loans (non-current)	317	(281)	36
Other financial assets (non-current)	637	281	918
Lease liabilities (current)	-	534	534
Other financial liabilities (current)	2,767	(534)	2,233
Lease liabilities (non-current)	-	2,478	2,478
Other financial liabilities (non-current)	2,478	(2,478)	-

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**LG Electronics India Private Limited**

**Notes to the financial statements**

**B) Revenue recognition**

The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Company's activities as described below:

**Sales of goods**

Revenue from sale of finished goods, traded goods, raw material, service components and spares is recognized when control of the goods is transferred to the customers being when the products are delivered to the customer. Delivery does not occur until the products have been shipped to the specified location, the risk of obsolescence and loss (i.e. control) have been transferred to the customer, and either the customer has accepted the products in accordance with the sale contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue is measured at the fair value of consideration received or receivable. Revenue is shown as net of promotional warranty, returns, trade discounts, and goods and services tax (GST).

The products are often sold with discounts and customers have a right to return faulty products. Accumulated experience is used to estimate and provide for the discounts and returns. The discounts are assessed based on anticipated expected cost. The Company recognizes contract liabilities for sales return (hereinafter referred to as 'refund liability') based on reasonable expectation reflecting sale return rate incurred historically. The Company estimates an amount of variable consideration by using the expected value approach which the Company expects to better predict the amount of consideration. The Company recognizes revenue with transaction price including variable consideration to the extent that it is highly probable that a significant reversal in the accumulated amount of revenue will not occur when the refund period has lapsed.

The transaction price in an arrangement must be allocated to each performance obligation based on relative stand alone selling price of the goods or services being provided to a customer. The Company determines the stand alone price for each performance obligation by using 'adjusted market assessment approach'. In limited circumstances, the Company uses an 'expected cost plus a margin approach' to estimate stand alone selling price.

Refund liability for the expected returns from customers is recognized as an adjustment to revenue. The Company has a right to recover the products from the customer when the customer exercises his right of return and recognise an asset and a corresponding adjustment to cost of sales. A right to recover the products is measured at the carrying amount of the product.

The Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as provision and disclosed in Note No. 13.

**Sales, installation and commissioning contracts**

The fixed price contract of sales, installation and commissioning are integrated contracts and revenue is recognized at a point in time when the performance obligation is met basis the output oriented method (i.e. milestone completion) and where no significant uncertainty exists regarding the amount of consideration that will be derived on completion of the contract. Milestone is determined on the basis of survey of work performed up to the reporting date.

Provision for anticipated loss is recognized where it is probable that the estimated contract costs are likely to exceed the total contract revenue. Provision is made for liquidated damages and penalties in terms of the contract wherever there is a delayed delivery attributable to the Company.

**Maintenance contract**

Revenue from maintenance contracts are recognized on a pro-rata basis over the period of the contract.

**Other income**

Income from interest on bank deposits is recognized on the time proportion method taking into consideration the amount outstanding and the applicable interest rates.

Export benefits in respect of Merchandise Exports from India Scheme (MEIS) and Remission of Duties or Taxes on Export Products Scheme (RoDTEP) under Foreign Trade Policy of India are accrued as income in the year in which goods are exported.

**C) Government grants**

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

i) Government grants wherein primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deduction from property, plant and equipment and intangible assets in the balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

ii) Government grants of industrial promotion subsidy are recognized in statement of profit and loss on a systematic basis over the periods in which the Company recognizes related revenue on which grant for taxes/duty are intended to compensate.

**D) Leases**

The lessee is required to recognize right of use assets and lease liabilities for all non cancellable leases with a term of more than twelve months, unless the underlying asset is low value in nature.

Right of use assets are measured at cost comprising of the following:

- The amount of the initial measurement of lease liability
- Any lease payment made at or before the commencement date less any lease incentive received
- Initial direct cost (if any)
- Restoration cost (if any)

Depreciation on rights of use assets and finance costs on lease liabilities are recognised as an expenses in the statement of profit and loss over the shorter of the asset's useful life and the lease term on a straight line basis. The lease payments made by the Company under the lease arrangement are adjusted against the lease liabilities.

Payment of cancellable or low value leases are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

For lease liabilities at the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the incremental borrowing rate.



**LG Electronics India Private Limited**

**Notes to the financial statements**

**E) Foreign currency transactions and translations**

Items included in the financial statements are measured using the currency of primary economic environment in which the Company operates. The Company's functional currency is INR (₹) as Company operates primarily in India.

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of transaction. At each balance sheet date foreign currency monetary items are reported using the closing exchange rate. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expense in the period in which they arise. Translation differences on assets and liabilities carried at fair value are reported as part of fair value gain or loss.

**F) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit and loss in the period in which they are incurred.

**G) Employee benefits**

Employee benefits include provident fund, employee state insurance, gratuity and compensated absences and long term service award.

**Defined contribution plans**

In accordance with the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and The Employee's State Insurance Act, 1948. Eligible employees of the Company are entitled to receive benefits with respect to provident fund and employee state insurance, a defined contribution plan in which both the Company and the employee contribute monthly at a determined rate. Company's contribution to provident fund and employees state insurance is charged to the statement of profit and loss.

**Retirement benefit costs and termination benefits**

Payments to retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contribution.

**Defined benefit plans**

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan (net of plan assets) is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service.

Service costs and net interest expense or income is reflected in the statement of profit and loss. Gain or Loss on account of remeasurements are recognized immediately through other comprehensive income in the period in which they occur.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including past service cost, as well as gains and losses on curtailment and settlement),
- net interest expense or income, and
- remeasurement

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item - employee benefits expense others. Curtailment and settlement gains and losses are accounted for as past service costs.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service.

**Long-term employee benefits**

Compensated absences benefits payable to employees of the Company on retirement, death while in service or on termination of employment with respect to accumulated leaves outstanding at the year end are accounted for on the basis of an actuarial valuation as at the balance sheet date. Remeasurements as result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

**Long-term service award**

Eligible employees are entitled to long term service award, which are in the nature of long term benefit and are estimated based on actuarial valuation as at the balance sheet date.

**H) Income tax**

Income tax expense represents the sum of the tax current tax and deferred tax. Current tax assets and liabilities are offset where the Company has a legally enforceable right to offset and either intends to settle on a net basis, or to realise the asset and the liability simultaneously.

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provision wherever appropriate.

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**LG Electronics India Private Limited**

**Notes to the financial statements**

**Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Current and deferred tax for the year**

Current and deferred tax are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

**1) Property, plant and equipment**

Property, plant and equipment are stated at original cost net of tax duty credit availed less government grants received to purchase construct assets, accumulated depreciation and impairment losses, if any. When the significant part of property plant and equipment are required to be replaced at intervals, the Company derecognizes the written down value of replaced parts and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major repair and inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as replacements, only if recognition criteria are satisfied. All the other repair and maintenance costs are recognized in the statements of profit and loss as incurred.

Freehold land is carried at historical cost.

Depreciation on property, plant and equipment is provided on the straight-line method over the estimated useful life of the assets at rates which are higher/lower than the rates specified in Schedule II to the Companies Act, 2013. The life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc. The estimated useful lives are as follows:

Category of property, plant and equipment	Useful life as per Schedule II (Years)	Estimated Useful Life (Years)
<b>Building</b>		
- Factory	30	20
- Utilities	30	10
- Other than factory	30	20
<b>Plant and machinery</b>		
- Home appliances division	15	10
- Air conditioning division	15	10
- Home entertainment division	15	5
- Mobile communication division	15	5
<b>Moulds and fixtures</b>		
- Home appliances division	15	3
- Air conditioning division	15	3
- Home entertainment division	15	1
<b>Jigs</b>		
- Home appliances division	15	5
- Air conditioning division	15	5
- Home entertainment division	15	5
- Other jigs	15	5
<b>General tools</b>	15	5
<b>Furniture and fixtures</b>	10	5
<b>Office equipment</b>		
Computers	3	5
Vehicles	8	5



**LG Electronics India Private Limited**  
**Notes to the financial statements**

Useful lives, depreciation method and residual value is reviewed by the management at the end of each reporting period  
 Gain and losses on disposals are determined by comparing proceeds with carrying amount of property, plant and equipment  
 These are included in statement of profit and loss  
 An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount

**J) Intangible assets**

**Intangible assets acquired separately**

Intangible assets with definite useful lives that are acquired separately are carried at cost less government grants received to purchase contract assets, accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

The estimated useful lives are as follows

Category of assets	Useful life (Years)
Software	3 - 5

**K) Impairment**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**L) Inventories**

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, wherever considered necessary. Cost of raw materials and traded goods comprises cost of purchase. Cost of work in progress and finished goods comprises direct material and appropriate portion of labour variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Cost of inventory also includes all charges in bringing the goods to the point of sale. Goods in transit are valued at cost. Net realizable value is estimated selling price in the ordinary course of business less the estimated cost of completion and costs necessary to make the sales. The basis for determination of cost of various categories of inventory are as follows:

Category	Basis of determination
Raw materials, stores and spares and packaging materials	Monthly weighted average
Traded goods	Monthly weighted average
Finished goods (manufactured), work in progress	Monthly weighted average of Material cost plus an appropriate share of labour and manufacturing overheads wherever applicable

Provision for obsolescence on surplus stores and spares held to support servicing of discontinued models and cost of certain obsolete dormant models is accrued at lower of carrying value and estimated fair value. The recoverability of all other inventories is periodically reviewed and an impairment loss is recognized for the difference between estimated fair value and carrying value.



**M) Financial instruments**

**Financial assets and financial liabilities**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument. Financial assets are derecognized when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership of such financial asset. Financial liabilities are derecognized when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. Purchase or sale 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 recognized on the trade date i.e., the date when the Company commits to purchase or sell the asset.

The Company classifies its financial assets in the following measurement categories:

- i) those to be measured subsequently either by fair value through other comprehensive income or fair value through profit and loss, and
- ii) those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**Measurement**

At initial recognition, the Company measures a financial asset at its fair value. In the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit and loss and recognized in other gains (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in statement of profit and loss and presented net in the statement of profit and loss within other gains (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**Trade receivables**

Trade receivables are financial assets with determinable receipts that are not quoted in an active market. These are recognized initially at fair value and subsequent measured at amortized cost using the effective interest method less any expected credit loss.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, bank deposits and other short-term highly liquid investments deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdraft.





**LG Electronics India Private Limited**

**Notes to the financial statements**

**Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

**Derecognition of financial assets**

A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to end of financial year which are unpaid. The amounts are unsecured and are usually paid based on trade terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period; they are recognized initially at fair value and subsequently measured at amortized cost using effective interest method.

**Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Changes in fair value of derivatives including forward exchange contracts are recognized in statement of profit and loss.

**N) Warranty**

The estimated liability for product warranty is recorded when products are sold, based on management's best estimate. The same is included under customer service expenses. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions or product failures. The timing of outflows will vary as and when warranty claim will arise.

**O) Goods and services tax (GST)**

Goods and services tax (GST) input credit is accounted for in the books based on the provisions of input tax credit as prescribed under the Goods and services tax Act, 2017 and rules made thereunder in the corresponding period in which goods or services or both are received along-with tax invoice.

**P) Insurance claims**

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

**Q) Subsequent events**

Material adjusting events occurring after the Balance Sheet date are taken into cognizance. Adjusting events refers to those events that provides additional information about pre-existing conditions that existed on the Balance Sheet date.

**R) Customs duty**

Customs duty (including GST) payable on stocks lying with customs or in bonded warehouses as at the balance sheet date is accrued and included in the valuation of closing stock. Payment of customs duty is deferred till clearance of goods.

**S) Earnings per share**

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

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**T) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.



U) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Managing Director and Chief Financial Officer have been identified as the chief operating decision maker to assess the financial performance and position of the Company and make strategic decisions. The Company identifies operating segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment (Refer Note No. 34 for reportable segments determined by the Company and segment information presentation).

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis are included under unallocated revenue / expenses / assets / liabilities.

V) Provisions and contingencies

The Company creates provision when there is present obligation as a result of a past event. Further, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are measured at the management's best estimate of expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessment of time value of money and the risk specific to the liability. The increase in provision due to the passage of time is recognized as interest expense.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and the related income are recognized in the year in which the change occurs.

W) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate line of business, is part of a single co-ordinated plan to dispose of such a line of business. The results of discontinued operations are presented separately in the statement of profit and loss.

X) Rounding off norm

All amounts disclosed in the financial statements and notes have been rounded off to the nearest ₹ million as per the requirements of Schedule III to the Act, unless otherwise stated. Amount below rounding off norm are disclosed as "0".



**LG Electronics India Private Limited**

**Notes to the financial statements**

**1) Critical estimates and judgments**

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments, which have significant effect on the amounts recognized in the financial statement:

(a) Property, plant and equipment

Management engages external adviser or internal technical team to assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

(b) Intangibles

Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

(c) Income tax

Management judgment is required for the calculation of provision for income tax and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets.

(d) Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies (claim litigations against the Company) as it is not possible to predict the outcome of pending matters with accuracy.

(e) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(f) Warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions or product failures.

(g) Revenue

The estimated refund liability and a right to recover the returned goods are recognised for the product expected to be returned at the time of sale. These estimates are established using historical information in nature, frequency and actual return of product with management estimate of future return of product.



**I.G Electronics India Private Limited**  
Notes to the financial statements

**Note 3(a) : Property, plant and equipment**

Property, plant and equipment	(In Million)	
	As at March 31, 2022	As at March 31, 2021
<b>A. Owned assets</b>	₹ 7,672	₹ 7,477
<b>B. Right of use assets</b>	2,715	2,941
<b>Total</b>	<b>10,387</b>	<b>10,418</b>

Description of assets	(In Million)									
	Land - Freehold (Refer Note (ii))	Buildings	Leasehold improvements	Plant and machinery	Office equipment	Furniture and fixtures	Vehicles	Total		
<b>As at March 31, 2021</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount as at April 01, 2020	-	2,325	-	13,877	982	200	87	17,471		
Additions	-	138	346	1,355	233	48	33	2,153		
Government grant	-	1	-	327	2	-	-	330		
Disposals	-	4	-	140	49	2	19	214		
<b>Closing gross carrying amount as at March 31, 2021</b>	-	<b>2,458</b>	<b>346</b>	<b>14,765</b>	<b>1,164</b>	<b>246</b>	<b>101</b>	<b>19,080</b>		
<b>Accumulated depreciation</b>										
Opening accumulated depreciation as at April 01, 2020	-	897	-	8,151	641	90	45	9,824		
Depreciation charge during the year	-	256	38	1,705	120	44	23	2,192		
Government grant amortised during the year	-	4	-	197	3	-	-	205		
Disposals	-	3	-	137	48	2	18	208		
<b>Closing accumulated depreciation as at March 31, 2021</b>	-	<b>1,146</b>	<b>38</b>	<b>9,522</b>	<b>716</b>	<b>131</b>	<b>50</b>	<b>11,603</b>		
<b>Net carrying amount</b>	-	<b>1,312</b>	<b>308</b>	<b>5,243</b>	<b>448</b>	<b>115</b>	<b>51</b>	<b>7,477</b>		
<b>As at March 31, 2022</b>										
Opening gross carrying amount as at April 01, 2021	-	2,458	346	14,765	1,164	246	101	19,080		
Additions	-	112	43	2,087	195	49	50	2,578		
Government grant	-	10	-	284	1	-	-	296		
Classified as held for Sale	-	36	-	20	-	-	-	56		
Disposals	-	7	-	205	64	3	1	280		
<b>Closing gross carrying amount as at March 31, 2022</b>	-	<b>2,517</b>	<b>391</b>	<b>16,343</b>	<b>1,294</b>	<b>292</b>	<b>149</b>	<b>20,986</b>		
<b>Accumulated depreciation</b>										
Opening accumulated depreciation as at April 01, 2021	-	1,146	38	9,522	716	131	50	11,603		
Depreciation charge during the year	-	237	29	1,782	143	48	32	2,271		
Government grant amortised during the year	-	4	-	225	1	-	-	230		
Classified as held for Sale	-	36	-	20	-	-	-	56		
Disposals	-	7	-	200	63	3	1	274		
<b>Closing accumulated depreciation as at March 31, 2022</b>	-	<b>1,346</b>	<b>67</b>	<b>10,859</b>	<b>795</b>	<b>176</b>	<b>81</b>	<b>13,314</b>		
<b>Net carrying amount</b>	-	<b>1,181</b>	<b>324</b>	<b>5,484</b>	<b>499</b>	<b>116</b>	<b>68</b>	<b>7,672</b>		

Note  
(i) Gross block and Net carrying amount of plant and machinery includes assets aggregating to ₹ 9,225 million and ₹ 1,065 million respectively (March 31, 2021: ₹ 8,405 million and ₹ 809 million) being with third parties  
(ii) Refer Note No. 31B (n) for disclosure of contractual commitments for the acquisition of property, plant and equipment  
(iii) Amount is below rounding off norm adopted by the Company



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**LG Electronics India Private Limited**  
Notes to the financial statements

**Note 3(b) : Capital work-in-progress**

Description of assets	(In Million)	
	Total ₹	
<b>As at March 31, 2021</b>		
Opening carrying amount as at April 01, 2020	846	
Additions	1,640	
Deletions	2,153	
<b>Closing carrying amount as at March 31, 2021</b>	<b>333</b>	
<b>As at March 31, 2022</b>		
Opening carrying amount as at April 01, 2021	333	
Additions	3,229	
Deletions	2,538	
<b>Closing carrying amount as at March 31, 2022</b>	<b>1,024</b>	

Aging of capital work-in-progress Projects-in-progress	(In Million)			
	Amount in capital work-in-progress for a period of			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
As at March 31, 2021	193	140	-	333
As at March 31, 2022	913	11	100	1,024

Completion schedule for capital work in progress whose completion is overdue compared to its original plan Projects-in-progress	(In Million)			
	Over due to be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
As at March 31, 2021	173	-	-	173
As at March 31, 2022	596	-	-	596

**Note**

(i) Capital work-in-progress mainly comprises Office equipment and Plant and machinery.  
(ii) There are no projects which have been temporarily suspended.



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**LG Electronics India Private Limited**  
Notes to the financial statements

**B. Right of use assets**

(In Million)

Description of assets	Land - leasehold		Buildings		Office equipment		Vehicles		Total	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>As at March 31, 2021</b>										
Gross carrying amount	115	664	10	59	848					
Opening gross carrying amount as at April 01, 2020	-	-	-	-	-					
Transition impact of Ind AS 116	-	2,716	11	45	2,772					
Additions	-	168	10	20	198					
Disposals	-	-	-	-	-					
Closing gross carrying amount as at March 31, 2021	115	3,212	11	84	3,422					
<b>Accumulated depreciation</b>										
Opening accumulated depreciation as at April 01, 2020	2	180	5	32	219					
Depreciation charge during the year	2	405	6	24	437					
Disposals	-	148	10	17	175					
Closing accumulated depreciation as at March 31, 2021	4	437	1	39	481					
Net carrying amount	111	2,775	10	45	2,941					
<b>As at March 31, 2022</b>										
Gross carrying amount	115	3,212	11	84	3,422					
Opening gross carrying amount as at April 01, 2021	-	280	-	32	312					
Additions	-	175	-	26	201					
Disposals	-	-	-	-	-					
Closing gross carrying amount as at March 31, 2022	115	3,317	11	90	3,533					
<b>Accumulated depreciation</b>										
Opening accumulated depreciation as at April 01, 2021	4	437	1	39	481					
Depreciation charge during the year	1	505	3	27	536					
Disposals	-	174	-	25	199					
Closing accumulated depreciation as at March 31, 2022	5	768	4	41	818					
Net carrying amount	110	2,549	7	49	2,715					



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LG Electronics India Private Limited  
Notes to the financial statements

Note 4(a) : Intangible assets

(In Million)

Description of assets	Computer software
	₹
<b>As at March 31, 2021</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount as at April 01, 2020	245
Additions	38
Government grant	3
Disposals	1
<b>Closing gross carrying amount as at March 31, 2021</b>	<b>279</b>
<b>Accumulated amortisation</b>	
Opening accumulated amortisation as at April 01, 2020	173
Amortisation charge during the year	39
Government grant amortised during the year	3
Disposals	1
<b>Closing accumulated amortisation as at March 31, 2021</b>	<b>208</b>
<b>Net carrying amount</b>	<b>71</b>
<b>As at March 31, 2022</b>	
Opening gross carrying amount as at April 01, 2021	279
Additions	52
Government grant	-
Disposals	10
<b>Closing gross carrying amount as at March 31, 2022</b>	<b>321</b>
<b>Accumulated amortisation</b>	
Opening accumulated amortisation as at April 01, 2021	208
Amortisation charge during the year	35
Government grant amortised during the year	-
Disposals	10
<b>Closing accumulated amortisation as at March 31, 2022</b>	<b>233</b>
<b>Net carrying amount</b>	<b>88</b>

Note 4(b) : Intangible assets- under development

Description of assets	Total
	₹
<b>As at March 31, 2021</b>	
Opening carrying amount as at April 01, 2020	-
Additions	43
Deletions	38
<b>Closing carrying amount as at March 31, 2021</b>	<b>5</b>
<b>As at March 31, 2022</b>	
Opening carrying amount as at April 01, 2021	5
Additions	53
Deletions	52
<b>Closing carrying amount as at March 31, 2022</b>	<b>6</b>

Ageing for Intangible assets under development

(In Million)

Projects in progress	Amount in intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31, 2021	5	-	-	-	5
As at March 31, 2022	2	4	-	-	6

Completion schedule for Intangible assets under development whose completion is overdue compared to its original plan

(In Million)

Project in progress	Over due to be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31, 2021	-	-	-	-	-
As at March 31, 2022	4	-	-	-	4

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**LG Electronics India Private Limited**  
Notes to the financial statements

**Note 5 : Trade receivables**

(In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non- Current	Current	Non- Current
	₹	₹	₹	₹
Trade receivables outstanding				
- Secured, considered good	-	-	-	-
- Unsecured, considered good	11,731	-	9,227	-
- Considered doubtful	341	72	272	72
Less: Allowance for doubtful trade receivables	341	72	272	72
	11,731	-	9,227	-
Receivables from related parties (Refer Note No. 28b)	2,083	-	1,368	-
<b>Trade receivables</b>	<b>13,814</b>	<b>-</b>	<b>10,595</b>	<b>-</b>
Less: Trade receivables related to discontinued operation (Refer Note No. 35)	3	-	-	-
<b>Total Trade receivables</b>	<b>13,811</b>	<b>-</b>	<b>10,595</b>	<b>-</b>

**Ageing of current trade receivables**

As at March 31, 2022

(In Million)

Trade Receivables	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed trade receivables-Billed</b>							
-considered good	12,886	873	24	8	19	4	13,814
-considered doubtful	125	14	13	17	16	156	341
Less: Allowance for doubtful trade receivables	125	14	13	17	16	156	341
<b>Disputed trade receivables-Billed</b>							
-considered good	-	-	-	-	-	-	-
-which have significant increase in credit risk	-	-	-	-	-	-	-
-considered doubtful	-	-	-	-	-	-	-
	<b>12,886</b>	<b>873</b>	<b>24</b>	<b>8</b>	<b>19</b>	<b>4</b>	<b>13,814</b>

As at March 31, 2021

(In Million)

Trade Receivables	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed trade receivables-Billed</b>							
-considered good	9,659	863	33	36	2	2	10,595
-considered doubtful	69	7	9	26	19	142	272
Less: Allowance for doubtful trade receivables	69	7	9	26	19	142	272
<b>Disputed trade receivables-Billed</b>							
-considered good	-	-	-	-	-	-	-
-considered doubtful	-	-	-	-	-	-	-
	<b>9,659</b>	<b>863</b>	<b>33</b>	<b>36</b>	<b>2</b>	<b>2</b>	<b>10,595</b>

**Ageing of non current trade receivables**

As at March 31, 2022

(In Million)

Trade Receivables	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed trade receivables-Billed</b>							
-considered good	-	-	-	-	-	-	-
-considered doubtful	-	-	-	-	-	72	72
Less: Allowance for doubtful trade receivables	-	-	-	-	-	72	72
<b>Disputed trade receivables-Billed</b>							
-considered good	-	-	-	-	-	-	-
-considered doubtful	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

As at March 31, 2021

(In Million)

Trade Receivables	Not due	Outstanding for following periods from the due date					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Undisputed trade receivables-Billed</b>							
-considered good	-	-	-	-	-	-	-
-considered doubtful	-	-	-	-	-	72	72
Less: Allowance for doubtful trade receivables	-	-	-	-	-	72	72
<b>Disputed trade receivables-Billed</b>							
-considered good	-	-	-	-	-	-	-
-considered doubtful	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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**LG Electronics India Private Limited**  
**Notes to the financial statements**

**Note 6: Loans**

(In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non- Current	Current	Non- Current
	₹	₹	₹	₹
<b>Loans to employees</b>				
- Secured, considered good	-	-	-	-
- Unsecured, considered good	21	58	13	36
<b>Total loans</b>	<b>21</b>	<b>58</b>	<b>13</b>	<b>36</b>

**Note 7 : Other financial assets**

(In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non- Current	Current	Non- Current
	₹	₹	₹	₹
(a) Interest accrued on deposits	175	-	218	-
(b) Insurance recoverable	-	-	5	-
	-	-	5	-
(c) Recoverable from related parties (Refer Note No. 28 b)	39	-	25	-
(d) Government grant recoverable				
Unsecured considered good	829	703	757	637
Considered doubtful	-	15	-	17
Allowance for doubtful balances	-	15	-	17
	829	703	757	637
(e) Derivative financial assets	-	-	15	-
(f) Security deposits				
- Secured, considered good	-	-	-	-
- Unsecured, considered good	143	308	141	281
- Doubtful	-	2	1	2
Allowance for doubtful deposits	-	2	1	2
	143	308	141	281
(g) Other recoverables				
Unsecured considered good	29	-	2	-
Considered doubtful	1	-	-	-
Allowance for doubtful balances	1	-	-	-
	29	-	2	-
<b>Total other financial assets</b>	<b>1,215</b>	<b>1,011</b>	<b>1,163</b>	<b>918</b>

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**LG Electronics India Private Limited**  
Notes to the financial statements

**Note 8 : Other assets**

(In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non- Current	Current	Non- Current
	₹	₹	₹	₹
(i) Capital advances	6	-	-	23
(ii) Security deposits				
Considered good	-	21	-	25
Considered doubtful	-	25	-	25
Allowance for doubtful deposits	-	25	-	25
	-	21	-	25
(iii) Advance to suppliers				
Considered good	125	-	131	-
Considered doubtful	1	-	1	-
Allowance for doubtful assets	1	-	1	-
	125	-	131	-
(iv) Balances with government authorities (other than income taxes)				
Considered good				
(a) Excise and customs duty recoverable	3	126	6	121
(b) Sales tax recoverable (Refer Note 1 below)	-	177	-	171
(c) GST recoverable	1,094	2	1,245	3
Considered doubtful				
a) Excise and customs duty recoverable	-	238	-	231
b) Sales tax recoverable	-	26	-	26
c) GST recoverable	-	11	-	11
Allowance for doubtful assets				
a) Excise and customs duty recoverable	-	238	-	231
b) Sales tax recoverable	-	26	-	26
c) GST recoverable	-	11	-	11
	1,097	305	1,251	295
(v) Advance income tax [net of provision for income tax ₹ 51,290 million (March 31, 2021 ₹ 45,656 million) (Refer Note No 31 and Note ii below)]	-	2,098	-	2,017
(vi) Prepayments	102	13	83	21
(vii) Insurance advance				
Considered good	49	-	77	-
Considered doubtful	-	-	1	-
Allowance for doubtful assets	-	-	1	-
	49	-	77	-
(viii) Right to recover returned goods	154	-	147	-
(ix) Contract assets (Unbilled revenue)	46	-	10	-
(x) Others				
Unsecured considered doubtful (Refer Note iii below)	-	10	-	10
Allowance for doubtful assets	-	10	-	10
	-	-	-	-
<b>Total other assets</b>	<b>1,579</b>	<b>2,437</b>	<b>1,699</b>	<b>2,381</b>
Less other assets related to discontinued operation (refer Note No 35)	23	-	-	-
<b>Total other assets</b>	<b>1,556</b>	<b>2,437</b>	<b>1,699</b>	<b>2,381</b>

**Notes**

(i) Sales Tax recoverable include amount paid under protest aggregating to ₹164 million (March 31, 2021 ₹162 million)

(ii) Adjustment of provision has been done assessment year wise to the extent of tax paid. In respect of any assessment year, where tax provision created is in excess of tax paid then (net) provision is reflected in Note No 14 (c)

(iii) Others comprises withholding tax recoverable amounting to ₹10 million (March 31, 2021 ₹10 million)



**I.G Electronics India Private Limited**  
**Notes to the financial statements**

**Note 9 : Inventories**

(In Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	₹	₹
(a) Raw materials	13,393	13,346
(b) Work-in-progress	361	350
(c) Finished goods	6,417	7,644
(d) Traded goods	2,372	3,922
(e) Stores and spares	1,618	1,139
(f) Packaging material	19	17
<b>Inventories</b>	<b>24,180</b>	<b>26,418</b>
Less inventories related to discontinued operation (Refer Note No. 35)	86	-
<b>Total inventories</b>	<b>24,094</b>	<b>26,418</b>
<b>Included above, goods-in-transit:</b>		
(i) Raw materials	4,550	6,085
(ii) Traded goods	855	1,429
(iii) Stores and spares	81	99
<b>Total goods-in-transit</b>	<b>5,495</b>	<b>7,613</b>

Note:

(i) Write-down of inventories to net realisable value recognised as an expense during the year amounts to ₹22 Million (March 31, 2021 ₹14 Million). These were included in changes in inventories of finished goods, traded goods and work-in-progress in statement of profit and loss (Refer Note No. 20 (c))

(ii) Details of inventories lying with third parties

(In Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	₹	₹
Finished goods and traded goods	24	36
Raw materials	974	1,248
<b>Total</b>	<b>998</b>	<b>1,284</b>

**Note 10 : Cash and cash equivalents**

(In Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	₹	₹
(a) Cash on hand	6	6
(b) Balance with banks		
(i) In current accounts	300	553
(ii) In EEFC accounts	308	137
(c) Bank deposits with maturity of less than three months	36,480	54,412
<b>Total cash and cash equivalents</b>	<b>37,094</b>	<b>55,108</b>

*[Handwritten signatures]*



**LG Electronics India Private Limited**  
Notes to the financial statements

**Note 11 : Equity share capital**

**Share capital**

(In Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	₹	₹
(a) Authorised		
115,000,000 Equity shares of ₹ 10 each with voting rights (115,000,000 Equity shares of ₹ 10 each with voting rights)	1,150	1,150
(b) Issued		
113,128,732 Equity shares of ₹ 10 each with voting rights (113,128,732 Equity shares of ₹ 10 each with voting rights)	1,131	1,131
(c) Subscribed and fully paid up		
113,128,732 Equity shares of ₹ 10 each with voting rights (113,128,732 Equity shares of ₹ 10 each with voting rights)	1,131	1,131

Figures in brackets relate to the previous year.

**Notes:**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
	No. of shares held	₹	No. of shares held	₹
Equity shares with voting rights				
<b>Balance at the beginning of the year</b>	113,128,732	1,131	113,128,732	1,131
Add: Shares issued during the year	-	-	-	-
Add: Shares converted during the year	-	-	-	-
<b>Balance at the end of the year</b>	113,128,732	1,131	113,128,732	1,131

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

(ii) Details of shares held by the holding company and its subsidiary company

Name of shareholder	As at		As at	
	March 31, 2022		March 31, 2021	
	No. of shares held	₹	No. of shares held	₹
<u>Equity shares with voting rights</u>				
LG Electronics Inc., South Korea, the holding company	113,128,726	1,131	113,128,726	1,131
LG Soft India Private Limited (Subsidiary of the holding company)	6	-	6	-

(a) LG Soft India Private Limited ₹60 (March 31, 2021 ₹60) has not been considered due to rounding of rupees in million.

(iii) Details of shares held by each shareholder holding more than 5% shares

Name of Shareholder	As at		As at	
	March 31, 2022		March 31, 2021	
	No. of shares held	%	No. of shares held	%
LG Electronics Inc., South Korea, the holding company	113,128,726	100%	113,128,726	100%

(iv) Details of shareholding of promoters

Name of the promoter	As at		As at	
	March 31, 2022		March 31, 2021	
	No. of shares held	%	No. of shares held	%
LG Electronics Inc., South Korea, the holding company	113,128,726	100	113,128,726	100
LG Soft India Private Limited (Subsidiary of the holding company)	6	-	6	-

(a) Percentage of total number of shares of LG Soft India Private Limited is negligible and hence has not been considered due to rounding off.

(b) There has been no change in shareholding of promoters.

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**LG Electronics India Private Limited**  
Notes to the financial statements

**Note 12 : Other equity**

(In Million)

Particulars	Reserves and surplus			Total
	Amalgamation reserve* ₹	Retained earnings ₹	General reserve# ₹	
Balance as at April 01, 2020	364	60,601	1,824	62,789
Profit for the year	-	15,290	-	15,290
Other comprehensive income/ (loss) (net of tax)	-	(18)	-	(18)
<b>Total comprehensive income for the year</b>	-	<b>15,272</b>	-	<b>15,272</b>
Interim dividend paid	-	13,327	-	13,327
Balance as at March 31, 2021	364	62,546	1,824	64,734
<b>Balance as at April 01, 2021</b>	<b>364</b>	<b>62,546</b>	<b>1,824</b>	<b>64,734</b>
Profit for the year	-	11,747	-	11,747
Other comprehensive income/ (loss) (net of tax)	-	21	-	21
<b>Total comprehensive income</b>	-	<b>11,768</b>	-	<b>11,768</b>
Interim dividend paid	-	22,626	-	22,626
Balance as at March 31, 2022	364	51,688	1,824	53,876

\*This reserve was created at the time of amalgamation carried out in earlier years. This reserve is utilised in accordance with the provisions of the Act  
#General reserve is the retained earnings of the Company which are kept aside out of the Company's profits to meet future (known or unknown) obligations.

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**LG Electronics India Private Limited**  
Notes to the financial statements

**Note 13 : Provisions**

(In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current ₹	Non-Current ₹	Current ₹	Non-Current ₹
(a) Provision for employee benefits (Refer Note No. 27)				
(i) Provision for compensated absences	370	-	367	-
(ii) Provision for long term service award	18	71	33	70
(iii) Provision for gratuity	120	490	104	481
	<b>508</b>	<b>561</b>	<b>504</b>	<b>551</b>
(b) Other provisions (Refer Note No. 30)				
(i) Warranty	517	63	599	75
(ii) Provision for other contingencies	-	119	-	445
	<b>517</b>	<b>182</b>	<b>599</b>	<b>520</b>
<b>Total provisions</b>	<b>1,025</b>	<b>743</b>	<b>1,103</b>	<b>1,071</b>

**Note 14 : Other liabilities**

(In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current ₹	Non-Current ₹	Current ₹	Non-Current ₹
a. Advances received from customers	241	-	203	-
b. Statutory dues - Statutory remittances	2,048	-	1,291	-
c. Income tax liabilities (Refer Note No. 8) [net of Advance income tax ₹ 9,403 million (March 31, 2021: ₹ 11,102 million)]	389	-	320	-
d. Contract liability - Deferred revenue	1,251	931	1,043	829
e. Refund liability	223	-	223	-
<b>Other liabilities</b>	<b>4,152</b>	<b>931</b>	<b>3,080</b>	<b>829</b>
Less: Other current liabilities related to discontinued operation (Refer Note No. 35)	63	-	-	-
<b>Total other liabilities</b>	<b>4,089</b>	<b>931</b>	<b>3,080</b>	<b>829</b>



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**LG Electronics India Private Limited**  
Notes to the financial statements

**Note 15 : Trade payables**

(In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current ₹	Non-Current ₹	Current ₹	Non-Current ₹
Trade payables to micro enterprises and small enterprises ( Refer Note No.36 )	3,189	-	2,610	-
Trade payables to creditors other than micro enterprises and small enterprises	17,358	-	21,862	-
Trade payables to related parties ( Refer Note No. 28 (b))	5,932	-	8,841	-
Acceptances	61	-	84	-
<b>Total trade payables</b>	<b>26,540</b>	<b>-</b>	<b>33,397</b>	<b>-</b>

**Ageing of trade payables**

As at March 31, 2022

Trade Payables	Unbilled	Not due	Outstanding for following periods from due date of payment			
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 years
<b>Trade Payables</b>						<b>Total</b>
<b>Undisputed Trade Payables</b>						
MSME*	375	2,472	10	-	-	2,857
Others	3,832	17,130	2,151	127	70	23,351
<b>Disputed Trade Payables</b>						
MSME*	-	332	-	-	-	332
Others	-	-	-	-	-	-
<b>Total</b>	<b>4,207</b>	<b>19,934</b>	<b>2,161</b>	<b>127</b>	<b>70</b>	<b>41</b>

As at March 31, 2021

Trade Payables	Unbilled	Not due	Outstanding for following periods from due date of payment			
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 years
<b>Trade Payables</b>						<b>Total</b>
<b>Undisputed Trade Payables</b>						
MSME*	314	2,204	5	-	-	2,523
Others	5,266	21,940	3,444	93	44	30,787
<b>Disputed Trade Payables</b>						
MSME*	-	87	-	-	-	87
Others	-	-	-	-	-	-
<b>Total</b>	<b>5,580</b>	<b>24,231</b>	<b>3,449</b>	<b>93</b>	<b>44</b>	<b>33,397</b>

\*Micro enterprises and small enterprises



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**L.G. Electronics India Private Limited**  
**Notes to the financial statements**

**Note 16 : Other financial liabilities**

(In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current ₹	Non- Current ₹	Current ₹	Non- Current ₹
Capital creditors	636	-	129	-
Capital creditors-related parties ( Refer Note No. 28 (b))	41	-	16	-
Expected promotional incentive for customers	2,204	-	2,088	-
Derivative financial liabilities	5	-	-	-
<b>Total other financial liabilities</b>	<b>2,886</b>	<b>-</b>	<b>2,233</b>	<b>-</b>

**Note 17 : Lease liabilities**

(In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current ₹	Non- Current ₹	Current ₹	Non- Current ₹
Lease liabilities (Refer Note below)	561	2,347	534	2,478
<b>Total other financial liabilities</b>	<b>561</b>	<b>2,347</b>	<b>534</b>	<b>2,478</b>

Note Extension and termination options - Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.



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**LG Electronics India Private Limited**  
**Notes to the financial statements**

**Note 18 : Revenue from operations**

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Revenue from contracts with customers		
- Sale of products (Refer Note (i) below)	163,326	146,557
- Sale of services (Refer Note (ii) below)	4,088	3,495
	167,414	150,052
Other operating income (Refer Note (iii) below)	928	814
<b>Total revenue from operations</b>	<b>168,342</b>	<b>150,866</b>

(i) Sale of products		
<b>Traded goods</b>	20,734	17,551
Less: Sale return	214	169
<b>Total - sale of traded goods</b>	<b>20,520</b>	<b>17,382</b>
<b>Manufactured goods</b>	143,278	129,686
Less: Sale return	472	511
<b>Total - sale of manufactured goods</b>	<b>142,806</b>	<b>129,175</b>
<b>Total - sale of products</b>	<b>163,326</b>	<b>146,557</b>
(ii) Sale of services		
Service charges	2,545	2,064
Installation and commissioning	1,543	1,431
<b>Total - sale of services</b>	<b>4,088</b>	<b>3,495</b>
(iii) Other operating income		
Sale of scrap	249	198
Duty drawback and other export incentives	327	278
Government grant related to revenue	352	338
<b>Total - other operating income</b>	<b>928</b>	<b>814</b>

The following table shows timing of revenue recognition

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Satisfied at a point in time	165,871	148,621
Satisfied over time	1,543	1,431
<b>Total revenue from contracts with customers</b>	<b>167,414</b>	<b>150,052</b>

Revenue recognition on the basis of product category and geographical location of customers has been disclosed in Note No. 34

The following table shows unsatisfied performance obligation resulting from fixed-price contracts

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Aggregate amount of the transaction price allocated to fixed price contracts that are partially or fully unsatisfied as at reporting date	2,182	1,872

The Company estimates that transaction price amount to ₹1,259 Million (March 31, 2021 - ₹1,043 Million) will be recognised as revenue during the next reporting period out of unsatisfied contracts and remaining amount will be recognised in subsequent financial years

Reconciliation of revenue recognised with contract price

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Contract price	187,099	166,762
Variable considerations	18,757	15,896
<b>Revenue from operations</b>	<b>168,342</b>	<b>150,866</b>

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**LG Electronics India Private Limited**  
**Notes to the financial statements**

**Note 19 : Other income**

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Interest income on bank deposits	1,624	1,623
Profit on sale of property, plant and equipment (Net of loss on assets sold)	15	8
Provision for warranty written back* (Refer Note No. 30)	24	34
Provision for service tax liability written back (Refer Note No. 30)	344	-
Miscellaneous income	31	37
<b>Total other income</b>	<b>2,038</b>	<b>1,702</b>

\* Provision for warranty written back does not include ₹ 70 million (March 31, 2021: Nil) relating to discontinued operations.  
(Refer Note No. 35)

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LG Electronics India Private Limited  
Notes to the financial statements

Note 20

(a) Cost of material consumed including packaging material

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Opening inventories	13,363	9,658
Add Purchases of raw materials	121,221	99,260
	134,584	108,918
Less: Sales of raw materials	23,872	15,186
Less: Closing inventories	13,412	13,363
<b>Cost of material consumed</b>	<b>97,300</b>	<b>80,369</b>
Cost of service spares parts sold	1,076	805
Installation, commissioning and other service charges	3,113	3,121
Captive consumption of finished goods	(1,167)	(1,141)
<b>Cost of materials consumed</b>	<b>100,322</b>	<b>83,154</b>

(b) Purchase of traded goods

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Purchase of traded goods	15,545	15,715
Captive consumption of traded goods	(628)	(430)
<b>Purchase of traded goods</b>	<b>14,917</b>	<b>15,285</b>

(c) Changes in inventories of finished goods, traded goods and work-in-progress

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
<u>Closing inventories:</u>		
Finished goods	6,417	7,644
Traded goods	2,372	3,922
Work-in-progress	361	350
<b>A) Total</b>	<b>9,150</b>	<b>11,916</b>
<u>Opening inventories:</u>		
Finished goods	7,644	8,695
Traded goods	3,922	2,299
Work-in-progress	350	162
<b>B) Total</b>	<b>11,916</b>	<b>11,156</b>
<b>Net decrease / (increase) (B-A)</b>	<b>2,766</b>	<b>(760)</b>

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**LG Electronics India Private Limited**  
**Notes to the financial statements**

**Note 21 : Employee benefit expenses**

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Salaries and wages, including bonus	6,001	5,505
Contribution to provident and other funds	239	204
Contribution to defined benefit plan (Refer Note (i))	128	115
Staff welfare expenses	887	786
<b>Total employee benefits expenses</b>	<b>7,255</b>	<b>6,610</b>

Notes:

(i) Defined benefit contribution does not include ₹ 5 million (March 31, 2021: ₹ 5 million) relating to Research and development. (Refer Note No. 24).

**Note 22 : Finance costs**

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Interest on lease liabilities	225	156
<b>Total finance costs</b>	<b>225</b>	<b>156</b>

*[Handwritten signatures]*



LG Electronics India Private Limited  
Notes to the financial statements

Note 23 : Depreciation and amortisation expense

(In Million)

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
Depreciation of property, plant and equipment (net of government grant amortisation)	2,015	1,965
Depreciation of property, plant and equipment (right of use assets)	536	438
Amortisation of intangible assets (net of government grant amortisation)	33	36
<b>Total depreciation and amortisation expense</b>	<b>2,584</b>	<b>2,439</b>

Depreciation and amortisation expense does not include ₹ 28 million (March 31, 2021 ₹ 21 million) relating to discontinued operations (Refer Note No. 35)

Note 24 : Other expenses

(In Million)

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
Consumption of consumables and spares	342	310
Customer service expenses (Refer Note ii below)	1,187	1,010
Sample and testing	7	7
Power and fuel	657	566
Royalty (Refer Note No. 32)	2,548	2,306
Rent	893	842
Repairs and maintenance - buildings	88	84
Repairs and maintenance - machinery	109	103
Repairs and maintenance - others	231	341
Insurance	370	330
Rates and taxes	25	40
Communication and information technology expenses	429	346
Travelling and conveyance	242	151
Research and development	685	575
Freight and forwarding	6,099	5,178
Advertisement	2,493	2,365
Sales promotion	5,061	4,690
Bank charges	18	42
Legal and professional	77	62
Payments to auditors [Refer Note (i) below]	20	18
Trade and other receivables, loans and advances written off	13	27
Loss on foreign currency transactions and translation (Net)	562	(52)
Property, plant and equipment written-off	1	3
Allowance for doubtful trade receivables, other assets and other financial assets	71	44
Sundry advances written-off	-	2
Corporate social responsibility (Refer Note No. 33)	461	470
Waste of electrical and electronic equipment	1,740	1,624
Miscellaneous expenses	1,566	1,584
<b>Total Other expenses</b>	<b>25,995</b>	<b>23,068</b>

Notes

(i) Payments to auditors comprises

Audit fee	16	17
Tax audit fee	1	1
Certification fee	3	-
<b>Total</b>	<b>20</b>	<b>18</b>

(ii) Customer service expenses include consumption of spares aggregating to ₹676 million (March 31, 2021 ₹526 million) and indirect expenses aggregating to ₹444 Million (March 31, 2021 ₹386 million)



**LG Electronics India Private Limited**  
**Notes to the financial statements**

**25 Financial instruments and risk management**

**A) Fair value measurement**

(In Million)

Particulars	Level	March 31, 2022			March 31, 2021		
		FVTPL ₹	FVTOCI ₹	Amortised cost ₹	FVTPL ₹	FVTOCI ₹	Amortised cost ₹
<b>Financial asset</b>							
Trade receivables	Level 3	-	-	13,811	-	-	10,595
Loans	Level 3	-	-	79	-	-	49
Cash and cash equivalents	Level 3	-	-	37,094	-	-	55,108
<b>Derivative financial assets</b>	<b>Level 2</b>	-	-	-	15	-	-
Other financial assets	Level 3	-	-	2,226	-	-	2,066
<b>Total financial assets</b>		-	-	<b>53,210</b>	<b>15</b>	-	<b>67,818</b>
<b>Financial liabilities</b>							
Derivative financial liabilities	Level 2	5	-	-	-	-	-
Trade payables	Level 3	-	-	26,540	-	-	33,397
Lease liabilities	Level 3	-	-	2,908	-	-	3,012
Other financial liabilities	Level 3	-	-	2,881	-	-	2,233
<b>Total financial liabilities</b>		<b>5</b>	-	<b>32,329</b>	-	-	<b>38,642</b>

**B) Fair value hierarchy**

Fair value of the financial instruments is classified in various fair value hierarchy based on the following three levels

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

**Level 2:** Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

The fair value of trade receivables, loans, cash and cash equivalents, other financial assets, and trade payables (including capital creditors) are considered to be equal to the carrying amounts of these items due to their short-term nature.



*None*

(In Million)				
Financial assets and liabilities as at March 31, 2022	Level 1	Level 2	Level 3	Total
	₹	₹	₹	₹
Financial assets				
Security deposits (measured at amortised cost for which fair value is disclosed)	-	-	451	451
Derivative liabilities not designated as hedge (measured at fair value-recurring fair value measurement)	-	5	-	5
<b>Total financial assets</b>	-	5	451	<b>456</b>

(In Million)				
Financial assets and liabilities as at March 31, 2021	Level 1	Level 2	Level 3	Total
	₹	₹	₹	₹
Financial assets				
Security deposits (measured at amortised cost for which fair value is disclosed)	-	-	422	422
Derivative assets not designated as hedge (measured at fair value-recurring fair value measurement)	-	15	-	15
<b>Total financial assets</b>	-	15	422	<b>437</b>

**Valuation technique used to determine fair value:**

- Specific valuation techniques used to value financial instruments include
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- The fair values for security deposits (assets & liabilities) were calculated based on present values of cash flows and the discount rates used were adjusted for counterparty or own credit risk. They are classified as level 3 fair values in the fair value hierarchy, due to the inclusion of unobservable inputs including counterparty credit

**C) Risk management**

**Financial risk management**

The Company financial risk management (FRM) policy supports each business division to achieve excellent performance soundly and consistently against market risk, credit risk and liquidity risk. In addition, FRM helps the Company to enhance cost competitiveness through cost efficient financing option by improving financial structure and effective cash management

The finance team in the Company implements FRM considering view of respective business division. This involves setting-up risk management policies and recognizing, evaluating and hedging risk from a global point of view. The Company mitigates the adverse effects from financial risk by monitoring the risk periodically and updating FRM policy each year.

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**LG Electronics India Private Limited**  
**Notes to the financial statements**

**Market risk**

**i) Foreign exchange risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is mainly exposed to foreign exchange risk on the US Dollar.

The purpose of foreign exchange risk management is to provide the foundation of stable business operations by minimizing the uncertainty and volatility of foreign exchange gains and losses from foreign exchange rate fluctuations.

The Company has its own foreign exchange policy through which the Company minimizes the exposure to foreign exchange risk by netting off foreign exchange assets and liabilities from general operating activities. The Company considers foreign exchange risk hedges against its remaining exposure with derivative financial instruments and scrutinizes changes in foreign exchange exposure and the results of hedging activities on a monthly basis. Speculative foreign exchange trading is prohibited.

Refer Note No. 37 for the details on derivatives instruments and unhedged foreign currency exposure.

**ii) Sensitivity**

The sensitivity of profit or loss due to changes in exchange rates arises mainly from US Dollar denominated financial assets & liabilities. Following are impact on profit and loss due to increase or decrease of foreign currency against INR (₹). Impact on other components of equity is nil.

( In Million)

	Impact on profit before tax	
	March 31, 2022	March 31, 2021
	₹	₹
<b>Foreign currency sensitivity</b>		
<b>Trade receivables</b>		
Increase by 10% (March 31, 2021-10%)*	277.20	238.00
Decrease by 10% (March 31, 2021-10%)*	(277.20)	(238.00)
<b>Other receivables</b>		
Increase by 10% (March 31, 2021-10%)*	3.90	2.50
Decrease by 10% (March 31, 2021-10%)*	(3.90)	(2.50)
<b>EEFC</b>		
Increase by 10% (March 31, 2021-10%)*	30.90	13.70
Decrease by 10% (March 31, 2021-10%)*	(30.90)	(13.70)
<b>Trade payables</b>		
Increase by 10% (March 31, 2021-10%)*	(1,232.50)	(1,688.23)
Decrease by 10% (March 31, 2021-10%)*	1,232.50	1,688.23
<b>Advance from customers</b>		
Increase by 10% (March 31, 2021-10%)*	(3.40)	(1.50)
Decrease by 10% (March 31, 2021-10%)*	3.40	1.50
<b>Net impact</b>		
Increase by 10% (March 31, 2021-10%)*	(923.90)	(1,435.53)
Decrease by 10% (March 31, 2021-10%)*	923.90	1,435.53

\*Keeping all other variables constant

**Interest rate risk**

The Company is not exposed to significant interest rate risk as at the respective reporting dates.





**LG Electronics India Private Limited**  
**Notes to the financial statements**

**Credit risk**

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the Company. To manage this, the Company periodically analyses historical bad debts and ageing of accounts receivable. The Company has secured the credit risk against the trade receivables through credit insurance.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, the Company does reasonable analysis of counterparty's financial capability based on following information:

- (i) Actual or expected significant adverse changes in business.
- (ii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.
- (iii) Significant increase in credit risk and other financial instruments of the same counterparty.
- (iv) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

The allowance for expected credit loss on customer balances is given below  
(In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹	₹
Balance at the beginning	344	299
Impairment loss recognized	82	71
Amount written off	13	26
<b>Balance as at end</b>	<b>413</b>	<b>344</b>

The Company credit period generally ranges from 0-30 days  
(In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹	₹
Trade receivables	13,814	10,595
Contract Assets (Unbilled revenue)	46	10
Days outstanding sales (Days)	19.9	16.3

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LG Electronics India Private Limited  
Notes to the financial statements

D) Capital management

Risk management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) ÷ Total equity (as shown in the balance sheet)

(In Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	₹	₹
Equity share capital	1,131	1,131
Other equity	53,876	64,734
<b>Total equity</b>	<b>55,007</b>	<b>65,865</b>
Lease liabilities	2,908	3,012
<b>Total debt</b>	<b>2,908</b>	<b>3,012</b>
Less:		
Cash and cash equivalents	37,094	55,108
<b>Net debt</b>	<b>-</b>	<b>-</b>
<b>Net debt to equity ratio</b>	<b>0.00%</b>	<b>0.00%</b>

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**E) Liquidity risk**

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, cash flow forecasting is performed by finance team. The Company's finance team monitors rolling forecasts for the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs and so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

**Financing arrangements**

The entity had access to the following undrawn borrowing facilities at the end of the reporting period:

(In Million)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	₹	₹
Undrawn working capital facility*	3,508	4,472

\*Working capital facility from bank is secured with corporate guarantee and comfort letter from LG Electronic Inc. (The Holding company)

**Maturities of financial liabilities**

The tables below analyse the entity's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- i) All non-derivatives financial liabilities, and
- ii) Derivatives financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(In Million)

Contractual maturities of financial liabilities March 31, 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
	₹	₹	₹	₹
<b>Non-derivatives</b>				
Trade payables	26,540	-	-	26,540
Other financial liabilities	2,881	-	-	2,881
Lease liabilities	561	2,347	-	2,908
<b>Derivatives</b>				
Derivative financial liabilities	5	-	-	5
<b>Total</b>	<b>29,987</b>	<b>2,347</b>	<b>-</b>	<b>32,334</b>

(In Million)

Contractual maturities of financial liabilities March 31, 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
	₹	₹	₹	₹
<b>Non-derivatives</b>				
Trade payables	33,397	-	-	33,397
Other financial liabilities	2,233	-	-	2,233
Lease liabilities	534	2,478	-	3,012
<b>Derivatives</b>				
Derivative financial liabilities	-	-	-	-
<b>Total</b>	<b>36,164</b>	<b>2,478</b>	<b>-</b>	<b>38,642</b>

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26 (a) Income tax

Income tax expense in the statement of profit and loss comprises (In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Current taxes (including short provision for tax relating to prior year)	4,004	5,687
Decrease (increase) in deferred tax assets	147	(185)
(Decrease) increase in deferred tax liabilities	-	(42)
<b>Total</b>	<b>4,151</b>	<b>5,460</b>

Current tax expense for the year ended March 31, 2022 is net of ₹5 million (March 31, 2021 includes ₹58 million) pertaining to prior periods.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below.

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Profit before income taxes	15,898	20,751
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	4,001	5,222
Tax relating to prior years	5	58
Impact of tax rate change on deferred tax	-	-
Permanent differences- Corporate social responsibility expense, tax on non-monetary perquisites, interest under section 234C and others	145	180
<b>Total</b>	<b>4,151</b>	<b>5,460</b>

26 (b) Deferred tax

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows.

(In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹	₹
<b>Deferred income tax assets</b>		
Property, plant and equipment	572	521
Provision for employee benefits	272	291
Provision for credit on goods transport agency services	23	105
Provision for employee benefits recognised in other comprehensive income	7	(6)
Disallowances u/s 40(a)	25	29
Allowance for doubtful assets	141	122
Provision for long term service award	23	26
Provision for waste of electrical and electronic equipment	143	266
Right of use assets	86	56
Others	7	43
<b>Total deferred income tax assets</b>	<b>1,299</b>	<b>1,453</b>
<b>Deferred income tax liabilities</b>		
Interest on Income tax refund	21	21
<b>Total deferred income tax liabilities</b>	<b>21</b>	<b>21</b>
<b>Deferred income tax assets (net)</b>	<b>1,278</b>	<b>1,432</b>

Reconciliation of deferred tax assets (net) (In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹	₹
Opening balance	1,432	1,199
Tax expenses during the year recognised in statement of profit and loss	(147)	227
Tax income expense during the year recognised in Other comprehensive income	(7)	6
<b>Closing balance</b>	<b>1,278</b>	<b>1,432</b>

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27. Disclosure as required by Indian Accounting Standards (Ind AS) 19 Employee Benefits

Defined contribution plans

The Company makes Provident Fund and Employee State Insurance contributions to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to registered provident fund and employee state insurance administered by government. The Company recognised ₹ 239 million (March 31, 2021: ₹ 204 million) for Provident Fund contributions and Employee State Insurance contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at the rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the various employee benefit schemes to its employees. Benefits payable to eligible employees of the Company with respect to defined benefit plan and other long-term employee benefit obligations and long term service award are accounted for on the basis of an actuarial valuation using projected unit credit method as at the balance sheet date.

The following table sets out the funded status of the defined benefit schemes (gratuity) and the amount recognised in the financial statements.

(In Million)

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
<b>Components of employer expense</b>		
Current service cost	98	90
Interest cost	69	50
Expected return on plan assets	(34)	(29)
<b>Total amount recognised in the Statement of Profit and Loss</b>	<b>133</b>	<b>120</b>
<b>Remeasurements recognised directly in other comprehensive income</b>		
Return on plan assets (greater) less than discount rate	(1)	(1)
Actuarial (gains) losses		
- from changes in financial assumptions	(35)	-
- Experience adjustments	5	25
<b>Total amount recognised in other comprehensive income</b>	<b>(28)</b>	<b>24</b>
Actual contribution and benefit payments for year		
Actual benefit payments	40	24
Actual contributions	80	70
<b>Net (asset) / liability as at year end</b>		
Present value of defined benefit obligation	1,213	1,113
Fair value of plan assets	593	528
Funded status [(Surplus) / Deficit]	610	585
<b>Net (asset) / liability recognised in the Balance Sheet</b>	<b>610</b>	<b>585</b>

The following table shows the defined benefit obligations (DBO) and Plan assets :

(In Million)

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	₹	₹
<b>Changes in DBO during the year</b>		
Present value of DBO at beginning of the year	1,113	963
(i) Current service cost	98	90
(ii) Interest cost	69	50
(iii) Actuarial losses / (gains)	(28)	25
(iv) Benefits paid	(49)	(24)
(v) Present value of DBO at the end of the year	<b>1,203</b>	<b>1,113</b>
<b>Change in fair value of assets during the year</b>		
(i) Plan assets at beginning of the year	528	452
(ii) Expected return on plan assets	34	29
(iii) Actual Company contributions	80	70
(iv) Actuarial losses / (gains)	1	1
(v) Benefits paid	(49)	(24)
(vi) Fair Value of Plan assets at end of the year	<b>594</b>	<b>528</b>
<b>Composition of the plan assets is as follows:</b>		
Government of India securities	60.00%	58.63%
Debt instruments	24.00%	34.81%
Equity and Preference shares	4.00%	3.66%
Other deposits	5.00%	2.90%

The plan assets of the Company are managed by Life Insurance Corporation of India, ICICI Prudential Life Insurance, India First Life Insurance Company Limited and Birla Sun Life Insurance Company Limited in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan which is being administered by LG Electronics India Private Limited Employee Group Gratuity Fund. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India, ICICI Prudential Life Insurance, India First Life Insurance Company Limited and Birla Sun Life Insurance Company Limited with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies.

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**LG ELECTRONICS INDIA PRIVATE LIMITED**  
Notes forming part of the financial statements

**Employee benefit plans (cont'd)**

Particulars	(In Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
<b>Actuarial assumptions</b>		
Discount rate	6.50%	6.50%
Expected return on plan assets	7.00%	7.00%
Salary escalation	8.00%	8.00%
Mortality tables	IALM (2012-14)	IALM (2012-14)
Attrition	10%	10%
Retirement age	58	58

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of obligations.

The estimate of future salary increases considered takes into account the inflation, seniority, promotion increments and other relevant factors.

Valuations are based on certain assumptions which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- A) Salary increases- Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment risk - If Plan is funded then assets-liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality and Disability - Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

Experience adjustments	(In Million)				
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
	₹	₹	₹	₹	₹
Present value of DBO	1,203	1,113	963	813	726
Fair value of plan assets	593	528	452	375	350
Funded Status [Surplus / (Deficit)]	(610)	(585)	(511)	(438)	(376)
Experience (gain) / loss adjustments on plan Liabilities	(27)	25	8	(4)	1
Experience (gain) / loss adjustments on plan Asset	(1)	(1)	1	1	1

Present value of obligations at end of the year	(In Million)	
	As at March 31, 2022	As at March 31, 2021
	₹	₹
Current	120	104
Non-Current	490	481
<b>Total</b>	<b>610</b>	<b>585</b>

Expected contribution to defined benefit plan for the year ending March 31, 2023 is ₹ 102 million (March 31, 2022: ₹ 98 million)

The expected maturity analysis of undiscounted gratuity is as follows:

Expected maturity analysis	(In Million)	
	As at March 31, 2022	As at March 31, 2021
	₹	₹
Less than a year	120	104
Between 1-2 years	134	113
3-5 years	367	336
6-10 years	1,452	1,345
<b>Total</b>	<b>2,073</b>	<b>1,898</b>

Sensitivity analysis	(In Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
<b>Discount Rate</b>		
Revised DBO due to 1% decrease in Discount Rate	1,287	1,195
Revised DBO due to 1% increase in Discount Rate	1,128	1,040
<b>Salary Escalation Rate</b>		
Revised DBO due to 1% decrease in Salary Escalation Rate	1,128	1,040
Revised DBO due to 1% increase in Salary Escalation Rate	1,286	1,193

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

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Other long-term employee benefit obligations:

Compensated absences		(In Million)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021	
	₹	₹	
<b>Service cost</b>			
Current service cost	29	44	
Interest cost	23	20	
Immediate recognition of (Gain) Loss - other long term benefits	60	83	
<b>Defined benefit cost included in Statement of profit and loss</b>	<b>112</b>	<b>147</b>	
<b>Total cost recognized in comprehensive income</b>			
Cost Recognized in statement of profit and loss	112	147	
Remeasurement effect recognized in OCI	-	-	
<b>Total amount recognized in comprehensive income</b>	<b>112</b>	<b>147</b>	
<b>Net defined benefits assets and liabilities</b>			
Present value of defined benefit obligation	370	367	
<b>Net (asset) / liability recognized in the Balance Sheet</b>	<b>370</b>	<b>367</b>	
<b>Changes in defined benefit obligations (DBO) during the year</b>			
Present value of DBO at beginning of the year	367	326	
Current service cost	29	44	
Interest cost	23	20	
Actuarial losses (gains)	60	83	
Benefits paid directly by Employer	(109)	(106)	
<b>Present value of DBO at the end of the year</b>	<b>370</b>	<b>367</b>	

(In Million)				
Compensated absences	As at March 31, 2022		As at March 31, 2021	
	₹		₹	
Current	370	-	367	-
Non-Current	-	-	-	-
<b>Total</b>	<b>370</b>	<b>-</b>	<b>367</b>	<b>-</b>

Long term service award		(In Million)	
Particulars	As at March 31, 2022	As at March 31, 2021	
	₹	₹	
<b>Net defined benefits assets and liabilities</b>			
Present value of defined benefit obligation	90	103	
<b>Net (asset) / liability recognised in the balance sheet</b>	<b>90</b>	<b>103</b>	

(In Million)				
Long service award obligation	As at March 31, 2022		As at March 31, 2021	
	₹		₹	
Current	18	-	33	-
Non-Current	71	-	70	-
<b>Total</b>	<b>89</b>	<b>-</b>	<b>103</b>	<b>-</b>

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**LG Electronics India Private Limited**  
**Notes to the financial statements**

**28. Related party transactions**

In the normal course of business, the Company entered into transactions with its Holding Company and fellow subsidiaries controlled by the Holding Company (including affiliated companies) as mentioned below. The names of related parties of the Company as required to be disclosed under Ind AS 24 are as follows:

**a) Details of related parties:**

Description of relationship	Name of related parties
The Holding Company	LG Electronics Inc
Fellow subsidiaries (Controlled by the holding company)	LG Soft India Pvt. Ltd
	LG CNS Co. Ltd
	LG CNS India Private Ltd
	S&I Corp
	LG Display Co. Ltd
	LG Electronics (Huizhou) Inc
	LG Electronics (Levant) - Jordan
	LG Electronics (Thailand) Co. Ltd
	LG Electronics Africa Logistics FZE
	LG Electronics Alabama, Inc
	LG Electronics Almaty Kazak Co. Ltd
	LG Electronics Australia Pty. Ltd
	LG Electronics Dubai FZE
	LG Electronics Gulf FZE
	LG Electronics Mexico Monterrey S A De C V.
	LG Electronics S A (Pty) Ltd
	LG Electronics Singapore Pte Ltd
	LG Electronics Taiwan Taipei Co Ltd
	LG Electronics Tianjin Appliances Co. Ltd
	PT LG Electronics Indonesia
	PT LG Innotek Indonesia
	LG Electronics Inc Chile Limited
	LG Electronics Middle East Co. Ltd
	LG Electronics Morocco S A R L
	LG Electronics Panama S A
	LG Electronics Philippines Inc
	LG Electronics Polska Sp z o o
	Nanjing LG Panda Appliances Co. Ltd
	LG Electronics Magyar Kft
	LG Electronics (Kunshan) Co. Ltd
	LG Electronics Qinhuangdao Co. Ltd
	Taizhou LG Electronics Refrigeration Co. Ltd
	LG Electronics Vietnam Haiphong Co. Ltd
	LG Electronics Hellas S A
	LG Electronics Nanjing New Technology Co Ltd
	LG Electronics Air-Conditioning(Shandong) Co. Ltd
	LG Electronics Malaysia SDN BHD
	LG Electronics Mexico S A DE C V.
	LG Electronics Egypt S A E
	LG Electronics Mlawa Sp z o o
	LG Electronics Nanjing Display Co., Ltd
	LG Electronics (China) Co., Ltd
	LG Electronics Argentina S A
	LG Electronics Peru S A
	PT LG Electronics Service Indonesia
	LG Electronics Canada, Inc
	LG Electronics Ticaret A S.
LG Innotek Yantai Co., Ltd	
Arcelik-LG Klima Sanayi ve Ticaret A S.	
I G-Shaker Co. Ltd	
LG Electronics Overseas Trading FZE	
Robostar Co., Ltd	
LG Electronics Monterrey Mexico	
Key management personnel (KMP)	Mr. Younglak Kim ( Managing Director) Mr. Dong Myung Seo (Director and Chief financial officer) (with effect from Jan 27, 2022) Mr. Soo Cheol Kim (Director and Chief financial officer) (till Jan 07, 2022) Mr. Hwayoung Seo (Director) Mr. Hyunjin Lee (Director) Mr. Jaehi Kim (Director)





**LG Electronics India Private Limited**  
Notes to the financial statements

**Related party transactions (cont'd)**

**b) Details of related party transactions during the year:**

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Sale of raw materials, stores and spares and service components		
<i> Holding company</i>	1,307	1,150
<i> Fellow subsidiaries</i>		
PT LG Electronics Indonesia	222	202
LG Electronics Mawa Sp z o o	85	30
Arcelinc-LG Klima Sanayi ve Ticarta A S	140	19
Others	100	92
Sale of manufactured goods		
<i> Holding company</i>	12	16
<i> Fellow subsidiaries</i>		
LG Electronics Africa Logistics FZE	2,375	1,984
LG Electronics Gulf FZE	688	536
LG Electronics (Levant) - Jordan	88	53
LG Electronics Morocco S A R L	366	197
P T LG Electronics Indonesia (LGEIN)	870	-
Others	402	276
Sale of traded goods		
<i> Fellow subsidiaries</i>		
LG Electronics Singapore Pte Ltd	13	12
LG Electronics Africa Logistics FZE	110	63
Others	22	7
Sale of property, plant and equipment		
<i> Holding company</i>	-	5
Reimbursement of expenses received		
<i> Holding company</i>	6	10
<i> Fellow subsidiaries</i>		
LG Electronics (Tianjin) Appliances Co Ltd	1	-
LG Electronics Nanjing Display Co., Ltd	1	1
Service warranty claims received		
<i> Holding company</i>	225	181
<i> Fellow subsidiaries</i>		
Taizhou LG Electronics Refrigeration Co Ltd	-	3
Purchase of raw materials, stores and spares and service components		
<i> Holding company</i>	8,877	9,127
<i> Fellow subsidiaries</i>		
LG Display Co Ltd	5,916	3,624
Nanjing LG Panda Appliances Co., Ltd	2,163	2,500
LG Electronics Tian Jin Appliances Co., Ltd	3,484	2,241
Others	2,794	2,606
Purchase of traded goods		
<i> Holding company</i>	6,353	9,295
<i> Fellow subsidiaries</i>		
Taizhou LG Electronics Refrigeration Co Ltd	3,513	3,597
LG Electronics (Thailand) Co Ltd	978	1,033
Others	615	469



LG Electronics India Private Limited  
Notes to the financial statements

Related Party Transactions (cont'd)

Details of related party transactions during the year:

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Service warranty charges paid		
<i>Fellow subsidiaries</i>		
LG Electronics (Levant) - Jordan	2	2
LG Electronics Middle East Co. Ltd	4	2
LG Electronics Taiwan Taipei Co., Ltd	1	-
Royalty		
<i>Holding company ( Also Refer Note No. 32 )</i>	2,848	2,306
Service charges paid		
<i>Fellow subsidiaries</i>		
LG Electronics Singapore Pte Ltd	13	12
Other expenses paid		
<i>Holding company</i>	6	8
<i>Fellow subsidiaries</i>		
LG CNS India Private Limited	465	378
LG CNS Co. Ltd	8	8
Others	-	2
Interim dividend paid		
<i>Holding company</i>	22,621	13,327
Managerial remuneration		
<i>Key Management Personnel</i>		
Salaries and wages	212	177
Purchase of fixed assets		
<i>Holding company</i>	157	169
<i>Fellow subsidiaries</i>		
LG CNS India Private Limited	158	143
Others	-	9

*[Handwritten signatures]*



Related Party Transactions (cont'd)  
Details of Related Party Outstanding Balances

(In Million)

Balances outstanding at the end of the year	As at	As at
	March 31, 2022	March 31, 2021
	₹	₹
Trade receivables		
<i> Holding company</i>	2	6
<i> Fellow subsidiaries</i>		
LG Electronics Gulf FZE	353	241
LG Electronics Africa Logistics FZE	145	900
LG Electronics Morocco - SARL	125	100
LG Electronics (Levant)- Jordan	53	17
P.T. LG Electronics Indonesia	238	39
Others	163	65
Other financial assets		
<i> Holding company</i>	38	24
<i> Fellow subsidiaries</i>		
LG Electronics Qinhuangdao Co. Ltd	1	1
Trade payables		
<i> Holding company</i>	2,710	4,462
<i> Fellow subsidiaries</i>		
LG Display Co. Ltd	645	950
LG Electronics Thailand Co. Ltd	388	795
LG Electronics Tianjin Appliances Co. Ltd	599	487
Taizhou LG Electronics Refrigeration Co. Ltd	817	983
Others	767	1,155
Capital creditors		
<i> Holding company</i>	8	8
<i> Fellow subsidiaries</i>		
LG CNS India Private Limited	33	3
Nanjing LG Panda Appliances Co. Ltd	-	5
Security deposit for residential accommodation paid on behalf of directors		
<i> Key Management Personnel</i>		
Younglak Kim	1	1
Hyunjin Lee	1	1
Hwayoung Seo	1	1

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**LG ELECTRONICS INDIA PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**29. Earnings per share**

The following is the computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

(In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
a) Profit for the year		
(i) For continuing operations	12,056	16,665
(ii) For discontinued operations	(309)	(1,375)
Total profit for the year	11,747	15,290
b) Basic earnings per equity share - weighted average number of equity shares outstanding	113,128,732	113,128,732
c) Effect of dilutive potential equity share equivalents	-	-
d) Dilutive earnings per equity share – weighted average number of equity shares and potential equity share equivalents outstanding	113,128,732	113,128,732
e) Nominal Value of Equity Shares ( ₹ )	10	10
f) Basic Earnings per Share ( ₹ )		
(i) For continuing operations	106.57	147.31
(ii) For discontinued operations	(2.73)	(12.15)
For continuing and discontinued operations	103.84	135.16
g) Diluted Earnings per Share ( ₹ )		
(i) For continuing operations	106.57	147.31
(ii) For discontinued operations	(2.73)	(12.15)
For continuing and discontinued operations	103.84	135.16

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**LG ELECTRONICS INDIA PRIVATE LIMITED**  
Notes forming part of the financial statements

**30. Details of provisions**

The Company has made provision for various contractual and other obligations based on its assessment of the amount to be incurred to meet such obligations, details of which are given below:

Particulars	As at March 31, 2022	As at March 31, 2021
	₹	₹
<b>Provision for warranty</b>		
At the beginning of the year	674	671
Additions during the year	619	603
Utilized during the year	713	600
[Net of warranty written back ₹ 94 million (March 31, 2021: Nil)]		
<b>At the end of the year</b>	<b>580</b>	<b>674</b>
Current	517	599
Non-current	63	75
	<b>580</b>	<b>674</b>
<b>Provision for other contingencies*</b>		
At the beginning of the year	445	412
Additions during the year	18	33
Reversed during the year	344	-
<b>At the end of the year</b>	<b>119</b>	<b>445</b>
Current	-	-
Non-current	119	445
	<b>119</b>	<b>445</b>

Warranty written back include ₹ 70 million (March 31, 2021: Nil) relating to discontinued operations. (Refer Note No. 35).

\*Includes provision for indirect tax and legal contingencies.

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**LG ELECTRONICS INDIA PRIVATE LIMITED**  
Notes forming part of the financial statements

**31. Contingent liabilities and commitments (to the extent not provided for)**

**A) Contingent liabilities**

(In Million)

Particulars	As at March 31, 2022	As at March 31, 2021		
	₹	₹		
(a) Demand notices from Central Excise Service Tax Customs Department				
Total demand	4,521	4,609		
Less Provision	96	421		
Total	4,425	4,188		
(b) Demand notices from Sales Tax Department GST Department				
Total demand	940	863		
Less Provision	55	50		
Total	885	813		
(c) Demand from Income Tax Department				
Total demand	25,039	21,370		
Less Provision	1,985	1,985		
Total	23,054	19,385		
(d) Other claims	237	43,106		
Less Provision	71	70		
Total	166	43,036		
Total demands	30,737	69,948		
Less Provision	2,207	2,526		
Grand total	28,530	67,422		
(e) Movement in provision	As at April 01, 2021	Addition	Deletion	As at March 31, 2022
Income tax	1,985	-	-	1,985
VAT/ Sales tax	50	6	1	55
Service tax	421	10	355	96
Other legal cases	70	1	-	71
Total provision	2,526	17	336	2,207

**Notes**

i) Based on the interpretation of the provisions of applicable Acts and in respect of other legal cases, the Company is of the opinion that the above demands are likely to be deleted or substantially reduced and accordingly no additional provision has been made.

ii) Excludes show cause notices replied by the Company. The Company has not yet heard from the appropriate authorities in the matter and is of the view that same are not contingent in nature.

iii) It is not practical for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

iv) The amounts mentioned above do not include matters which have been remanded back and expected tax liability is unascertainable.

v) During the year ended March 31, 2019, the Company had evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-11(53)2019 Vivekananda Vidyamandir 284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which was supported by legal advice, the aforesaid matter was not likely to have a significant impact and accordingly, no provision has been made in the financial statements.

vi) Amounts are as per demand order and include penalty and interest, wherever applicable.

**B) Commitments**

(In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹	₹
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Property, plant and equipment	311	211
(b) The Company has imported certain capital goods under EPCG scheme at concessional rate of customs duty. It results into export obligations to be undertaken by the Company under the scheme in the next six years. Export obligations to the extent unexecuted as at the year-end		
- Export obligations in the next six years	-	6
- Saving of customs duty under EPCG scheme	-	1

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**LG ELECTRONICS INDIA PRIVATE LIMITED**  
Notes forming part of the financial statements

**32. Contingency on advance pricing agreement of royalty**

The Company has entered into a revised license agreement dated July 27, 2017 with its parent Company i.e. LG Electronics Inc., Korea for the use of technology and brand name. In accordance with the aforesaid agreement, the Company is liable to pay royalty to LG Electronics Inc., Korea. Based on the original agreement, royalty amounting to ₹ 2,548 million has been accrued for the year ended March 31, 2022 (March 31, 2021 - ₹ 2,306 million) and remaining portion of royalty based on the aforesaid Revised Licence Agreement amounting to ₹ 52,856 million for the period from April 01, 2016 to March 31, 2022 is contingent upon conclusion of the advance pricing agreement.

**33. Expenditure on corporate social responsibility (CSR)**

Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 requires that the board of directors of every eligible Company, shall ensure that the Company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The details of CSR expenditure incurred are as follows:

(In Millions)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹	₹
(a) Gross amount required to be spent by the Company during the year	461	470
(b) Amount spent during:		
1) Construction/acquisition of an asset	-	-
2) On purpose other than (1) above:		
(i) Promoting healthcare and awareness (Including COVID-19)	14	67
(ii) Promoting education	-	3
(iii) Benefit of armed forces veterans/war widows and their dependents	55	29
(iv) Ensuring environmental sustainability	3	-
(v) CSR compliance and administrative expenses	10	-
(c) Accrual towards unspent obligation in relation to -Ongoing project	399	371

Details of ongoing CSR projects under Section 135(6) of the Act

(In Millions)

Balance as at April 01, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In separate CSR unspent account		From the Company's bank account	From separate CSR unspent account *	With the Company #	In separate CSR unspent account
₹	₹	₹	₹	₹	₹	₹
371	-	461	62	214	399	157

\* The amount does not include INR 27 million pertaining to CSR expenditure spent from the Company's account instead of separate CSR unspent account. Subsequent to the year end, the same has been rectified.

# Balance as at March 31, 2022 with the Company has been deposited to separate bank account within the stipulated time limit.



**LG ELECTRONICS INDIA PRIVATE LIMITED**  
Notes forming part of the financial statements

**34 Segment reporting**

The Company has identified three reportable business segments as primary segments: Home entertainment division, Mobile communications division, Home appliances and air solution division. These segments have been identified and reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The main products that each business Segment manufactures and or sells are as follows:

**Continuing division:**

- **Home entertainment division** Televisions, Audio systems, DVD Monitors, Security Camera, Hotel televisions, Personal computers and Optical disk drive

- **Home appliances and air solution division** Refrigerator, Washing machine, Cooking and cleaning, Water purifier, Air purifier, Compressors and motors, Ceiling fan and air conditioners

**Discontinued division:**

- **Mobile communications division** GSM handset

Discontinuation of Mobile Division - On April 05, 2021, LG Electronics Inc (LG), announced its decision to discontinue the mobile phones business by July 31, 2021. It, however, decided to continue to provide services support and software updates for existing customers for a period as the Company deems fit.

In accordance with the Indian Accounting Standard on Segment Reporting (Ind AS 108), information relating to segment is as under

(In Million)

Particulars	For the year ended March 31, 2022			Total
	Continuing business segments		Discontinued business segments	
	Home appliances and air solution division	Home entertainment division	Mobile communications division	
Reportable segments	₹	₹	₹	₹
Revenue				
External	124,183 (108,574)	44,160 (42,293)	1,315 (3,643)	169,658 (154,510)
Other Income	12 (9)	2 (1)	18 -	32 (10)
<b>Total Revenue</b>	<b>124,195</b> (108,583)	<b>44,162</b> (42,294)	<b>1,333</b> (3,643)	<b>169,690</b> (154,520)
Expenditure	112,447 (93,238)	36,860 (32,555)	1,751 (5,509)	151,058 (131,302)
Segment result	11,748 (15,315)	7,302 (9,739)	(418) 1,866	18,632 (23,218)
Unallocable income (Other income)				400 (35)
Unallocable expenses				4,533 (3,970)
<b>Operating income</b>				<b>14,499</b> (19,283)
Interest expense				225 (156)
Interest income				1,624 (1,623)
<b>Profit before tax</b>				<b>15,898</b> (20,750)
Tax expense				4,151 (5,460)
<b>Profit for the year</b>				<b>11,747</b> (15,290)

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**LG ELECTRONICS INDIA PRIVATE LIMITED**  
Notes forming part of the financial statements

34 Segment reporting (cont'd)

(In Million)

Particulars	As at March 31, 2022			Total
	Continuing business segments		Discontinued business segments	
	Home appliances and air solution division	Home entertainment division	Mobile communications division	
Reportable segments	₹	₹	₹	₹
Segment assets	36,176 (34,386)	9,945 (9,947)	112 (1,716)	46,233 (46,049)
Unallocable assets				47,959 (64,541)
<b>Total assets</b>				<b>94,192</b> (110,590)
Segment liabilities	19,377 (24,385)	5,755 (8,728)	63 (1,518)	25,195 (31,631)
Unallocable liabilities				13,990 (13,094)
<b>Total liabilities</b>				<b>39,185</b> (44,725)
<u>Other information</u>				
Shareholders funds				55,007 (65,865)
Capital expenditure (unallocable)				3,593 (4,455)
Depreciation and amortisation (unallocable)				2,584 (2,439)
<b>Other non-cash expenses unallocable</b>				
Allowance for doubtful trade receivables, other assets and other financial assets				71 (44)
Trade and other receivables, loans and advances written off				13 (27)
Sundry advances (written back) write off				(1) (2)
Provision for warranty written back and provision for service tax liability written back				368 (34)

Note: Figures in brackets relate to the previous year



**LG ELECTRONICS INDIA PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**34 Segment reporting (cont'd)**

The Company has identified Geographic segment as secondary segment and the information on revenue for the year ended March 31, 2022 is as follows

Geographic segment	Revenue
	For the year ended March 31, 2022
	₹
Domestic	161,475 (148,713)
Africa	1,396 (1,133)
Europe	7 (4)
Asia (excluding India)	6,716 (4,649)
Others	64 (11)

Notes

- (a) Figures in brackets relate to the previous year
- (b) Administrative and corporate expenses, interest expense and interest income unallocable other income and provision for tax have not been allocated to reportable segments. Consequently, segment wise net profit has not been disclosed
- (c) Unallocable other income has not been measured and reported segment wise as these components are not realistically allocable and identifiable
- (d) Unallocable corporate expenses include expenses such as depreciation, employee remuneration and benefits, administrative and other expenses which are not directly related to the specific segments.
- (e) Unallocable assets include fixed assets, cash and bank balances, deferred tax assets, Unallocable loans and advances and other current assets which are not directly related to the specific segments.
- (f) Capital expenditure pertains to additions made to property, plant and equipment during the year and movement in capital work in progress during the year.
- (g) Information on assets has not been disclosed by location of customers as such information is not realistically allocable and identifiable



**LG ELECTRONICS INDIA PRIVATE LIMITED**  
Notes forming part of the financial statements

**35 Discontinued operation**

Discontinuation of Mobile Communications Division - On April 05, 2021, LG Electronics Inc (LG), announced its decision to discontinue the mobile phones business by July 31, 2021. It however, decided to continue to provide services support and software updates for existing customers for a period as the Company deems fit

Pursuant to the aforesaid decision, the management has prepared a liquidation plan for the remaining inventories as on March 31, 2022 amounting to ₹ 86 million (comprising manufactured and finished goods), factoring in the likely reduction in realisable value of its merchandise goods, likely damages on cancellation of purchase orders placed with the vendors, likely demolition cost for the production line, likely disposal cost of kits etc. and expects to incur an additional cost of approximately ₹ 40 million and the same has been accounted for in the books of accounts. The Company has also impaired the entire property, plant and equipment (PP&E) pertaining to the mobile communications division amounting to ₹ 26 million.

The liquidation plan is likely to consummate over the next few months and the impact of this liquidation exercise may differ from that estimated at this stage and the Company will closely monitor any material changes.

The financial performance pertaining to the mobile communications division are as follows

(In Million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹	₹
Revenue (include other income)	1,333	3,643
Expenses	1,751	5,509
<b>Profit before income tax</b>	<b>(418)</b>	<b>(1,866)</b>
Income tax expense	(109)	(491)
<b>Profit after income tax</b>	<b>(309)</b>	<b>(1,375)</b>

The carrying amounts of assets and liabilities pertaining to the mobile communications division are as follows

(In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹	₹
Property, plant and equipment	-	29
Inventories	86	1,063
Trade receivables	3	725
Other current assets	23	-
<b>Total assets</b>	<b>112</b>	<b>1,817</b>
Trade payables	-	620
Other current liabilities	63	118
<b>Total liabilities</b>	<b>63</b>	<b>738</b>
<b>Net assets</b>	<b>49</b>	<b>1,079</b>

The Net cash flow incurred by mobile communications division are as follow:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Net cash inflow/(outflow) from operating activities	554	(2,555)
Net cash inflow/(outflow) from investing activities	18	-
Net cash inflow/(outflow) from financing activities	-	-
<b>Net cash inflow/(outflow) from discontinued operations</b>	<b>572</b>	<b>(2,555)</b>

**Earning per share (Refer Note No. 29)**

Basic and diluted EPS for discontinued operations (2.73) (12.15)

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**LG ELECTRONICS INDIA PRIVATE LIMITED**  
Notes forming part of the financial statements

**36. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

In terms of notification dated September 4, 2015 issued by the Government of India, the disclosure of payments due to any supplier are as follows

(In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
	₹	₹
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	3,189	2,610
(ii) Principal amount (excluding interest) paid during the year to any supplier beyond the appointed date	-	-
(iii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iv) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
(v) The amount of interest due and payable for the year	-	-
(vi) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vii) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management

**37. Details on derivatives instruments and unhedged foreign currency exposure**

The following derivative positions are open as at March 31, 2022. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets

Forward exchange contracts which are not intended for trading or speculative purposes but for hedge purposes required at the settlement date of certain payables and receivables

Outstanding forward exchange contracts entered into by the Company as at March 31, 2022

(In Million)

Currency	Amount	Buy / Sell	Cross Currency
USD	USD 33.72 equivalent to ₹2,556 (March 31, 2021 USD 40.4 equivalent to ₹ 2,951)	Buy	Rupees

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below

[ in Million, Foreign currency (FC) in '000]

Particulars	As at March 31, 2022		As at March 31, 2021	
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
	₹	FC	₹	FC
i) Receivables in foreign currency				
- Trade receivables	2,772	US \$ 35,701 AED 4,769 € 75	2,380	US \$ 29,496 AFD 11,197 € 0
- Other receivables	39	US \$ 517	25	US \$ 343
- EEFC A/c	309	US \$ 4,071	137	US \$ 1,873
ii) Payables in foreign currency				
- Trade payables	(12,325)	US \$ (161,937) ¥ (36,946) € 322	(16,882)	US \$ (229,865) ¥ (24,586) € 692
- Advances from customers	(34)	US \$ (443)	(15)	US \$ (206)



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**LG ELECTRONICS INDIA PRIVATE LIMITED**

**Notes forming part of the financial statements**

**38. Amounts remitted in foreign currency during the year on account of interim dividend:**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Amount of interim dividend remitted in foreign currency (In Million)	22,626	13,327
Total number of non-resident shareholders	1	1
Total number of shares held by them on which dividend was due	113,128,726	113,128,726
Year to which the interim dividend relates	2021-22	2020-21

**39. Government grants**

- a) In terms of the package of incentive 2001 as notified by the Government of Maharashtra, the Company received an eligibility certificate for availing industrial promotion subsidy under the status of mega project involving expansion by way of fixed capital investment in the existing project at its factory at Ranjangaon, Pune. The Company is eligible for the subsidy provided the additional fixed capital investments is not less than ₹2,500 million made during period commencing from August 11, 2005 to December 29, 2008. The industrial promotion subsidy is restricted to the lower of 75% of the fixed capital investment and Value added tax (VAT) deposited with the Government of Maharashtra on the increased turnover arising from the additional fixed capital investment.

The outstanding balance of claims receivable as at March 31, 2022 aggregating to ₹23 million (March 31, 2021: ₹23 million) has been included in government grant recoverable in Note No. 7.

- b) In the prior years, the Company was availing sales tax exemption in the State of Uttar Pradesh. Pursuant to an amendment in the Uttar Pradesh Values Added Tax Act, 2008, the Company is required to deposit with the VAT authorities the amount of VAT collected from the dealers and thereafter file a refund claim for the VAT deposited.

The outstanding balance of claims receivable as at March 31, 2022 aggregating to ₹156 million (March 31, 2021: ₹156 million) has been included in government grant recoverable in Note No. 7.

Company believes it has good case on merits for recoverability of the same. Based on legal opinion obtained by the Company, the Company has taken up matter with appropriate forum and is pending resolution.

- c) In terms of the package scheme of incentive 2007 as notified by the Government of Maharashtra, the Company received another eligibility certificate for availing industrial promotion subsidy under the status of mega project involving expansion by way of fixed capital investment in the existing project at its factory at Ranjangaon, Pune. The Company is eligible for the subsidy provided the additional fixed capital investments of the Company is not less than ₹5,000 million made over a period of five years commencing from April 1, 2011 to March 31, 2016. The industrial promotion subsidy is restricted to the lower of 75% of the fixed capital investment and 50% of VAT deposited with the Government of Maharashtra on the increased turnover calculated in proportion to the existing investment in factory at Ranjangaon.

The Company has recorded claim aggregating to ₹335 million for the year ended March 31, 2022 (March 31, 2021: ₹338 million). The outstanding balance of claims receivable as at March 31, 2022 aggregating to ₹995 million (March 31, 2021: ₹1017 million) has been included in government grant recoverable in Note No. 7.

- d) In terms of the package scheme of incentive scheme 2012 as notified by the Government of India, the Company received eligibility certificate for availing industrial promotion incentive under the status of modified special incentive package scheme involving expansion by way of fixed capital investment in the existing project at its factory at Ranjangaon, Pune and Surajpur, Noida. The Company is eligible for the incentive provided the additional fixed capital investments of the Company is not less than 25% of existing fixed capital investment made over a period of 10 years. The industrial promotion incentive is restricted to the 25% of fixed capital investment.

The Company has recorded claim aggregating to ₹296 million for the year ended March 31, 2022 (March 31, 2021: ₹334 million).

The outstanding balance of claims receivable as at March 31, 2022 aggregating to ₹154 million (March 31, 2021: Nil million) has been included in government grant recoverable in Note No. 7.

- e) Export benefit recoverable includes Duty Drawback Scheme wherein relief of duties suffered on the inputs used in the manufacture of products which are exported is allowed to Company under the Merchandise Exports from India Scheme (MEIS) under Foreign Trade Policy of India (FTP 2015-20) which provides incentive in the form of duty credit scrip to the exporter to compensate for loss on payment of duties and, the Remission of Duties or Taxes on Export Products Scheme (RoDTEP) allowed to neutralize duties and taxes suffered on the inputs used in the manufacture of products which are exported in a freely convertible foreign currency.

The outstanding balance of claims receivable as at March 31, 2022 aggregating to ₹219 million (March 31, 2021: ₹215 million) has been included in government grant recoverable in Note No. 7.



**LG ELECTRONICS INDIA PRIVATE LIMITED**

**Notes forming part of the financial statements**

**40 Transfer pricing**

The Company has established a comprehensive system on maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income Tax Act, 1961 and has documented transfer pricing benchmarking study upto the year ended March 31, 2021. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the period and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arms' length and the aforesaid legislation will not have any material impact on the financial statements.



**LG ELECTRONICS INDIA PRIVATE LIMITED**  
Notes forming part of the financial statements

**41. Ratios Analysis and its elements**

Ratios	Unit of measurement	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change	Reason for Variance (where change is more than 25%)
Current Ratio	Times	Total Current Assets	Total Current Liabilities	2.22	2.35	-6%	
Debt-Equity Ratio	Times	Total Debt = Borrowings + Lease liabilities	Shareholder's equity	0.05	0.05	16%	
Debt Service Coverage Ratio	Times	Earning Available for Debt Service- Profit for the year + Finance costs + Non cash Operating expenses	Debt Service = Finance costs and lease payment + Principal repayment	22.92	45.02	-49%	Decrease is on account of higher lease payments and lower profit earned during the current year
Inventory turnover ratio	Times	Revenue from operations	Average inventory	6.71	6.35	6%	
Trade Receivables turnover ratio	Times	Revenue from operations	Average trade receivables	13.90	19.81	-30%	Decrease is on account of increase in average trade receivables in current year as compared to previous year
Trade payables turnover ratio	Times	Purchases	Average Trade payables	3.81	3.83	0%	
Net capital turnover ratio	Times	Revenue from operations	Working capital (Current Assets-Current Liabilities)	3.97	2.83	40%	Increase is on account of growth in revenue from operations and decrease in working capital due to payment of higher dividend during the current year as compared to previous year
Return on Equity Ratio	%	Profit for the year	Average Shareholder's equity	19	24	-18%	
Net profit ratio	%	Profit for the year	Revenue from operations	7	10	-30%	Decrease is on account of decline in profit earned during the current year due to increase in overall cost of goods sold
Return on Capital employed	%	Earnings before finance costs and tax	Capital employed = (Shareholder's equity + Total Debt - deferred tax liabilities)	28	30	-8%	
Return on investment	%	Earnings before finance costs and tax	Average total assets	16	21	-24%	Decrease is on account of decline in profit earned during the current year due to increase in overall cost of goods sold



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**LG ELECTRONICS INDIA PRIVATE LIMITED**  
Notes forming part of the financial statements

**42 Additional regulatory information required by Schedule III**

**(i) Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(ii) Borrowing secured against current assets**

The Company does not have borrowings from banks and financial institutions on the basis of security of current assets.

**(iii) Willful defaulter**

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

**(iv) Relationship with struck off Companies**

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at March 31, 2022 (₹)	Relationship with the struck off company, if any, to be disclosed	Balance outstanding as at March 31, 2021 (₹)	Relationship with the struck off company, if any, to be disclosed
GEM HVAC Engineering Private Limited	Receivables against sale of goods/services	-	None	85,554	None
GEM HVAC Engineering Private Limited	Payable for purchase of goods/services	-	None	510,616	None
BRSA Enterprises Private Limited	Payable for purchase of goods/services	-	None	10	None
Krushni Events And Advertising Private Limited	Payable for purchase of goods/services	-	None	-	None

**(v) Compliance with number of layers of companies**

The Company has not invested in any other company during the current year or previous year and does not have any investment in any other company as at March 31, 2022 and March 31, 2021. Hence, the compliance with respect to the number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

**(vi) Compliance with approved schemes of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**(vii) Utilisation of borrowed funds and share premium**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediaries 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.  
The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**(viii) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961 that has not been recorded in the books of account.

**(ix) Details of crypto currencies or virtual currencies**

The Company has not traded or invested in crypto currencies or virtual currencies during the current or previous year.

**(x) Valuation of Property, plant and equipment and intangible asset**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

**43 Uncertainties relating to the global health pandemic from COVID-19**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets.

The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements.

**44 Previous year's figures have been regrouped/ reclassified where required to conform to the presentation for the current financial year.**

For Pricewaterhouse Chartered Accountants LLP  
Firm Registration No. 012754N N500016



Anurag Khandelwal  
Partner  
Membership No. 078571

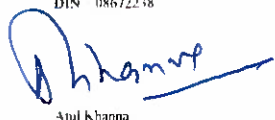
For and on behalf of the Board of Directors



Younglak Kun  
Managing Director  
DIN: 08672238



Dong Myung Seo  
Director and Chief  
Financial Officer  
DIN: 09481866



Atul Khanna  
Vice President Finance



Pooja Parula  
Company Secretary  
Membership No. FSC 3513



Mahesh Batra  
Sr. General Manager Accounting

Place: Gurugram

Date: September 07, 2022

Place: Noida

Date: September 07, 2022