

# **LG Electronics India Private Limited**

Financial Statements for the Year Ended

March 31, 2023

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, 2023, 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, 2023, 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., South 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., South Korea. Based on the original agreement, royalty amounting to Rs. 3,232 million has been accrued during the year ended March 31, 2023, and remaining portion of royalty based on the aforesaid Revised License Agreement amounting to Rs. 59,867 million pertaining to the period from April 01, 2016 to March 31, 2023 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.

### 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's 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.



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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)

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 control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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 backup of books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year.
  - (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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 a daily basis 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".



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- (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 was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any long-term derivative contracts as at March 31, 2023.
  - 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, 2023.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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)(A) to the financial statements};  
(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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)(B) 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.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.



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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  
Partner  
Membership Number: 078571

UDIN: 23078571BGXZHW1238  
Place: Gurugram  
Date: September 04, 2023

## **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 as of and for the year ended March 31, 2023  
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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, 2023 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 as of and for the year ended March 31, 2023  
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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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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



Anurag Khandelwal  
Partner  
Membership Number: 078571

UDIN: 23078571BGXZHW1238  
Place: Gurugram  
Date: September 04, 2023



## 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, 2023  
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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 and 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 inventories of Rs. 13 million lying with third parties and goods-in-transit of Rs. 6,994 million (refer Note 9 to the financial statements), has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them and for goods in transit, the goods have been received in most of the cases. 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.
- 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 are as per the table given below:

Particulars	Loans (Amount in Rs. million)
Aggregate amount granted/ provided during the year - Loans to employees	28
Balance outstanding as at balance sheet date in respect of the above case	69

(Also refer Note 6 to the financial statements)



## 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, 2023  
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The Company does not have any subsidiary, associate or joint venture. The Company has not made any investments, granted any secured/unsecured loans or advances in nature of loans to companies, firms, LLPs or any other parties or stood guarantee or provided any security to companies, firms, LLPs or any other parties.

- (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, and are also regular in payment of interest as applicable.
  - (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 referred in 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.
  - 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 income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, duty of customs and other material statutory dues, as applicable, with the appropriate authorities. Also, refer Note 31(A)(iv) to the financial statements regarding management's assessment on certain matters relating to provident fund.



## 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, 2023  
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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of employees' state insurance which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in million)	Amount deposited (Rs. in million)	Amount not paid (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
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	0.61	-	0.61	2001-02	Commissioner of Customs Indira Gandhi International Airport, New Delhi
The Customs Act, 1962	Customs Duty	0.80	-	0.80	2006-07	High Court, Mumbai
The Customs Act, 1962	Customs Duty	3.56	-	3.56	1998-99	Custom Excise & Service Tax Appellate Tribunal, Delhi
The Customs Act, 1962	Customs Duty	6.99	0.20	6.79	2018-19	Commissioner of Customs Indira Gandhi International Airport, New Delhi
The Customs Act, 1962	Customs Duty	9.46	0.65	8.81	2018-19	Custom Excise & Service Tax Appellate Tribunal, Delhi
The Customs Act, 1962	Customs Duty	11.86	0.30	11.56	2006-07	Custom Excise & Service Tax Appellate Tribunal, Delhi
The Customs Act, 1962	Customs Duty	69.76	7.63	62.13	2020-21	Custom Excise & Service Tax Appellate Tribunal, Mumbai
The Tamil Nadu Goods and Services Act, 2017	Goods and Services Tax	113.03	-	113.03	2018-19	Joint Commissioner (Appeals)
The Tamil Nadu Goods and Services Act, 2017	Goods and Services Tax	109.41	-	109.41	2019-20	Joint Commissioner (Appeals)
The Income Tax Act, 1961	Income Tax	0.57	-	0.57	2000-01	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	21.57	4.31	17.26	2004-05	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	40.34	8.07	32.27	2005-06	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	48.18	-	48.18	2006-07	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	54.47	54.47	-	2007-08	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	69.52	-	69.52	2008-09	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	71.46	-	71.46	2007-08	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	83.73	-	83.73	2005-06	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	101.00	101.00	-	2001-02	High Court, Allahabad



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Name of the Statute	Nature of Dues	Amount (Rs. in million)	Amount deposited (Rs. in million)	Amount not paid (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	149.90	135.41	14.49	2003-04	High Court, Allahabad
The Income Tax Act, 1961	Income Tax	172.43	126.33	46.10	2002-03	High Court, Allahabad
The Income Tax Act, 1961	Income Tax	225.90	45.18	180.72	2009-10	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	320.01	3.34	316.66	2006-07	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	490.86	0.11	490.75	2017-18	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	623.40	254.50	368.89	2005-06	High Court, Allahabad
The Income Tax Act, 1961	Withholding Tax	274.44	-	274.44	2014-15 to 2018-19	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	624.84	241.12	383.71	2004-05	High Court, Allahabad
The Income Tax Act, 1961	Withholding Tax	146.19	-	146.19	2011-12 to 2013-14	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Withholding Tax	93.58	221.61	-	2004-05 to 2009-10	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	669.18	363.19	305.99	2007-08	High Court, Allahabad
The Income Tax Act, 1961	Income Tax	696.72	380.30	316.41	2006-07	High Court, Allahabad
The Income Tax Act, 1961	Income Tax	775.38	310.51	464.87	2008-09	High Court, Allahabad
The Income Tax Act, 1961	Income Tax	1,350.33	184.05	1,166.28	2010-11	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	1,433.71	41.41	1,392.30	2016-17	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Withholding Tax	30.07	30.07	-	2010-11	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	1,573.38	100.00	1,473.38	2012-13	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	1,510.33	-	1,510.33	2015-16	High Court, Delhi
The Income Tax Act, 1961	Income Tax	1,624.09	100.00	1,524.09	2011-12	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	1,748.19	60.00	1,688.19	2014-15	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	2,017.36	150.00	1,867.36	2013-14	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	633.94	583.59	50.35	2009-10	High Court, Allahabad
The Legal Metrology Act, 2009	Legal Metrology	0.15	-	0.15	2015-16	Patiala House Court
The Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	36.55	9.03	27.52	August '12-March '15	High Court, Mumbai
The Finance Act, 1994	Service Tax	2.25	0.09	2.16	Apr'07 ~ Apr'13	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	3.24	-	3.24	Aug'16 - Jun'17	Commissioner (Appeals)
The Finance Act, 1994	Service Tax	5.88	-	5.88	Apr'15 - Jun'15	Custom Excise & Service Tax Appellate Tribunal



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Name of the Statute	Nature of Dues	Amount (Rs. in million)	Amount deposited (Rs. in million)	Amount not paid (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	6.14	0.31	5.83	Apr'10-Mar'11	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	7.30	-	7.30	Oct'15-Jul'16	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	10.13	5.06	5.07	Jul'12- Dec'15	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	15.84	1.44	14.40	Apr'16~Jun'17	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	17.55	-	17.55	April'12-Dec'15	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	48.91	1.85	47.06	Apr'15~Dec'15	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	58.26	2.19	56.07	Jul'15~Mar`16	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	59.21	-	59.21	Apr'12- Sep'15 and Apr'11- Jan'13	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	68.74	2.71	66.03	Jan`16~June'17	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	92.06	3.45	88.61	Jul'11~Mar'16	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	112.26	3.70	108.56	Aug'02-Mar'06	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	114.92	3.52	111.40	Apr'12~Dec'15	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	120.24	4.76	115.48	Apr'11~Mar'15	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	157.74	5.93	151.81	Sep'04-Mar'08	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	196.96	7.38	189.58	Jun'10~Mar'15	Custom Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	1,042.60	-	1,042.60	April 2006 to October 2010	High Court Allahabad, Uttar Pradesh
The Andhra Pradesh Value Added Tax Act, 2005	VAT/ Sales tax	0.43	0.39	0.04	2015-16	Sales Tax Tribunal
The Bihar Finance Act, 1961	VAT/ Sales tax	5.43	5.43	-	2002-03	Commissioner (Appeals)
The Bihar Value Added Tax Act, 2005	VAT/ Sales tax	12.18	4.26	7.92	2012-13	Commissioner (Appeals)
The Bihar Value Added Tax Act, 2005	VAT/ Sales tax	11.33	3.32	8.01	2008-09	High Court, Bihar
The Bihar Value Added Tax Act, 2005	VAT/ Sales tax	5.57	5.57	-	2011-12	Sales Tax Tribunal
The Bihar Value Added Tax Act, 2005	VAT/ Sales tax	2.45	-	2.45	2017-18	Commissioner (Appeals)
The Bihar Value Added Tax Act, 2005	VAT/ Sales tax	1.05	1.24	-	2007-08	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, 2023  
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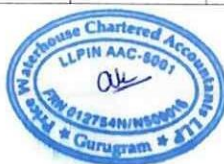
Name of the Statute	Nature of Dues	Amount (Rs. in million)	Amount deposited (Rs. in million)	Amount not paid (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
The Bihar Value Added Tax Act, 2005	VAT/ Sales tax	0.58	0.10	0.48	2013-14	Sales Tax Tribunal
The Bihar Value Added Tax Act, 2005	VAT/ Sales tax	0.31	-	0.31	2015-16	Commissioner (Appeals)
The Chattisgarh Value Added Tax Act, 2005	VAT/ Sales tax	0.12	0.15	-	2016-17	Commissioner (Appeals)
The Delhi Value Added Tax Act, 2004	VAT/ Sales tax	25.72	-	25.72	2017-18	Commissioner (Appeals)
The Delhi Value Added Tax Act, 2004	VAT/ Sales tax	0.25	0.04	0.21	Apr'15-Dec'15	Commissioner (Appeals)
The Gujarat Value Added Tax Act, 2003	VAT/ Sales tax	4.78	3.29	1.49	2006-07	Sales tax Tribunal
The Gujarat Value Added Tax Act, 2003	VAT/ Sales tax	0.38	0.23	0.15	2012-13	Sales Tax Tribunal
The Jharkhand Value Added Tax Act, 2005	VAT/ Sales tax	8.18	1.64	6.54	2010-11	Commissioner (Appeals)
The Jharkhand Value Added Tax Act, 2005	VAT/ Sales tax	2.25	-	2.25	2009-10	Commissioner (Appeals)
The Jharkhand Value Added Tax Act, 2005	VAT/ Sales tax	1.74	-	1.74	2015-16	Commissioner (Appeals)
The Jharkhand Value Added Tax Act, 2005	VAT/ Sales tax	0.49	0.49	-	2013-14	Commissioner (Appeals)
The Karnataka Value Added Tax Act, 2003	VAT/ Sales tax	4.17	1.25	2.92	2014-15	Sales Tax Tribunal
The Karnataka Value Added Tax Act, 2003	VAT/ Sales tax	3.94	1.02	2.92	2011-12	High Court, Karnataka
The Karnataka Value Added Tax Act, 2003	VAT/ Sales tax	3.33	1.58	1.75	2012-13	High Court, Karnataka
The Karnataka Value Added Tax Act, 2003	VAT/ Sales tax	3.10	1.22	1.88	2013-14	High Court, Karnataka
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	62.89	-	62.89	2009-10	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, 2023  
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Name of the Statute	Nature of Dues	Amount (Rs. in million)	Amount deposited (Rs. in million)	Amount not paid (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	55.04	4.03	51.01	2015-16	Commissioner (Appeals)
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	44.99	1.93	43.06	2010-11	High Court, Kerala
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	25.31	-	25.31	2016-17	High Court, Kerala
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	25.26	5.91	19.35	2006-07	High Court, Kerala
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	9.26	0.79	8.47	2013-14	High Court, Kerala
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	4.13	1.25	2.88	2012-13	High Court, Kerala
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	3.73	-	3.73	2017-18	High Court, Kerala
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	3.44	7.00	-	2007-08	Commissioner (Appeals)
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	2.49	4.10	-	2011-12	High Court, Kerala
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	1.63	0.54	1.09	2008-09	Sales Tax Tribunal
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	0.90	-	0.90	2008-09	High Court, Kerala
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	0.64	0.19	0.45	2011-12	Sales Tax Tribunal
The Kerala Value Added Tax Act, 2003	VAT/ Sales tax	0.19	0.06	0.13	2012-13	Sales Tax Tribunal
The Madhya Pradesh Vanijiyik Kar Adhiniyam, 1994	VAT/ Sales tax	4.51	2.51	2.00	2001-02	High Court, Madhya Pradesh
The Madhya Pradesh Vanijiyik Kar Adhiniyam, 1994	VAT/ Sales tax	1.23	1.23	-	1998-99	High Court, Madhya Pradesh
The Maharashtra Value Added Tax Act, 2002	VAT/ Sales tax	5.45	-	5.45	2006-07	High Court, Mumbai
The Orissa Entry Tax Act, 1999	VAT/ Sales tax	7.03	5.50	1.53	2003-04	High Court, Orissa
The Orissa Entry Tax Act, 1999	VAT/ Sales tax	1.89	0.60	1.29	2002-03	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, 2023  
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Name of the Statute	Nature of Dues	Amount (Rs. in million)	Amount deposited (Rs. in million)	Amount not paid (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
The Orissa Value Added Tax Act, 2004	VAT/ Sales tax	2.49	0.33	2.16	2008-09	Commissioner (Appeals)
The Orissa Value Added Tax Act, 2004	VAT/ Sales tax	1.26	0.15	1.11	2007-08	Sales Tax Tribunal
The Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	20.67	-	20.67	2017-18	Commissioner (Appeals)
The Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	3.78	1.44	2.34	April 2008 to March 2013	Sales Tax Tribunal
The Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	3.26	3.26	-	2011-12	High Court, Rajasthan
The Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	2.97	4.66	-	2014-15	Sales Tax Tribunal
The Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	1.12	1.60	-	2013-14	Sales Tax Tribunal
The Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	0.38	0.38	-	2012-13	Sales Tax Tribunal
The Rajasthan Entry Tax Act, 1999	VAT/ Sales tax	0.25	0.23	0.02	2010-11	Sales Tax Tribunal
The Rajasthan Value Added Tax Act, 2003	VAT/ Sales tax	102.46	-	102.46	Apr'08-Mar'10	High Court, Rajasthan
The Rajasthan Value Added Tax Act, 2003	VAT/ Sales tax	26.68	1.24	25.44	2010-11	Sales Tax Tribunal
The Rajasthan Value Added Tax Act, 2003	VAT/ Sales tax	7.56	7.59	-	Apr'09 -Mar'13	High Court, Rajasthan
The Rajasthan Value Added Tax Act, 2003	VAT/ Sales tax	0.93	-	0.93	2015-16	Commissioner (Appeals)
The Tamil Nadu Value Added Tax Act, 2006	VAT/ Sales tax	2.94	3.11	-	2007-08	Sales Tax Tribunal
The Tamil Nadu Value Added Tax Act, 2006	VAT/ Sales tax	1.66	2.29	-	2011-12	Sales Tax Tribunal
The Telangana	VAT/ Sales tax	100.16	23.90	76.26	2012-13 to 2013-14	Telangana High Court





## 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, 2023  
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Name of the Statute	Nature of Dues	Amount (Rs. in million)	Amount deposited (Rs. in million)	Amount not paid (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Value Added Tax Act, 2005						
The Uttar Pradesh Trade Tax Act, 1948	VAT/ Sales tax	166.97	-	166.97	1997-98	High Court, Allahabad
The Uttar Pradesh Trade Tax Act, 1948	VAT/ Sales tax	1.93	-	1.93	2003-04	Sales Tax Tribunal
The Uttar Pradesh Value Added Tax Act, 2008	VAT/ Sales tax	4.63	5.14	-	Apr'17-Jun'17	Commissioner (Appeals)
The Uttar Pradesh Value Added Tax Act, 2008	VAT/ Sales tax	2.01	1.64	0.37	2010-11	Sales Tax Tribunal
The Uttar Pradesh Value Added Tax Act, 2008	VAT/ Sales tax	0.85	0.85	-	2008-09	Sales Tax Tribunal
The Uttar Pradesh Value Added Tax Act, 2008	VAT/ Sales tax	0.38	0.31	0.07	2015-16	Sales Tax Tribunal
The Uttarakhand Value Added Tax Act, 2005	VAT/ Sales tax	0.16	0.17	-	2013-14	Commissioner (Appeals)
The West Bengal Sales Tax Act, 1994	VAT/ Sales tax	98.78	15.00	83.78	2011-12	Sales Tax Tribunal
The West Bengal Sales Tax Act, 1994	VAT/ Sales tax	10.69	-	10.69	2001-02	Sales Tax Tribunal
The West Bengal Sales Tax Act, 1994	VAT/ Sales tax	7.94	0.79	7.15	2016-17	Commissioner (Appeals)
The West Bengal Sales Tax Act, 1994	VAT/ Sales tax	0.51	-	0.51	2009-10	Commissioner (Appeals)

- 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 has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has 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.



## 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, 2023  
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- (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.
- 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 under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of 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.



## 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, 2023  
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- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (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).



**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, 2023  
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xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of 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*

Anurag Khandelwal  
Partner  
Membership Number: 078571

UDIN: 23078571BGXZHW1238  
Place: Gurugram  
Date: September 04, 2023

LG ELECTRONICS INDIA PRIVATE LIMITED  
BALANCE SHEET AS AT MARCH 31, 2023

(In Million)

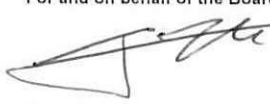
	Note No.	As at	As at
		March 31, 2023	March 31, 2022
		₹	₹
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3(a)	13,328	10,387
(b) Capital work-in-progress	3(b)	243	1,024
(c) Intangible assets	4(a)	99	88
(d) Intangible assets under development	4(b)	3	6
<b>(e) Financial assets</b>			
(i) Trade receivables	5	-	-
(ii) Loans	6	48	58
(iii) Other financial assets	7	1,193	1,011
(f) Deferred tax assets (Net)	26(b)	1,365	1,278
(g) Other non-current assets	8	2,001	2,437
<b>Total non-current assets</b>		<b>18,280</b>	<b>16,289</b>
<b>Current assets</b>			
(a) Inventories	9	26,410	24,094
<b>(b) Financial assets</b>			
(i) Trade receivables	5	14,995	13,811
(ii) Cash and cash equivalents	10	27,515	37,094
(iii) Loans	6	21	21
(iv) Other financial assets	7	724	1,215
(c) Other current assets	8	1,936	1,556
		<b>71,601</b>	<b>77,791</b>
Assets held for sale	8(a)	40	112
<b>Total current assets</b>		<b>71,641</b>	<b>77,903</b>
<b>Total assets</b>		<b>89,921</b>	<b>94,192</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	1,131	1,131
(b) Other equity	12	42,431	53,876
<b>Total equity</b>		<b>43,562</b>	<b>55,007</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
- Lease liabilities	17	2,495	2,347
(b) Provisions	13	832	743
(c) Other non-current liabilities	14(a)	1,160	931
<b>Total non-current liabilities</b>		<b>4,487</b>	<b>4,021</b>
<b>Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Lease liabilities	17	690	561
(ii) Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		3,751	3,189
- total outstanding dues of creditors other than micro enterprises and small enterprises		27,509	22,795
(iii) Other financial liabilities	16	3,236	2,886
(b) Other current liabilities	14(a)	5,092	4,256
(c) Provisions	13	1,159	1,025
(d) Current tax liabilities (Net)	14(b)	435	389
		<b>41,872</b>	<b>35,101</b>
Liabilities classified as held-for-sale	35	-	63
<b>Total current liabilities</b>		<b>41,872</b>	<b>35,164</b>
<b>Total liabilities</b>		<b>46,359</b>	<b>39,185</b>
<b>Total equity and liabilities</b>		<b>89,921</b>	<b>94,192</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. : 012754N/N500016

  
Anurag Khandelwal  
Partner  
Membership No. : 078571


For and on behalf of the Board of Directors

  
Hong Ju Jeon  
Managing Director  
DIN : 10041232

  
Dong Myung Seo  
Director and Chief  
Financial Officer  
DIN : 09481866

  
Atul Khanna  
Vice President Finance

  
Pradeep Panda  
Company Secretary  
Membership No. : FCS3543

  
Suresh Jhanwar  
General Manager Accounting

Place : Gurugram  
Date : September 04, 2023

Place : Noida  
Date : September 04, 2023

LG ELECTRONICS INDIA PRIVATE LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(In Million)

	Note No.	Year ended	Year ended
		March 31, 2023	March 31, 2022
		₹	₹
<b>A. Continuing operations</b>			
Revenue from operations	18	198,646	168,342
Other income	19	2,440	2,038
<b>Total income</b>		<b>201,086</b>	<b>170,380</b>
<b>Expenses</b>			
Cost of materials consumed	20(a)	123,608	100,322
Purchases of stock-in-trade	20(b)	18,788	14,917
Changes in inventories of finished goods, stock-in-trade and work-in-progress	20(c)	(2,115)	2,766
Employee benefit expenses	21	7,992	7,255
Finance costs	22	226	225
Depreciation and amortisation expense	23	3,004	2,584
Other expenses	24	31,380	25,995
<b>Total expenses</b>		<b>182,883</b>	<b>154,064</b>
<b>Profit before tax from continuing operations</b>		<b>18,203</b>	<b>16,316</b>
<b>Tax expense</b>			
- Current tax	26(a)	4,794	4,108
- Short provision for tax relating to prior years	26(a)	14	5
- Deferred tax	26(b)	(85)	147
<b>Total tax expense</b>		<b>4,723</b>	<b>4,260</b>
<b>Profit for the year from continuing operations</b>		<b>13,480</b>	<b>12,056</b>
<b>B. Discontinued operations</b>			
Loss from discontinued operations before tax	35	(42)	(418)
Tax expense of discontinued operations	35	(11)	(109)
<b>Loss after tax from discontinued operations</b>		<b>(31)</b>	<b>(309)</b>
<b>Profit for the year</b>		<b>13,449</b>	<b>11,747</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of post-employment benefit obligation	27	(8)	28
Income tax relating to these items	26(b)	2	(7)
<b>Other Comprehensive Income for the year (Net of tax)</b>		<b>(6)</b>	<b>21</b>
<b>Total Comprehensive Income for the year</b>		<b>13,443</b>	<b>11,768</b>
<b>Earnings per equity share from continuing operations attributable to the equity holders of the Company</b>			
Basic earnings per share (₹)	29	119.16	106.57
Diluted earnings per share (₹)	29	119.16	106.57
<b>Earnings per equity share from discontinued operations attributable to the equity holders of the Company</b>			
Basic earnings per share (₹)	29	(0.27)	(2.73)
Diluted earnings per share (₹)	29	(0.27)	(2.73)
<b>Earnings per equity share from continuing and discontinued operations attributable to the equity holders of the Company</b>			
Basic earnings per share (₹)	29	118.89	103.84
Diluted earnings per share (₹)	29	118.89	103.84

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/N500016

  
Anurag Khandelwal

Partner

Membership No. : 078571

For and on behalf of the Board of Directors



Hong Ju Jeon  
Managing Director  
DIN : 10041232



Dong Myung Seo  
Director and Chief  
Financial Officer  
DIN : 09481866



Atul Khanna  
Vice President Finance



Pradeep Panda  
Company Secretary  
Membership No. : FCS3543



Suresh Jhanwar  
General Manager Accounting

Place : Gurugram  
Date : September 04, 2023

Place : Noida  
Date : September 04, 2023

**LG ELECTRONICS INDIA PRIVATE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**


(In Million)

	Equity share capital ₹	Amalgamation reserve ₹	Reserves and surplus			Total ₹
			Retained earnings ₹	General reserve ₹		
<b>Balance as at April 01, 2021</b>	1,131	364	62,546	1,824		64,734
Profit for the year	-	-	11,747	-		11,747
Other Comprehensive Income	-	-	21	-		21
<b>Total Comprehensive Income for the year</b>	-	-	11,768	-		11,768
Less : Interim dividend paid @ ₹ 200.00 per share	-	-	22,626	-		22,626
<b>Balance as at March 31, 2022</b>	1,131	364	51,688	1,824		53,876
<b>Balance as at April 01, 2022</b>	1,131	364	51,688	1,824		53,876
Profit for the year	-	-	13,449	-		13,449
Other Comprehensive Income	-	-	(6)	-		(6)
<b>Total Comprehensive Income for the year</b>	-	-	13,443	-		13,443
<b>Transactions with owners in their capacity as owners :</b>						
Less : Interim dividend paid @ ₹ 220.00 per share	-	-	24,888	-		24,888
<b>Balance as at March 31, 2023</b>	1,131	364	40,243	1,824		42,431




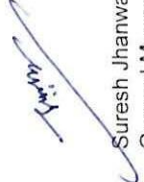
See accompanying notes forming part of the financial statements.  
This is the Statement of Changes in Equity referred to in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No. : 012754N/N5000016

  
Anurag Khandelwal  
Partner  
Membership No. : 078571

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

	Hong Ju Jeon Managing Director DIN. : 10041232
	Dong Myung Seo Director and Chief Financial Officer DIN. : 09481866
	Atul Khanna Vice President Finance
	Pradeep Panda Company Secretary Membership No : FCS3543
	Suresh Jhanwar General Manager Accounting

Place : Gurugram  
Date : September 04, 2023

Place : Noida  
Date : September 04, 2023

LG ELECTRONICS INDIA PRIVATE LIMITED  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(In Million)

	Year ended March 31, 2023		Year ended March 31, 2022	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax from continuing operations	18,203		16,316	
Loss before tax from discontinued operations	(42)		(418)	
<b>Profit before income tax including discontinued operations</b>		<b>18,161</b>		<b>15,898</b>
<i>Adjustments for:</i>				
Depreciation and amortisation expense	3,004		2,612	
Profit on sale of property, plant and equipment (net)	(7)		(33)	
Interest income on bank deposits	(2,202)		(1,624)	
Finance costs	225		225	
Property, plant and equipment written-off	3		1	
Allowance for doubtful trade receivables, other assets and other financial assets	48		73	
Trade receivables written-off	19		13	
Provision for warranty expenses / (written-back)	87		(94)	
Provision for service tax liability written-back	-		(344)	
Sundry advances written-off / (written-back)	-		(1)	
Unrealised (gain) / loss on foreign currency (Net)	(19)		62	
		<u>1,158</u>		<u>890</u>
Operating profit before change in operating assets and liabilities		19,319		16,788
<i>Changes in working capital:</i>				
<i>Adjustment for (increase) / decrease in operating assets:</i>				
Inventories	(2,262)		2,238	
Trade receivables	(1,207)		(3,282)	
Other assets	(269)		122	
Other financial assets	245		(186)	
Loans	10		(30)	
<i>Adjustment for increase / (decrease) in operating liabilities:</i>				
Trade payables	5,301		(6,941)	
Provisions	128		60	
Other liabilities	1,002		1,105	
Other financial liabilities	865		121	
		<u>3,813</u>		<u>(6,793)</u>
Cash generated from operations		23,132		9,995
Net income tax (paid) / refunds		(4,425)		(4,016)
<b>Net cash inflow/(outflow) from operating activities (A)</b>		<b>18,707</b>		<b>5,979</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)		(5,171)		(2,733)
Proceeds from government grant		197		296
Proceeds from sale of property, plant and equipment		33		38
Interest income on bank deposits		2,266		1,667
<b>Net cash (outflow)/inflow from investing activities (B)</b>		<b>(2,675)</b>		<b>(732)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Principal payment of lease liabilities		(494)		(414)
Interest paid on lease liabilities		(225)		(225)
Interim dividend		(24,888)		(22,626)
<b>Net cash (outflow)/inflow from financing activities (C)</b>		<b>(25,607)</b>		<b>(23,265)</b>



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LG ELECTRONICS INDIA PRIVATE LIMITED  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(In Million)

	Year ended March 31, 2023		Year ended March 31, 2022	
	₹	₹	₹	₹
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		(9,575)		(18,018)
Cash and cash equivalents at the beginning of the year		37,094		55,108
Effect of exchange differences on restatement of foreign currency		(4)		4
<b>Cash and cash equivalents at the end of the year</b>		<b>27,515</b>		<b>37,094</b>
<b>Non-cash investing activities</b>				
Acquisition of right of use assets		788		312
<b>Cash and cash equivalents at the end of the year comprises:</b>				
(a) Balances with banks				
(i) In current accounts		246		300
(ii) In EEFC accounts		345		308
(b) Cash on hand		5		6
(c) Bank deposits with maturity of less than three months		26,919		36,480
		<b>27,515</b>		<b>37,094</b>

**Notes:**

- (i) The above Statement of Cash Flows has been prepared under the indirect method as set out in "Ind AS 7 Statement of Cash Flows".  
(ii) Amount in bracket represent outflows  
(iii) Net Cash Flow from Operating Activities includes an amount of ₹ 188 millions (March 31, 2022 : ₹ 276 millions) spent towards Corporate social responsibility  
(iv) Balance with banks in current accounts and Bank deposits with maturity of less than three months includes balance in separate CSR unspent account amounting to ₹ 56 Million and ₹ 419 Million respectively (March 31, 2022 : ₹ 18 Million and ₹ 139 Million respectively)

See accompanying notes forming part of the financial statements

This is the Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No : 012754N/N500016

Anurag Khandelwal  
Partner

Membership No : 078571

Place : Gurugram  
Date : September 04, 2023

For and on behalf of the Board of Directors

Hong Ju Jeon  
Managing Director

DIN : 10041232

Atul Khanna  
Vice President Finance

Suresh Jhanwar  
General Manager Accounting

Place : Noida  
Date : September 04, 2023

Dong Myung Seo  
Director and Chief Financial Officer

DIN : 09481866

Pradeep Panda  
Company Secretary  
Membership No : FCS3543

**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 manufacturing and trading of 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, Water Purifiers, Air Purifiers, Personal Computer, Security Camera, Dishwasher and LED Lights.

The Manufacturing facilities of the 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 4, 2023.

**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 Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 01, 2022. These amendments 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 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 01, 2023.

The Rules predominantly amend Ind AS 1, 'Presentation of financial statements' which requires companies to disclose their material accounting policies rather than their significant accounting policies, Ind AS 8, 'Accounting policies, changes in accounting estimates and errors', and Ind AS 12, 'Income taxes'. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

**B) Revenue recognition**

The Company recognises 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, stock-in-trade, raw material, service components and spares is recognised 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 recognised based on the consideration specified in a contract with a customer (Transaction price) and is 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 recognises 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 recognises 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 recognised 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 recognises 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.



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

**Sales, installation and commissioning contracts**

The fixed price contract of sales, installation and commissioning are integrated contracts and revenue is recognised 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 recognised 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 recognised on a pro-rata basis over the period of the contract.

**Other income**

Income from interest on bank deposits is recognised 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 recognised 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 recognised as deduction from property, plant and equipment and intangible assets in the Balance Sheet and transferred to the 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 recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises related revenue on which grant for taxes/ duty are intended to compensate.

**D) Leases**

The lessee is required to recognise 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 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 right of use assets and finance costs on lease liabilities are recognised as an expense 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 recognised 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.

**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 recognised 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.



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**LG Electronics India Private Limited**

**Notes to the financial statements**

**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 recognised in the Statement of Profit and Loss in the period in which they are incurred.

**G) Employee benefits**

Employee benefits include provident fund, employees 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 recognised 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 recognised 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 categorised 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 the 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 recognised 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 recognised in the 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 sum of the 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.



The image shows a blue circular stamp of a Chartered Accountant. The text inside the stamp includes "Chartered Accountant", "LLPIN AAC-5007", and "Chartered Accountant". There are two handwritten signatures in black ink over the stamp. One signature is at the top right, and another is at the bottom right. The initials "AK" are written in the center of the stamp.

LG Electronics India Private Limited  
Notes to the financial statements

**Deferred tax**

Deferred tax is recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised 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 utilised. Such deferred tax assets and liabilities are not recognised 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 realised, 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 recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised 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 derecognises the written down value of replaced parts and recognises 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 recognised 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 recognised in the Statement 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)
Building	30	10-20
Plant and machineries	15	5-10
Furniture and fixtures	10	5
Office equipments	5	5
Computers	3	5
Vehicles	8	5

Useful lives, depreciation method and residual value are 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 the 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/construct assets, accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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.

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 recognised immediately in the 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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised 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 realisable 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 realisable 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
Stock-in-trade	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 recognised for the difference between estimated fair value and carrying value.

M) Financial instruments

**Financial assets and financial liabilities**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument. Financial assets are derecognised 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 derecognised 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 recognised on the trade date i.e., the date when the Company commits to purchase or sell the asset.



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**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 amortised 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 the 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:

- **Amortised 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 amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised 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 (FVTOCI). Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income (OCI) is reclassified from equity to Statement of Profit and Loss and recognised 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 amortised 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 recognised in the 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 realise 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 recognised initially at fair value and subsequently measured at amortised 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.

**Impairment of financial assets**

The Company recognises 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 recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

**Derecognition of financial assets**

A financial asset is derecognised 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 derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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 derecognised 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 recognised 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 recognised initially at fair value and subsequently measured at amortised 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 recognised in the Statement of Profit and Loss.



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

**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 Company, 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 recognised 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 recognised 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 recognised 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, as part of a single co-ordinated plan to dispose of such a line of business. The net assets relating to such discontinued operations are presented as current assets and 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 " \* ".



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LG Electronics India Private Limited  
Notes to the financial statements

Y) 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 recognised in the financial statement.

(a) 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.

(b) 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.

(c) 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.



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LG 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, 2023	As at March 31, 2022
I. Owned assets	10,458	7,672
II. Right of use assets	2,870	2,715
<b>Total</b>	<b>13,328</b>	<b>10,387</b>

Description of assets	(In Million)									
	Land - Freehold*	Buildings	Leasehold improvements	Plant and machineries [Refer Note (i)]	Office equipments	Furniture and fixtures	Vehicles	Total		
<b>As at March 31, 2022</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount as at April 01, 2021	-	2,458	346	14,765	1,164	246	101	19,080		
Additions during the year	-	112	45	2,087	195	49	50	2,538		
Government grant received during the year	-	-	-	284	1	-	1	296		
Classified as held for Sale	-	36	-	20	-	-	-	56		
Disposals during the year	-	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 during the year	-	7	-	200	63	3	1	274		
<b>Closing accumulated depreciation as at March 31, 2022</b>	-	<b>1,336</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>		
<b>As at March 31, 2023</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount as at April 01, 2022	-	2,517	391	16,343	1,294	292	149	20,986		
Additions during the year	-	414	47	4,596	244	43	25	5,370		
Government grant received during the year	-	8	-	188	1	-	-	197		
Classified as held for Sale	-	3	-	13	-	-	-	18		
Disposals during the year	-	3	-	148	89	5	25	270		
<b>Closing gross carrying amount as at March 31, 2023</b>	-	<b>2,917</b>	<b>438</b>	<b>20,590</b>	<b>1,448</b>	<b>328</b>	<b>150</b>	<b>25,871</b>		
<b>Accumulated depreciation</b>										
Opening accumulated depreciation as at April 01, 2022	-	1,336	67	10,859	795	176	81	13,314		
Depreciation charge during the year	-	263	58	2,068	166	52	30	2,637		
Government grant amortised during the year	-	5	-	281	1	-	-	287		
Classified as held for Sale	-	1	-	7	-	-	2	10		
Disposals during the year	-	3	-	138	87	4	9	241		
<b>Closing accumulated depreciation as at March 31, 2023</b>	-	<b>1,590</b>	<b>125</b>	<b>12,501</b>	<b>873</b>	<b>222</b>	<b>102</b>	<b>15,413</b>		
<b>Net carrying amount</b>	-	<b>1,327</b>	<b>313</b>	<b>8,089</b>	<b>575</b>	<b>106</b>	<b>48</b>	<b>10,458</b>		

\* Amount is below rounding-off norm adopted by the Company.

Note:

(i) Gross block and Net carrying amount of plant and machineries includes assets aggregating to ₹ 10,412 million and ₹ 1,726 million respectively (March 31, 2022 ₹ 9,225 million and ₹ 1,063 million) lying with third parties.

(ii) Refer Note No 31B for disclosure of contractual commitments for the acquisition of property, plant and equipment.



LG Electronics India Private Limited  
Notes to the financial statements

II. Right of use assets

(In Million)

Description of assets	₹				₹		₹	
	Land - leasehold	Buildings	Office equipments	Vehicles	Total			
<b>As at March 31, 2022</b>								
<b>Gross carrying amount</b>								
Opening gross carrying amount as at April 01, 2021	115	3,212	11	84	3,422			
Additions during the year	-	280	-	32	312			
Disposals during the year	-	175	-	26	201			
<b>Closing gross carrying amount as at March 31, 2022</b>	<b>115</b>	<b>3,317</b>	<b>11</b>	<b>90</b>	<b>3,533</b>			
<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 during the year	-	174	-	25	199			
<b>Closing accumulated depreciation as at March 31, 2022</b>	<b>5</b>	<b>768</b>	<b>4</b>	<b>41</b>	<b>818</b>			
<b>Net carrying amount</b>	<b>110</b>	<b>2,549</b>	<b>7</b>	<b>49</b>	<b>2,715</b>			
<b>As at March 31, 2023</b>								
<b>Gross carrying amount</b>								
Opening gross carrying amount as at April 01, 2022	115	3,317	11	90	3,533			
Additions during the year	-	753	-	35	788			
Disposals during the year	-	392	2	22	416			
<b>Closing gross carrying amount as at March 31, 2023</b>	<b>115</b>	<b>3,678</b>	<b>9</b>	<b>103</b>	<b>3,905</b>			
<b>Accumulated depreciation</b>								
Opening accumulated depreciation as at April 01, 2022	5	768	4	41	818			
Depreciation charge during the year	2	581	3	30	616			
Disposals during the year	-	376	2	21	399			
<b>Closing accumulated depreciation as at March 31, 2023</b>	<b>7</b>	<b>973</b>	<b>5</b>	<b>50</b>	<b>1,035</b>			
<b>Net carrying amount</b>	<b>108</b>	<b>2,705</b>	<b>4</b>	<b>53</b>	<b>2,870</b>			

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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, 2022</b>		
Opening carrying amount as at April 01, 2021		333
Additions during the year		3,229
Deletions made during the year		2,538
<b>Closing carrying amount as at March 31, 2022</b>		<b>1,024</b>
<b>As at March 31, 2023</b>		
Opening carrying amount as at April 01, 2022		1,024
Additions during the year		4,589
Deletions made during the year		5,370
<b>Closing carrying amount as at March 31, 2023</b>		<b>243</b>

Description of assets	(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
<b>Projects-in-progress</b>				<b>Total</b>
As at March 31, 2023	235	-	8	243
As at March 31, 2022	913	11	100	1,024

Description of assets	(In Million)			
	Completion schedule for capital work in progress whose completion is overdue compared to its original plan			
	To be completed in			
<b>Projects-in-progress</b>	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
As at March 31, 2023	91	-	-	91
As at March 31, 2022	596	-	-	596

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



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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, 2022</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount as at April 01, 2021	279
Additions during the year	52
Disposals during the year	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
Disposals during the year	10
<b>Closing accumulated amortisation as at March 31, 2022</b>	<b>233</b>
<b>Net carrying amount</b>	<b>88</b>
<b>As at March 31, 2023</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount as at April 01, 2022	321
Additions during the year	49
Disposals during the year	-
<b>Closing gross carrying amount as at March 31, 2023</b>	<b>370</b>
<b>Accumulated amortisation</b>	
Opening accumulated amortisation as at April 01, 2022	233
Amortisation charge during the year	38
Disposals during the year	-
<b>Closing accumulated amortisation as at March 31, 2023</b>	<b>271</b>
<b>Net carrying amount</b>	<b>99</b>

Note 4(b) : Intangible assets under development

(In Million)

Description of assets	Total
	₹
<b>As at March 31, 2022</b>	
Opening carrying amount as at April 01, 2021	5
Additions during the year	53
Deletions during the year	52
<b>Closing carrying amount as at March 31, 2022</b>	<b>6</b>
<b>As at March 31, 2023</b>	
Opening carrying amount as at April 01, 2022	6
Additions during the year	46
Deletions during the year	49
<b>Closing carrying amount as at March 31, 2023</b>	<b>3</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, 2023	3	-	-	-	3
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	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31, 2023	-	-	-	-	-
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, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
	₹	₹	₹	₹
Trade receivables from contract with customers	12,749	72	12,072	72
Trade receivables from contract with customers – related parties	2,592	-	2,083	-
[Refer Note No 28(b)]				
Less: Loss allowance	346	72	341	72
	<b>14,995</b>	<b>-</b>	<b>13,814</b>	<b>-</b>
Break-up of security details				
- Secured, considered good	-	-	-	-
- Unsecured, considered good	15,341	72	14,155	72
- Which have significant increase in credit risk	-	-	-	-
- Credit impaired	-	-	-	-
Less: Loss allowance	346	72	341	72
<b>Trade receivables</b>	<b>14,995</b>	<b>-</b>	<b>13,814</b>	<b>-</b>
Less: Trade receivables related to discontinued operations (Refer Note No 35)	-	-	3	-
<b>Total Trade receivables</b>	<b>14,995</b>	<b>-</b>	<b>13,811</b>	<b>-</b>

Ageing of current trade receivables

As at March 31, 2023

(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</b>							
- Considered good	14,363	744	20	30	12	172	15,341
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance	152	14	7	14	8	151	346
<b>Disputed trade receivables</b>							
- Considered good	-	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	-	-	-
<b>Trade receivables-Unbilled</b>							
	14,211	730	13	16	4	21	14,995

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</b>							
- Considered good	13,011	887	37	25	35	160	14,155
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance	125	14	13	17	16	156	341
<b>Disputed trade receivables</b>							
- Considered good	-	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	-	-	-
<b>Trade receivables-Unbilled</b>							
	12,886	873	24	8	19	4	13,814

Ageing of non current trade receivables

As at March 31, 2023

(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</b>							
- Considered good	-	-	-	-	-	72	72
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	-	72	72
<b>Disputed trade receivables</b>							
- Considered good	-	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	-	-	-
<b>Trade receivables-Unbilled</b>							
	-	-	-	-	-	-	-

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</b>							
- Considered good	-	-	-	-	-	72	72
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	-	72	72
<b>Disputed trade receivables</b>							
- Considered good	-	-	-	-	-	-	-
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	-	-	-	-
<b>Trade receivables-Unbilled</b>							
	-	-	-	-	-	-	-



LG Electronics India Private Limited  
Notes to the financial statements

Note 6 : Financial assets - Loans

(In Million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
	₹	₹	₹	₹
Loans to employees				
- Secured, considered good	-	-	-	-
- Unsecured, considered good	21	48	21	58
<b>Total loans</b>	<b>21</b>	<b>48</b>	<b>21</b>	<b>58</b>

Note 7 : Other financial assets

(In Million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
	₹	₹	₹	₹
(a) Interest accrued on bank deposits	111	-	175	-
(b) Recoverable from related parties [Refer Note No 28 (b)]	57	-	39	-
(c) Government grant recoverable				
Unsecured, considered good	361	846	829	703
Considered doubtful	-	15	-	15
Less: Loss allowance	-	15	-	15
	361	846	829	703
(d) Security deposits #				
Unsecured, considered good	176	344	143	308
Considered doubtful	-	2	-	2
Less: Loss allowance	-	2	-	2
	176	344	143	308
(e) Other recoverables				
Unsecured, considered good	19	3	29	-
Considered doubtful	1	-	1	-
Less: Loss allowance	1	-	1	-
	19	3	29	-
<b>Total other financial assets</b>	<b>724</b>	<b>1,193</b>	<b>1,215</b>	<b>1,011</b>

# Includes Current and Non-Current portion of deposits made for residential accommodation on behalf of directors amounting to ₹ 2 Million and ₹ 2 Million respectively (March 31, 2022 : ₹ 1 Million and ₹ 2 Million respectively). [Refer Note No 28(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, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
	₹	₹	₹	₹
<b>Capital advance</b>				
(i) Capital advances				
Unsecured, considered good	27	-	6	-
	<b>27</b>	<b>-</b>	<b>6</b>	<b>-</b>
<b>Advance other than capital advance</b>				
(i) Security deposits				
Unsecured, considered good	-	20	-	21
Unsecured, considered doubtful	-	25	-	25
Less: Allowance for doubtful deposits	-	25	-	25
	-	<b>20</b>	-	<b>21</b>
(ii) Advance to suppliers				
Unsecured, considered good	100	-	125	-
Unsecured, considered doubtful	1	-	1	-
Less: Allowance for doubtful assets	1	-	1	-
	<b>100</b>	<b>-</b>	<b>125</b>	<b>-</b>
(iii) Balances with government authorities (other than income taxes)				
Unsecured, considered good				
a) Excise and customs duty recoverable	2	44	3	126
b) Sales tax recoverable (Refer Note i below)	-	155	-	177
c) GST recoverable	1,432	2	1,094	2
Unsecured, considered doubtful				
a) Excise and customs duty recoverable	-	282	-	238
b) Sales tax recoverable	-	24	-	26
c) GST recoverable	-	11	-	11
Less: Allowance for doubtful assets				
a) Excise and customs duty recoverable	-	282	-	238
b) Sales tax recoverable	-	24	-	26
c) GST recoverable	-	11	-	11
	<b>1,434</b>	<b>201</b>	<b>1,097</b>	<b>305</b>
(iv) Advance income tax [net of provision for income tax ₹ 55,302 million (March 31, 2022: ₹ 51,290 million) (Refer Note No 31(A) and Note ii below)]	-	1,772	-	2,098
(v) Prepayments	117	8	102	13
(vi) Insurance advance				
Unsecured, considered good	64	-	49	-
Unsecured, considered doubtful	1	-	-	-
Less: Allowance for doubtful assets	1	-	-	-
	<b>64</b>	<b>-</b>	<b>49</b>	<b>-</b>
(vii) Right to recover returned goods	164	-	154	-
(viii) Contract assets (Unbilled revenue)	30	-	46	-
(ix) Others				
Unsecured considered doubtful (Refer Note iii below)	-	10	-	10
Less: Allowance for doubtful assets	-	10	-	10
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other assets</b>	<b>1,936</b>	<b>2,001</b>	<b>1,579</b>	<b>2,437</b>
Less: Other assets related to discontinued operation (Refer Note No 35)	-	-	23	-
<b>Total other assets</b>	<b>1,936</b>	<b>2,001</b>	<b>1,556</b>	<b>2,437</b>

Notes

- (i) Sales tax recoverable include amount paid under protest aggregating to ₹161 million (March 31, 2022 ₹164 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 for the respective years are reflected in Note No. 14(b).  
(iii) Others represents withholding tax recoverable amounting to ₹10 million (March 31, 2022 ₹10 million)

Note 8(a) : Assets held for sale

(In Million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
	₹	₹	₹	₹
(i) Buildings	2	-	-	-
(ii) Plant and machineries	6	-	-	-
(iii) Assets related to discontinued operations (Refer Note No 35)	32	-	112	-
<b>Total other assets</b>	<b>40</b>	<b>-</b>	<b>112</b>	<b>-</b>





LG Electronics India Private Limited  
Notes to the financial statements

Note 9 : Inventories

(In Million)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹	₹
(a) Raw materials	13,424	13,393
(b) Work-in-progress	365	361
(c) Finished goods	9,218	6,417
(d) Stock-in-trade	1,682	2,372
(e) Stores and spares	1,731	1,618
(f) Packaging material	22	19
<b>Inventories</b>	<b>26,442</b>	<b>24,180</b>
Less: Inventories related to discontinued operation (Refer Note No 35)	32	86
<b>Total inventories</b>	<b>26,410</b>	<b>24,094</b>

Included above, goods-in-transit:		
(i) Raw materials	6,483	4,559
(ii) Stock-in-trade	458	855
(iii) Stores and spares	53	81
<b>Total goods-in-transit</b>	<b>6,994</b>	<b>5,495</b>

Note:

(i) Write-down of inventories to net realisable value recognised as an expense during the year amounts to ₹22 Million (March 31, 2022 ₹22 Million). These were included in changes in inventories of finished goods, stock-in-trade 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, 2023	March 31, 2022
	₹	₹
Raw materials	1,331	974
Finished goods and stock-in-trade	13	24
<b>Total</b>	<b>1,344</b>	<b>998</b>

Note 10 : Cash and cash equivalents

(In Million)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	₹	₹
(a) Balance with banks		
(i) In current accounts#	246	300
(ii) In EEFC accounts*	345	308
(b) Cash on hand	5	6
(c) Bank deposits with maturity of less than three months#	26,919	36,480
<b>Total cash and cash equivalents</b>	<b>27,515</b>	<b>37,094</b>

# Balance with banks in current accounts and Bank deposits with maturity of less than three months includes balance in separate CSR unspent account amounting to ₹ 56 Million and ₹ 419 Million respectively (March 31, 2022 : ₹ 18 Million and ₹ 139 Million respectively). [Refer Note No 33]

\* Exchange Earner's Foreign Currency Accounts



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, 2023	March 31, 2022
	₹	₹
(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, 2023		March 31, 2022	
	No. of	₹	No. of	₹
	shares held	(In Million)	shares held	(In Million)
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, 2023		March 31, 2022	
	No. of	₹	No. of	₹
	shares held	(In Million)	shares held	(In Million)
Equity shares with voting rights				
LG Electronics Inc., South Korea. (Holding company)	113,128,726	1,131	113,128,726	1,131
LG Soft India Private Limited (Subsidiary of the holding company)	6	*	6	*

\* Amount is below rounding-off norm adopted by the Company.

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

Name of Shareholder	As at		As at	
	March 31, 2023		March 31, 2022	
	No. of	%	No. of	%
	shares held		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, 2023		March 31, 2022	
	No. of	%	No. of	%
	shares held		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	*

\* Amount is below rounding-off norm adopted by the Company.

There has been no change during the year in shareholding of promoters.



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#		
	₹	₹	₹	₹	
<b>Balance as at April 01, 2021</b>	364	62,546	1,824		64,734
Profit for the year	-	11,747	-		11,747
Other Comprehensive Income/ (Loss) (net of tax)	-	21	-		21
<b>Total Comprehensive Income for the year</b>	-	11,768	-		11,768
Less : Interim dividend paid	-	22,626	-		22,626
<b>Balance as at March 31, 2022</b>	<b>364</b>	<b>51,688</b>	<b>1,824</b>		<b>53,876</b>
<b>Balance as at April 01, 2022</b>	<b>364</b>	<b>51,688</b>	<b>1,824</b>		<b>53,876</b>
Profit for the year	-	13,449	-		13,449
Other Comprehensive Income/ (Loss) (net of tax)	-	(6)	-		(6)
<b>Total Comprehensive Income</b>	-	<b>13,443</b>	-		<b>13,443</b>
Less : Interim dividend paid	-	24,888	-		24,888
<b>Balance as at March 31, 2023</b>	<b>364</b>	<b>40,243</b>	<b>1,824</b>		<b>42,431</b>

\*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 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

Particulars	As at March 31, 2023		As at March 31, 2022	
	(In Million)		(In Million)	
	Current ₹	Non-Current ₹	Current ₹	Non-Current ₹
(a) Provision for employee benefits (Refer Note No 27)				
(i) Provision for compensated absences	385	-	370	-
(ii) Provision for long term service award	28	66	18	71
(iii) Provision for gratuity	148	570	120	490
	<b>561</b>	<b>636</b>	<b>508</b>	<b>561</b>
(b) Other provisions (Refer Note No 30)				
(i) Warranty	598	69	517	63
(ii) Provision for other contingencies	-	127	-	119
	<b>598</b>	<b>196</b>	<b>517</b>	<b>182</b>
<b>Total provisions</b>	<b>1,159</b>	<b>832</b>	<b>1,025</b>	<b>743</b>

Note 14(a) : Other liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	(In Million)		(In Million)	
	Current ₹	Non-Current ₹	Current ₹	Non-Current ₹
(i) Advances received from customers	280	-	241	-
(ii) Statutory dues - Statutory remittances	2,403	-	2,048	-
(iii) Contract liability - Deferred revenue	1,386	1,160	1,251	931
(iv) Refund liability	235	-	223	-
(v) Liability towards Corporate social responsibility	788	-	556	-
<b>Other liabilities</b>	<b>5,092</b>	<b>1,160</b>	<b>4,319</b>	<b>931</b>
Less: Other current liabilities related to discontinued operation (Refer Note No 35)	-	-	63	-
<b>Total other liabilities</b>	<b>5,092</b>	<b>1,160</b>	<b>4,256</b>	<b>931</b>

Note 14 (b) : Current tax liability

Particulars	As at March 31, 2023		As at March 31, 2022	
	(In Million)		(In Million)	
	Current ₹	Non-Current ₹	Current ₹	Non-Current ₹
Income tax liabilities (Refer Note No 8) [Net of Advance income tax ₹ 10,142 million (March 31, 2022: ₹ 9,403 million)]	435	-	389	-
<b>Total other liabilities</b>	<b>435</b>	<b>-</b>	<b>389</b>	<b>-</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, 2023		As at March 31, 2022	
	Current ₹	Non-Current ₹	Current ₹	Non-Current ₹
Trade payables to micro enterprises and small enterprises [Refer Note No. 36]	3,751	-	3,189	-
Trade payables to creditors other than micro enterprises and small enterprises	7,485	-	5,932	-
- Related parties [Refer Note No 28 (b)]	137	-	61	-
- Acceptances	19,887	-	16,802	-
- Others	-	-	-	-
<b>Total trade payables</b>	<b>31,260</b>	<b>-</b>	<b>25,984</b>	<b>-</b>

Ageing of trade payables

As at March 31, 2023

Trade Payables	Unbilled	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 Year	1-2 Years	2-3 Years	
<b>Undisputed Trade Payables</b>						
Micro enterprises and small enterprises	441	3,290	1	-	-	3,732
Others	4,239	19,433	3,499	123	52	27,393
<b>Disputed Trade Payables</b>						
Micro enterprises and small enterprises	-	19	-	-	-	19
Others	-	116	-	-	-	116
<b>Total</b>	<b>4,680</b>	<b>22,858</b>	<b>3,500</b>	<b>123</b>	<b>52</b>	<b>31,260</b>

As at March 31, 2022

Trade Payables	Unbilled	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 Year	1-2 Years	2-3 Years	
<b>Undisputed Trade Payables</b>						
Micro enterprises and small enterprises	375	2,472	10	-	-	2,857
Others	3,276	17,130	2,151	127	70	22,795
<b>Disputed Trade Payables</b>						
Micro enterprises and small enterprises	-	332	-	-	-	332
Others	-	-	-	-	-	-
<b>Total</b>	<b>3,651</b>	<b>19,934</b>	<b>2,161</b>	<b>127</b>	<b>70</b>	<b>25,984</b>



LG Electronics India Private Limited  
Notes to the financial statements

Note 16 : Other financial liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current ₹	Non- Current ₹	Current ₹	Non- Current ₹
Capital creditors	156	-	636	-
Capital creditors-related parties [Refer Note No 28 (b)]	6	-	41	-
Expected promotional incentive for customers	3,050	-	2,204	-
Derivative financial liabilities	24	-	5	-
<b>Total other financial liabilities</b>	<b>3,236</b>	<b>-</b>	<b>2,886</b>	<b>-</b>

Note 17 : Lease liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current ₹	Non- Current ₹	Current ₹	Non- Current ₹
Lease liabilities (Refer Note below)	690	2,495	561	2,347
<b>Total lease liabilities</b>	<b>690</b>	<b>2,495</b>	<b>561</b>	<b>2,347</b>

Note:

- Interest expense relating to lease liabilities are included in finance cost. [Refer Note No 22]
- Depreciation charge of right of use asset are included in depreciation and amortisation expense. [Refer Note No 23]
- Expense relating to short-term and low value leases are included in other expenses as rent. [Refer Note No 24]
- The Company does not have any leases with variable lease payments.
- The total cash outflow for leases including interest and short term leases ₹ 1,566 million (31 March 2022 ₹ 1,532 million).
- 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.



LG Electronics India Private Limited  
Notes to the financial statements

Note 18 : Revenue from operations

(In Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Revenue from contracts with customers		
- Sale of products (Refer Note No (i) below)	192,739	163,326
- Sale of services (Refer Note No (ii) below)	4,846	4,088
	197,585	167,414
Other operating revenue (Refer Note No (iii) below)	1,061	928
<b>Total revenue from operations</b>	<b>198,646</b>	<b>168,342</b>

Note :

(i) Sale of products		
<b>Stock-in-trade</b>	23,673	20,734
Less: Sale return	364	214
<b>Total - sale of stock-in-trade</b>	<b>23,309</b>	<b>20,520</b>
<b>Manufactured goods</b>	170,225	143,278
Less: Sale return	795	472
<b>Total - sale of manufactured goods</b>	<b>169,430</b>	<b>142,806</b>
<b>Total - sale of products</b>	<b>192,739</b>	<b>163,326</b>
(ii) Sale of services		
Service charges	2,446	2,545
Installation and commissioning	2,400	1,543
<b>Total - sale of services</b>	<b>4,846</b>	<b>4,088</b>
(iii) Other operating revenue		
Sale of scrap	362	249
Duty drawback and other export incentives	256	327
Government grant related to revenue	443	352
<b>Total - other operating revenue</b>	<b>1,061</b>	<b>928</b>

The following table shows timing of revenue recognition:

(In Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Satisfied at a point in time	195,185	165,871
Satisfied over time	2,400	1,543
<b>Total revenue from contracts with customers</b>	<b>197,585</b>	<b>167,414</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, 2023	Year ended March 31, 2022
	₹	₹
Aggregate amount of the transaction price allocated to fixed price contracts that are partially or fully unsatisfied as at reporting date	2,546	2,182

The Company estimates that transaction price amount to ₹1,386 Million ( March 31, 2022 : ₹1,251 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, 2023	Year ended March 31, 2022
	₹	₹
Contract price	221,610	187,099
Variable considerations	22,964	18,757
<b>Revenue from operations</b>	<b>198,646</b>	<b>168,342</b>



LG Electronics India Private Limited  
Notes to the financial statements

Note 19 : Other income

(In Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
<b>Interest Income</b>		
Interest income on bank deposits	2,202	1,624
<b>Other non-operating income (net of expenses directly attributable to such income)</b>		
Profit on sale of property, plant and equipment (Net of loss on assets sold)	7	15
Provision for warranty written-back* (Refer Note No 30)	-	24
Provision for service tax liability written-back (Refer Note No 30)	-	344
Gain on derivatives measured at fair value (Net)	164	-
Miscellaneous income	67	31
<b>Total other income</b>	<b>2,440</b>	<b>2,038</b>

\* Provision for warranty written-back does not include Nil (March 31, 2022: ₹ 70 million) relating to discontinued operations.  
(Refer Note No 35)



LG Electronics India Private Limited  
Notes to the financial statements

Note 20

(a) Cost of materials consumed

(In Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Opening inventories	13,412	13,363
Add: Purchases of raw materials	149,158	121,221
	162,570	134,584
Less: Sales of raw materials	29,274	23,872
Less: Closing inventories	13,446	13,412
<b>Cost of raw materials consumed*</b>	<b>119,850</b>	<b>97,300</b>
Cost of service spares parts sold	1,352	1,076
Installation, commissioning and other service charges	3,422	3,113
Captive consumption of finished goods	(1,016)	(1,167)
<b>Cost of materials consumed</b>	<b>123,608</b>	<b>100,322</b>

\*Cost of raw materials consumed includes packaging material

(b) Purchase of stock-in-trade

(In Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Purchase of stock-in-trade	19,403	15,545
Captive consumption of stock-in-trade	(615)	(628)
<b>Purchase of stock-in-trade</b>	<b>18,788</b>	<b>14,917</b>

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

(In Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
<u>Closing inventories:</u>		
Finished goods	9,218	6,417
Stock-in-trade	1,682	2,372
Work-in-progress	365	361
<b>A) Total</b>	<b>11,265</b>	<b>9,150</b>
<u>Opening inventories:</u>		
Finished goods	6,417	7,644
Stock-in-trade	2,372	3,922
Work-in-progress	361	350
<b>B) Total</b>	<b>9,150</b>	<b>11,916</b>
<b>Net (increase)/ decrease (B-A)</b>	<b>(2,115)</b>	<b>2,766</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, 2023	Year ended March 31, 2022
	₹	₹
Salaries and wages, including bonus	6,507	6,001
Contribution to provident fund and employees' state insurance scheme	258	239
Contribution to defined benefit plan	136	128
Staff welfare expenses	1,091	887
<b>Total employee benefits expenses</b>	<b>7,992</b>	<b>7,255</b>

Note 22 : Finance costs

(In Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Interest on delayed payment of income tax	1	-
Interest on lease liabilities	225	225
<b>Total finance costs</b>	<b>226</b>	<b>225</b>



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LG Electronics India Private Limited  
Notes to the financial statements

Note 23 : Depreciation and amortisation expense

(In Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Depreciation of property, plant and equipment		
- Owned assets (net of government grant amortisation)	2,350	2,015
- Right of use assets	616	536
Amortisation of intangible assets (net of government grant amortisation)	38	33
<b>Total depreciation and amortisation expense</b>	<b>3,004</b>	<b>2,584</b>

Depreciation and amortisation expense does not include Nil (March 31, 2022: ₹ 28 million) relating to discontinued operations. (Refer Note No 35)

Note 24 : Other expenses

(In Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Consumption of consumables and spares	391	342
Customer service expenses [Refer Note (ii) below]	1,501	1,187
Sample and testing	5	7
Power and fuel	828	657
Royalty (Refer Note No 32)	3,232	2,548
Rent	847	893
Repairs and maintenance - buildings	97	88
Repairs and maintenance - machinery	102	109
Repairs and maintenance - others	357	231
Insurance	349	370
Rates and taxes	14	25
Communication and information technology expenses	572	429
Travelling and conveyance	475	242
Research and development	737	685
Freight and forwarding	7,346	6,099
Advertisement	2,671	2,493
Sales promotion	6,228	5,061
Bank charges	20	18
Legal and professional	83	77
Payments to auditors [Refer Note (i) below]	22	20
Trade receivables written-off	19	13
Loss on derivatives measured at fair value (Net)	-	43
Loss on foreign currency transactions and translation (Net)	1,080	519
Property plant and equipment written-off	3	1
Allowance for doubtful trade receivables, other assets and other financial assets	48	71
Provision for warranty expenses (Refer Note No 30)	87	-
Corporate social responsibility (Refer Note No 33)	420	461
Waste of electrical and electronic equipment	1,852	1,740
Miscellaneous expenses	1,994	1,566
<b>Total Other expenses</b>	<b>31,380</b>	<b>25,995</b>

Notes:

(i) Payments to auditors comprises:

Audit fee	19	16
Tax audit fee	1	1
Reimbursement of expenses	2	-
Certification fee	*	3
<b>Total</b>	<b>22</b>	<b>20</b>

\* Amount is below rounding-off norm adopted by the Company.

(ii) Customer service expenses include consumption of spares aggregating to ₹816 million (March 31, 2022 ₹676 million) and indirect expenses aggregating to ₹505 Million (March 31, 2022 ₹444 million).



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LG Electronics India Private Limited  
Notes to the financial statements

Note 25 : Financial instruments and risk management

A) Fair value measurement

Particulars	Level	March 31, 2023			March 31, 2022		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
		₹	₹	₹	₹	₹	₹
<b>Financial asset</b>							
Trade receivables	Level 3	-	-	14,995	-	13,811	
Loans	Level 3	-	-	69	-	79	
Cash and cash equivalents	Level 3	-	-	27,515	-	37,094	
Other financial assets	Level 3	-	-	1,917	-	2,228	
<b>Total financial assets</b>		-	-	<b>44,496</b>	-	<b>53,210</b>	
<b>Financial liabilities</b>							
Trade payables	Level 3	-	-	31,260	-	25,984	
Lease liabilities	Level 3	-	-	3,185	-	2,908	
Other financial liabilities	Level 3	-	-	3,212	-	2,881	
Derivative financial liabilities	Level 2	24	-	-	5	-	
<b>Total financial liabilities</b>		<b>24</b>	-	<b>37,657</b>	<b>5</b>	<b>31,773</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



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LG Electronics India Private Limited  
Notes to the financial statements

	(In Million)			
	Level 1 ₹	Level 2 ₹	Level 3 ₹	Total ₹
<b>Financial assets and liabilities as at March 31, 2023</b>				
<b>Financial assets</b>				
Security deposits (measured at amortised cost for which fair value is disclosed)	-	-	520	520
<b>Financial liabilities</b>				
Derivative liabilities not designated as hedge (measured at fair value-recurring fair value measurement)	-	24	-	24
<b>Total</b>	-	24	520	544

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

**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 recognising, 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, 2023	March 31, 2022
	₹	₹
<b>Foreign currency sensitivity</b>		
<b>Trade receivables</b>		
Increase by 10% (March 31, 2022-10%)*	267	277
Decrease by 10% (March 31, 2022-10%)*	(267)	(277)
<b>Other receivables</b>		
Increase by 10% (March 31, 2022-10%)*	5	4
Decrease by 10% (March 31, 2022-10%)*	(5)	(4)
<b>EEFC</b>		
Increase by 10% (March 31, 2022-10%)*	35	31
Decrease by 10% (March 31, 2022-10%)*	(35)	(31)
<b>Trade payables</b>		
Increase by 10% (March 31, 2022-10%)*	(1,472)	(1,233)
Decrease by 10% (March 31, 2022-10%)*	1,472	1,233
<b>Advance from customers</b>		
Increase by 10% (March 31, 2022-10%)*	(2)	(3)
Decrease by 10% (March 31, 2022-10%)*	2	3
<b>Net impact</b>		
Increase by 10% (March 31, 2022-10%)*	(1,167)	(924)
Decrease by 10% (March 31, 2022-10%)*	1,167	924

\*Keeping all other variables constant

**Interest rate risk**

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



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**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	As at March
	31, 2023	31, 2022
	₹	₹
<b>Balance at the beginning</b>	<b>413</b>	<b>344</b>
Impairment loss recognised	24	82
Amount written off	19	13
<b>Balance at the end</b>	<b>418</b>	<b>413</b>

The Company credit period generally ranges from 0-30 days.



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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, 2023	March 31, 2022
	₹	₹
Equity share capital	1,131	1,131
Other equity	42,431	53,876
<b>Total equity</b>	<b>43,562</b>	<b>55,007</b>
Lease liabilities	3,185	2,908
<b>Total debt</b>	<b>3,185</b>	<b>2,908</b>
Less :		
Cash and cash equivalents	27,515	37,094
<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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LG Electronics India Private Limited  
Notes to the financial statements

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, 2023	March 31, 2022
	₹	₹
Undrawn working capital facility*	4,131	3,508

\*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, 2023	Less than 1 year	1 to 5 years	More than 5 years	Total
	₹	₹	₹	₹
<b>Non-derivatives</b>				
Trade payables	31,260	-	-	31,260
Other financial liabilities	3,212	-	-	3,212
Lease liabilities	690	2,495	-	3,185
<b>Derivatives</b>				
Derivative financial liabilities	24	-	-	24
<b>Total</b>	<b>35,186</b>	<b>2,495</b>	<b>-</b>	<b>37,681</b>

(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	25,984	-	-	25,984
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>29,431</b>	<b>2,347</b>	<b>-</b>	<b>31,778</b>



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LG Electronics India Private Limited  
Notes to the financial statements

Note 26 (a) : Income tax

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

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
	₹	₹
Current taxes (includes current tax on discontinued operations and short provision for current tax relating to prior year)	4,797	4,004
(Increase)/ decrease in deferred tax assets	(124)	210
Increase/(decrease) in deferred tax liabilities	37	(56)
<b>Total</b>	<b>4,710</b>	<b>4,158</b>

Current tax expense for the year ended March 31, 2023 includes ₹14 million (March 31, 2022: ₹5 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 summarised below.

(In Million)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
	₹	₹
Profit before tax [includes loss on discontinued operations and remeasurement of post-employment benefit obligation]	18,153	15,926
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	4,569	4,008
Tax relating to prior years	14	5
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.	127	145
<b>Total</b>	<b>4,710</b>	<b>4,158</b>

Note 26 (b) : Deferred tax

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation 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 realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, 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,	As at March 31,
	2023	2022
	₹	₹
<b>Deferred income tax assets</b>		
Property, plant and equipment	615	572
Provision for employee benefits	304	272
Provision for cenvat credit on goods transport agency services	25	23
Provision for employee benefits recognised in Other Comprehensive Income	-	7
Disallowances u/s 40(a)	31	25
Allowance for doubtful assets	142	141
Provision for long term service award	24	23
Provision for waste of electrical and electronic equipment	123	143
Lease liabilities	801	732
Others	4	7
<b>Total deferred income tax assets</b>	<b>2,069</b>	<b>1,945</b>
<b>Deferred income tax liabilities</b>		
Right of use assets	681	646
Interest on Income tax refund	21	21
Provision for employee benefits recognised in Other Comprehensive Income	2	-
<b>Total deferred income tax liabilities</b>	<b>704</b>	<b>667</b>
Deferred income tax assets (net)	1,365	1,278

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

Particulars	As at March 31,	As at March 31,
	2023	2022
	₹	₹
Opening balance	1,278	1,432
Tax income/(expense) during the year recognised in Statement of Profit and Loss	85	(147)
Tax income/(expense) during the year recognised in Other Comprehensive Income	2	(7)
<b>Closing balance</b>	<b>1,365</b>	<b>1,278</b>



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

**Note 27 : Disclosure as required by Indian Accounting Standards( Ind AS) 19 Employee Benefits**

Defined contribution plans

The Company makes Provident Fund and Employees' 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 ₹ 258 million (March 31, 2022 : ₹ 239 million) for Provident Fund contributions and Employees' State Insurance contributions in the Statement of Profit and Loss. The contributions payable under these plans by the Company are at the rates specified in the rules of the respective 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.

Particulars	(In Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
<b>Components of employer expense</b>		
Current service cost	102	98
Interest cost	79	69
Expected return on plan assets	(40)	(34)
<b>Total amount recognised in the Statement of Profit and Loss</b>	<b>141</b>	<b>133</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	(21)	(33)
- Experience adjustments	28	6
<b>Total amount recognised in Other Comprehensive Income</b>	<b>8</b>	<b>(28)</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	64	49
Actual contributions	40	80
<b>Net liability/ (asset) as at year end</b>		
Present value of defined benefit obligation	1,328	1,203
Fair value of plan assets	610	593
Funded status [(Surplus) / Deficit]	718	610
<b>Net liability/ (asset) recognised in the Balance Sheet</b>	<b>718</b>	<b>610</b>

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

Particulars	(In Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
<b>Changes in DBO during the year</b>		
Present value of DBO at beginning of the year	1,203	1,113
i) Current service cost	102	98
ii) Interest cost	79	69
iii) Actuarial losses / (gains)	8	(28)
iv) Benefits paid	(64)	(49)
v) Present value of DBO at the end of the year	<b>1,328</b>	<b>1,203</b>
<b>Change in fair value of assets during the year</b>		
i) Plan assets at beginning of the year	593	527
ii) Expected return on plan assets	40	34
iii) Actual Company contributions	40	80
iv) Actuarial losses / (gains)	1	1
v) Benefits paid	(64)	(49)
vi) Fair Value of Plan assets at end of the year	<b>610</b>	<b>593</b>
<b>Composition of the plan assets is as follows:</b>		
Government of India securities	67.00%	66.00%
Debt instruments	25.00%	24.00%
Equity shares	6.00%	5.00%
Other deposits	2.00%	5.00%

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 their investment pattern for group gratuity fund for investments managed in total for several other companies.



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Employee benefit plans (cont'd)

(In Million)

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
	₹	₹
<b>Actuarial assumptions</b>		
Discount rate	7.15%	6.90%
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.

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below.

A) Asset volatility - The plan liabilities are calculated using a discount rate set with reference to bond yields. If plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The group intends to maintain the above investment mix in the continuing years.

B) Changes in bond yields - A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

C) Inflation risks - In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

D) Life expectancy - The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

(In Million)

Experience adjustments	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
	₹	₹	₹	₹	₹
Present value of DBO	1,328	1,203	1,113	963	813
Fair value of plan assets	610	593	528	452	375
Funded Status (Surplus / (Deficit))	(718)	(610)	(585)	(511)	(438)
Experience (gain) / loss adjustments on Liabilities	8	(28)	25	8	(4)
Experience (gain) / loss adjustments on plan Asset	1	1	(1)	1	3

(In Million)

Present value of obligations at end of the year	As at	As at
	March 31, 2023	March 31, 2022
	₹	₹
Current	148	120
Non-Current	570	490
<b>Total</b>	<b>718</b>	<b>610</b>

Expected contribution to defined benefit plan for the year ending March 31, 2024 is ₹ 109 million ( March 31, 2023 ₹ 102 million)

The expected maturity analysis of undiscounted gratuity is as follows:

(In Million)

Expected maturity analysis	As at	As at
	March 31, 2023	March 31, 2022
	₹	₹
Less than a year	148	120
Between 1-2 years	148	134
3-5 years	420	367
6-10 years	1,564	1,452
<b>Total</b>	<b>2,280</b>	<b>2,073</b>

Sensitivity analysis

(In Million)

	Year ended	Year ended
	March 31, 2023	March 31, 2022
	₹	₹
<b>Discount Rate</b>		
Revised DBO due to 1% decrease in Discount Rate	1,418	1,287
Revised DBO due to 1% increase in Discount Rate	1,249	1,128
<b>Salary Escalation Rate</b>		
Revised DBO due to 1% decrease in Salary Escalation Rate	1,249	1,128
Revised DBO due to 1% increase in Salary Escalation Rate	1,416	1,286

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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LG Electronics India Private Limited  
Notes to the financial statements

Other long-term employee benefit obligations:

Compensated absences	As at March 31, 2023	As at March 31, 2022
	₹	₹
Current	385	370
Non-current	-	-
<b>Total</b>	<b>385</b>	<b>370</b>

Compensated absences are presented as current liabilities in the Balance Sheet as the Company does not have an unconditional legal and contractual right to defer settlement for a period beyond twelve months after the reporting period.

(In Million)

Long term service award obligation	As at March 31, 2023	As at March 31, 2022
	₹	₹
Current	28	18
Non-current	66	71
<b>Total</b>	<b>94</b>	<b>89</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 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 Kazakhstan 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 Miawa 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.	
LG-Shaker Co. Ltd.	
LG Electronics Overseas Trading FZE	
Robostar Co., Ltd.	
LG Electronics Wroclaw Sp. z o o	
LG Electronics European Shared Service Center B.V.	
LG Electronics Monterrey Mexico	
Key management personnel (KMP)	Mr. Younglak Kim ( Managing Director) (till December 22, 2022) Mr. Hong Ju Jeon ( Managing Director) (with effect from January 31 , 2023) Mr. Dong Myung Seo (Director and Chief financial officer) Mr. Hwayoung Seo (Director) Mr. Hyunjin Lee (Director) Mr. Jaeil Kim (Director)



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Related party transactions (cont'd)

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

(In Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Sale of raw materials, stores and spares and service components		
<i>Holding company</i>	49	1,307
<i>Fellow subsidiaries</i>		
PT. LG Electronics Indonesia	202	222
LG Electronics Mlawa Sp. z o o	-	85
Arcelic-LG Klima Sanayi ve Ticarta A. S	-	140
Others	49	100
Sale of manufactured goods		
<i>Holding company</i>	270	12
<i>Fellow subsidiaries</i>		
LG Electronics Africa Logistics FZE	2,048	2,375
LG Electronics Gulf FZE	2,544	688
LG Electronics (Levant) - Jordan	290	88
LG Electronics Morocco S A R L	460	366
P. T. LG Electronics Indonesia	841	870
Others	400	402
Sale of stock-in-trade		
<i>Holding company</i>	93	-
<i>Fellow subsidiaries</i>		
LG Electronics Singapore Pte Ltd	15	13
LG Electronics Africa Logistics FZE	83	110
Others	29	22
Reimbursement of expenses received		
<i>Holding company</i>	5	6
<i>Fellow subsidiaries</i>		
LG Electronics (Tianjin) Appliances Co Ltd	-	1
LG Electronics Nanjing Display Co., Ltd	3	1
Service warranty claims received		
<i>Holding company</i>	284	225
Purchase of raw materials, stores and spares and service components		
<i>Holding company</i>	12,488	8,877
<i>Fellow subsidiaries</i>		
LG Display Co Ltd	4,210	5,916
Nanjing LG Panda Appliances Co., Ltd	3,297	2,163
LG Electronics Tian Jin Appliances Co., Ltd	4,181	3,484
Others	3,941	2,794
Purchase of stock-in-trade		
<i>Holding company</i>	8,065	6,353
<i>Fellow subsidiaries</i>		
Taizhou LG Electronics Refrigeration Co. Ltd.	3,321	3,513
LG Electronics (Thailand) Co. Ltd	848	978
Others	695	615



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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, 2023	Year ended March 31, 2022
	₹	₹
Service warranty charges paid		
<i>Fellow subsidiaries</i>		
LG Electronics (Levant) - Jordan	3	2
LG Electronics Middle East Co. Ltd	2	4
LG Electronics Taiwan Taipei Co.,Ltd	-	1
Royalty		
<i>Holding company ( Also Refer Note No 32 )</i>	3,232	2,548
Service charges paid		
<i>Fellow subsidiaries</i>		
LG Electronics Singapore Pte Ltd	14	13
Other expenses paid		
<i>Holding company</i>	26	6
<i>Fellow subsidiaries</i>		
LG CNS India Private Limited	682	465
LG CNS Co. Ltd	5	8
Others	1	-
Interim dividend paid		
<i>Holding company</i>	24,888	22,626
Managerial remuneration		
<i>Key Management Personnel</i>		
Salaries and wages	182	212
Purchase of fixed assets		
<i>Holding company</i>	331	157
<i>Fellow subsidiaries</i>		
LG CNS India Private Limited	155	158
LG Electronics Tian Jin Appliances Co. Limited	124	-



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LG Electronics India Private Limited  
Notes to the financial statements

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, 2023	March 31, 2022
	₹	₹
Trade receivables		
<i>Holding company</i>	275	2
<i>Fellow subsidiaries</i>		
LG Electronics Gulf FZE	1,185	353
LG Electronics Africa Logistics FZE	611	1,150
LG Electronics Morocco - SARL	249	125
LG Electronics (Levant)- Jordan	54	53
P.T. LG Electronics Indonesia	145	238
Others	73	162
Other financial assets		
<i>Holding company</i>	52	38
<i>Fellow subsidiaries</i>		
LG Electronics Qinhuangdao Co. Ltd.	1	1
Others	4	-
Trade payables		
<i>Holding company</i>	4,034	2,716
<i>Fellow subsidiaries</i>		
LG Display Co Ltd	576	645
LG Electronics Thailand Co. Ltd	753	388
LG Electronics Tianjin Appliances Co. Ltd	489	599
Taizhou LG Electronics Refrigeration Co. Ltd.	195	817
Others	1,438	767
Capital creditors		
<i>Holding company</i>	4	8
<i>Fellow subsidiaries</i>		
LG CNS India Private Limited	2	33
Security deposit for residential accommodation paid on behalf of directors		
<i>Key Management Personnel</i>		
Hong Ju Jeon	1	-
Younqlak 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, 2023	Year ended March 31, 2022
	₹	₹
a) Profit for the year		
(i) From continuing operations	13,480	12,056
(ii) From discontinued operations	(31)	(309)
Total profit for the year	13,449	11,747
b) Weighted average number of equity shares outstanding	113,128,732	113,128,732
c) Effect of dilutive potential equity share equivalents	-	-
d) 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) Earnings per equity share from continuing operations attributable to the equity holders of the Company		
- Basic earnings per share	119.16	106.57
- Diluted earnings per share	119.16	106.57
g) Earnings per equity share from discontinued operations attributable to the equity holders of the Company		
- Basic earnings per share	(0.27)	(2.73)
- Diluted earnings per share	(0.27)	(2.73)
h) Earnings per equity share from continuing and discontinued operations attributable to the equity holders of the Company		
- Basic earnings per share	118.89	103.84
- Diluted earnings per share	118.89	103.84



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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, 2023	As at March 31, 2022
	₹	₹
<b>Provision for warranty</b>		
At the beginning of the year	580	674
Additions during the year	1,043	619
Utilised during the year	956	713
[Net of warranty written back ₹ Nil (March 31,2022: ₹ 94 million)]		
<b>At the end of the year</b>	<b>667</b>	<b>580</b>
Current	598	517
Non-current	69	63
	<b>667</b>	<b>580</b>
<b>Provision for other contingencies*</b>		
At the beginning of the year	119	445
Additions during the year	8	18
Reversed during the year	-	344
<b>At the end of the year</b>	<b>127</b>	<b>119</b>
Current	-	-
Non-current	127	119
	<b>127</b>	<b>119</b>

Warranty written back include ₹ Nil (March 31, 2022: ₹ 70 million) relating to discontinued operations. (Refer Note No 35).

\*represents provision for indirect tax and legal contingencies.



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

A) Contingent liabilities

(In Million)

Particulars	As at March 31, 2023	As at March 31, 2022
	₹	₹
Claims against the Company not acknowledged as debit #		
(a) Demand notices from Central Excise/ Service Tax/ Customs Department		
Total demand	2,243	4,521
Less: Provision	103	96
Total	2,140	4,425
(b) Demand notices from Sales Tax Department / GST Department		
Total demand	1,160	940
Less: Provision	53	55
Total	1,107	885
(c) Demand from Income Tax Department		
Total demand	22,198	25,039
Less: Provision	1,985	1,985
Total	20,213	23,054
(d) Other claims		
Total demand	254	237
Less: Provision	73	71
Total	181	166
Total demands	25,855	30,737
Less: Provision	2,214	2,207
<b>Grand total</b>	<b>23,641</b>	<b>28,530</b>

# Notes:

- 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.
- 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.
- 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.
- 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-1/1(33)2019/Vivekananda Vidya Mandir/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.
- Amounts are as per demand order and include penalty and interest, wherever applicable.

B) Commitments

(In Million)

Particulars	As at March 31, 2023	As at March 31, 2022
	₹	₹
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Property, plant and equipment	102	311



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**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., South 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., South Korea. Based on the original agreement, royalty amounting to ₹ 3,232 million has been accrued for the year ended March 31, 2023 (March 31, 2022: ₹ 2,548 million) and remaining portion of royalty based on the aforesaid Revised License Agreement amounting to ₹ 59,867 million for the period from April 01, 2016 to March 31, 2023 is contingent upon conclusion of the advance pricing agreement.

The aforementioned Advance Pricing Agreement expired on March 31, 2023. Accordingly, the Company has filed an application on March 31, 2023 for the extension of the said Advance Pricing Agreement for the financial years 2023-24 to 2027-28.

**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 Million)

Particulars	As at March 31, 2023	As at March 31, 2022
	₹	₹
(a) Gross amount required to be spent by the Company during the year	412	461
Additional amount required to be spent on account of interest earned on fixed deposits made out of separate CSR unspent account (Net of tax)	8	-
(b) Amount spent		
1) Construction/acquisition of an asset	-	-
2) On purpose other than (1) above		
(i) Promoting healthcare and awareness (Including COVID-19)	31	14
(ii) Promoting education	53	-
(iii) Benefit of armed forces veterans, war widows and their dependents	1	35
(iv) Ensuring environmental sustainability	3	3
(v) CSR compliance and administrative expenses	11	10
	99	62
(c) Accrual towards unspent obligation in relation to -Ongoing project	313	399

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

(In Million)

Balance as at April 01, 2022		Amount required to be spent during the year	Additional amount required to be spent on account of interest earned on fixed deposits made out of separate CSR unspent account (Net of tax)	Amount spent during the year		Balance as at March 31, 2023	
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
₹	₹	₹	₹	₹	₹	₹	₹
399	157	412	8	99	89	313	475

(In Million)

Balance as at April 01, 2021		Amount required to be spent during the year	Additional amount required to be spent on account of interest earned on fixed deposits made out of separate CSR unspent account (Net of tax)	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

# Balance with the Company has been deposited in separate bank account within the stipulated time line



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34 Segment reporting

The Company has identified three reportable business segments as primary segments: Home appliances and air solution division, Home entertainment division and Mobile communications 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 business segments:**

- **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 business segments:**

- **Mobile communications division:** GSM handset.

Discontinuation of Mobile Division: - On April 05, 2021, LG Electronics Inc. (Holding company), 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, 2023			Total
	Continuing business segments		Discontinued business segments	
	Home appliances and air solution division	Home entertainment division	Mobile communications division	
Reportable segments	₹	₹	₹	₹
Revenue				
- External	150,307 (124,182)	48,339 (44,160)	36 (1,315)	198,682 (169,657)
Other income	16 (12)	5 (2)	- (18)	21 (32)
<b>Total Revenue</b>	<b>150,323</b> (124,194)	<b>48,344</b> (44,162)	<b>36</b> (1,333)	<b>198,703</b> (169,689)
Expenditure	137,325 (112,447)	40,271 (36,860)	78 (1,751)	177,674 (151,058)
Segment result	12,998 (11,747)	8,073 (7,302)	(42) 418	21,029 (18,631)
Unallocable income (Other income)				217 (400)
Unallocable expenses				5,061 (4,532)
<b>Operating income</b>				<b>16,185</b> (14,499)
Interest expense				226 (225)
Interest income				2,202 (1,624)
<b>Profit before tax</b>				<b>18,161</b> (15,898)
Tax expense				4,712 (4,151)
<b>Profit for the year</b>				<b>13,449</b> (11,747)

Note: Figures in brackets relate to the previous year.



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(In Million)

Particulars	As at March 31, 2023			Total
	Continuing business segments		Discontinued business segments	
	Home appliances and air solution division	Home entertainment division	Mobile communications division	
Reportable segments	₹	₹	₹	₹
Segment assets	39,269 (36,176)	11,287 (9,945)	32 (112)	50,588 (46,233)
Unallocable assets				39,333 (47,959)
<b>Total assets</b>				<b>89,921</b> (94,192)
Segment liabilities	23,397 (19,377)	8,515 (5,755)	- (63)	31,912 (25,195)
Unallocable liabilities				14,447 (13,990)
<b>Total liabilities</b>				<b>46,359</b> (39,185)
<b>Other information</b>				
Shareholders funds				43,562 (55,007)
Capital expenditure (unallocable)				5,423 (3,593)
Depreciation and amortisation (unallocable)				3,004 (2,584)

Note: Figures in brackets relate to the previous year.



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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, 2023 is as follows.

Geographic segment	(In Million)
	Revenue
	For the year ended March 31, 2023
	₹
Domestic	189,138 (161,474)
Africa	1,777 (1,396)
Europe	11 (7)
Asia (excluding India)	7,728 (6,716)
Others	28 (64)

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.



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35 Discontinued operation

Discontinuation of Mobile Communications Division: - On April 05, 2021, LG Electronics Inc. (Holding company), 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 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 expected to incur an additional cost of approximately ₹ 40 million. The Company has also impaired the entire property, plant and equipment (PP&E) pertaining to the mobile communications division amounting to ₹ 26 million during the year ended March 31, 2022.

During the year ended March 31, 2023, the Company has liquidated inventories (comprising manufactured and finished goods) amounting ₹ 54 million and closing inventory amounting to ₹ 32 million is pertains to service parts inventory. All additional cost provided on March 31, 2022 has been incurred by the Company during the year ended March 31, 2023.

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

(In Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	₹	₹
Revenue (include other income*)	36	1,333
Expenses	78	1,751
<b>Loss before tax</b>	<b>(42)</b>	<b>(418)</b>
Income tax expense	(11)	(109)
<b>Loss after income tax</b>	<b>(31)</b>	<b>(309)</b>

\* Includes warranty written back ₹ Nil (March 31, 2022: ₹ 70 million). (Refer Note No 19 and 30).

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

(In Million)

Particulars	As at March 31, 2023	As at March 31, 2022
	₹	₹
Inventories	32	86
Trade receivables	-	3
Other current assets	-	23
<b>Total assets</b>	<b>32</b>	<b>112</b>
Other current liabilities	-	63
<b>Total liabilities</b>	<b>-</b>	<b>63</b>
<b>Net assets</b>	<b>32</b>	<b>49</b>

The Net cash flows from mobile communications division are as follow:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Net cash (outflow)/ inflow from operating activities	(14)	554
Net cash inflow/(outflow) from investing activities	-	18
Net cash inflow/(outflow) from financing activities	-	-
<b>Net cash (outflow)/ inflow from discontinued operations</b>	<b>(14)</b>	<b>572</b>

Earnings per share (Refer Note No 29)

Basic earnings per share for discontinued operations	(0.27)	(2.73)
Diluted earnings per share for discontinued operations	(0.27)	(2.73)



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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:

Particulars	(In Million)	
	As at March 31, 2023	As at March 31, 2022
	₹	₹
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	3,751	3,189
(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 remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually	-	-

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, 2023. 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, 2023.

(In Million)			
Currency	Amount	Buy / Sell	Cross Currency
USD	USD 46.74 equivalent to ₹3,841 (March 31, 2022 : USD 33.72 equivalent to ₹ 2,556)	Buy	Rupees

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

Particulars	[₹ in Million, Foreign currency (FC) in '000]			
	As at March 31, 2023		As at March 31, 2022	
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
	₹	FC	₹	FC
i) Receivables in foreign currency				
- Trade receivables	2,672	US \$ 32,222 AED 931 € 41	2,772	US \$ 35,701 AED 4,769 € 75
- Other receivables	53	US \$ 648	39	US \$ 517
- EEFC A/c	345	US \$ 4,206	309	US \$ 4,071
ii) Payables in foreign currency				
- Trade payables	(14,715)	US \$ (177,953) ¥ (35,348) (€ 784)	(12,325)	US \$ (161,937) ¥ (36,946) (€ 322)
- Advances from customers	(23)	US \$ (283)	(34)	US \$ (443)



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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Amount of interim dividend remitted in foreign currency (In Million)	24,888	22,626
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	2022-23	2021-22

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, 2023 aggregating to ₹13 million (March 31, 2022: ₹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, 2023 aggregating to ₹156 million (March 31, 2022: ₹156 million) has been included in government grant recoverable in Note No. 7.

The 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 ₹ 443 million for the year ended March 31, 2023 (March 31, 2022: ₹335 million). The outstanding balance of claims receivable as at March 31, 2023 aggregating to ₹931 million (March 31, 2022: ₹995 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 ₹197 million for the year ended March 31, 2023 (March 31, 2022: ₹296 million).

The outstanding balance of claims receivable as at March 31, 2023 aggregating to NIL million (March 31, 2022: ₹154 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 the Company, 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, 2023 aggregating to ₹122 million (March 31, 2022: ₹219 million) has been included in government grant recoverable in Note No. 7.

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, 2022. 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 year ended March 31, 2023 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 is not expected to have any material impact on the financial statements.



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

41. Analytical ratios

Ratios	Unit of measurement	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	Reason for Variance (where change is more than 25%)
Current Ratio	Times	Total Current Assets	Total Current Liabilities	1.71	2.22	-23%	
Debt-Equity Ratio	Times	Total Debt = Borrowings + Lease liabilities	Shareholder's equity	0.07	0.05	38%	Higher dividend paid compared to last year
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	23.14	22.92	1%	
Inventory turnover ratio	Times	Revenue from operations	Average inventory	7.85	6.71	17%	
Trade Receivables turnover ratio	Times	Revenue from operations	Average trade receivables	13.79	13.90	-1%	
Trade payables turnover ratio	Times	Purchases	Average Trade payables	4.87	3.85	26%	Purchases during current year are higher
Net capital turnover ratio	Times	Revenue from operations	Working capital (Current Assets-Current Liabilities)	6.67	3.97	68%	Increase is on account of growth in revenue from operations and decrease in working capital due to payment of dividend during the current year and higher trade payables as compared to previous year.
Return on Equity Ratio	%	Profit for the year	Average Shareholder's equity	27	19	40%	Average shareholder's equity in current year is lower due to higher dividend payouts
Net profit ratio	%	Profit for the year	Revenue from operations	7	7	-2%	
Return on Capital employed	%	Earnings before finance costs and tax	Capital employed= (Shareholder's equity + Total Debt + deferred tax liabilities)	39	28	41%	Capital employed in current year is lower due to dividend payouts
Return on investment	%	Earnings before finance costs and tax	Average total assets	20	16	27%	Investment in current year is lower due to dividend payouts



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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) Wilful defaulter**

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

**(iv) Relationship with struck off Companies (Amount in ₹)**

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at March 31, 2023 (₹)	Relationship with the struck off company, if any, to be disclosed	Balance outstanding as at March 31, 2022 (₹)	Relationship with the struck off company, if any, to be disclosed
Mentor Graphics India Private Limited	Receivables against sale of goods/ services	1,742	None	-	None
Gem Hvac Engineering Private Limited	Receivables against sale of goods/ services	754	None	-	None
Super Tech Aircon Private Limited	Advance against sale of goods/ services	16,605	None	-	None
Banadurga Tele Service Pvt Ltd	Payable for purchase of goods/services	-	None	-	None
Brsa Enterprises Private Limited	Payable for purchase of goods/services	-	None	-	None
Shakun And Company (Services) Pvt Ltd	Payable for purchase of goods/services	-	None	-	None
Gem Hvac Engineering 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, 2023 and March 31, 2022. 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.



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

**(vi) Compliance with approved scheme(s) 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**

A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall

a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. Provide any guarantee, security or the like on behalf of the ultimate beneficiaries

**(viii) Undisclosed income**

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

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

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

**(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.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. : 012754N/N500016



Anurag Khandelwal  
Partner  
Membership No. : 078571

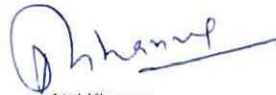
**For and on behalf of the Board of Directors**



Hong Ju Jeon  
Managing Director  
DIN : 10041232



Dong Myung Seo  
Director and Chief  
Financial Officer  
DIN. : 09481866



Atul Khanna  
Vice President Finance



Pradeep Panda  
Company Secretary  
Membership No : FSC3543



Suresh Jhanwar  
General Manager Accounting

Place : Gurugram  
Date : September 04, 2023

Place : Noida  
Date : September 04, 2023