BAJAJ Electricals

# BUILT FOR LIFE

# 84TH ANNUAL REPORT 2022-23

KOI NAHI KEHTA KI LIFE EASY HOGI,

KI SUCCESS ASAANI SE MILEGI.

U-TURN MAAR LENA ASAAN TOH HOGA,

PAR SUCCESS FINISH LINE PAR HI MILEGI.

JAB HUM DREAMS KO SONE DENGE,

TOH VOH DREAMS HI REH JAAYENGE.

AGAR AMBITIONS KO FUEL NAHI KARENGE,

TOH VOH SIRF KOSHISH KEHLAYENGE.

SO, LET'S PULL OURSELVES UP AND STAND FREE

CAUSE IF LIFE IS TOUGH THEN SO ARE WE.

DAY AFTER DAY, NIGHT AFTER NIGHT,

WE'RE BUILT TO PLAY.

WE'RE BUILT TO FIGHT.

WE'RE BAJAJ, AND WE'RE BUILT FOR LIFE.

**This year has been exceptional as we continued to uphold our commitment to delivering excellence and building a sustainable future for all. At the core of our endeavours lies our on-going transformation journey - one that we embarked upon a few years ago and have taken long strides towards making this the #DecadeOfBajajElectricals.**

**We have brought about sustained impact across business, leadership, and people policies enabling us to create additional value for our stakeholders. One of the key initiatives is the transformation of our brand BAJAJ through the 'BUILT FOR LIFE' Campaign. This large-scale campaign is backed by consumer insights, innovation, and robust R&D capabilities to offer a strong product portfolio to enhance the consumer proposition.**

'BUILT FOR LIFE' is inspired by the Indian consumers' spirit to endure, not give up, persevere, and keep performing. Modern Indian consumers' time-constrained lifestyle must be ably supported by home appliances like ours that perform seamlessly without glitches or inefficiencies. This initiative is underpinned by extensive research conducted across multiple product categories, wherein we diligently identified and analysed numerous consumer pain points. The new positioning of BUILT FOR LIFE, thus, is a promise of durability and the resultant portfolio of home appliances is high endurance, aesthetically pleasing and low maintenance. Our unwavering dedication will drive us towards creating products and solutions that exceed consumer expectations, while simultaneously addressing the evolving needs and preferences of our valued customers.

Our brand has always stood for trust – our consumers' trust in our products and services for 85 years. As we take this legacy forward, we are at the right juncture to take the BAJAJ brand to the next level.

**Scan to watch**

# What's Inside



## About the Report

We are delighted to share our Annual Report, which incorporates optional details to the fullest extent feasible, following the reporting guidelines established by the International Integrated Reporting Council (IIRC). In addition, the GRI (Global Reporting Initiative) Standards and Sustainable Development Goals (SDGs) are mapped to the KPIs used for reporting on the Capitals.

Our main objective with this report is to fulfil the information needs of our stakeholders. We strive to present this information in a manner that is meaningful and applicable to our key stakeholders as well.

The reporting is aligned with the following –

- The Companies Act, 2013
- Indian Accounting Standards
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Our approach to reporting

Shareholders are now experiencing a significant shift in their approach to evaluating corporations. Instead of solely focusing on financial performance, stakeholders now place equal importance on a company's overall value creation. Bajaj Electricals, as a responsible business, has embraced this transformation and is dedicated to pursuing sustainable value creation through its vision. This report serves as a means to convey essential details about Bajaj Electricals Limited's governance, business model, strategy, opportunity evaluation, material risk, operations, and performance for the period spanning FY 2022-2023.

### Reporting year

This comprehensive report mainly focuses on the period spanning from April 1, 2022, to March 31, 2023. Nevertheless, specific segments of this report include relevant data and statistics from previous years as well. The information presented in the Integrated Report pertains to Bajaj Electricals Limited as an independent entity, unless stated otherwise. All financial and non-financial aspects adhere to the applicable laws, regulations, and standards of the Republic of India.

The electronic version of the report can be found on our website
https://www.bajajelectricals.com

### The report discusses 6 capitals

- Financial Capital
- Manufacturing Capital
- Intellectual Capital
- Human Capital
- Natural Capital
- Social & Relationship Capital

### Material issues

Bajaj Electricals has conducted a materiality assessment to identify the most significant issues that could have an impact on the company's ability to create long-term value for its stakeholders. These issues were determined by considering internal and external factors, industry trends, the company's business strategy, and the economic environment.

The management of Bajaj Electricals will review these material issues as the company progresses on its sustainability journey. The Materiality section (on page 40) provides a brief explanation of these issues. By examining these material topics, we can gain insights into the factors that drive the company's growth.

### Reporting boundary

This report is for Bajaj Electricals and the scope of this report covers its four manufacturing locations, its Offices across India, project sites, international projects managed from India. It includes the segments of Bajaj Electricals — Consumer Products, Lighting Solutions and Engineering, Procurement & Construction.

### Assurance

To ensure the integrity of facts and information, the Management have reviewed the facts and qualitative statements in the Annual Report. The statutory auditor's S R B C & Co. LLP, Chartered Accountants have provided an unmodified opinion on the financial statements and the 'Independent Auditor's Report' has been duly incorporated as a part of this report.

### Queries regarding the report

Any feedback or query related to this report can be communicated to


**Mr. Ajay Nagle**
CS & Compliance Officer
legal@bajajelectricals.com


Readers can also reach out to us at the above email to provide feedback on improving our disclosures.

Built on trust and legacy

Page 6

Accelerating organisational transformation

Page 10

A convenient, innovative and customer-centric portfolio

Page 16

Building a robust business model with prudent capital allocations

Page 34

# An Impressive Legacy of Evolution

**The Bajaj Group has consistently exceeded the expectations of its customers, patrons, employees, communities, and other stakeholders while remaining true to the vision and principles of its founder, Shri Jamnalal Bajaj. With its foundation laid over nine decades ago in 1926, the Group has grown into a dynamic conglomerate that promotes shared prosperity and the greater good.**

**Today, the Bajaj Group is one of India's most esteemed business houses, operating across diverse industries such as automobiles, financial services, insurance, steel, consumer appliances, fast-moving electrical goods, engineering, procurement and construction, travel and tourism, and material handling.**

**The Bajaj Group remains committed to its core values of ethical business practices and social development, despite experiencing remarkable growth and success in its various businesses. It has evolved beyond being just a corporate entity and has become a catalyst for social empowerment. In addition to its business priorities, the Group actively engages in community development, healthcare initiatives, education promotion, and support for art, heritage, and sports. Moreover, the Bajaj Group endeavours to restore and maintain ecological balance, recognising the importance of environmental sustainability.**

**Industries we serve:**

- Home Appliances
- Lighting Solutions
- Iron and Steel
- Automobile (2 wheelers & 3 wheelers)
- EPC – Power Transmission & Distribution
- NBFC /Financial Services
- Fans
- Travel
- Insurance

## Founding members

**Jamnalal Bajaj**
(1889 – 1942)

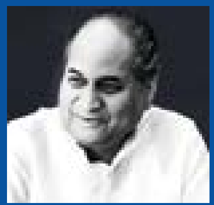
More than a hundred years ago, a visionary philanthropist boldly embarked on a groundbreaking endeavour by employing business as a means to benefit society. Shri. Jamnalal Bajaj, the esteemed founder of the Bajaj Group, earned the endearing title of the 'Merchant Prince' from Mahatma Gandhi himself. Renowned for their exceptional quality, his enterprises stood apart due to his firm refusal to adopt unethical cost-cutting measures.

**Kamalnayan Bajaj**
(1915 – 1972)

Following the demise of Shri. Jamnalal in 1942, Shri. Kamalnayan Bajaj assumed the responsibility of overseeing the businesses. He expanded the Bajaj Group into new territories, aligning with the vision of a modern and diverse India. Through the tumultuous partition and post-independence era, he navigated industrial and legal challenges with great skill.

**Ramkrishna Bajaj**
(1923 – 1994)

In 1972, Shri. Ramkrishna Bajaj, the younger son of the Bajaj family, assumed leadership of the Bajaj Group, complementing his brother's astute business skills. He distinguished himself as a leader with a unique approach to business, establishing an improved ethical business environment materialised through the establishment of two influential organisations that he co-founded. These organisations, namely the Council for Fair Business Practices and the Advertising Standards Council of India, continue to hold significant relevance even today.



**Rahul Bajaj**
(1938 – 2022)

Shri. Rahul Bajaj, a Padma Bhushan awardee and former Rajya Sabha member, took over in 1994. Under his guidance, the Bajaj Group flourished across diverse sectors, including automobiles, insurance, investment, and consumer finance. His unwavering determination propelled the Group to become one of India's largest and most respected conglomerates. Furthermore, his strong commitment to societal well-being was evident through effective leadership of the Group's CSR initiatives and the Jamnalal Bajaj Foundation.

# Built on Trust and Legacy

Bajaj Electricals is one of the most renowned Consumer Products, Lighting Solutions and EPC Project companies in India. With a rich legacy spanning over eight decades, the Company has earned a reputation as a 'trusted brand' that is dedicated to maximising value creation for diverse stakeholders.

The Company has undergone a remarkable transformation journey in recent years. From a rich legacy spanning over 85 years, the company has successfully achieved significant milestones, including a turnaround in performance, debt-free status, and the adoption of a consumer-centric 'house of brands' approach. This transformation has empowered Bajaj Electricals to drive agility, innovation, and focused growth across its diverse business portfolio.

The operations of the group are organised into three distinct segments: the consumer products segment, which offers a wide range of products; the lighting solutions segment, catering to both consumer and professional needs; and the robust Engineering, Procurement, and Construction division, specialising in power transmission and distribution.

**With a strong commitment to excellence, customer satisfaction, and technological advancements, BAJAJ, Nirlep and Morphy Richards have emerged as preferred brands in the Indian market. This dedication has played a significant role in the sustained growth and success of the group.**

Refer more about our businesses and brands on

Page 16

of the report.

## Key Highlights

| | | | |
|---|---|---|---|
| **Financial Capital** | ₹ 5,429<br>Total Revenue in (crore) | ₹ 216<br>PAT in (crore) | 19.2%<br>ROCE |

Refer Page 46 for more details.

| | | | |
|---|---|---|---|
| **Manufactured Capital** | 4<br>Manufacturing sites | 57%<br>Factory Utilisation | 30.69 Lakh sqft<br>Warehouse Footprint |

Refer Page 50 for more details.

| | | | |
|---|---|---|---|
| **Intellectual Capital** | 184<br>People in R&D team | 18<br>Patents filed | 678<br>Launched new SKUs in Consumer Products & Lighting Solutions |

Refer Page 58 for more details.

| | | | |
|---|---|---|---|
| **Human Capital** | 2,500<br>Permanent employees | 83%<br>Employee Engagement Score | 8%<br>Gender diversity (excl. factories) |

Refer Page 72 for more details.

| | | | |
|---|---|---|---|
| **Social and Relationship Capital** | 700+<br>Dealer network | 90+<br>Supplier network | ~ 2L<br>Retailer network |

Refer Page 82 for more details.

| | | | |
|---|---|---|---|
| **Natural Capital** | 86,000+<br>Trees planted | 91%<br>Waste recycled | 15,507 GJ<br>Green Energy generated |

Refer Page 92 for more details.

(Chakan 605, Nirlep 687, RU 792)*

# A Culture of Responsibility and Innovation

By embracing the SDGs as a guiding framework, we are integrating sustainability into our core business strategy, fostering a culture of responsibility, innovation, and collaboration. Through the embedding of sustainable practices into our operations, active engagement in community development initiatives, and efforts to safeguard the environment, we contribute to the larger vision of creating a more inclusive, peaceful, and prosperous world for present and future generations.

We **ensure safety and wellbeing** at work by adopting the right safety measures along with regular safety training of the employees to eliminate incidents.

We have strengthened the infrastructure in schools to promote **quality education** for children.

We are empowering our women workforce through regular encouragement sessions and maternity support which ensures **equal opportunities** for them.

We are **recycling water** in our operational processes while striving to reduce the consumption of water.

Efficient capital allocation, excellence in operational activities and employing the right people have contributed to **economic growth**.

Our R&D team has reinforced the customer-centricity of our products by continuously **investing in innovation**.

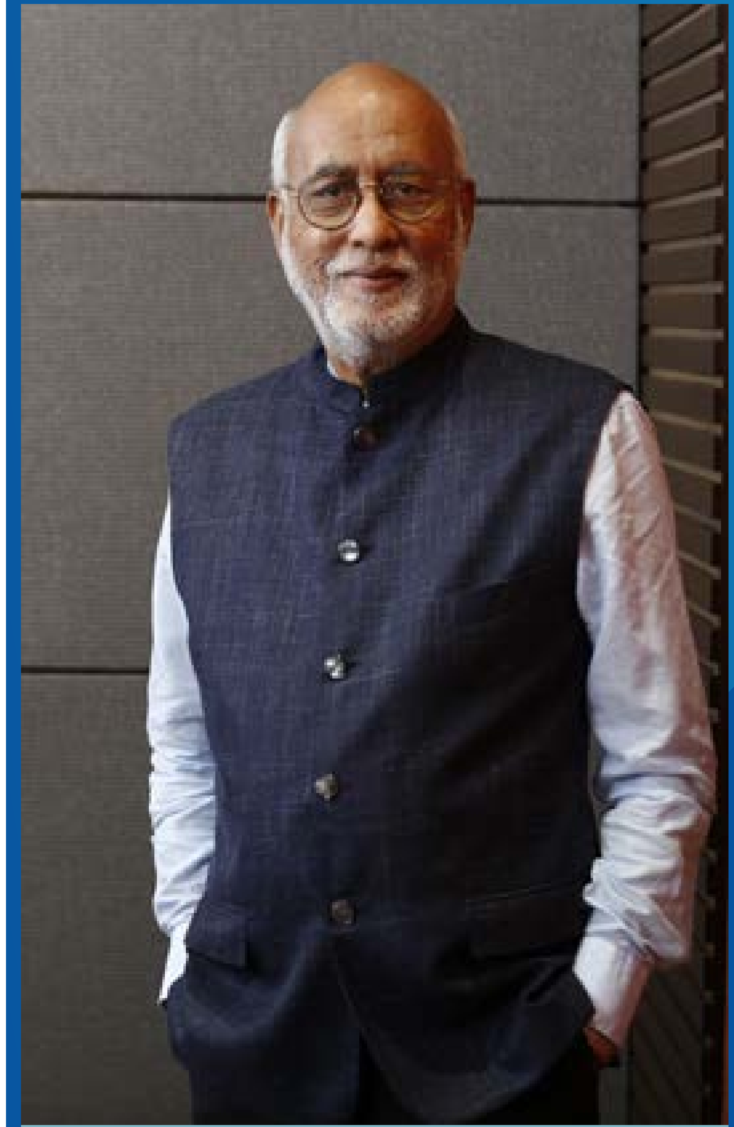
We are taking initiatives through employee engagement and talent development programmes to ensure **diversity and inclusivity** among our people.

We are undertaking initiatives to **uplift local communities** by providing quality healthcare and education and ensuring a holistic development of the society.

We practice **responsible production** with an integrated system to ensure that our products cause the least harm to the environment.

We have adopted renewable energy sources to achieve our net zero target and combat **climate change.**

# Chairman's Message



**Our future is equally exciting: as we soon split into 2 companies going forward – Bajaj Electricals Limited and Bajel Projects Limited – we have laid strong foundations for each of them to do well and grow.**

**Shekhar Bajaj**
Chairman

Dear Shareholders,

The year 2022-23 has been a landmark year for your Company in many ways. As we have shared in earlier investor communications, a few years ago we embarked upon our transformation journey with a vision to make 2020-2030 the "Decade of Bajaj Electricals". As we completed Horizon 1 of that strategic roadmap during the year gone by and have entered Horizon 2, we are beginning to see the clear fruits and milestones in this journey.

- We became net-debt-free in March 2022 and have exited the year gone by with surplus cash. We have maintained our record of consistently generating positive cashflow from operations every quarter, all through the volatile market conditions.
- Our business model is structurally fixed with the right focus on each business in line with our strategic goals and long-term value creation.
- Our EPC (Power Transmission and Power Distribution) business has delivered a full turn-around and been profitable on a full-year basis, demonstrating our commitment to set that business on the right strategic and operating path.
- The scheme of arrangement that we had announced last year for the demerger of our EPC business into a separate listed entity "Bajel Projects Limited" is in the final stages of regulatory approvals and the process will be completed in the coming few months. Operationally the teams are fully geared up for this.
- During the year we relaunched our flagship brand "BAJAJ" with the BUILT FOR LIFE positioning. I believe this will be a clear pivot and marker for the destiny and growth of the BAJAJ brand for several decades to come – to fortify its relationship with consumers and its distinct position in the marketplace.
- The investments and efforts in our research and development are beginning to deliver outcomes in the form of a wide range of new, distinct and innovative products across various categories. This along with our renewed brand thrust, has been and will continue to be the key enabler for growth in our market shares during the year gone by and the years to come.
- Our financial and operational performance continues to improve. In a year that has been challenging all around due to continuing impact of the Russia-Ukraine war and rising interest rates, leading to subdued consumption demand, our performance has been ahead of industry benchmarks and peers.
- ESG (Environmental, Social, and Governance) is an integral part of our business strategy. We prioritize responsible operations and value creation for all stakeholders. Through targeted initiatives, we reduce our environmental impact, promote social well-being, and uphold strong governance practices. Our commitment to ESG ensures sustainable growth, innovation, and positive contributions to the environment, society, and economy.
- We have continued to drive organisational transformation and strengthening, in terms of talent at all levels, systems and processes and workplace culture. As part of our commitment to better corporate governance as well as professionalising the management, during the year our Board decided to split the roles of Chairman and Managing Director. Accordingly, I continue as Executive Chairman of the Company, while our erstwhile Executive Director, Anuj Poddar was elevated to the position of Managing Director and Chief Executive Officer.

It would be worthy to note that all these changes and achievements (not just in the year gone by, but over the last few years), have been realised in a period that has been amongst the most volatile and challenging for all of industry and all countries and economies, based on my experience over the last several decades. That to me, is the most gratifying aspect of it, as it represents the new Bajaj Electricals Limited – and the grit, resilient and unwavering executional and strategic focus of our leadership and teams. So, I am tempted to say that while BUILT FOR LIFE is the positioning of our flagship consumer brand BAJAJ, it also reflects the ethos of what your company stands for and will become synonymous with.

Our future is equally exciting: as we soon split into 2 companies going forward – Bajaj Electricals Limited and Bajel Projects Limited – we have laid strong foundations for each of them to do well and grow at a faster pace and add more value in their respective domains.

As always, I remain deeply grateful for the contributions of Anuj Poddar, team Bajaj, business associates, our entire Board of Directors and you, our shareholders, for your trust in us.

Yours sincerely,

**Shekhar Bajaj**
Chairman

# Managing Director and Chief Executive Officer's Message

**We have developed a strong product development roadmap – with meaningful innovations and consumer value propositions.**

**Anuj Poddar**
Managing Director and
Chief Executive Officer

## Dear Shareholders,

I am pleased to share that despite the various market challenges, our financial performance during the previous year has been strong and clearly ahead of industry.

Our total revenues from operations grew from ₹ 4,813 crores (in 2021-22) to ₹ 5,429 crores. Our Profit Before Tax grew from ₹ 166 crores to ₹ 303 crores. Our PAT grew from ₹ 124 crores to ₹ 216 crores. Further, your Company continued to generate strong cashflow from operations of ₹ 450 crores.

Our Consumer Products segment delivered growth of 13.5% during the previous year. This points to clear market-share growth on the back of several product launches and ongoing portfolio premiumisation. The segmental PBIT grew from ₹ 226 crores in 2021-22 to ₹ 247 crores. Despite the various challenges on costs as well as competitive pricing intensity, we have held on to our margins.

In the previous year, we carved out Lighting Solutions as a separate business segment, given our planned thrust for that business in the coming years. This segment delivered growth of 4.1% in a period where industry de-grew and the segmental PBIT grew from ₹ 59 crores in 2021-22 to ₹ 87 crores. We shall continue to invest in this segment to make it a strong growth driver for us going forward.

Our EPC segment has delivered a strong turnaround with revenue growth of 29.5% in the previous year and a positive PBIT of ₹ 7 crores on a full-year basis. This marks the culmination of our phase of consolidating this business to put it on an operationally robust path with strong project execution and controls. Going forward, based on its strong order book and the benefit of operating as a separate, focused entity, I am confident it will deliver strong growth and value creation.

Our strong financial performance is the outcome of several ongoing strategic initiatives, a few of which I will talk about.

**Brand:** Our brands are our most valuable assets as a company in the consumer space. A couple of years ago we embarked upon defining an overall brand architecture framework that would propel your Company into operating as a 'house of multiple brands', each with a distinct identity and positioning. As a part of this we relaunched our flagship brand 'BAJAJ' with the BUILT FOR LIFE positioning. Going forward you will see the multiple-brands-with-distinct-identities strategy play out and pivot us into becoming a highly consumer-centric company.

**Products:** We have developed a strong product development roadmap – with meaningful innovations and consumer value propositions. During the previous year we launched 165 SKUs in the Consumer Products segment and 513 SKUs in the Lighting Solutions segment. These launches have helped plug gaps in our portfolio, drive greater premiumisation and grow market-shares across categories. This is enabled by strong research and development capabilities, which we shall continue to invest in, to build long term perspective competitive advantage.

**Operational excellence:** We have clearly identified areas of operational improvement. This covers various aspects of sourcing, manufacturing, logistics, go-to-market and technology. Each of these is being addressed in a focused manner. During the previous year we embarked upon an ambitious digital transformation exercise that shall culminate over the next 2 years. All of these initiatives will not just provide direct financial benefits but make us a best-in-class company that is far more agile and competitive player.

**People and culture:** A fundamental aspect of our ongoing transformation has been the revamp of our talent pool and organisational culture. During the year, we have further strengthened our organisation across levels from the induction of our first batch of management trainees right up to the onboarding of senior talent at the leadership level. We were recognised by Great Place To Work ® Institute India for the third time in a row, fostered Diversity and Inclusion through relevant policies and are institutionalising a professionalised and high-performance-driven organisation.

**Sustainability:** Sustainability is a core value that guides our business decisions. We are committed to reducing our environmental impact through sustainable manufacturing processes, optimising resource efficiency, minimising our carbon footprint, and promoting supply chain efficiency. We firmly believe that by prioritising sustainability, we can provide consumers with eco-friendly products while driving circularity, efficient waste management, water and energy conservation, and enhancing community livelihood.

On a personal note, I would like to acknowledge and thank all of you, our shareholders as well as our Board and our Chairman for entrusting me with the responsibility as Managing Director and Chief Executive Officer of your Company. Along with our team, I shall continue to work with the same zeal and commitment as we have so far.

I would like to end with a famous maxim: "People overestimate what they can do in a year & underestimate what they can achieve in 10 years."

Our future beckons us.

Warm regards,

**Anuj Poddar**
Managing Director and
Chief Executive Officer

# Steady Performance through Disciplined Execution

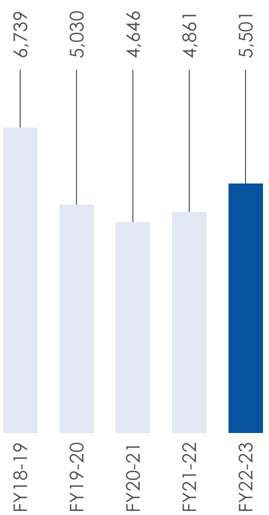
**13.1%**
Y-O-Y growth in revenue

**36.3%**
Y-O-Y growth in EBITDA

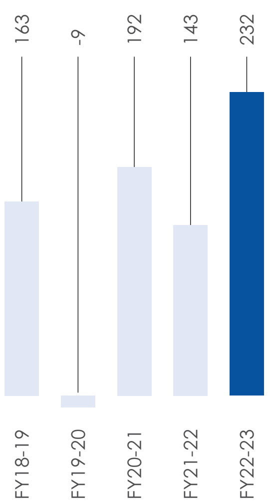
**₹ 20**
EPS

**68.5%**
Y-O-Y growth in PAT

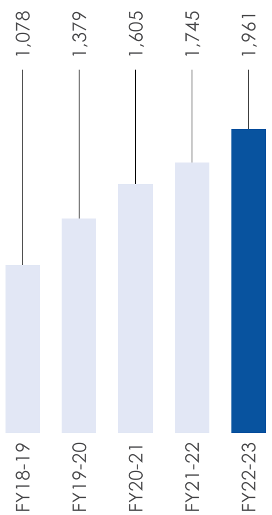
### Total Income
(₹ in crore)




### Total Comprehensive Income
(₹ in crore)




### Networth / Total Equity
(₹ in crore)

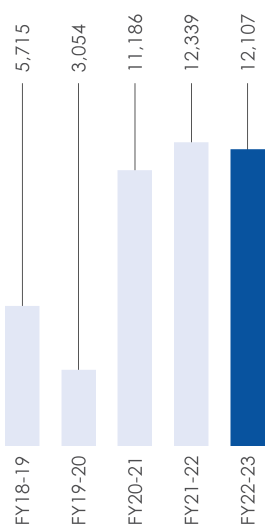



All above numbers are on standalone basis

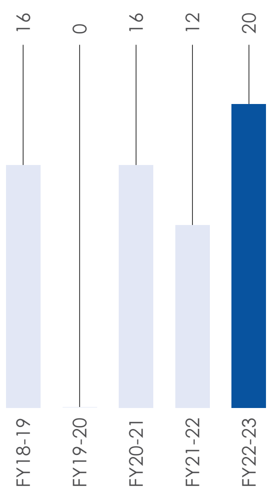




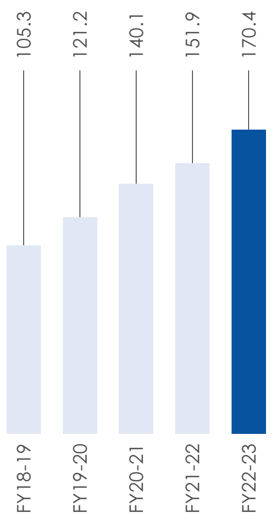
### Market Capitalisation
(₹ in crore)



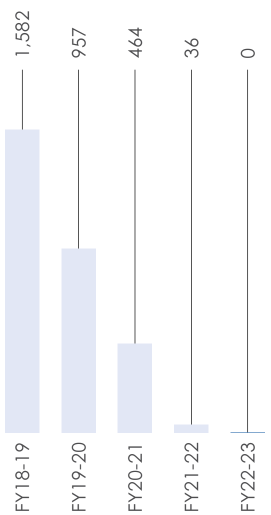

### Basic EPS
(₹)



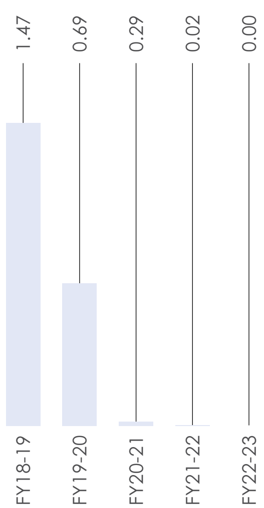

### Book Value Per Share
(₹)



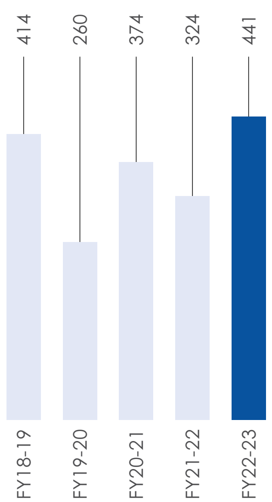

### Total Debt
(₹ in crore)




### Debt Equity Ratio
(times)




### EBITDA
(₹ in crore)




All above numbers are based on standalone basis

# A Convenient, Innovative and Customer-Centric Portfolio

## Consumer products

Bajaj Electricals takes great pride in its consumer-centric approach, attuned to the ever-evolving tastes and preferences of our customers. The Company prioritises research and development to bridge the gap between consumer needs and innovative product solutions. The brands are known for their durability, convenience, and aesthetic appeal, offering products that seamlessly integrate into modern lifestyles. The Company is committed to delivering energy-efficient and intelligent solutions that enhance the overall convenience and quality of life of our valued customers.

BAJAJ BUILT FOR LIFE

BAJAJ offers a diverse range of durable and contemporary appliances to meet the evolving needs of consumers. Through a deep understanding of consumer preferences, meaningful innovation and adherence to stringent quality standards , the brand continues to be trusted by millions of Indian consumers.

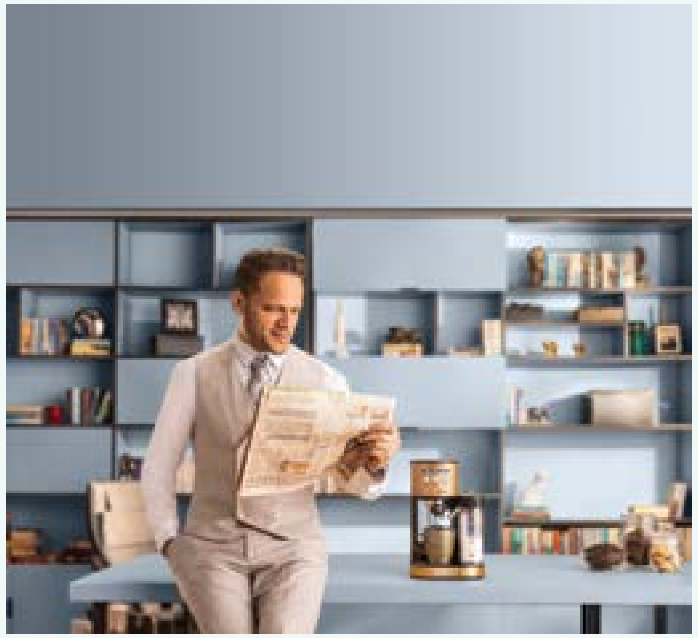
BUILT FOR LIFE. This transformative campaign is driven by deep consumer insights, relentless innovation, and strong research and development capabilities. BAJAJ has revamped its product portfolio to align with the indomitable spirit of Indian consumers who embody endurance, perseverance, and a determination to keep performing.

NIRLEP

Nirlep, a renowned brand in the world of non-stick cookware, stands out for its deep understanding of diverse cooking practices across India. As a market leader in its category, Nirlep continues to redefine culinary experiences. With a relentless focus on modern lifestyles, the brand has pioneered advanced non-stick coatings and specialised heat-resistant cookware, delivering convenience and superior quality to our discerning customers.


MorphyRichards

As modern Indian consumers aim to create a joyful environment at home, they seek products that align with evolving lifestyles. Morphy Richards understands this shift and offers intuitive and technologically advanced solutions that seamlessly integrate with the consumer's unique preferences. With a rich British heritage, the brand excels in product design and aesthetics, igniting happiness through visually appealing offerings. At the same time, Morphy Richards' commitment to engineering excellence ensures superior functionality, enhancing the overall consumer experience. From stylish kitchen appliances to cutting-edge home essentials, Morphy Richards caters to the diverse needs of individuals, empowering them to curate spaces that reflect their true selves.



# **Our Businesses** (continued...)

## Lighting solutions

With a strong emphasis on aesthetic design and advanced features, our lighting solutions offer an extensive range of products to meet diverse needs. From consumer lighting options to professional solutions, we cater to residential, commercial, and industrial applications.

Our energy-efficient lights are specifically designed to provide sustainable and cost-effective alternatives to conventional lighting. By incorporating the latest technology and innovative design elements, we ensure that our lighting solutions not only enhance the visual appeal of any space but also deliver optimal performance and longevity.

### Consumer lighting

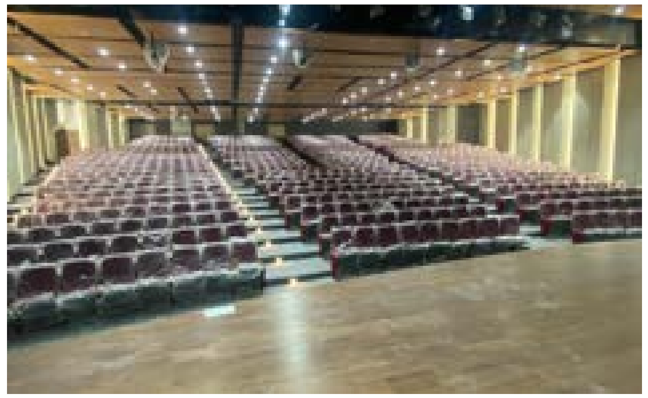
We have a diverse range of consumer lighting products which offers smart lighting solutions for the evolving needs consumers and complements modern home décors.


### Professional lighting

Built with cutting-edge technologies, our offerings are designed to provide unparalleled quality, durability, and reliability. Whether it is for commercial spaces, industrial facilities, or outdoor spaces, our advanced lighting solutions ensure optimal illumination and create a sense of security. With a focus on delivering superior performance and energy efficiency, our professional lighting solutions are trusted by businesses and industries across diverse sectors.

OUTDOOR SOLUTIONS

INDOOR SOLUTIONS



# Our Businesses (continued...)

## Engineering, Procurement and Construction (EPC)

As a prominent player in the power and transmission sector, Bajaj Electricals holds a position of pride and responsibility. Our expertise and commitment is evident in our robust execution of Engineering, Procurement, and Construction (EPC) projects, including the installation of critical infrastructure such as monopoles and transmission lines. With an unwavering focus on ensuring seamless and secure transmission of power, we play a crucial role in driving economic growth, uplifting communities, and improving the quality of life. Our dedicated teams work tirelessly to deliver excellence, and contribute to the nation's progress and prosperity.

## New Products

# Enabling Innovation. Redefining Possibilities.

### Consumer products

**Appliances**


Robusta Geyser


Mantilla Geyser


Soleiza Geyser


Maestro Geyser


Sponta Geyser


Juvel Digi Mixer Grinder


Elegance Purple Mixer Grinder


Carve Mixer Grinder


Elegance Wine Mixer Grinder


Alluro Iron


RHT2C Tower Room Heater


RCX 1.8 Duo Rice Cooker


ICK 200 FP


Micro Wave 2501 ETC


3B SS Glass cook top

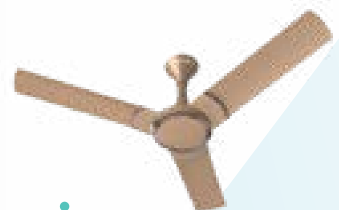

BAJAJ183680


BAJAJ42790


Grill Ultra 2-Slice

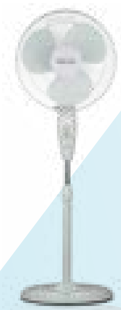
**Fans and coolers**


Adonis Air Plus Ceiling Fan


Stylo Ceiling Fan


Cresent Ceiling Fan


Classico Ceiling Fan


Esteem Pedestal Fan


DMH 90 Neo Air cooler


TMH 36 SKIVE Air cooler


PMH18

# New Products (continued...)

## Morphy Richards

Relish 750W 1

Inspira Dry Iron

5L Digital Air Fryer BL

54RCSS Dehydro

Europa Brewmaster

Radiant 1.8 ltr electric Kettle

Kube water heater

OTG 52RCSS Superb

Europa Xpresso 800

AutoPresso

Luxe Beauty 0.5 ltr Travel Kettle

SteamPro

Belleza 2000W Induction Cooktop

AT 205

## BAJAJ

### Professional Lighting

**Street Light**

BEAM-300 WATTS ---4

Edge Next LEd-Mid Wattage

AIO Premium 12-120W Solar

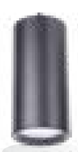
**Area Light**

Amaze-1000W

**Industrial Light**

Nuke

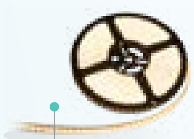
**Commercial Lighting**



Conscio

Dovee

Mini Borage 30/45W



LED Strip

Algarve

### Consumer Lighting

Hyperion full glow led panels 15w

Hyperion full glow led panels 15w

Ledz inverter linear lamp_10w

# Board of Directors

**Shekhar Bajaj**
Chairman

**Anuj Poddar**
Managing Director & CEO

**Madhur Bajaj**
Non-Executive Director

**Rajiv Bajaj**
Non-Executive Director

**Pooja Bajaj**
Non-Executive Director

Scan to our website for profile of our Board of Directors https://www.bajajelectricals.com/board-of-directors/

**Harsh Vardhan Goenka**
Independent Director

**Shailesh Haribhakti**
Independent Director

**Munish Khetrapal**
Independent Director

**Dr. Indu Shahani**
Independent Director

**Dr. Rajendra Prasad Singh**
Independent Director

**Sudarshan Sampathkumar**
Additional Director

# Recognised for Distinguished Performance

**Product of the Year 2022**

Morphy Richards
DigiChef
by NielsenIQ

**Product of the Year 2022**

Morphy Richards Kube
Water Heater
by NielsenIQ

Considered the world's largest award for product innovation, the NielsenIQ Award selects products on the basis of customer votes. The product's advanced features combined with its superior quality and durability helped Morphy Richards Digichef and Morphy Richards Kube to bag the top honours in the OTG and Water Heater categories, respectively.

**CEAMA Man of Small Appliances Award – 2022**

By the apex industry body CEAMA

Mr. Anuj Poddar, MD & CEO, Bajaj Electricals Limited was conferred with the highest industry honour by the Consumer Electronics and Appliances Manufacturers Association (CEAMA) in recognition of his remarkable and significant contribution to the Indian Appliances industry. Shri Piyush Goyal, Hon'ble Minister for Commerce & Industry presented the award at CEAMA's 43rd Annual Function.



**Certified as a Great Place To Work®**

for the 3rd consecutive year

A testimony to the efforts and actions that have translated into tangible value creation for our people. This takes the Company a step closer towards its goal of transforming the employee experience.


**Awards for 'Finance Innovation of the Year' and 'Healthy Balance Sheet management'**

At the Business World – Finance Strategy Awards 2023

The Company has won the 'Finance Innovation of the Year' award for multiple initiatives that helped to improve margins and working capital cycle, thereby enabling the Company to become debt free.

## Awards and Accolades (continued...)



**Winner of MQH Best Practices Competition (Manufacturing Category)**

By the IMC Ramkrishna Bajaj National Quality Award Trust

The National Award is a testament to the Company's ability to adhere to best practices that help the business to generate positive returns. It showcases the organisation's commitment towards quality assurance and its focus on continuous product improvements to ensure customer delight.


**Best Customer Experience Management 2022**

By Konnect Insights Excellence

Recognition for Online Reputation Management efforts that aid the creation of winning strategies designed to engage customers and fulfil consumer expectations.

**Featured in 'Top 50 organisations with Great Managers – 2022' list**

By People Business

Our managers play an important role in creating high powered teams who deliver excellent business results. The Company consciously puts in a lot of effort to strengthen its leadership and talent pipeline, a fact recognised by GPTW.

**Enterprise that demonstrated Best Technology Adoption**

At the NASSCOM SME Inspire Awards 2023

This award is a testament to the Company's commitment towards Excellence in Manufacturing. Leveraging technology to drive innovation and growth, the winning initiative has improved productivity, reduced downtimes, minimised energy consumption and improved asset monitoring.

# **Awards and Accolades** (continued...)

**Quality Enterprise Leadership Award 2022**

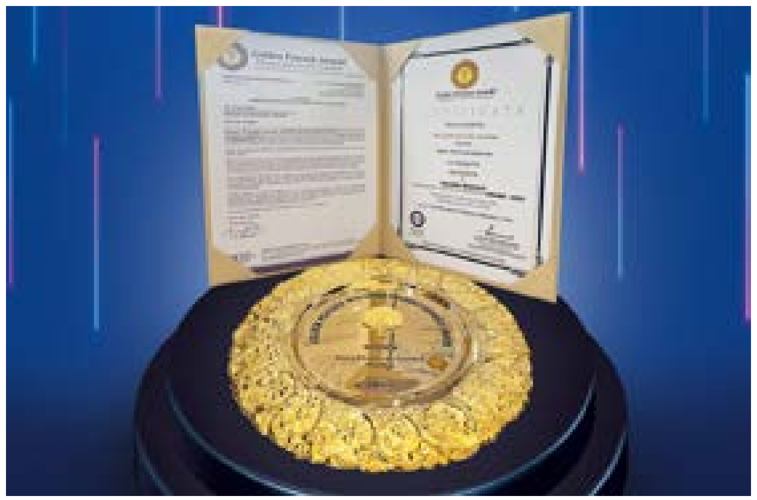
By Frost & Sullivan's Project Evaluation and Recognition Program (PERP)

Bajaj Electricals won the award for 'Quality Enterprise Leadership' in the Manufacturing Sector from Frost & Sullivan's Project Evaluation and Recognition Program (PERP) 2022. The winning project has significantly contributed towards enhancing business value.

**Innovative Product/ Service Award 2023**

At the Golden Peacock International Award

We have been recognised for innovation in packaging for Stadium Lights. It helped to withstand heavy stack load and ensured stability of the package during transportation, storage, stack and handling.



**Winner of the ultimate packaging accolade**

WorldStar Packaging Award

The prestigious WorldStar Award was conferred upon the Company in recognition of its efforts for innovative packaging of the '45 Kg Stadium Lights (Electronics category)'. The non- conventional approach for designing a packaging solution that ensured safe handling of Stadium Lights (weighing 45-70 kgs) using 100% eco-friendly material has helped reduce the overall carbon footprint. The project stood out among ~450+ entries sent by companies from 41 countries.


**Good Design® Award – 2022 Morphy Richards KUBE Water Heater**

Morphy Richards KUBE Water Heater was recognised by the GOOD DESIGN® Award as an innovative and cutting-edge product. The product stood out among entries from ~50 nations for its contemporary design and superior functionality.

**Best Digital Transformation Project 2022 At Technology Excellence Awards by Quantic India**

CITISOL LMS - a unified platform for Smart Lighting Management, is an innovative IoT solution that won the award for Best Digital Transformation Project at the Technology Excellence Awards. It is a validation of the Company's efforts to become a frontrunner in energy efficient and digitally managed smart lighting systems and driving the industry towards digital transformation.

# Building a Robust Business Model with Prudent Capital Allocations


**Financial Capital**
Page 46-49

**Manufactured Capital**
Page 50-57

**Intellectual Capital**
Page 58-71

**Human Capital**
Page 72-81

**Social & Relationship Capital**
Page 82-91

**Natural Capital**
Page 92-96

# Adding Value to Life

## Input

### Financial Capital
- Average Capital Employed ₹ **1,829 crs**
- Average Net Worth ₹ **1,806 crs**
- Gross Capex ₹ **86 crs**
- Brand Investments ₹ **135 crs**

### Manufactured Capital
- Manufacturing Sites **4**
- Installed Capacity EPC & Professional Lighting **36,200 MT**
- Installed Capacity Consumer Products & Consumer Lighting **19.3 Mn**
- Warehouse footprint **30.69 Lakh sqft**

### Human Capital
- Permanent employees/workers **2,500**
- Investment in Training (in manhours) **52,096 manhours**
- Presence in countries **4**
- Gender diversity: excluding factories **8%**

### Social and Relationship Capital
- Vendor Base excluding factories **318**
- MSME touchpoints excluding factories **231**
- % of Domestic Sourcing for CP **90%**
- Dealer Base (including Consumer Products & Consumer Lighting) **732**
- Retailer Base for Consumer products **~2 Lacs**
- No of CSR partners **11**
- CSR Spend ₹ **3.01 crs**
- No. of Customer Care Centers **621**

### Intellectual Capital
- Team strength **184**
- Patents Filed **18**
- Design Filed **66**

### Natural Capital
- Installed Renewable Capacity **Wind 2,800 KW** and **Solar 2,138 KWP**
- Material Consumed EPC & Professional Lighting **30,004.97 MT**
- Trees Plantation **86,000 trees**

## Operating Business Model





## Output

### Financial Capital
- Mcap FY 2022-23 ₹ **>12,000 crs**
- Total Revenues ₹ **5,429 crs**
- EBIT ₹ **352 crs**
- PAT ₹ **216 crs**
- Dividend Payout in FY 2022-23 **20%**
- Net Surplus funds ₹ **411 crs**
- Return on Capital Employed **19.2%**

### Manufactured Capital
- No. of Units produced: Consumer Products & Consumer Lighting **11.0 Mn**
- EPC & Professional Lighting production **28007 MT**
- Factory Capacity utilisation **57%**
- No. of c-Kms connected (Power Transmission) **462 c-kms**

### Human Capital
- New employees onboarded during FY'23 **590**
- Average age of Onroll employees **< 39 yrs**
- Employees with tenure excluding factories > 10 year **18%**
- Engagement score as per Great Place to Work (GPTW) **83%**
- Attrition excluding factories **25%**

### Social and Relationship Capital
- Net Promoter Score **38**
- Customer Satisfaction Score (CSAT) **> 99%**
- Customer complaints for appliances **c. 1.8%**
- Customer complaints for fans **< 1.7 %**
- New OEMs partnered excluding factories **43**
- Pin codes serviced **18,929**
- Employee volunteering Days for CSR **3,083 days**

### Intellectual Capital
- New SKU launched (Consumer Products) **165 SKUs**
- New SKU launched (Lighting Solutions) **513 SKUs**
- Designs accepted **38**

### Natural Capital
- Green Energy generated GJ **15,507**
- Waste recycled **91%**

## Outcomes

**Financial Capital**
- Consistent revenue growth and bottom line growth
- Enhanced value creation for all stakeholders

**Manufactured Capital**
- A robust manufacturing eco-system driven by operating efficiencies and new-age technologies
- Accredited by national and international regulatory bodies

**Human Capital**
- A diverse and inclusive workforce that enhances employee productivity and nurtures a conducive working environment
- Continuous opportunities for learning and development with career growth

**Social and Relationship Capital**
- Maintaining healthy and mutually beneficial relationships with key stakeholders.
- Ensuring effective stakeholder engagement
- Creating adequate employment opportunities

**Intellectual Capital**
- Improved quality of products
- Continuous innovation of new, energy efficient and eco-friendly products
- Development of sustainable technologies and processes
- Improvement of premium product portfolio
- Widening of product spectrum

**Natural Capital**
- Continuous focus on increasing the share of renewable energy in the total energy mix.
- Growing efforts to minimise carbon footprint

## SDGs linked

| Capital | SDGs |
|---|---|
| Financial Capital | 8, 9 |
| Manufactured Capital | 3, 6, 9, 11, 12 |
| Human Capital | 3, 4, 5, 8, 10 |
| Social and Relationship Capital | 5, 8, 12, 16 |
| Intellectual Capital | 8, 9, 12, 13, 16 |
| Natural Capital | 6, 7, 11, 12, 13, 14, 15 |

Refer to - https://sdgs.un.org/goals for SDGs

# Focused on Continuous Dialogues

At Bajaj Electricals, we believe in transparent communication with our stakeholders. We proactively engage with diverse stakeholders to understand their perspectives, address concerns and include suggestions for improving our business.

| Stakeholders | Why these stakeholders are important to us? | Expectations | Engagement Activities | Frequency | Capitals Impacted |
|---|---|---|---|---|---|
| **Board and Leadership** | The management and the leadership team are extremely important for setting the company's strategic direction, monitor financial performance, mitigate risks, and ensure compliance with laws and regulations | • Adherence to core values within the organisation<br>• Deliver sustainable growth<br>• Value creation for stakeholders | • Board and Committee meetings | • Board meetings held in FY 2022-2023: **6**<br>• Total Board Committee Meetings held in FY 2022-2023: **24** | |
| **Investors** | Investors provide financial resources necessary for growing and expanding the business. They also help to ensure accountability and transparency towards stakeholders. | • Compliance with rules and regulations<br>• Scalability of the business and financial growth<br>• Higher return on investments<br>• Authentic disclosures of financial statements | • Annual general meetings<br>• Investor and analyst meet and conferences<br>• Quarterly earnings call and presentations<br>• Integrated reports and press releases | • Total no. of annual general meetings held: **1 AGM**<br>• Total 1-on-1 investor meets and conferences held in FY 2022-23: **62** | |
| **Customers** | We strive to fulfil the needs and expectations of our customers with excellent products and services as they influence the company's market reputation and play an integral role in its success. | • Ensure quality of products<br>• Use of new-age technologies<br>• Sustainable and Durable Products | • Customer satisfaction surveys<br>• Brand Campaigns (ATL & BTL)<br>• Social media engagements<br>• Loyalty programmes | • Regular customer feedback<br>• Need based communication | |
| **Vendors** | To ensure cost-effectiveness, timely delivery of goods and maintenance of an efficient supply chain network, we maintain strong relation with vendors | • Fair trade practices<br>• Compliance with ethical standards, environmental regulations | • Vendor meets<br>• Training programmes<br>• Quality enhancement programmes<br>• Feedbacks and surveys | • Regular follow up<br>• Regular audits at vendor sites | |
| **Employees** | Our employees' expertise and knowledge is the foundation for our success. | • Learning and development<br>• Career enhancement<br>• Employee benefits<br>• Equal opportunities | • Employee satisfaction surveys<br>• Rewards and recognition<br>• Training and development programmes | • Ongoing training and feedback | |
| **Communities** | We continue to strengthen ties with local communities and improve lives through various initiatives. | • Upliftment of communities<br>• Health and well-being of people<br>• Livelihood generation | • CSR activities<br>• Initiatives for the betterment of society | • Ongoing<br>• Need based | |

Financial Capital
Human Capital
Manufactured Capital
Intellectual Capital
Social and Relationship Capital
Natural Capital

# Designed to Identify and Evaluate Key Business Aspects

**Materiality is a crucial element in our sustainability approach as it helps us focus on the most significant issues, engage with our stakeholders effectively, drive innovation, and enhance accountability. By integrating materiality into our decision-making processes, we navigate the complex landscape of sustainability, create shared value, and contribute to a more sustainable and inclusive world.**

### Identifying critical issues to enhance stakeholder value

Bajaj Electricals recognises the significance of sustainable development and acknowledges the need to identify material topics that are crucial for the growth and development of the Company as well as its stakeholders. In FY 2022-23, in collaboration with an independent consulting firm, the Company conducted a comprehensive assessment of material issues to identify ESG (Environmental, Social, and Governance) topics that are:

- relevant to its stakeholders;
- has the potential to impact the organisation either positively or negatively;

The Company engaged in a materiality exercise by identifying internal and external stakeholders. The insight gathered from diverse stakeholders including leadership, employees, vendors, customers, contract employees, investors and analysts, NGOs and CSR partners as well as research institutes, helped the Company to identify material topics that have a significant impact on the business.

### Key Stakeholders

Leadership | Employees | Vendors | Customers | Contract Employees

Investors and Analysts | NGOs and CSR Partners | Industry Associations | Research Institutes

**Process**

**Identification of material issues**
Identification of material issues as per industry standards, global standards and peer practices

**Prioritisation of material issues**
Ranking of the material issues on the basis of degree of impact to business and stakeholders

**Materiality matrix**
Analysis of the data collected in the above steps

**Identification of stakeholders**
Identification of internal and external stakeholders and considering their views about the material issues

Out of the 40 material issues identified based on peer practices, industry standards, and global benchmarks, we have recognised 14 topics that are crucial for our operations.

### Following are the material topics impacting Bajaj Electricals:

**Environmental**

**Capitals influenced**

| Material topics | Environmental Portfolio | Energy Management | Product Stewardship | Water Management | Supply Chain Management | Waste Generation and Recycling |
|---|---|---|---|---|---|---|
| Relevance to the Company | • Provide new growth opportunities for the Company with a diversified portfolio of greener products<br>• Capitalise on energy efficient products and services offered by the Company | • An important material topic due to growing demand for energy and use of electrical products<br>• Need for optimum utilisation of energy to ensure resource conservation, climate protection and cost savings | • Understand the environmental impact of the products<br>• Facilitate the Company to manage the ecological impacts of its products<br>• Develop essential strategies to reduce the environmental impact of its products | • Efficient management of water resources<br>• Help to build climate resilience as water continues to become a scarce resource | • Dependence on suppliers for majority of products<br>• Ensure effective flow of products to consumers | • Reduce the impact of our operations on the environment<br>• Save energy, and ease the burden on landfills. Optimises cost and raw material consumption |

# Materiality Assessment (continued...)

## Social

### Capitals influenced

| | Employee Health & Safety | Quality and Service Delivery |
|---|---|---|
| Material topics | Employee Health & Safety | Quality and Service Delivery |
| Relevance to the Company | • Increase the overall productivity and efficiency of the Company.<br>• Create a safe workplace | • Customer safety and loyalty.<br>• Improve brand image |

## Governance

### Capitals influenced

| | Fair Business Practices | Corporate Governance, Transparency and Disclosures | Regulatory Compliance and Integrity | Business Ethics and Anti-corruption | Resilient Business Model and Long-term Profitability | Environmental Risk Management |
|---|---|---|---|---|---|---|
| Material topics | Fair Business Practices | Corporate Governance, Transparency and Disclosures | Regulatory Compliance and Integrity | Business Ethics and Anti-corruption | Resilient Business Model and Long-term Profitability | Environmental Risk Management |
| Relevance to the Company | • Creates stakeholder trust and respect, resulting in corporate growth | • Smooth functioning of the organisation, resulting in enhanced stakeholder trust and brand reputation | • Compliance with relevant national/ local laws and regulations applicable to the business, thereby fostering confidence among stakeholders | • Protects the Company's brand value and the trust of its stakeholders | • Uninterrupted growth and success and helps in creating value for shareholders | • Enables the Company to identify its exposure to environment related risks.<br>• Develop and implement mitigation strategies to ensure seamless business operations |

# Envisioning a Sustainable Future

Bajaj Electricals has utilised the materiality assessment as a foundation for creating a strategic ESG framework. Our ESG Strategy serves as a blueprint for seamlessly integrating ESG considerations into our core business. It plays a crucial role in establishing a comprehensive roadmap for our future endeavours. To effectively support our purpose, we have identified four strategic pillars that form the foundation of our ESG initiatives. These pillars, in turn, are further strengthened by ten specific focus areas.

**Together, these pillars and focus areas provide us with a robust structure and clear direction for effectively addressing and incorporating ESG factors into our day-to-day business operations.**

**1**
Vision – Inspiring Sustainable Living

**4**
Strategic Pillars

**10**
Focus Areas

## Strategic Pillars and focus areas with KPIs.

### Empowering Our Team

**Ensuring Safety**

KPIs

- Lost Time Injury Frequency Rate
- Workplace Safety

**Strengthening Human Capital**

KPIs

- Diverse and Inclusive workforce
- ESG Training
- Employee Delight

### Preserving the Environment

**Combating Climate change**

KPIs

- Energy and Emissions
- Carbon Sequestration
- Climate Risk Assessment

**Enhancing Circularity**

KPIs

- Waste Management
- Reduce Single Use Plastic

**Sustainable Supply Chain**

KPIs

ESG-specific Vendor Assessment

### Unlocking New Possibilities

**Sustainable Product**

KPIs

- Product Life Cycle and Innovation
- Sustainable Products

**Packaging Responsibly**

KPIs

Eco-friendly Packaging

### Guarding Integrity

**Guarding Integrity**

KPIs

- ESG communication
- Business Ethics

**Engaging with stakeholders**

KPIs

- Community Development
- Employee Volunteering Hours
- Inspiring Trust in Customers
- Inspiring Trust in Suppliers
- Customer Centricity

**Respecting Human Rights**

KPIs

Human Rights Assessments

# Financial Capital

At Bajaj Electricals, our endeavour is to maintain prudent capital structure, healthy balance sheet and steady cash flow from operations with focus on creating value for all our stakeholders. We remain committed to invest in growth opportunities with a risk calibrated approach. To support growth endeavours, we seek to take appropriate measures to adjust our capital structure. We also diligently focus on the return on capital and dividend distribution to maximise shareholder value.

**Material topic linkage**

- Resilient business model and long-term profitability

**₹ 1,907 crore**
Total Equity

**₹ 216 crore**
Highest ever PAT

**₹ 411 crore**
Surplus funds

**₹ 450 crore**
Cashflow from Operations

**₹ 5,429 crore**
Total Revenue

**19.2%**
Return on Capital Employed

**₹ 61 crore**
Net Capital Expenditure

UN SDG linkage:

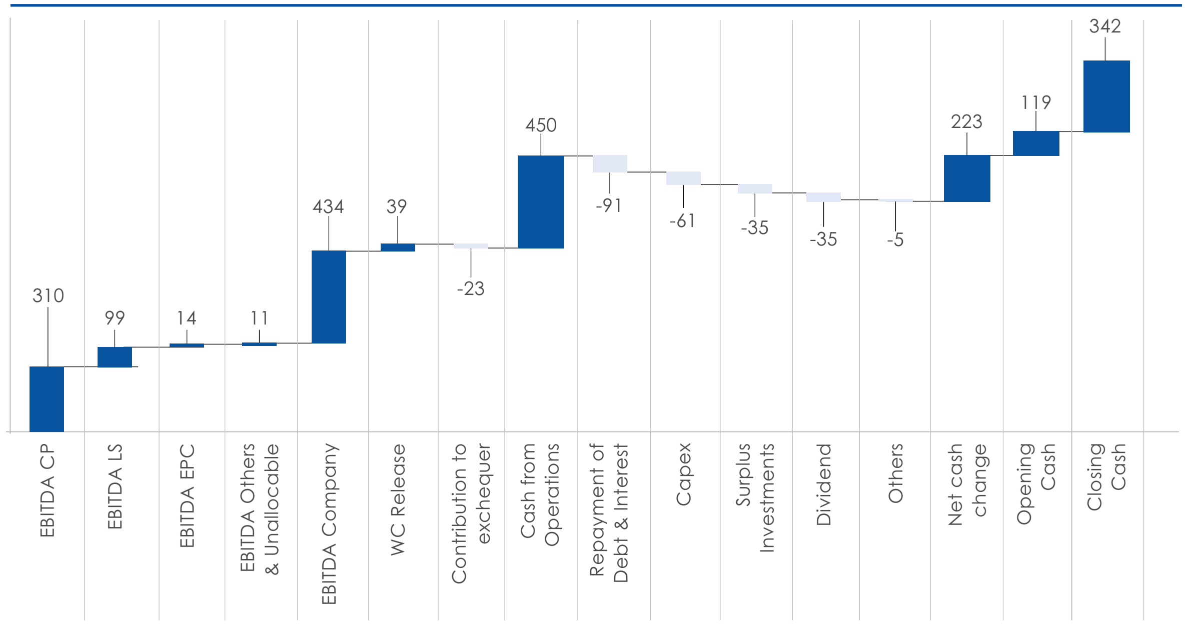
8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

**Our Consumer Products business has surpassed ₹ 3,700 crore in revenue, while our Lighting Solutions business has experienced substantial profit growth. Additionally, our EPC business now stands operationally positive, completing a turnaround after losses in the previous three years. Our strategic approach of selectivity and order quality has ensured profitability at the project level for the EPC business. We remain resilient, optimistic and committed to delivering sustainable growth and profitability in the face of rising commodity prices and inflationary pressures.**

### Cash flow generation & deployment

(₹ in crores)




### Managing Capital – Inputs

**Lighting Solutions**

W.e.f. 1st Jul'22, BEL's segment reporting underwent changes wherein Lighting Solutions has been reported as one unified separate segment encompassing of both Professional lighting & Consumer lighting

**Strong revenue generation of ₹ 5,429 crore**

supported by all our businesses, where CP segment has grown by **13.5%**, LS segment by **4.1%** and EPC segment by **29.5%** during FY'23.

**Strong EBIT generation of ₹ 352 crore**

supported by all our business, where CP segment has grown by **9.2%**, LS segment by **47.9%** and EPC segment turning EBIT positive during FY'23.

**Multiple financing initiatives**

to improve working capital cycle across the value chain (Reverse factoring, Channel financing, Cooler financing & Warranty insurance)

**Generated cashflow in operations of ₹ 450 crore**

due to operating profits and release of working capital. The capital employed in the EPC segment has reduced by **₹ 330** crores, thereby providing a strong impetus to this cashflow from operations

**Portfolio simplification in FY'23**

- Completed merger of Starlite Lighting Ltd
- Initiated merger of Nirlep Appliances Pvt Ltd
- Near to completion of Scheme of Demerger for EPC undertaking

### Managing Capital – Outcomes

- Strong surplus position of **₹ 411** crore achieved through focused efforts and actions.
- Beefed up capital expenditure to the tune of **₹ 86** crore
- Invested in digitisation and IT infrastructure to improve operational efficiencies. (Migrated to SAP S4 HANA system in FY'23)
- Brand investment to the tune of **₹ 135** crore to support business growth
- Simplified corporate structure
- Proposed a dividend of **₹ 4** per share in line with the Dividend Distribution Policy
- M-cap in excess of **₹ 12,000** crore as on March 31, 2023

### Way forward

- Maintaining flexible capital structure in line with the business needs to support growth opportunities
- Making sound investments towards the intellectual capital with a strong focus on generating healthy return on investment
- Continued focus on digitisation
- Focusing on shareholders' wealth maximisation

# Manufactured Capital

Our best-in-class manufacturing facilities utilise advanced technologies to aid the development of products that offer the assurance of quality, customer-convenience and cost-efficiency. The strength of our manufactured capital, therefore, creates customer confidence and contributes towards sustained business growth.

**Material topic linkage**

- Quality and service delivery

**UN SDG linkage:**

3 Good Health and Well-Being
6 Clean Water and Sanitation
9 Industry, Innovation and Infrastructure
11 Sustainable Cities and Communities
12 Responsible Consumption and Production

4
**Manufacturing units**

EPC 36,200 MT
LS 10.8 Mn | CP 8.5 Mn
**Installed capacity**

57%
**Annual capacity utilisation of all units**

EPC 28,007 MT
LS 6.4 Mn | CP 4.6 Mn
**Annual production**

# Manufactured Capital (continued...)

**In the fiscal year, we have undertaken initiatives to enhance our in-house production capabilities and promote premiumisation for our Fans portfolio. By diligently pursuing capacity debottlenecking initiatives, we have ensured that our manufacturing processes operate at optimal levels, enabling us to meet the growing demand for our premium products. Moreover, our commitment to sustainable manufacturing practices has been unwavering, as we have embraced Total Productive Maintenance (TPM) and focused on enhancing Overall Equipment Effectiveness (OEE). These strategic steps have not only strengthened our operational efficiency but have also reinforced our dedication to environmental stewardship.**

Bajaj Electricals is known for introducing an extensive array of consumer electrical products, focused on enriching customer convenience. With rapid deployment of advanced technology in our manufacturing facilities, we continue to undertake significant design improvements that help in the production of the finest products and enable us to adhere to rigorous quality parameters.

Our plants too implement sustainable manufacturing practices that are directed to minimise our impact on the environment. We also continue to undertake efforts to enhance operational efficiency while ensuring optimum resource utilisation. These steps have also helped us to achieve significant cost efficiencies across the manufacturing process.

### Improved operations

At Bajaj Electricals, we remain committed to ensuring manufacturing excellence through operational efficiency. We have strengthened our operations through Total Productive Maintenance (TPM) and effective cost management. We have an effective system of resolving challenges through revised and new business models and restructuring of cross functional activities and improving Overall Equipment Effectiveness (OEE).

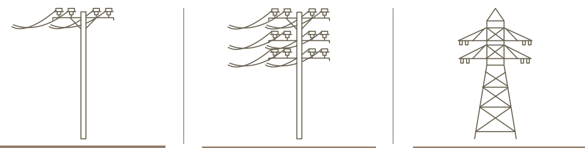
### Inspection at manufacturing plants

To ensure product quality and durability we have strengthened process inspection at every stage with


## Our manufacturing facilities

### Ranjangaon plant

**Products**



Poles | Monopoles | EPC products

**36,200 MT**
Installed capacity

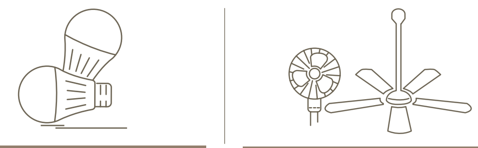
**28,007 MT**
Annual production

**Capacity utilisation**

77%

### Chakan plant

**Products**



LED | Fans

**8,23,680**
**units per annum**
Installed capacity

**27,00,000**
**units per annum**
Installed capacity

**4,10,092**
Annual production

**18,97,950**
Annual production

**Capacity utilisation**

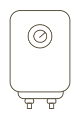
66%

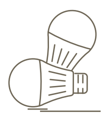
- In January 2023, the Chakan facility reached a record-breaking production level of **273,000 fans**, marking its highest output for the month.
- The Chakan Fan Factory has introduced a cutting-edge paint shop capable of handling up to **325,000 fans** each month.
- The fan factory has also established a state-of-the-art assembly line with an impressive total capacity of **400,000 fans** each month.

# Manufactured Capital (continued...)

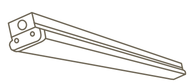
## Nashik Plant

### Products


Water Heaters


LED

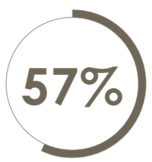

Mixers


Battens

**1,18,80,000**
**units per annum**
Installed capacity

**67,44,637**
**units per annum**
Annual production

**Capacity utilisation**

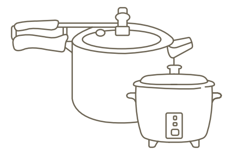



- The plant produced **60,000 LED** bulbs in a single day in February 2023
- It recorded the highest number of storage water heater production of **60,000 units**, in September 2022

## Aurangabad Plant

### Products

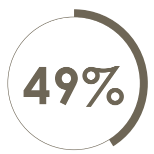

Non-stick cookware


Pressure Cooker

**39,00,000**
**units per annum**
Installed capacity

**19,02,007**
**units per annum**
Annual production

**Capacity utilisation**




- The plant achieved the milestone of manufacturing **78,000 Pressure Cookers** in September 2022

## Focus on Total Productive Maintenance (TPM)

We have incorporated Total Productive Maintenance (TPM) across our operations to inculcate a comprehensive approach to equipment maintenance. It aims to maximise the overall effectiveness and efficiency of manufacturing plants. TPM helps to regulate maintenance activities efficiently, reduces downtime and optimises productivity. It has resulted in considerable cost savings by minimising repair costs, extending the life of equipment and reducing energy consumption.

## Digital adaptation

The implementation of Manufacturing Execution Systems (MES) and digitisation of the production process has improved efficiency, productivity, and overall performance of our plants. The integration of sophisticated technology and automated systems across our operations is also expected to optimise our production workflow, increase real-time monitoring of systems and enable seamless data exchange across the manufacturing ecosystem. With rapid adoption of digital capabilities at our manufacturing plants, we aim to create a connected and intelligent factory environment, capable of quickly adapting to changes in market dynamics, reducing downtime, improving product quality and streamlining operations.

Our emphasis on promoting a safe working environment has led to a remarkable achievement of zero incidents in FY 2023.


We have also implemented a safety training module, designed to cater to the specific needs of the workforce.

A firefighting system is being installed at the Chakan plant to further enhance safety measures at the site.

A dedicated Safety Manager has been appointed for each plant, to oversee and prioritise safety measures and ensure a proactive approach towards mitigating potential risks.

# Manufactured Capital (continued...)

**0**
Minor accidents at Chakan

**278.6 mg/l**
ETP TDS Value at Chakan

**60.5 mg/l**
STP-COD at Chakan

**38**
First Aid Injury at Chakan

**19.5 mg/l**
STP-BOD at Chakan

**21.3 mg/l**
ETP BOD at Chakan

**64.4 mg/l**
ETP COD at Chakan

**15.2 mg/l**
STP- TSS at Chakan

**Initiatives implemented during FY23:**

Built a Zero Liquid Discharge (ZLD) plant to recycle effluent within the manufacturing process. We are also reusing the paint shop wastewater after recycling.

Installed Variable Frequency Drives on two robotic cranes for energy optimisation, currently under monitoring and evaluation.

Installed new solar panels to lower greenhouse gas emissions. At our plants, we also focus on the effective surveillance and upkeep of existing panels.

All our plants comply with the Pollution Control Board's (PCB) guidelines for e-waste disposal and overall waste management.

Changed water taps in washrooms and reused water for plantations to optimise water usage.

Launched awareness campaigns via emails and verbal announcements to encourage our personnel to adopt sustainable practices.

## Embedding sustainability in our operations

We are making significant strides to reduce environmental impact and enhance efficiency as part of our ongoing efforts to integrate sustainability into our operations. Through responsible resource management, utilisation of renewable energy sources and a sharp focus on employee health and safety, we are setting new industry benchmarks for sustainable practices.

## Way forward

- In the upcoming year, we plan on scaling up our digitalisation initiatives and the implementation of the Manufacturing Execution System (MES) at the Chakan factory.
- Through advanced machine learning algorithms and predictive analytics, we aim to improve our capacity utilisation.
- To lower our carbon footprint and enhance product efficiency, we intend to revamp our manufacturing processes by incorporating green technology and sustainable practices.

Morphy Richards

# Intellectual Capital

Our relentless efforts to create a differentiated product portfolio is hinged on our innovative approach to design and deliver superior quality products that cater to changing consumer aspirations. With the rapid adoption of emerging technologies, we remain determined to introduce smarter and sustainable products to the market.

**Material topic linkage**

- Environmental portfolio
- Product stewardship

UN SDG linkage:

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

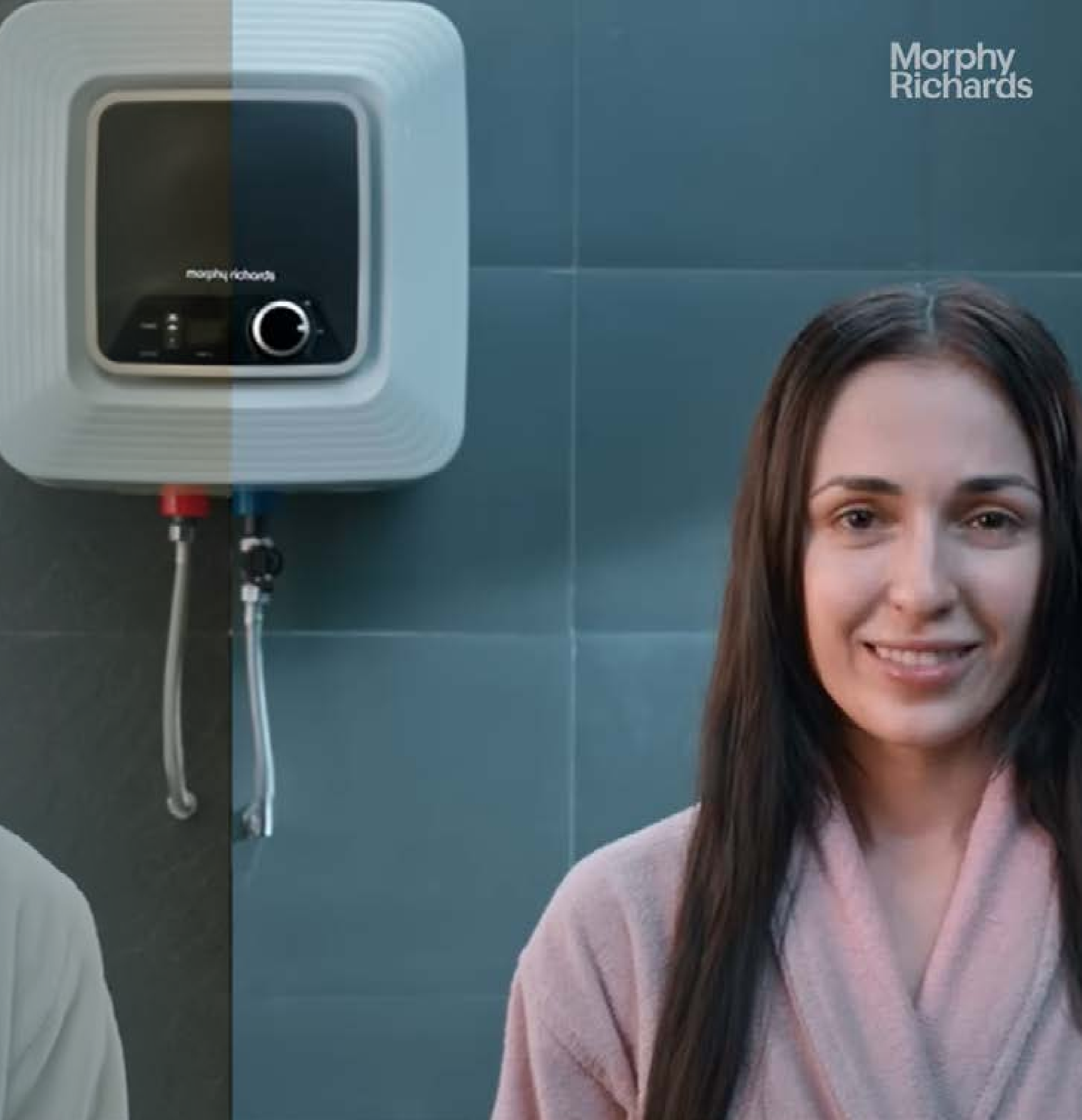
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

18
Patents filed

184
R&D team strength

66
New design registrations

159
Engineers in technical roles



# **Intellectual Capital** (continued...)

**Our relentless pursuit of product innovation has led us to continuously adapt to new-age processes and embrace advanced technologies to develop products with best-in-class features. Our commitment to excellence drives us to create products that are truly 'BUILT FOR LIFE.' With a strong focus on energy efficiency and the adoption of emerging technologies, we strive to deliver solutions that enhance the lives of our customers and contribute to a sustainable future.**

### Emphasis on Research & Development

At Bajaj Electricals, the tireless efforts of our R&D team empower us to sustain our performance in a dynamic market. Keeping product innovation at the core, we are adapting to new-age processes, adopting advanced technologies and sharpening our skillset to render functionally superior products. It not only enables us to retain a competitive edge but, also opens up new opportunities for sustainable progress.

To further strengthen our R&D capabilities, we rely on our Product Research Centre (PRC), Centre of Excellence and Design Quality departments within the R&D division. It not only allows us to diversify our portfolio further, but also provides an opportunity to add efficiency to our operations. Besides, the adoption of advanced-technologies, deployment of physics based engineering and reliability simulations and Programme Lifecycle Management (PLM) for all our R&D projects help us to introduce best-in-class products to the market on time.

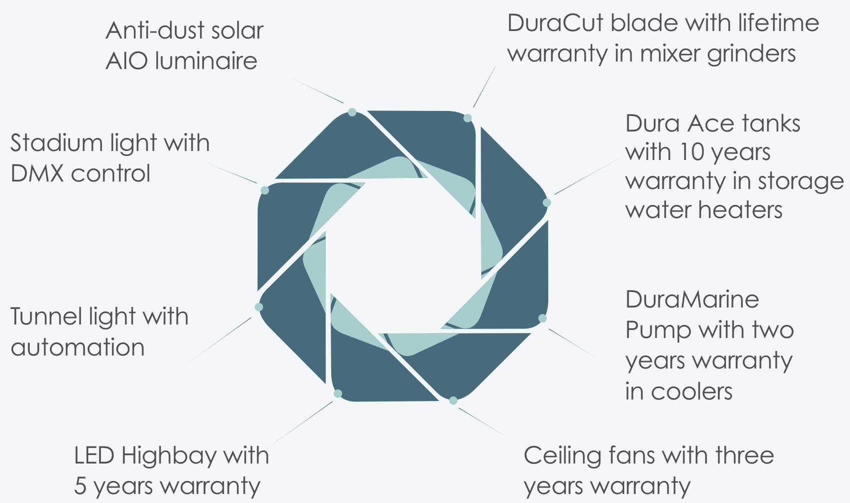
At Bajaj Electricals, we conduct extensive research to identify market trends, gaps, and opportunities before launching the products. The R&D team also carries out market visits to identify consumer preferences for various products and regularly benchmarks products against industry peers to stay up-to-date with latest trends.

In the fiscal year 2022-23, we have introduced 678 new products consisting of 165 in Consumer Products and in 513 Lighting Solutions divisions.

### Products 'BUILT FOR LIFE'

With the 'BUILT FOR LIFE' brand positioning in mind, our R&D team continues to upgrade and innovate products in terms of design, features, quality and price point. Our constant focus on testing and analysing products at every stage of the product lifecycle enables us to incorporate changes effectively. It also enables us to maintain a steady product pipeline of new and innovative products.

The following products were recently introduced to fulfil the assurance of 'BUILT FOR LIFE' across various categories:




These products address consumer concerns and help to create a distinguished portfolio. To assure the highest standards of quality, our products are tested and approved by NABL/ DSIR accredited labs, export certified labs such as Bureau Veritas, TUV Rheinland, and BIS recognised labs.

### Energy efficient products

Our efforts to ensure sustainability is demonstrated through our emphasis on the production of energy-efficient products. To meet the stringent regulations for energy star labelling, our R&D team continues to offer innovative ideas for developing products that minimise energy consumption.

**Ceiling fans**
BEE Star Rated

We have developed efficient motors with compact design blades to reduce the use of electricity.

**Water storage heater**
BEE Star Rated

It has efficient heating elements with a dual safety system (Thermostat and Thermal Cutout) to conserve energy.

# Intellectual Capital (continued...)

**Induction cooktop, microwave oven**
Star Rated

The optimised design of the main PCB, heating elements and sensors of the induction cooktop helps to reduce energy consumption. Similarly, the microwave's heating element, Magnetron and fans ensure energy efficiency.

**LED Bulb**
Star Rated

We have developed 5 star rated LED bulbs that are BIS registered.

**LED Luminaire**

Bajaj developed LED luminaire in the Indoor and Outdoor categories, ensuring highest energy efficiency in the market.

## Innovate and rise

At Bajaj Electricals, we have established a culture of innovation and with the vision of enhancing the quality of life and ensuring sustainability, we collaborate with partners to develop new concepts that make way for consumer delight.

**43**
Total number of innovative ideas received

**3**
Innovative ideas adopted

**4**
Innovative ideas under evaluation

## Awards and recognition

We have bagged a number of prestigious awards during FY 2023, for designing innovative products and solutions.

- **Golden Peacock** Innovative Product Award
- **WorldStar Packaging** Award for stadium light packaging design
- **Good Design** Award for Morphy Richards Kube storage water heater
- **Indiastar Packaging** Award for innovative packaging of stadium light and Juvel Mixer Grinder
- **Product of the Year** Award for Morphy Richards Digichef Microwave and Morphy Richards Kube storage water heaters

## Smart solutions

Embracing technological advancements, we are developing various intelligent solutions that will substantially boost our productivity and ensure resource efficiency.

- Guest House Booking
- Meeting Room Management
- Hotdesking (seat allocations)
- Material Management System
- Visitor Management Solution

**Smart Office Solutions**

During the pandemic, we began developing smart office solutions. Our aim was to build comfortable and safe workspaces. To achieve this, we introduced our Workplace Management System, which is a fusion of smart devices and software platforms that optimises the use of workplace resources and effectively manages infrastructure and facility assets.

**Connected Factory: - (Industry 4.0)**

1. By monitoring and discussion making level Reports for Nirlep factory.
2. By showing the administrative hierarchy basis dashboard the factory performance is increased.

# **Intellectual Capital** (continued...)

Key performance indicators give the prominent result to increase the performance from lower to higher management.

**Implementation a smart factory**

Smart factory initiative driving:

1. **Integration:**

a. Horizontal integration

   i. Through value networks are now facilitate inter -corporation Collaboration.

   ii. New Value Networks and Servers are implemented on Factory Level.

   iii. PLC and HMI interface are evaluated and installed inside the Nirlep factory.

b. Vertical integration Int

   i. A Factory owns several physical and informational subsystems, such as Actuator and Sensor, Control, Production Management and Manufacturing etc.

   ii. It is essential to Vertical integration of PLC and sensor signals across various levels.

2. **Cyber and Property Security:**

   a. All the data that sends from the Factory to cloud is encrypted.

   b. VAPT and Security Tests are runs as per the BEL security policies.

3. **Conclusions and Future Work:**

   a. With the emerging information technologies, such as IoT, big data, and cloud computing together with Artificial intelligence technologies, we believe the smart factory of Industry 4.0 can be implemented.

   b. Smart machines and products can communicate and negotiate with each other to reconfigure themselves for flexible production of multiple types of products.

   c. The KPIs that are provided by the dashboard is extremely important for the decision making for higher management.

**Benefits: -**

- The smart factory helps to implement sustainable production mode in order to overcome global challenges.
- It can lead to novel business modes and even affect our lifestyle. Although the implementation of smart factory is still facing some technical challenges,
- It can lead to novel business modes and even affect our lifestyle. The implementation of smart factory is still facing some technical challenges,
- We are on right path by simultaneously applying the existing technologies and promoting technical advancements. Along with existing technologies, some application demonstrations have already been built. Therefore, the smart factory and the Industry 4.0 can be implemented in a progressive way with the unstopped technical advancements. In the future, we will continue to develop our prototype design and focus on the key enabling technologies.

**Cyber security and IT monitoring**

The Company's operations are increasingly dependent on IT systems and the management of data / information. There is continuous increase threat of cyber-attack threat of unauthorised access and misuse of sensitive information or disruption to operations. Any such an attack could inhibit our business operations in a number of ways, including disruption to sales, production and cash flows, ultimately impacting our results. Also with increase in our digital interactions with customers, suppliers, and consumers, business need for secure and reliable IT infrastructure and careful management of the information that is in our possession to ensure data privacy.

Accelerated pace of digitisation of our operations also gives rise to the need to proactively detect and mitigate risks arising from technological advancements such as deployment of AI, Robotics Process Automation, Machine Learning.

To reduce the impact of external cyber-attacks impacting our business, we have deployed firewalls and threat monitoring systems in place, complete with immediate response capabilities to mitigate identified threats. We also maintain a robust system for the control and reporting of access to our critical IT systems. This is supported by an annual programme of testing of access controls. We have implemented policies covering the protection of both business and personal information, as well as the use of IT systems and applications by our employees. We also have a set of IT security standards and closely monitor their operation to protect our systems and information. We are moving all systems and data to cloud by next year. Robust and scalable system architecture with multi-level redundancy, is built on the cloud that allows real time data replication capability. This ensures system resilience including minimum downtime of the systems and minimum to zero data loss in case of any disaster. We have standardised ways of hosting information on our public websites and have systems in place to monitor compliance with appropriate privacy laws and regulations, and with our own policies. We are increasingly putting in place review and monitoring frameworks for new age automations to assess inherent open risks and mitigate the same.

## Digital transformations

With over half of India's population using the internet, the nation leads in global mobile data consumption. We have embarked on a digital transformation journey to strengthen our digital backbone with Nysa 2.0. The focus on becoming intelligent enterprise will enable us to create a tech-powered and human-centric solutions.

We recognise the necessity of upgrading our digital capabilities by successfully implementing multiple SAP solutions meeting complex needs of business and emerging needs – from sourcing to manufacturing; from innovation to marketing to reaching our consumers through omni-channels.

Our objective is to employ best-in-class technologies such as AI, ML, Robotic Process Automation, security systems and advanced analytics, to develop a tech-powered and data-driven digital enterprise.

- We have embarked our journey on big data and analytics as a tool to drive sustainable growth. Our data lake is setup on AWS with single source of truth deployed with PowerBI analytics.
- We have deployed product lifecycle management solutions to manage product introductions and changes to configurations in order to keep pace with advances in technology and fierce competition.
- Smart Factories initiatives with Industry IoT driving the efficiencies and reducing costs.
- We are leveraging technology to cater to our digitally active retailers through the retailer loyalty programme.
- Driving technology to connect with our extended partners – vendors, distributors, super-stockists to manage the business seamlessly.
- Robotic Process Automation (RPA) has enabled the automation of repetitive, rule-based tasks, freeing our workforce to focus on other major business aspects.

# Intellectual Capital (continued...)

## BEL CitiSol

We have designed a new business model 'BEL CitiSol' which is an embodiment of our shift from traditional box-selling to a holistic solution-oriented approach. BEL CitiSol is a platform for the lighting industry, designed to offer a connected and IoT-based experience to our B2B customers. Serving key stakeholders such as Smart City initiatives, Urban Local Bodies (ULBs) and government projects, Commercial Building, MFG Industries we are enabling the transformation of public infrastructure through digital innovation.

**Key Highlights**

**Holistic Solution Provider**

Offers comprehensive smart solutions for city lighting using IoT technology.

**Contributor to Smart Cities**

Actively driving the development of smart cities by enabling digital transformation on a national scale.

**Energy Efficiency**

Provides best-in-class technologies, delivering up to **80%** energy efficiency.

**Strong secure PKi stack**

ISO27000 environment.

**Operational Efficiency**

Promises up to a **50%** improvement in operational efficiency, allowing our customers to optimise their operations.

**Offerings;**

- Smart utility pole
- Group controlled outdoor lighting
- Individual controlled outdoor lighting
- Tunnel lighting
- Energy monitoring modules
- Indoor smart lighting with HVAC integration.

**Communication Technology:**

- NBIoT
- LoRa
- RF – Zigbee - Mesh
- GSM
- BLE – Mesh
- CANBUS, MODBUS

## BEL CIoT – (consumer IoT Platform)

BEL CIoT is a Consumer IoT Platform developed to enhance the customer experience. This platform enables customers to control and monitor Bajaj Consumer Products, providing a user-friendly, digital interface for managing these products. In addition to controlling and monitoring capabilities, the platform connects consumers with product services for ease of access and maintenance.

**30+**

IT team members

**10+ years**

Average experience

**Key Features**

**Control and Monitoring**

Users can effectively manage their products, and receive real-time updates about devices.

**Connection to Product Services**

The platform bridges the gap between customers and product services, ensuring easy access to support and maintenance.

**Purchase of New Products**

BEL CIoT facilitates the buying process, allowing customers to purchase new Bajaj products directly through the platform

**BLE+wifi**

based consumer products.

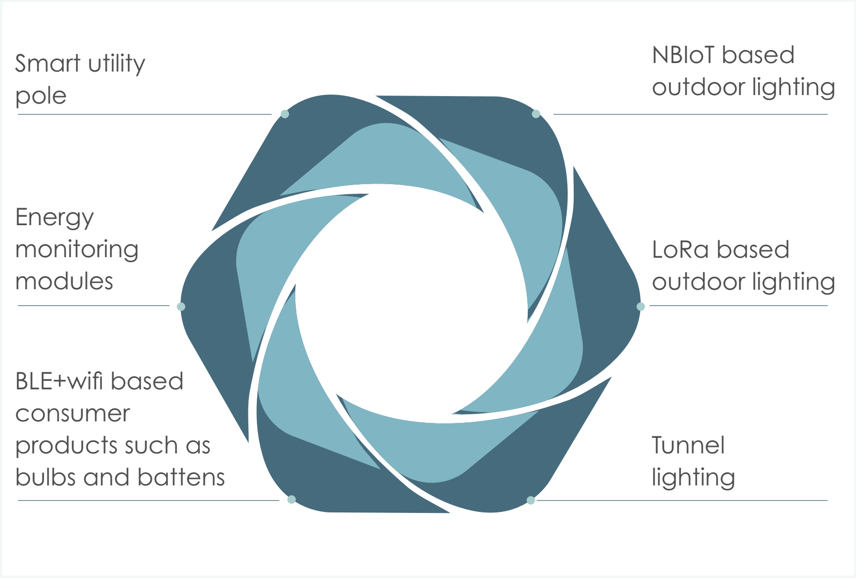
**Adoption of emerging technologies**

With constant evolution of technology, we aspire to reimagine product usage with the implementation of emerging technologies such as Artificial Intelligence (AI), Internet of Things (IoT), robotics etc. We are deploying technology to develop smarter products and solutions across our business verticals.

Alongside, we have implemented SAP across our facilities to ensure better tracking of cost and inventory. This has reduced maintenance issues, improved energy utilisation and productivity.

**Smart lighting solutions**

In the B2B division, we undertook a smart indoor lighting automation project to facilitate an energy-efficient and cost-effective way to light up commercial and industrial spaces. The initiatives taken in FY 2023 include the following:




## Innovation across business units

**Windhill technology**

We have adopted Windhill, a new platform for product life cycle management. Its PLM software offers a comprehensive solution for managing product lifecycles, from design to end-of-life processes. The programme is intended to help optimise operations, reduce costs, and improve product quality and compliance standards.

**Narrowband Internet of Things (NBIoT)**

We have started implementing Narrowband Internet of Things (NBIoT), a communication technology used in outdoor lighting solutions. It is a wireless communication technique that allows long-distance communication among devices powered by Internet of Things (IoT) technology. It is a low-power wide-area network (LPWAN) technology that runs on the wireless spectrum's restricted bandwidth. It provides various advantages, including lower power consumption, increased coverage, and improved indoor penetration, making it ideal for a variety of IoT applications in smart cities, smart homes, and industries.

**Smart pole technology**

At Bajaj Electricals, we have adopted the smart pole technology to integrate advanced features in street poles, with the addition of sensors, cameras, and communication devices, to make them suitable for a variety of services and applications. This technology enables cost saving, generates more revenue and helps in better infrastructure management.

**BLE mesh technology**

We are using BLE mesh technology for consumer products used in smart homes, lighting systems, and wearables. With this technology, each connected device within the network can communicate with each other, allowing more efficient and reliable communication. It also aids in lowering power consumption, enhancing scalability and flexibility of devices.

# Intellectual Capital (continued...)

## Marketing and Branding

We have leveraged digital media for branding and advertising, focusing on social media platforms such as Facebook, Instagram and YouTube. This strategy is backed by advanced analytics, collective company experience and continuous market research. We repositioned ourselves as BUILT FOR LIFE, resonating with the millennial/Gen Z consumer and highlighting durability and endurance as the brand promise.

**Key campaigns and marketing initiatives include:**

- Collaborating with a renowned agency for strategic communication planning and implementation
- Utilising influencer marketing and working with popular influencers like Chef Kunal Kapur, Chef Vismai, Sukhmani Gambhir and Pearle Mane.
- Conducting a repositioning campaign post the Diwali season, 69 million people reached through the Digital campaign
- Running a successful social media contest for Nirlep during Diwali, garnering over 450 entries
- Conducting targeted social media campaigns for receptive cohorts and international brand enthusiasts
- Using in-store branding and merchandising to boost brand recall
- Incorporating performance marketing and strengthening e-commerce presence for better conversions in overseas markets
- Collaborating with third-party agencies and conducting primary and secondary research to stay abreast of market trends

## Key highlights

### BAJAJ

- The digital share of ADEX rose to **38%**, with Digital Video's ADEX share reaching 30%.
- Our digital interventions garnered an impressive **524 million** consumers across multimedia campaigns.
- We achieved an outstanding overall Video Through Rate (VTR) of **81%**, exceeding industry benchmarks.
- Generated **1,149** million impressions, surpassing our estimated target by 13%.
- Created over **80** informative videos for distribution across social media and e-commerce platforms.

### Nirlep

- Our Diwali repositioning campaign resulted in a **7.4% lift in awareness** and a **3.4% lift in consideration** on Facebook.
- Nirlep's Instagram contest during Diwali reached over **3 million users** with over **7 million impressions**, increasing our followers by **11.3%**.

### Morphy Richards

- Our campaigns reached approximately **33 million people**.
- We achieved a higher VTR than anticipated, ranging from **6%** to **11%**.

## Way forward

- Address consumer needs by developing innovative and cost-effective products, centred around solving customer pain points.
- Strengthen in-house R&D for more unique and competitive product offerings, while also building a robust IP portfolio.
- Strategically monitor and adjust to volatile raw material prices to optimise costs without compromising quality.
- Increase focus on smart lighting solutions, especially in outdoor lighting and introduce new IoT and smart solution products for indoor decorative lighting.
- Customise SKUs to improve inventory management, while catering to diverse customer requirements.
- Sustain market leadership by consistently delivering high-quality, innovative and energy-efficient products.

# Human Capital

At Bajaj Electricals, we consistently endeavour to foster a work environment that empowers our people to realise their true potential. We strive to create a workforce that is skilled, motivated and aligned to the requirements of a future-ready organisation, thereby strengthening our ability to nurture a sustainable organisation.

**Material topic linkage**

- Employee health and safety
- Business ethics and anti-corruption

| | |
|---|---|
| 2,500<br>Permanent employees | 8%<br>Gender Diversity (excl. factories) |
| 83%<br>Employee Engagement Score | 18%<br>Employees with tenure > 10 years with Bajaj Electricals |

UN SDG linkage:

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

# Human Capital (continued...)

**We focus on nurturing a future-ready talent pool that not only possesses the skills and capabilities to thrive in a dynamic operating environment but also embodies strong leadership qualities and embraces unified team efforts. Our culture of consistent learning ensures that our personnel are equipped with the requisite tools and knowledge to adapt and excel in an ever-evolving industry. We recognise exceptional performances and foster an environment where every individual has equal opportunities to grow and succeed. Being certified as a Great Place to Work® for the third consecutive year bears testimony to our commitment to being an employer of choice.**

**Three pillars have served as the foundation of Bajaj Electricals' HR practices:**

- Creating a future-ready organisation
- Diversity and equal opportunity
- Employee wellness and safety

## Building a future-ready talent pool

At Bajaj Electricals, we believe in attracting and retaining the right talent through an efficient hiring process that entails multi-layered evaluation procedures. To build a stronger talent pool, we are emphasising on the addition of young talent with diverse perspectives. Our campus programmes, including SPRINT (Management Trainee Programme), Sales Management Associate Programme and Graduate Engineer Training, are intended to develop an aspirational talent pool within the organisation. In FY23, we employed 6 management trainees from Tier II institutions and 6 GETs for our plants. Additionally, the SMA programme was reintroduced to attract people interested in a career in Sales.

**590**

New employees hired

### Enhanced onboarding experience

The organisation has streamlined the onboarding experience through the 'Welcome Onboard' Programme. The programme focuses on the first 30-60-90 days of new hires and instils in managers and the HR team members, a sense of collective responsibility. On the first day of work, the new hire receives a welcome kit that includes a laptop, an ID card and other relevant materials, as well as HR and team induction. Over the period of 30-60 days, HRBP and the management ensure goal setting, team and culture alignment. After 90 days, the management and newly hired employees engage in a pre-confirmation coaching conversation. Additionally, all new hires participate in a rigorous group induction programme, 'Anugam', whereby they interact with their respective Function Heads after 120 days.

**375**

New hires attended Anugam in FY 2023 - the Corporate Induction Programme

## Training and development

To nurture a culture of continuous learning, we have introduced several training and development programmes for our people. During the year under review, we conducted training sessions focused on functional and behavioural development of employees. Also, programmes including finance for non-finance, digital marketing, contract management and negotiation, compliances, diversity and inclusion and managerial capability development were organised.

We have also partnered with Korn Ferry Consulting to design our internal assessments, individual development plans and group learning programmes. This intervention has led to successful leadership development within the organisation.

**52,096**

Manhours of training during FY 2023

# Human Capital (continued...)

**Catapult programme**

At Bajaj Electricals, we are committed to raising the managerial efficiency of our people. The Catapult programme has been created to foster strong leadership, encourage unified team effort and build a diverse workforce. This programme also aims to enhance the self-management and performance management skills of our managers.

**210**

Managers attended the Catapult training programme in FY 2023


## Pygmalion

It is a high performer- high potential development programme for the top 5% talent within the organisation. The programme spans over 10-11 months and focuses on developing top talent for critical roles within our organisation.

## Digital Learning

Our online learning platform, WeLearn, hosts over 240 courses ranging from Compliance, Behavioural & Functional courses, for employees. It includes interactive, customised content, curated as per specific needs (Compliance trainings, Goal Setting, ESOPs, Finance for Non-Finance, etc.) as well as off-the-shelf content subscribed from learning partners like Skilldom, Actuate and Percipio. These are part of the e-learning library which can be accessed by the employees for skill enhancement.

## Driving Peak Performance

It was conceived with a focus on the Growth mindset of our Plant leadership team. Group learning, individual development plans and coaching exercises were conducted as part of this programme.

## Sukarak

It is a peer-to-peer learning programme where selected employees are trained to facilitate in-house sessions on functional and behavioural topics. We have developed a pool of 28 in-house facilitators, across different functions, to deliver programmes on various modules.

## Compliance & ESG training

A series of compliance trainings were conducted with a focus on POSH, Code of Conduct, Whistleblower and Insider Trading policy. In addition, more than 25% employees attended ESG awareness sessions conducted by Sukaraks.

## High-performance Culture

It is through our integrated employee engagement system and focused development opportunities that we ensure strong output generation and employee efficiency.

**Organisation redesign**

During FY2023, we reviewed our organisation structure and re-aligned functions to create stronger synergies within the Company. Along with streamlining the functions of various business verticals, it helped to improve decision making and empowered employees to aim for meaningful growth.

**Digitalisation to improve employee experience**

SAP SF has been employed to streamline and automate HR processes and improve employee experience. The platform offers real-time data on the employee journey and serves as a single source for accessing employee data. The manufacturing plants are also being added to the module.

**Outcomes of digitalisation**

- The digital hiring method has ensured a reduction of lead time from 3 days to a single day
- Comprehensive e-learning platforms to ensure skill enhancement
- Self-service access to employees for policies, compensation, performance management information
- Improved onboarding experience for new joiners

**Fostering consistent employee engagement**

We believe, employee engagement is key to operational excellence and therefore, undertake several employee-engagement initiatives. At Bajaj Electricals, we also provide diverse growth opportunities through platforms such as the Mulya programme that allow employees to be a part of the cross-functional teams. Our teams can use these platforms to ideate new concepts, solve business challenges and enrich their skills further by engaging with colleagues from different departments. Additionally, our people are offered the cross-functional projects to provide exposure to critical roles. We also encourage fairness in our appraisal system to provide equal opportunities to every individual. This has enhanced employee retention in the long run.

**Bajaj Got Talent**

Our in-house employee engagement programme encourages the workforce to participate in various talent shows, sports events and celebrations. Under this initiative, we also conduct regular health check-ups for our people.

**Rewarding outstanding performance**

We acknowledge the contribution of our people and recognise exceptional performances through various reward programmes. We offer instant appreciation through Spotlight cards, Quarterly Prizes and Annual Achieverz Awards. Through these endeavours, we aspire to appreciate the remarkable contribution of our employees while upholding organisational values. We have a special category of awards designed to recognise the best cross functional teams who have significantly impacted the Company's strategic initiatives.

**A Great Place to Work®**

Bajaj Electricals has been certified as a Great Place to Work®, for the third consecutive year. We are also proud to be featured in the list of Top 50 Organisations with Great Managers by People Business. Our MD and CEO was awarded the Man of Small Appliances Award by CEAMA and our CFO was recognised as the Best CFO at the Finance Strategy Award in the 6th edition of Business World CFO World.

**85%**

Employees take pride in their affiliation with the organisation

# **Human Capital** (continued...)

## Diversity and inclusion

Our commitment to be an equal opportunity employer drives us to hire candidates from diverse backgrounds. We do not discriminate on the basis of caste, creed, religion, gender, nationality or physical capability. With a focus on merit-based recruitment processes, we also strive to maintain a healthy gender diversity within the organisation.

**8%**

Women employees (Excl. factories)

**Ramps at the HO to ease mobility of differently-abled employees.**


## STEPUP: Empowering our women employees

The STEPUP platform, which aims to foster a sense of trust and belonging through various sessions and interactions with female leaders across sectors, is positively impacting the organisation. Approximately 150 female co-workers, across all business verticals, have been engaged through this platform.

## D&I council

### D&I Council

The D&I council consists of both men and women in leadership positions. The representation by both men and women ensures that there is diversity of views & buy-in on decisions.

### Employee Resource Group

A cross functional team of women employees were nominated to ideate and implement changes to enhance the experience of women employees in the organisation. This team function as change agents and drive D&I initiatives at organisation and business levels.

### Step Up Workshops

Workshops focussing on topics related to career accelerators were organised. The sessions on Lean In Leap Out, Crafting Brand You, The art of networking and influence and Power dressing and styling were attended by all women employees.

### Women Centric Policies

Women centric policies focussing on flexibility were rolled out during the year. The new policies focus on flexible work timings to support maternity and health related requirements. To enable safe travel for women employees, additional policies were rolled out including travel support during odd travel hours and outstation journey.

### Engagement Initiatives

Women's Day celebration on March 8 is a special moment for all women employees. Organisation appreciated their contribution and uniqueness in form of small celebration and presenting a personalised hamper. In addition, women conclave was organised were all women employees from all locations travelled to Mumbai Head office location and attended the conclave. The purpose of conclave was to seek inputs and ideas from women employees on action areas. Followed by conclave, women employees also attended foundation day celebration "Sarvottam Diwas".

### Employee Sensitisation

A self- paced e learning module was launched to sensitise employees on Diversity, Equity and Inclusion. Around 800 employees completed the module and assessments. In addition, the managers of women employees also attended workshop on DEI specially curated to sensitise and build skills in the managers to make the workplace inclusive.

## Employee Safety and Well-Being

Excellence in EHS is essential to Bajaj Electricals Limited (BEL) success. At Bajaj Electricals, we place utmost priority on the health and well-being of our people. Our Nasik & Ranjangaon plants are ISO 45001:2018 certified. Our plant heads as well as a safety committee regularly tracks safety parameters to ensure optimum results. Immediate actions are taken in case of any deviation from the acceptable safety standards. Our Safety plans include opportunities to reduce serious and fatal incidents, ensuring and maintaining safety legal compliances, safe working environment, ensuring employees engagement. Our plans are focusing on top 5 hazards which includes (Electricals, Falls, Vehicle movement, Powered Machines, Lifting)

For us Safety is a value which Bajaj Electricals will not compromise. We are committed to ensuring the health, safety and welfare of our employees, as well as all key stakeholders including but not limited to agency workers, contractors and visitors coming to our sites, offices and factories. Our Safety Objective is to achieve zero severe accident. For achieving safety objective each employee is Complying with BEL safety rules and local regulations . We STOP any activity that deviates from Safety Rules. We Train our staff and stakeholders to apply safety standards and instructions at work. We report new risks and safety violation in EHS management system.

At Bajaj Electricals risk assessments are performed. We ensured our primary risk associated with work place are addressed on priority. We adopted Hazard Identification

Risk Assessment (HIRA) technique to identify the risks associated with specific equipment.

Safety awareness and communication is important to ensure standards are implemented properly. We conduct regular campaigns on road safety, EHS induction training, Safety alerts, generic and risk based EHS trainings. These safety programmes are organised across all business verticals and departments. Training on Hazards and their associated risk is an important part of Bajaj Electricals employee expectations. There are 85 safety related topics in which 461 training sessions were conducted.

To ensure safety at work, we conduct annual EHS assessments at our factories, warehouses, Project sites, offices. This EHS assessment is a process in which our sites and facilities are evaluated to identify opportunities and to recognize excellence. EHS Team consolidates site results to identify and prioritize actions which support and uplift site performance, training needs and cross site mentoring opportunities. We proactively monitor leading indicators including safety employees engagement. We track the rate of employees participating in safety opportunities. Our action tracking system helps us in closing these safety opportunities. Our focus is very clear, we want to translate these opportunities into risk reduction actions.

As part of safety strategy Bajaj Electricals launched its first Safety survey in 2022. It help us in measuring employees safety engagement identify safety opportunities and to develop future safety initiatives.

**461**

EHS trainings were conducted

**29**

Mock drills

**ISO 45001:2018**

Certification for EPC BU

### Enhanced safety for EPC

Our power transmission and distribution sites have been recognised as critical sites. Dedicated EHS officials are present at all the sites to ensure compliance with legal and associated standards. Workers regularly receive training on the importance of safety and other concerns such as risk assessment, high-risk activity, firefighting, the use of PPE and first aid. They are also provided appropriate PPE to ensure their safety. Additionally, a work permit system has been developed to prevent the occurrence of unauthorised or unsupervised operations at the workplace. To ensure occupational safety, EHS managers undertake cross-regional safety audits, the results of which are shared with the top management.

**Zero**

Fatal accidents during FY 2023

Safety is a never-ending journey. In 2023 safety will be enhanced by strengthening our safety expertise in process and product design.

## Human Rights

We place great emphasis on respecting, safeguarding and upholding the human rights of all people. To provide a safe and comfortable working environment, we have strengthened our human rights policies and encourage employees to report grievances related to the organisation or any other pertinent issues.

### Our policies

- Code of Conduct policy
- Whistle Blower policy
- POSH policy

Approximately 10% of the employees in the organisation are members of the union. This allows employees to easily communicate with top management through the union, facilitating mutually beneficial decision-making for the organisation.

### Way forward

- Maintain a zero accident record and prioritise safety measures.
- Ensure compliance with regulations and standards.
- Provide employees with learning and development opportunities to enhance their career progression and leadership abilities.
- Enhance employee satisfaction through various initiatives.
- Increase the representation of women in senior management positions.
- Create value for all stakeholders and cultivate a positive and inclusive work environment.

# Social and Relationship Capital

Our belief in propagating mutually beneficial relationships with stakeholders enable us to constantly focus on shared goals that help to address the most pressing needs of the community. As a socially conscious entity, we strive to strengthen our value creation approach through targeted efforts for holistic development of people and communities.

**Material topic linkage**

- Supply chain management
- Quality service and delivery

₹ 3.01 crore
CSR spend

621
Customer Centre

38
Net Promoter Score

11
CSR partners

UN SDG linkage:

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

# Social and Relationship Capital (continued...)

**We believe in the power of social inclusivity and its profound impact on creating a harmonious society. Through our CSR initiatives, we remain committed to providing specialised healthcare services to our local communities. We make quality education accessible to children, ensuring that no child is left behind in their pursuit of knowledge. Moreover, to foster the growth of new-age entrepreneurs, we conduct vocational training programmes that equip them with relevant industry skills.**

## Committed to meaningful change

We understand our responsibility towards people and the society at large. It guides us to undertake meaningful initiatives that are aimed at uplifting local communities and contributing towards economic development. With a focus on environmental sustainability, promotion of health and education and dedicated community development efforts, we remain motivated to strengthen relationships with diverse stakeholders including people, communities, government and regulatory authorities.

### Bajaj Electricals Foundation (BEF)

We have established the Bajaj Electricals Foundation (BEF), a trust that serves as both the corporate social responsibility (CSR) and philanthropic arm of Bajaj Electricals Ltd. Our commitment lies in building enduring and sustainable partnerships and programmes. We consistently undertake community development initiatives through BEF, ensuring their effective implementation and development.

### Key focus areas


Ensuring Environmental Sustainability & promoting Education


Promotion of Education, Vocational skills and Livelihood Generation


Promoting Preventive Health Care


Promoting Indian Arts & Culture

### Employee volunteering

To foster a culture of inclusive growth, we seek to engage our people in various CSR initiatives. The involvement of our workforce in our CSR journey not only allows us to inculcate a feeling of social inclusivity, but it also aims to nurture qualities that are essential for developing a thriving and responsible organisation. We appoint employees as CSR Champions and CSR activity leaders to act as ambassadors for the Company.

- It helps to strengthen relationships with key stakeholders and promote the organisation's values and goals as a socially responsible entity.
- Volunteers are engaged in capacity building and social awareness campaigns, act as mentors in educational institutions and participate in tree plantation drives.
- It has resulted in the development of exemplary CSR projects, showcasing the commitment of employees in creating a positive impact on the community.

**1,700+**
Employees volunteered for CSR projects

### Guided by a visionary leadership

Believing to lead by example and fostering a culture of integrity, fairness and transparency throughout the organisation, our senior leaders provide invaluable guidance when it comes to corporate social responsibility (CSR) and ethics. They embody a strong commitment to ethical practices and the welfare of our local communities.

1 **Crafting a CSR strategy**

Our leaders create a comprehensive CSR strategy that aligns with our mission and objectives.

2 **Leading by example**

Demonstrating their commitment to social responsibility, our leaders participate in community projects and serve as an inspiration for others within our organisation.

3 **Communicating CSR efforts**

Our leaders inform all shareholders about our CSR initiatives. This includes our customers, dealers, investors and personnel. This open communication helps foster trust and a strong reputation within our business network.

4 **Upholding Accountability**

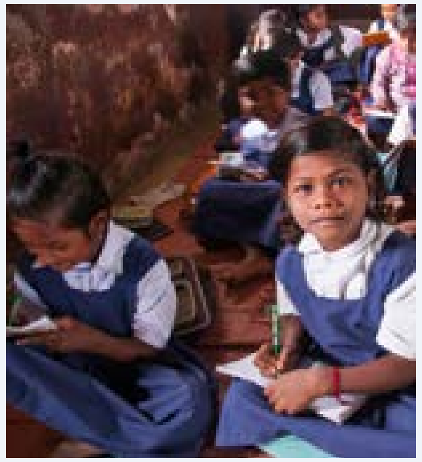
Our senior leadership assumes accountability by conducting regular reviews of our CSR initiatives, tracking expenditures and confirming that our social efforts are aligned with broader organisational goals.

# Social and Relationship Capital (continued...)

## Education

Bajaj Electricals has undertaken a series of initiatives aimed at enhancing the infrastructure in schools and ensuring the holistic well-being of children through the promotion of sports.

- Supporting skilled athletes and promoting the advancement of sports education through strengthening of sports infrastructure in schools.
- Upgrading existing facilities in schools through the construction of classrooms, libraries, laboratories and recreational areas. By creating a conducive learning environment, we ensure student engagement, well-being, and academic excellence.



## Healthcare

We undertake a wide array of comprehensive healthcare programmes that are dedicated to providing access to quality healthcare.

- Offering oral cancer screening facilities for Mumbai railway police personnel as well as other patients.
- Training and capacity building programmes for healthcare professionals.
- Assisting programmes for encouraging tobacco cessation.
- Conducting anti-tobacco advocacy and awareness programmes in collaboration with schools, colleges and communities.

## Art and culture

To foster the development of art and culture, we continue to undertake several initiatives.

- An Innovation Hub has been set up to specifically focus on supporting start-ups and fostering the growth of new-age entrepreneurs in the field of art and culture.
- Extending support to emerging artists to pursue a careers in arts.

## For the Environment

### The Challenge

Environmental concerns such as air pollution, water pollution, soil erosion and the urban heat island effect have become more pronounced in urban locations. The scarcity of green spaces in these regions further worsens these problems. To address these challenges and improve the urban ecology, it has become imperative to find comprehensive solutions that can enhance the quality of life for city dwellers.

### Our approach

In response to these concerns, we launched environmental initiatives across India at focus on tree plantations and urban forestation in collaboration with various partners.

### 1. Tree plantation

Encouraging our people to engage in CSR initiatives, we planted trees in key locations such as parks, gardens, educational institutions and, government premises. It aimed to improve forest cover in urban areas, create better air quality, and support the natural biodiversity of the region.

### 2. Urban forestation

Through this programme, we established large-scale green spaces in urban locations, including from native trees and flowering plants. Our main focus was increasing the forest cover in urban areas, improve air and water quality, promote biodiversity and offer recreational opportunities.

### Incubation Hub

ABLIH is an incubation centre created as an Innovation Hub across 15,500 sq. ft. area, with of world-class facilities and new- age infrastructure. The hub offers 360-degree interventions including mentoring, seed funding and meets incubation needs of start-ups. The thrust areas are Women Entrepreneurship (WE) and Creative Entrepreneurship, two areas that often remain outside the purview of incubators.

### The results

By executing this dual strategy, we have planted more than 86,000 trees across various urban sites. These efforts have led to substantial ecological, social and economic benefits, including:

- Improved air quality: Our plantations absorb carbon dioxide and other pollutants, thereby enhancing air quality.
- **Increased biodiversity:** The diverse species of trees planted provide habitats for wildlife, thus enriching local biodiversity.
- **Soil conservation:** By reducing soil erosion and improving soil quality, our efforts support local agriculture and natural ecosystems.
- **Water conservation:** The trees reduce water runoff and increase infiltration, mitigating the effects of drought and protecting water quality.
- **Reduction in urban heat island effect:** The trees offer shade, reducing temperatures in urban areas and lowering the demand for air conditioning.
- **Aesthetic value:** The added greenery has beautified urban spaces, uplifting the quality of life for residents and visitors.
- **Livelihood generation:** The initiative has created additional income sources, contributing to the local economy.

**86,000+**
Trees planted

**Long term outlook**

After 5-10 years of growth, these plantations could potentially sequester around 6,000 to 9,000 metric tonnes of carbon dioxide each year, marking a significant stride towards environmental sustainability.

# Social and Relationship Capital (continued...)

## Value creation for suppliers

At Bajaj Electricals, we are cognisant of the integral role that our suppliers play in our operations. This acknowledgement forms the bedrock of our holistic approach to supplier engagement, ensuring that our interactions create shared value.

**90+**

Suppliers and Vendors

### Ensuring ethical conduct

Our commitment to transparency and ethical conduct forms the cornerstone of our relationship with our suppliers. This guides interactions with our suppliers and governs our expectations from them.

**Supplier onboarding**

During the onboarding process, all suppliers are informed of our policies and Code of Conduct. This step ensures that our suppliers understand our operational procedures, ethical guidelines and expectations right from the beginning.

**Communication and escalation channels**

We encourage open communication and strive to resolve conflicts easily. As a result, we share our modes of communication and escalation contacts with all our suppliers. This allows them to confidentially share concerns directly with the management. We consider this procedure vital for fostering trust and facilitating constructive dialogue with our supply partners.

**Contractual agreements**

We strive to ensure that our contractual agreements with suppliers contain all relevant clauses pertaining to our business relationship. These contracts establish our expectations and the supplier's obligations, setting a clear framework for our partnership and ensures protection of both parties.



## Promoting local sourcing

### 'Hello Local'

Our Supply Chain Management team promotes local procurement through the 'Hello Local' initiative. Currently, our reliance on imports stands at over 170 SKUs. However, our focused efforts towards localisation have resulted in domestic sourcing of 35 SKUs. Moreover, we are in the process of localising an additional 20+ SKUs. This drive towards localisation encompasses a wide range of products under both Bajaj Electricals and Morphy Richards brands, demonstrating our commitment to supporting local businesses and reducing import dependency.

### Supplier engagement

Our interaction with suppliers is marked by frequent and varied engagement methods.

1. **Individual meetings and site visits**

   We maintain close relationships with our suppliers, conducting on-site visits and individual meetings to discuss new products and business requirements.

2. **Regular communication**

   Through emails, meetings and conferences, we ensure our lines of communication are always open, with engagement happening on a quarterly, biannual and annual basis, or as the business needs dictate.

3. **Operational discussions**

   We conduct daily operational discussions with suppliers to ensure seamless operation flow and address concerns in a timely manner.

#### Training and capacity building initiatives

Our value-creation efforts focus on the training and development of our suppliers. We conduct regular workshops and awareness sessions to cover key topics such as ESG norms, RoHS compliance, and BIS regulations. These sessions provide suppliers with guidelines and processes for product compliance and delivery requirements, helping them meet our expectations.

#### Supplier satisfaction surveys

We conduct regular supplier satisfaction surveys to gauge the satisfaction of our suppliers, address their concerns, and improve our supplier relationship management. These surveys cover a range of issues, such as quality, cost, delivery, ESG compliance and payments.

#### Embedding sustainability in supplier engagement

We ensure that our business partners align with our sustainability principles. To do so, we adopt several measures encourage our suppliers to adopt sustainability practices.

#### Supplier tracking

We inform our suppliers about sustainability measures and reporting under ESG criteria. It is important to us that our suppliers understand the significance of these measures and how they contribute to our shared commitment to sustainable business practices.

Currently, we use manual processes to measure and monitor the sustainability activities of our suppliers. While these methods are labour-intensive, they provide us with valuable insights into our suppliers' environmental footprint and allow us to track their adherence to our sustainability expectations.

#### Supplier factory compliance checks

Our team conducts compliance checks at supplier factories to ensure compliance with sustainability standards and industry regulations. These checks ensure that our suppliers' operations align with our environmental standards and industry regulations.

#### Environmental screening for new suppliers

Screening new suppliers through environmental criteria is a fundamental aspect of our supplier onboarding process. The production facilities of potential suppliers are subject to audit by our Quality Assurance team, which evaluates them based on multiple parameters. The final score from this evaluation is used to screen the suppliers.

### Mulya

### A Platform for Supplier Innovation

Under our Mulya initiative, we have launched a portal with an emphasis on 'VAVE' activities for encouraging our suppliers to propose cost-saving and value-adding ideas. This portal acts as a platform for our suppliers to showcase their creativity and innovation, leading to mutual benefits. As part of this initiative, we acknowledge the best cost-saving ideas.

### Value creation for Customers

At the core of our services lies our unwavering commitment to providing our customers with best-in-class experience. Our comprehensive customer care framework is designed to prioritise customer satisfaction, streamline service operations and resolve issues promptly.

#### Real-time customer satisfaction surveys

After each service interaction, we facilitate an online, real-time aftersales customer satisfaction survey. The customer is asked to express their satisfaction by choosing emojis and validating the response with an OTP received at the beginning of the service call.

**More than 99%**

Delighted and satisfied customers

#### Outsourced customer support

We have outsourced our entire customer support to a team comprising thousands of field service engineers. The team not only helps in expanding our service network, but also enhances the capabilities of service engineers, ensuring fast and effective resolution of service calls.

**3,600**

Field service engineers

#### Digital customer interactions

We have embraced digitalisation to enhance customer interactions. Several online tools, such as chatbots, webforms, and WhatsApp call registration, have been integrated into our customer support system, and we plan to introduce a voice bot for call registration and call status updates.

#### Customer care centres

Our customer care centres serve as a major touchpoints for managing and resolving consumer complaints. There is an exclusive team of agents for Online Call Resolution (OCR). They resolve customer issues over the phone whenever possible, reducing the need for in-person visits.

**621**

Consumer care centres

#### Way forward

- We plan to intensify our engagement on social media platforms to improve customer relationships and boost brand visibility.
- In the years ahead, we will continue nurturing strong, mutually beneficial relationships with our business partners and stakeholders.
- We are also committed to scaling up our community outreach initiatives, thereby positively impacting local communities to foster societal goodwill.

# Natural Capital

At Bajaj Electricals, our eco-conscious efforts are leveraged by responsible practices, designed to strengthen the foundation of a viable future. With a focus on demonstrable and scalable results, we remain focused on natural resource and water conservation, waste management and afforestation drives to ensure fruition of our plans.

**Material topic linkage**

- Energy management
- Water management
- Waste Management and recycling

**15,507 GJ**
Green energy generated

**91%**
Waste recycled

**UN SDG linkage:**

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND

**Through the widespread adoption of solar panels, we harness the power of renewable energy while reducing our carbon footprint. We have also set targets to reduce Scope 1 and Scope 2 emissions, ensuring that our operations align with global climate goals. Targeted interventions are in place to monitor and control waste generation from our facilities, as we actively embrace our responsibility as an extended producer. Additionally, efficient water management practices are at the forefront of our agenda, ensuring the sustainable use of this vital resource. Through our different sustainability initiatives, we are contributing to a greener future.**

## Energy management

We are actively encouraging the adoption of solar panels as a sustainable and eco-friendly energy solution, aiming to transition from non-renewable sources to renewable energy. Through this approach we support the preservation of our environment and aim to reduce the carbon footprint associated with traditional energy generation methods.

Aligned with India's net zero ambition, we have increased our reliance on renewable sources of energy. We have installed solar facilities at our Ranjangaon and Chakan facilities during FY 2023. The capacity of the Chakan plant has been increased to 605 KWP. During the current fiscal year, a 437 KWP rooftop solar system was also installed at Nirlep and a 791 KWP rooftop solar system was installed at the Ranjangaon unit.

We have also installed variable frequency drive (VFD) to control the speed of electric motors by varying its input voltage. For smooth operation of motors, we have implemented VFDs in motor-driven systems to enable, energy savings of up to 50% or more, depending on the specific application and operating conditions. The ability to precisely control motor speed, optimise energy usage at partial loads, and eliminate unnecessary mechanical control devices are key factors that contribute to energy efficiency when using VFDs.

Solar
**2,138 KWP**
Installed renewable capacity

Wind
**2,800 KW**
Installed renewable capacity

## GHG emissions

To limit our environmental footprint, we are consistently monitoring our Scope 1 and Scope 2 emissions, with an aim to automate the entire process. We also strive to measure emission levels on a monthly basis and based on the analysis, strategies and corrective action will be taken. We have set a target to reduce specific Scope 1 and Scope 2 emission by at least 2%, by FY 2025.

**2,138 KWP**
Installed solar energy capacity

## Waste generation

As a manufacturer of consumer electrical goods, we acknowledge that our products can become an environmental liability if they are not disposed properly at the end of their life cycle. Our products are wrapped in plastic packaging and some of our products contain batteries that have a significant impact on the environment. As a result, we have undertaken targeted interventions to monitor and control waste generation from our facilities. Along with efforts to minimise waste, we have also adopted an innovative approach to implement novel ideas that can contribute towards our goal of efficient waste management.

We have successfully redirected over 99% of our waste away from landfills through innovative practices and rigorous recycling efforts, effectively minimising environmental harm and maximising resource recovery.

**5,568.15 MT**
(4 manufacturing plants) Total waste generated in FY 2023

**5,568.15 MT**
Total waste treated

**5,044.39 MT**
Recycled waste

**3.56 MT**
(4 manufacturing plants) Waste treated through landfill

**Bajaj Electricals collaborated with external agencies to meet the CPCB's Extended Producer Responsibility targets for e-waste, battery waste and plastic waste in FY 2023.**

# Natural Capital (continued...)

**Proper waste disposal**

To ensure proper disposal of waste, our R&D and packaging team is actively working on creating more sustainable products and solutions that generate less waste. We have also partnered with agencies to meet the Extended Producer Responsibility (EPR) targets for recycling. Additionally, we are developing a process for allowing end customers to easily deposit electrical products at designated collection centres at the end of their lifecycle. We plan to launch an awareness campaign for end-users and provide information on proper waste disposal methods through product brochures. Internally, we follow a proper waste disposal procedure to dispose hazardous and non-hazardous wastes, as per set guidelines.

**We have bagged Golden Peacock Innovative Product award for developing sustainable product packaging.**

**Water management**

We focus on efficient water management through a number of dedicated efforts to minimise water usage and conserve water. By recycling wastewater, we have ensured Zero Liquid Discharge from our Chakan unit. We have also integrated drip irrigation for gardening and taken initiatives to repair and change leaking pipelines at our facilities. Also, we regularly monitor and analyse water consumption to regulate water usage.

We are committed to conserve our water resources by building rainwater harvesting systems. These structures are intended to collect and store rainwater, which will then be used for various purposes within our operations.





# Corporate Information

## Board of Directors

**Shekhar Bajaj**
Chairman

**Anuj Poddar**
Managing Director & Chief Executive Officer

**Madhur Bajaj**
**Rajiv Bajaj**
**Pooja Bajaj**
**Harsh Vardhan Goenka**
**Shailesh Haribhakti**
**Dr. Indu Shahani**
**Munish Khetrapal**
**Dr. Rajendra Prasad Singh**
**Sudarshan Sampathkumar**

## Company Secretary and Chief Compliance Officer

**Ajay Nagle** (upto June 30, 2023)
**Prashant Dalvi** (w.e.f. July 1, 2023)

## Auditors

**S R B C & Co. LLP,**
Chartered Accountants

## Secretarial Auditor

**Anant B. Khamankar & Co.**
Practicing Company Secretaries

## COST AUDITOR

**R. Nanabhoy & Co.**
Cost Accountants

## Bankers

State Bank of India | Bank of India | Union Bank of India | Yes Bank Ltd. | IDBI Bank Ltd. | HDFC Bank Ltd. | ICICI Bank Ltd.

## Registered Office

45/47, Veer Nariman Road, Mumbai - 400 001

CIN: L31500MH1938PLC009887

## Corporate Office

i. 001, 502, 701 & 801, Rustomjee Aspiree, Off Eastern Express Highway, Bhanu Shankar Yagnik Marg, Sion (E), Mumbai - 400 022

ii. Mulla House, 51 M. G. Road, Fort, Mumbai 400 001

## Factories

Aurangabad | Chakan Unit | Nashik Unit | Ranjangaon Unit

## Branch Offices

Ahmedabad | Bangalore | Bhubaneswar | Chandigarh | Chennai | Cochin | Dehradun | Delhi | Guwahati | Hyderabad | Indore | Jaipur | Kolkata | Kundli | Lucknow | Mumbai | Nagpur | Noida | Patna | Pune | Raipur | Ranchi | Vijaywada

## Depots

Ahmedabad | Bangalore | Guwahati | Luhari | Coimbatore | Hyderabad | Kolkata | Lucknow | Mumbai | Nagpur | Noida | Patna | Zirakpur

## Central Warehouses

Luhari | Mumbai | Vapi

## Overseas Representative / Liaison Offices

China | Dubai | Kenya | Zambia

**Annual General Meeting**
On Thursday, the 10th August, 2023, at 03.00 PM (IST through Video Conferencing / Other Audio Visual Means

# Notice of the Annual General Meeting

Notice is hereby given that the Eighty-fourth (84th) Annual General Meeting ("AGM") of the members of Bajaj Electricals Limited (the "Company") will be held on Thursday, August 10, 2023, at 03.00 P.M. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following businesses:

## ORDINARY BUSINESS

1. To receive, consider, and adopt the:

   A. audited financial statements of the Company for the financial year ended March 31, 2023, together with the reports of Board of Directors and Auditors thereon; and

   B. audited consolidated financial statements of the Company for the financial year ended March 31, 2023, together with the report of Auditors thereon.

2. To declare a dividend of ₹ 4.00 per equity share of face value of ₹ 2 each for the financial year ended March 31, 2023.

3. To appoint a director in place of Mr. Madhur Bajaj (DIN 00014593), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a director in place of Mr. Rajiv Bajaj (DIN 00018262), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

5. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2024, and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 1,89,750/- (Rupees One Lakh Eighty-Nine Thousand Seven Hundred and Fifty only) plus applicable taxes and reimbursement of out-of-pocket expenses, as approved by the Board upon recommendation of the Audit Committee, to be paid to Messrs R. Nanabhoy & Co., Cost Accountants (Firm registration no. 000010) as Cost Auditors of the Company for conducting the cost audit for financial year 2023-24, be and is hereby ratified, confirmed and approved."

6. To approve the Borrowing by way of Issue of Securities and, in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to Sections 42 and 71 of the Companies Act, 2013 (the "Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions of the Act and the Rules made thereunder, as may be applicable, and other applicable guidelines and regulations issued by the Securities and Exchange Board of India or any other law for the time being in force (including any statutory amendment(s), modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and in terms of the Articles of Association of the Company, approval of the Members of the Company be accorded to authorise the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise require, any committee of the Board or any director(s) or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to borrow from time to time, by way of securities including but not limited to secured/ unsecured redeemable Non-Convertible Debentures (NCDs) and/or Commercial Papers (CPs) to be issued under private placement basis, in domestic and/or international market, in one or more series/tranches aggregating upto an amount not exceeding ₹ 500 crore (Rupees Five Hundred Crore only), issuable/redeemable at discount/ par/premium, under one or more shelf disclosure documents, during the period of one year from the date of this Annual General Meeting, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs and/or CPs be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto; provided that the said borrowings shall be within the overall borrowing limit of the Company.

   **RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts, deeds, matters and things, and to take all such steps as may be necessary, proper, or expedient to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard."

7. Appointment of Mr. Sudarshan Sampathkumar (DIN: 01875316) as an Independent Director and, in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** Mr. Sudarshan Sampathkumar (DIN: 01875316), who was appointed as an Additional Director of the Company with effect from May 23, 2023, by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office as such up to this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ("the Act") and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

   **RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of Mr. Sudarshan Sampathkumar (DIN:01875316), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and who is eligible for appointment, as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from May 23, 2023, up to May 22, 2028, be and is hereby approved.

   **RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. Sudarshan Sampathkumar shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in a capacity Non-Executive, Independent Director under the Act and SEBI Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

   **RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution".

By Order of the Board of Directors
of **Bajaj Electricals Limited**

**Ajay Nagle**
Company Secretary & Head of Department
ICSI Membership No. A9855
Mumbai, May 23, 2023

**Registered Office:**
45/47, Veer Nariman Road, Mumbai 400001, India.
CIN: L31500MH1938PLC009887
Website: www.bajajelectricals.com
E-mail: legal@bajajelectricals.com
Tel.: +91 22 6110 7800 / 6149 7000

## NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA"), vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 02/2022, 03/2022, 10/2022, and 11/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022, May 5, 2022, December 28, 2022 and December 28, 2022 respectively (collectively referred to as "MCA Circulars"), and the Securities and Exchange Board of India ("SEBI"), vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, January 15, 2021, May 13, 2022, and January 5, 2023 respectively (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"), without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 (the "Act"), the Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

2. The statement pursuant to Section 102 of the Act, setting out the material facts in respect of special businesses under Item Nos.5 to 7 is annexed hereto. Further, the relevant details concerning Item Nos. 3, 4 and 7 according to Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment / re-appointment at this AGM provided/ annexed hereunder.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Regulation 40 of the SEBI Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its circular dated January 25, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this, Members holding shares in physical form are requested to submit duly filled Form ISR-4 for the abovementioned service requests. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited ("LinkIntime") for assistance in this regard.

5. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participant (DP) in case the shares are held by them in electronic form and with LinkIntime in case the shares are held by them in physical form.

6. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held by them in electronic form and to LinkIntime in Form ISR-1 in case the shares are held by them in physical form.

   Members holding shares in physical form who have not registered their email addresses with the Company can get their email addresses registered by clicking on the link: https://linkintime.co.in/emailreg/email_register.html on the website www.linkintime.co.in at the Investor Services tab by choosing the e-mail registration heading and update their details such as Name, Folio number, Certificate number, PAN, mobile number and email id by uploading scanned copy of share certificate (front and back) in pdf or jpeg format (upto 1MB).

   Members holding shares in demat form are requested to update their email address with their respective DPs.

7. SEBI vide its earlier circulars have made the PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction. Members are requested to submit their PAN details to their respective DP in case of holdings in dematerialised form or to LinkIntime in case of holdings in physical form, mentioning the correct folio number.

8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to LinkIntime in case the shares are held in physical form. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR3 or SH-14 as the case may be.

9. **ATTENTION SHAREHOLDER:** SEBI, vide the Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, has mandated furnishing of PAN, Address with pincode, email address, mobile number, bank account details, specimen signature and nomination by holders of physical securities. Folios wherein any one of the cited documents/ details are not available on or after September 30, 2023, shall be frozen by the Registrar and Transfer Agent of the Company

10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

11. Members, intending to require information about the Financial Statements or any other matter to be placed at the Meeting, are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.

12. **Dividend related information:**

   A. Final dividend for the financial year ended March 31, 2023, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or after Monday, August 14, 2023, to those members whose names appear on the Register of Members as on Friday, July 28, 2023.

   B. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.

   C. Members holding shares in physical/electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.

   D. Shareholders holding shares in dematerialized mode are requested to register complete bank account details with their DPs and shareholders holding shares in physical mode shall send a duly signed request letter to LinkIntime mentioning the name, folio no., bank details, self-attested PAN card and original cancelled cheque leaf. In case of absence of name of the first shareholder on the original cancelled cheque or initials on the cheque, bank attested copy of first page of the Bank Passbook/Statement of Account along with the original cancelled cheque shall be provided.

   E. In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrants to such shareholder by post.

   F. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by the Company after April 1, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to the approval of shareholders in the ensuing AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by him/her/it in support and accepted by the Company.

      i. All Shareholders are requested to ensure that the below information & details are completed and/or updated, as applicable, in their respective demat account(s) maintained with the DP(s); or in case of shares held in physical form, with LinkIntime, on or before the Record Date i.e., Friday, July 28, 2023.

         Please note that the following information & details, if already registered with the LinkIntime and Depositories, as the case may be, will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

         I. Valid PAN*.

         II. Residential status as per the Income Tax Act,1961 i.e., Resident or Non-Resident for FY 2023-24.

         III. Category of the Shareholder viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, AIF Category III, Government (Central/

State Government), Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FII): Foreign Company, FPI/FII: Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.), Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, Foreign Company, Overseas Corporate Bodies, etc.

IV. Email Address.

V. Residential Address.

*If the PAN is not as per the database of the Income-tax Portal, it would be considered as an invalid PAN. Further as per the Notification of the Central Board of Direct Taxes, individual shareholders are requested to link their Aadhaar number with PAN.

ii. For Resident Shareholders, TDS is required to be deducted at the rate of 10% under Section 194 of the Income Tax Act, 1961 on the amount of dividend declared and paid by the Company in the financial year 2023-24 provided valid PAN is registered by the Shareholder. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% under Section 206AA of the Income Tax Act, 1961.

However, in case the dividend is not exceeding ₹ 5,000 in a fiscal year to resident individual shareholder then no tax will be deducted from the dividend. If any resident individual shareholder is in receipt of Dividend exceeding ₹ 5,000 in a fiscal year, entire dividend will be subject to TDS @ 10%.

Even in the cases where the shareholder provides valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted.

iii. For Non-resident shareholders [Including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)], the TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 195 or 196D of the Income Tax Act, 1961, as the case may be. Further, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them.

For this purpose, i.e., to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

I. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;

II. Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident;

III. Self-declaration in Form 10F; and

IV. Self-declaration in the below stated format certifying:

- Shareholder is and will continue to remain a tax resident of the country of its residence during the financial year 2023-24;
- Shareholder is eligible to claim the beneficial Double Taxation Avoidance Agreement (DTAA) rate for the purposes of tax withholding on dividend declared by the Company;
- Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
- Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
- Shareholder does not have a taxable presence or a permanent establishment in India during the financial year 2023-24.

iv. The draft of the aforementioned documents may also be accessed from the Company's website at: https://www.bajajelectricals.com/miscellaneous/

v. **Submission of tax related documents:**

**Resident Shareholders**

The aforesaid documents such as Form 15G/15H, under Sections 196, 197A, etc. shall be uploaded only on the link https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before Friday, July 28, 2023 to enable the Company to determine the appropriate TDS/withholding tax rate applicable. Any communication on the tax determination/deduction received post Friday, July 28, 2023, shall not be considered.

Shareholders can also send the scanned copies of the documents mentioned above at the email id mentioned below:

Email ID bajajelectricalsdivtax@linkintime.co.in

**Non-Resident Shareholders**

Shareholders are requested to send the scanned copies of the documents mentioned above at the email id mentioned below:

Email ID bajajelectricalsdivtax@linkintime.co.in

These documents should reach the Company on or before Friday, July 28, 2023, in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/deduction shall be considered post Friday, July 28, 2023.

vi. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

vii. We shall arrange to email the soft copy of TDS certificate at your registered email ID in due course, post payment of the dividend.

13. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

14. It is in the Members' interest to claim any unencashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the investor's account on time. Members who have not yet encashed their dividend warrant(s) from the financial year ended March 31, 2017, and onwards are requested to forward their claims to LinkIntime at Unit: Bajaj Electricals Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company upto the year ended on March 31, 2016, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website: www.bajajelectricals.com and Ministry of Corporate Affairs website: www.mca.gov.in.

15. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.bajajelectricals.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of LinkIntime at https://instavote.linkintime.co.in.

16. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

17. The Company has designated an e-mail id legal@bajajelectricals.com to enable investors to register their complaints/queries, if any.

18. Since the AGM will be held through VC/OAVM, the Route Map is not given in this Notice.

19. **Instructions for e-voting and joining the AGM are as follows:**

### A. Voting Through Electronic Means

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and the provisions of Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by LinkIntime on all Resolutions set forth in this Notice.

The remote e-voting period commences on August 6, 2023 (9:00 A.M. IST) and ends on August 9, 2023 (5:00 P.M. IST). During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of August 3, 2023, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by LinkIntime for voting thereafter. Once the vote on resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

Pursuant to SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and DPs only. Shareholders are advised to update their mobile number and email ID in their demat accounts to access e-Voting facility. Remote e-Voting Instructions for shareholders:

a. For Individual Shareholders holding securities in demat mode with NSDL: -

- If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.

- After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

- If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www. evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

b. For Individual Shareholders holding securities in demat mode with CDSL: -

- Existing user who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

- After successful login of Easi / Easiest the user will also be able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote.

- If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

- Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.

c. For Individual Shareholders holding securities in demat mode and login through their DPs:-

- You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility.

- Once logged in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

d. For Individual Shareholders holding securities in Physical mode and e-voting service Provider is LINKINTIME:-

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

   A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.

   B. PAN: Enter your 10-digit PAN. Members who have not updated their PAN with the DP/Company shall use the sequence number as provided.

   C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format).

   D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

   - Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.

   - Set the password of your choice (the password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

   - Click "confirm" (your password is now generated).

2. Click on 'Login' under 'SHARE HOLDER' tab.

3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

4. After successful login, you will be able to see the notification for e-voting.

Select 'View' icon.

5. E-voting page will appear.

6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

7. After selecting the desired option i.e., Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

e. For Institutional shareholders: -

Institutional shareholders (i.e. other than Individuals, HUF, NRI, and custodians are required to log on the e-voting system of LinkIntime at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney, etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

f. If Individual Shareholders (holding securities in physical mode, and e-Voting service provider is LINKINTIME), have forgotten the password:-

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/member is having valid email address, password will be sent to his / her registered e-mail address.
- Shareholders/member can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

g. If Individual Shareholders (holding securities in demat mode with NSDL/ CDSL) have forgotten the password:-

- Shareholders/Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/DP website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

h. Helpdesk for Individual Shareholders holding securities in demat mode:-

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e., NSDL/ CDSL, they may contact the respective helpdesk given below:

- Individual Shareholders holding securities in demat mode with NSDL: Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
- Individual Shareholders holding securities in demat mode with CDSL: Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

i. Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-Voting service Provider is LINKINTIME:-

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-Voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

j. Process for those shareholders whose email addresses are not registered with the Company/Depositories for obtaining login credentials for e-Voting for the resolutions proposed in this notice:-

1. For physical shareholders – Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to rnt.helpdesk@linkintime.co.in.

2. For Demat shareholders – Members are requested to update their email address with the DPs by following the procedure advised by them and then follow the instructions as detailed above to login for e-Voting.

### B. Instructions for attending the AGM through VC/ OAVM

Shareholders/Members are entitled to attend the AGM through VC/OAVM provided by Linkintime by following the below mentioned process:

a. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

b. Select the 'Company' and 'Event Date' and register with your following details:

A. Demat Account No. or Folio No.: Enter your 16 digit Demat Account No. or Folio No., as below-

- Shareholders/Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
- Shareholders/Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.
- Shareholders/Members holding shares in physical form shall provide Folio Number registered with the Company.

B. PAN: Enter your 10-digit PAN. Members who have not updated their PAN with the DP/Company shall use the sequence number as provided.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

c. Click 'Go to Meeting' (you are now registered for InstaMeet and your attendance is marked for the meeting).

### C. Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting

a. Shareholders/Members who would like to express their views/ask questions during the meeting may register themselves as 'speakers' by sending their request mentioning their name, demat account number/folio number, email id, mobile number at least 3 days in advance with the Company at legal@bajajelectricals.com.

b. Shareholders/Members will get confirmation on first cum basis depending on the availability of time for the AGM.

c. Shareholders will receive 'speaking serial number' for the meeting.

d. Shareholders/Members, who would like to ask questions, may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at legal@bajajelectricals.com. The same will be replied by the Company suitably.

e. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

f. For a smooth experience of viewing the AGM proceedings, Shareholders/Members who are registered as speakers for the event are requested to download and install the 'Webex Meetings' application by clicking on the link: https://www.webex.com/downloads.html/

g. Shareholders/Members are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.

**Note:** Those Shareholders/Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Shareholders/Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

**D. Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet**

Once the electronic voting is activated by the Scrutiniser during the meeting, Shareholders/ Members who have not already exercised their vote through the remote e-Voting can cast the vote as under:

a. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".

b. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/registered email Id) received during registration for InstaMeet and click on 'Submit'.

c. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

d. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under "Favour/Against'.

e. After selecting the appropriate option i.e. "Favour/ Against" as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

f. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:** Shareholders/Members, who will be present in the AGM through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the AGM will be eligible to attend/participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

## Other Instructions

1. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-Voting and make, not later than two working days of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

2. The result declared along with the Scrutiniser's Report shall be placed on the Company's website www.bajajelectricals.com and on the website of LinkIntime https://instavote.linkintime.co.in immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

## STATEMENT / EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THEREUNDER

The following Statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 7 in the Notice:

**Item No. 5**

The Board of Directors at its meeting held on May 23, 2023, based on the recommendations of the Audit Committee, had approved the appointment and remuneration of Messrs R. Nanabhoy & Co., Cost Accountants (Firm registration no. 000010), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending March 31, 2024, at a remuneration not exceeding ₹ 1,89,750/- (Rupees One Lakh Eighty-Nine Thousand Seven Hundred and Fifty only) excluding taxes and reimbursement of out-of-pocket expenses at actuals, if any, in connection with the audit. The overall remuneration proposed to be paid to the Cost Auditor for the financial year ending March 31, 2024, is commensurate to the scope of the audit to be carried out by the Cost Auditors.

Messrs R. Nanabhoy & Co., Cost Accountants have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959. In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) for the time being in force), the remuneration payable to Cost Auditor has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company for the financial year ending March 31, 2024.

None of the Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the Resolution set out at Item No. 5 of the Notice for approval by the members.

**Item No. 6**

In terms of Section 42 of the Companies Act, 2013 (the "Act") read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules"), a company shall not make private placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the members of the company by a special resolution. In case of an offer or invitation for offer of non-convertible debentures, the company can pass a special resolution once a year for all the offers or invitations to be made for such debentures during the year.

In order to augment resources for, inter-alia, the ongoing capital expenditure, long term working capital/short term working capital and for general corporate purposes, the Company may offer or invite subscription for securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures and/or Commercial Papers, in one or more series/ tranches on a private placement basis, in domestic and/or international market, issuable/ redeemable at discount/par/premium.

The Company seeks to pass an enabling resolution to borrow funds from time to time by offer of securities including but not limited to Non-Convertible Debentures and/or Commercial Papers for an amount not exceeding ₹ 500 crore (Rupees Five Hundred Crore only), at a discount or at par or at a premium and at such interest as may be appropriate considering the prevailing money market conditions at the time of borrowing.

The details of the Paid-up Capital & Free Reserves and Outstanding Borrowings are as under:

(Amount: ₹ in Crore)

| Particulars | As at 31-Mar-23 | As at 31-Mar-22 |
|---|---|---|
| Paid-up Capital and Free Reserves | 1,297.21 | 1,106.98 |
| Outstanding Borrowings | 0.17 | 24.58 |

The approval sought for offer of securities including but not limited to Non-Convertible Debentures and/ or Commercial Papers, shall be within the overall borrowing limit of the Company in terms of Section 180 of the Act. Subject to the approval of the Members, the Board of Directors of the Company (the "Board") has approved the aforesaid proposal vide its resolution dated May 23, 2023.

All documents referred to in the accompanying Notice and Statement setting out material facts on Item No.6 will be made available for inspection of the Members through electronic mode by writing to the Company at legal@bajajelectricals.com from the date of circulation of the AGM Notice till the date of the AGM i.e., August 10, 2023.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

**Item No. 7**

The Board of Directors of the Company at its meeting held on May 23, 2023, based on the (i) recommendations of the Nomination and Remuneration Committee and (ii) expertise and experience of Mr. Sudarshan Sampathkumar, has approved his appointment as an Additional Director in the category of Independent Director with effect from the said date. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the "Act"), Mr. Sudarshan Sampathkumar hold office upto the date of ensuing AGM and is eligible for appointment as Director of the Company.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors of the Company, considering the expertise and experience of Mr. Sudarshan Sampathkumar and the immense value to the Board and the Company, the appointment of Mr. Sudarshan Sampathkumar for a term of 5 (five) consecutive years from May 23, 2023 to May 22, 2028 would be in the interest of the Company and its shareholders. As per Section 149 of the Act, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and shall not be liable to retire by rotation.

Relevant details relating to appointment of Directorship of Mr. Sudarshan Sampathkumar, including his profile, as required by the Act, SEBI Listing Regulations and Secretarial Standards issued by ICSI are provided in the "Annexure" to the Notice.

Mr. Sudarshan Sampathkumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has consented to act as an Independent Director of the Company.

The Company has also received declarations from Mr. Sudarshan Sampathkumar that he meets the criteria of independence as prescribed under Section 149 of the Act and the SEBI Listing Regulations. In the opinion of the Board, Mr. Sudarshan Sampathkumar fulfils the conditions for appointment as Independent Director as specified in the Act and SEBI Listing Regulations. Mr. Sudarshan Sampathkumar is independent of the management.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Sudarshan Sampathkumar for the office of Director of the Company.

All documents referred to in the accompanying Notice and Statement setting out material facts on Item No. 7 will be made available for inspection of the Members through electronic mode by writing to the Company at legal@bajajelectricals.com from the date of circulation of the AGM Notice till the date of the AGM i.e., August 10, 2023.

Other than Mr. Sudarshan Sampathkumar and his relatives, none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their respective shareholding, if any, in the Company. This statement may also be regarded as an appropriate disclosure under the SEBI Listing Regulations.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

By Order of the Board of Directors
of **Bajaj Electricals Limited**

**Ajay Nagle**
Company Secretary & Head of Department
ICSI Membership No. A9855
Mumbai, May 23, 2023

**Registered Office:**
45/47, Veer Nariman Road, Mumbai 400001, India.
CIN: L31500MH1938PLC009887
Website: www.bajajelectricals.com
E-mail: legal@bajajelectricals.com
Tel.: +91 22 6110 7800 / 6149 7000





# Annexure

**Information of Directors being appointed/ re-appointment at this AGM, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in accordance with provisions of Companies Act, 2013 and Secretarial Standards-2, as on the date of Notice**

**Mr. Madhur Bajaj**

| | |
|---|---|
| **Directors Identification Number (DIN)** | 00014593 |
| **Date of Birth (Age in years)** | August 19, 1952 (70 Years) |

| | |
|---|---|
| **Experience and Qualifications** | Mr. Madhur Bajaj graduated in commerce from Sydenham College, Bombay, in 1973, and did his MBA from the International Institute of Management Development (IMD), Lausanne, Switzerland, in 1979.<br>Having more than 30 years of experience in Auto, Consumer Durables and Financial Services, Madhur Bajaj is the recipient of the 'Vikas Rattan Award' from the International Friendship Society of India, for enhancing human life and outstanding achievements.<br>He previously occupied the position of President of Mahratta Chamber of Commerce Industries and Agriculture, President for Industries Association of Pune, and President of Society of Indian Automobile Manufacturers.<br>He is also serving as the National Council Member of Confederation of Indian Industry (CII). |
| **Expertise in specific Functional Areas** | An industrialist having an experience in managing a large industrial conglomerate. |
| **Date of first appointment on the Board** | November 28, 1994 |
| **Shareholding in the Company as on March 31, 2023** | 2,00,000 (0.17%) equity shares of ₹ 2 each |
| **Terms and conditions of re-appointment** | As per the Company's Nomination and Remuneration Policy |
| **Details of remuneration last drawn (FY 2022-23)** | ₹ 12.00 lakh in the financial year 2022-23<br>(for remuneration details, please refer the Corporate Governance Report) |
| **Details of proposed remuneration** | As per the Company's Nomination and Remuneration Policy |
| **Inter-se relationships between**<br>• Directors<br>• Key Managerial Personnel | Younger brother of Mr. Shekhar Bajaj, Chairman of the Company and paternal uncle of Mr. Rajiv Bajaj. |
| **Number of meetings of the Board attended during the financial year 2022-23** | 6/6 |
| **Chairperson/Membership of the Statutory Committee(s) of Board of Directors of the Company as on date** | Nil |
| **Other companies in which he/she is a Director excluding Directorship in Private and Section 8 companies as on March 31, 2023** | Bajaj Auto Limited;<br>Bajaj Holdings & Investment Limited;<br>Bajaj Finserv Limited. |
| **Chairperson/Membership of the Statutory Committee(s) of Board of Directors of other companies in which he/ she is a Director excluding Private and Section 8 companies as on March 31, 2023** | Nil |

**Mr. Rajiv Bajaj**

| | |
|---|---|
| **Directors Identification Number (DIN)** | 00018262 |
| **Date of Birth (Age in years)** | December 21, 1966 (52 Years) |

| | |
|---|---|
| **Experience and Qualifications** | Mr. Rajiv Bajaj graduated first in class with distinction, in Mechanical Engineering from the University of Pune in 1988, and then completed his master's in manufacturing systems engineering with distinction, from the University of Warwick in 1990.<br>On returning from UK, he started off at the shop floor level at Bajaj Auto where he did a three-year stint. He gained experience in the areas of Manufacturing & Supply Chain (1990-95), R+D and Engineering (1995-2000), and Marketing and Sales (2000-2005), and rose to be Managing Director of Bajaj Auto in April 2005, a position he continues to hold even today. He has been on the board of Bajaj Auto Ltd since March 5, 2002.<br>He has been instrumental in introducing Bajaj Auto to the motorcycle market, a segment he believed had great growth potential. This decision certainly changed the face of Bajaj Auto and greatly accelerated the Company's growth. His current priority is the application of the scientific principles of Homoeopathy to the task of building a brand centred strategy at Bajaj Auto. His main objective in doing so is achieving Bajaj Auto's vision of being one of the world's leading motorcycle manufacturers and constant innovator in the automotive industry. |
| **Expertise in specific Functional Areas** | An industrialist having an experience in managing a large industrial conglomerate. |
| **Date of first appointment on the Board** | May 22, 2019 |
| **Shareholding in the Company as on March 31, 2023** | Nil |
| **Terms and conditions of re-appointment** | As per the Company's Nomination and Remuneration Policy |
| **Details of remuneration last drawn (FY 2022-23)** | ₹ 12.00 lakh in the financial year 2022-23<br>(for remuneration details, please refer the Corporate Governance Report) |
| **Details of proposed remuneration** | As per the Company's Nomination and Remuneration Policy |
| **Inter-se relationships between**<br>• Directors<br>• Key Managerial Personnel | Not Applicable |
| **Number of meetings of the Board attended during the financial year 2022-23** | 6/6 |
| **Chairperson/Membership of the Statutory Committee(s) of Board of Directors of the Company as on date** | Nil |
| **Other companies in which he/she is a Director excluding Directorship in Private and Section 8 companies as on March 31, 2023** | Bajaj Auto Limited;<br>Bajaj Holdings & Investment Limited;<br>Bajaj Finserv Limited;<br>Bajaj Finance Limited;<br>Chetak Technology Limited;<br>Bajaj Auto Consumer Finance Limited. |
| **Chairperson/Membership of the Statutory Committee(s) of Board of Directors of other companies in which he/ she is a Director excluding Private and Section 8 companies as on March 31, 2023** | Nil |

**Mr. Sudarshan Sampathkumar**

| | |
|---|---|
| **Directors Identification Number (DIN)** | 01875316 |
| **Date of Birth (Age in years)** | January 23, 1962 (56 Years) |

| | |
|---|---|
| **Experience and Qualifications** | Mr. Sudarshan Sampathkumar has over 30 years of experience in advisory, consulting, and private equity. He is currently a Partner and Director at The Bridgespan Group (India), a Non-Executive Independent Director and mentor at Profectus Capital Private Limited, and on the Advisory board of Chinmaya Vishwa Vidyalaya, Chinmaya Mission.<br>Previously, Mr. Sudarshan Sampathkumar was a Partner & Managing Director at Bain & Company. He also served as the Managing Director & GP of a Private Equity Fund and held leadership roles at Accenture and Neuron Data Corporation.<br>Mr. Sudarshan Sampathkumar holds an MBA from the Indian Institute of Management, Ahmedabad, India, and a Bachelor of Engineering from the Indian Institute of Science, Bangalore, India. His objective is to contribute to high-performing entities and boards by leveraging his advisory experience, implementation skills, leadership experience, and understanding of the corporate sector. |
| **Expertise in specific Functional Areas** | Having an experience in management and strategy, business advisory & consulting, investment & treasury, corporate governance and ethics, economics & statistics, and such other areas. |
| **Date of first appointment on the Board** | May 23, 2023 |
| **Shareholding in the Company as on March 31, 2023** | Nil |
| **Terms and conditions of re-appointment** | As per the Company's Nomination and Remuneration Policy |
| **Details of remuneration last drawn (FY 2022-23)** | Not applicable |
| **Details of proposed remuneration** | As per the Company's Nomination and Remuneration Policy |
| **Inter-se relationships between**<br>• Directors<br>• Key Managerial Personnel | Not applicable |
| **Number of meetings of the Board attended during the financial year 2022-23** | Not applicable |
| **Chairperson/Membership of the Statutory Committee(s) of Board of Directors of the Company as on date** | Nil |
| **Other companies in which he/she is a Director excluding Directorship in Private and Section 8 companies as on March 31, 2023** | Nil |
| **Chairperson/Membership of the Statutory Committee(s) of Board of Directors of other companies in which he/ she is a Director excluding Private and Section 8 companies as on March 31, 2023** | Nil |

### INFORMATION AT A GLANCE

| Particulars | Details |
|---|---|
| Day, date, and time of AGM | Thursday, August 10, 2023, at 03:00 p.m. (IST) |
| Mode | Video conference and other audio-visual means |
| Participation through Video Conference | https://instameet.linkintime.co.in/ |
| Helpline number for VC participation | 022-49186175 |
| Dividend record date | Friday, July 28, 2023 |
| Dividend payment date | On or after Monday, August 14, 2023 |
| Cut-off date for e-Voting | Thursday, August 3, 2023 |
| E-Voting start time and date | Sunday, August 6, 2023 at 09:00 A.M. IST |
| E-Voting end time and date | Wednesday, August 9, 2023 at 05:00 P.M. IST |
| E-Voting website | Refer Point 19 of the Notice. |
| Name, address, and contact details of e-Voting service provider<br>Name, address, and contact details of Registrar and Transfer Agent | **Link Intime India Private Limited**<br>C 101, 247 Park, Lal Bahadur Shastri Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai 400083.<br>Tel.: 022 4918 6000. |





# Board's Report

Dear Members,

The Directors are pleased to present the Company's 84th Annual Report and the Company's audited financial statements for the financial year ended March 31, 2023.

## FINANCIAL RESULTS

**The highlights of the Standalone Financial Results are as under:**

(₹ in crore, except for EPS)

| Particulars | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Revenue from Operations & Other Income | 5,500.73 | 4,860.61 |
| Gross Profit before Finance Cost and Depreciation | 440.85 | 323.55 |
| Less: Finance Cost | 47.70 | 68.67 |
| Less: Depreciation | 75.42 | 63.04 |
| Profit/(Loss) before Exceptional Items and Tax | 317.73 | 191.84 |
| Exceptional Items | 0.00 | (13.23) |
| Profit/(Loss) before Taxes | 317.73 | 178.61 |
| Less: Provision for Tax expenses | 87.22 | 41.83 |
| Profit/(Loss) after Tax | 230.51 | 136.79 |
| Add: Other Comprehensive Income | 1.76 | 5.84 |
| Add: Balance in Profit & Loss Account | - | - |
| Add: Transferred to retained earnings for vested cancelled options | 0.64 | 0.35 |
| Amount transferred to General Reserves | - | - |
| Amount transferred from Debenture Redemption Reserve | - | 37.50 |
| Dividend Paid | (34.47) | - |
| Balance available for appropriation | 814.52 | 615.77 |
| Basic EPS (₹) | 20.05 | 11.93 |
| Diluted EPS (₹) | 20.01 | 11.88 |

**The highlights of the Consolidated Financial Results are as under:**

(₹ in crore, except for EPS)

| Particulars | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Revenue from Operations & Other Income | 5,505.11 | 4,881.35 |
| Profit/(Loss) before Exceptional Items and Tax | 303.42 | 179.51 |
| Exceptional Items | - | (13.23) |
| Profit/(Loss) before Taxes | 303.42 | 166.28 |
| Share of Profit/(Loss) of subsidiaries, associates & joint ventures | - | - |
| Profit/(Loss) before Taxes | 303.42 | 166.28 |
| Less: Provision for Tax expenses | 87.23 | 41.88 |
| Profit/(Loss) for the period | 216.19 | 124.41 |
| Basic EPS (₹) | 18.80 | 10.85 |
| Diluted EPS (₹) | 18.77 | 10.81 |

Return on Net Worth, Return on Capital Employed and EPS for the financial year ended March 31, 2023, and for the last four financial years, are given below:

| Particulars | FY 2022-23 | FY 2021-22 | FY 2020-21 | FY 2019-20 | FY 2018-19 |
|---|---|---|---|---|---|
| Return on Net Worth (%) | 12.44 | 9.06 | 12.31 | (0.01) | 15.50 |
| Return on Capital Employed (%) | 19.53 | 14.01 | 13.85 | 8.20 | 14.13 |
| Basic EPS (after exceptional items) (₹) | 20.05 | 13.38 | 16.08 | (0.01) | 16.34 |

The financial results of the Company are elaborated in the Management Discussion and Analysis Report, which forms part of the Annual Report.

## STATE OF COMPANY AFFAIRS / OPERATIONS

During the financial year 2022-23:

- Revenue from operations on standalone basis increased to ₹ 5,417.41 crore as against ₹ 4,788.19 crore in the previous year - a growth of 13.1%.
- Revenue from Consumer Product Segment increased by 14% to ₹ 3,752.39 crore.
- Revenue from EPC Segment increased by 29.5% to ₹ 540.02 crore.
- Cost of goods sold as a percentage to revenue from operations decreased to 69.6% as against 71.3% in the previous year.
- Employee cost as a percentage to revenue from operations decreased to 7.7% (₹ 419.09 crore) as against 8.3% (₹ 395.44 crore) in the previous year.
- Other expense as a percentage to revenue from operations increased to 16.1% (₹ 872.45 crore) as against 15.2% (₹ 728.27 crore) in the previous year.
- The Profit after Tax for the current year is ₹ 230.51 crore as against ₹ 136.79 crore in the previous year - a growth of 68.5%.
- On a consolidated basis, the group achieved revenue of ₹ 5,429.26 crore as against ₹ 4,813.01 crore - a growth of 12.8%. Net profit for the group for the current year is ₹ 216.19 crore as against ₹ 128.52 crore in the previous year - a growth of 68.2%.

As at March 31, 2023, the gross property, plant and equipment, investment property and other intangible assets including leased assets, stood at ₹ 903.50 crore and the net property, plant and equipment, investment property and other intangible assets, including leased assets, at ₹ 589.91 crore. Capital Expenditure during the year amounted to ₹ 83.27 crore (₹ 72.60 crore in the previous year).

The Company's cash and cash equivalent as at March 31, 2023 was ₹ 340.47 crore. The Company manages cash and cash flow processes assiduously, involving all parts of the business. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

Foreign Exchange transactions are partly covered and there are no materially significant uncovered exchange rate risks in the context of Company's imports and exports. The Company accounts for mark-to-market gains or losses every quarter end, are in line with the requirements of Ind AS 21.

During the year under review, there has been no change in the nature of business of the Company.

Detailed information on the operations of the different business segments of the Company are covered in the Management Discussion and Analysis Report, which forms part of the Annual Report.

## TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserves during the current financial year.

## DIVIDEND & DIVIDEND DISTRIBUTION POLICY

Your Directors are pleased to recommend a dividend of 200% (₹ 4.00) on 11,50,75,638 equity shares of ₹ 2 each for the financial year 2022-23. The amount of dividend aggregates to ₹ 46.03 crore (previous year ₹ 34.46 crore). The dividend on equity shares, subject to the approval of the Members at the Annual General Meeting ("AGM") to be held on August 10, 2023, will be paid on or after August 14, 2023 to the Members whose names appear in the Register of Members as of the close of business hours on July 28, 2023; and, in respect of shares held in dematerialised form, it will be paid to Members whose names are furnished by Depositories, as beneficial owners as of the close of business hours on that date. Shares that may be allotted on exercise of stock options granted under the Employee Stock Option Scheme before the book closure date for payment of dividend will rank pari-passu with the existing shares and be entitled to receive the dividend. The Board of Directors, at its meeting held on May 17, 2022, had last amended the Dividend Distribution Policy of the Company. In terms of the amendment, and subject to the parameters/circumstances given in the said revised Dividend Distribution Policy, the Board would endeavor to maintain a dividend pay-out in the range of 20-40% of the Company's Profit After Tax on standalone financials. The revised Dividend Distribution Policy containing the requirements mentioned in Regulation 43A of the SEBI Listing Regulations is attached as **Annexure A** and forms part of this Report. This Policy can also be accessed on the Company's website at: https://www.bajajelectricals.com/media/7301/dividend-distribution-policy.pdf.

## SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2023 was ₹ 23.02 crore. The increase in number of shares during the year is on account of (i) allotment of 19 equity shares of ₹ 2 each to the shareholders of Starlite Lighting Limited ("Transferor Company") pursuant to the Scheme of Merger by Absorption of the Transferor Company into the Company and their respective shareholders; and (ii) allotment of 2,01,505 equity shares of ₹ 2 each to the employees upon their exercise of stock options. These shares were included, on weighted average basis, for the computation of EPS. The Company has not issued shares with differential voting rights. No disclosure is required under Section 67(3)(c) of the Companies Act, 2013 ("Act"), in respect of voting rights not exercised directly by the employees of the Company, as the provisions of the said Section are not applicable.

The equity shares of the Company continue to remain listed on BSE Limited and National Stock Exchange of India Limited (collectively "Stock Exchanges"). The listing fees for financial year 2023-24 have been paid to the Stock Exchanges.

## DEPOSITORY SYSTEM

The Company's shares are compulsorily tradable in electronic form. As on March 31, 2023, 99.65% of the Company's total paid up capital representing 11,46,68,943 equity shares are in dematerialised form.

In light of the provisions of Regulation 40 of the SEBI Listing Regulations, read with a Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, as issued by the Securities and Exchange Board of India ("SEBI"), Members may please note that the transfer of shares will be in dematerialised form only. In view of the above and to avail advantages offered by the Depository system as well as to avoid frauds, Members holding shares in physical mode are advised to avail the facility of dematerialisation from either of the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited.

## DEPOSITS

During the year under review, the Company has not accepted any deposits covered under Chapter V of the Act. Accordingly, no disclosure or reporting is required in respect of details relating to deposits.

## CREDIT RATING

The below table depicts Company's credit ratings profile in a nutshell:

| Instrument | Rating Agency | Rating |
|---|---|---|
| Short Term Debt | CRISIL Ratings Limited | CRISIL A1+ |
| Bank Loan Facilities (long-term) | CRISIL Ratings Limited | CRISIL A+/Watch Positive |
| Bank Loan Facilities (short-term) | CRISIL Ratings Limited | CRISIL A1+ |

## RELATED PARTY TRANSACTIONS

In line with the requirements of the Act and SEBI Listing Regulations, the Company has formulated a Policy on Materiality of Related Party Transactions which is also available on the Company's website at: https://www.bajajelectricals.com/media/7307/policy-on-materiality-of-dealing-with-related-party-transactions.pdf. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties.

All transactions entered with related parties for the year under review were in ordinary course of business and at arm's length basis. No Material related party transactions i.e., transactions exceeding ₹ 1,000 crore or 10% of the annual consolidated turnover whichever is less, as per the last audited financial statements, were entered during the year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable. Further, there are no material related party transactions during the year under review with the Promoters, Directors, or Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

The related party transactions are mentioned in the notes to the accounts. The Directors draw attention of the members to Note No. 38 to the standalone financial statements which sets out related party disclosure.

Pursuant to the provisions of Regulation 34(3) read with clause 2 of Part A of Schedule V of the SEBI Listing Regulations, the listed entity shall make disclosures in respect of loans and advances in compliance with the Accounting Standard on Related Party Disclosures. The required disclosure is as under:

(Amount: ₹ in crore)

| Name | Category | Balance of loans and advances as on March 31, 2023* | Maximum outstanding during the year* |
|---|---|---|---|
| Nirlep Appliances Private Limited ("Nirlep") | Subsidiary | 93.23 | 93.23 |
| Bajel Projects Limited ("Bajel") | Subsidiary | - | - |
| Hind Lamps Limited ("Hind Lamps") | Associate | - | - |

* Excluding trade advances.

During the year under review, the following person(s) or entity(ies) belonging to the promoter/promoter group held 10% or more shares in the paid-up equity share capital of the Company:

| Name of the person/entity | Shareholding (%) |
|---|---|
| Jamnalal Sons Private Limited | 19.59 |
| Bajaj Holdings and Investment Limited | 16.63 |

Disclosures of transactions pursuant to the provisions of Regulations 34(3) read with clause 2A of Part A of Schedule V of the SEBI Listing Regulations is attached as **Annexure B** and forms part of this Report.

## PARTICULARS OF LOANS AND ADVANCES, GUARANTEES OR INVESTMENTS

Pursuant to the provisions of Section 186 of the Act and the rules framed thereunder, the particulars of the loans given, investments made or guarantees given or security provided are given in the Notes to the standalone financial statements.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators/courts/tribunal which would impact the going concern status of the Company and its operations in the future.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE TILL THE DATE OF THIS REPORT

There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the financial year for the Company i.e., March 31, 2023, and the date of this Board's Report i.e., May 23, 2023.

## APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No application has been made under the Insolvency and Bankruptcy Code against the Company; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

## DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year under review, there was no instance of one-time settlement with banks or financial institutions; hence the requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

## SCHEME OF ARRANGEMENTS UNDER SECTIONS 230-232 OF THE ACT

- **Scheme of Merger by Absorption of Starlite Lighting Limited with Bajaj Electricals Limited and their respective shareholders:**

  The Board of Directors of the Company, at its meeting held on May 25, 2021, had considered and approved the Scheme of Merger by Absorption of Starlite Lighting Limited with Bajaj Electricals Limited and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Act ("SLL Merger Scheme").

  The Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated August 25, 2022 approved the said SLL Merger Scheme whereby and where under inter-alia the Transferor Company was merged with the Company with effect from September 30, 2022.

- **Scheme of Merger by Absorption of Nirlep Appliances Private Limited with Bajaj Electricals Limited and their respective shareholders:**

  The Board of Directors of the Company, at its meeting held on September 29, 2022, has considered and approved the Scheme of Merger by Absorption of Nirlep Appliances Private Limited with Bajaj Electricals Limited and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Act ("Nirlep Merger Scheme").

  The Nirlep Merger Scheme is subject to the necessary statutory and regulatory approvals including the approvals of Hon'ble National Company Law Tribunal, the shareholders and creditors of each of the companies.

- **Scheme of Arrangement between Bajaj Electricals Limited and Bajel Projects Limited and their respective shareholders:**

  The Board of Directors of the Company, at its meeting held on February 8, 2022, had considered and approved the Scheme of Arrangement between Bajaj Electricals Limited ("Company") and Bajel Projects Limited ("Bajel") and their respective shareholders under Sections 230 to 232 of Act ("Demerger Scheme") involving the transfer by way of demerger of the Demerged Undertaking (as defined in the Demerger Scheme) consisting of Power Transmission and Power Distribution Business (as defined in the Demerger Scheme) of the Company into Bajel and consequent issue of equity shares by Bajel to the shareholders of the Company. The equity shares of Bajel shall be listed on the Stock Exchanges, post the effectiveness of the Scheme. The shareholders of the Company will be issued equity shares in Bajel in the same proportion as their holding in the Company.

  During the year under review, the Demerger Scheme was approved by the shareholders of the Company at their National Company Law Tribunal convened meeting of the Equity Shareholders held on March 2, 2023, through Video Conferencing / Other Audio-Visual Means.

  The Demerger Scheme is subject to the necessary statutory and regulatory approvals including the approval of Hon'ble National Company Law Tribunal.

## CORPORATE SOCIAL RESPONSIBILITY

The Company is having a Policy on Corporate Social Responsibility ("CSR") and has constituted a CSR Committee as required under the Act for implementing various CSR activities. The CSR Committee comprised of Mr. Shekhar Bajaj, as the Chairman of the Committee, and Dr. (Mrs.) Indu Shahani and Dr. Rajendra Prasad Singh, as the members of the Committee. The CSR policy is available on the website of the Company at: https://www.bajajelectricals.com/media/7071/corporate-social-responsibility-policy.pdf.

Other details about the CSR Committee are provided in Corporate Governance Report which forms part of this Report. The Company has implemented various CSR projects directly and/or through implementing partners and the said projects undertaken by the Company are in accordance with its CSR Policy and Schedule VII to the Act. Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is given in **Annexure C**, which forms part of this Report.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In compliance with Regulation 34 of the Listing Regulations, a separate report on the Business Responsibility and Sustainability Report, forms an integral part of this Annual Report.

## CORPORATE GOVERNANCE

Maintaining high standards of Corporate Governance has been fundamental to the business of the Company since its inception. As per Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, a separate section on corporate governance practices followed by the Company, together with the following declarations/certifications forms an integral part of this Corporate Governance Reporting:

a. A declaration signed by Mr. Anuj Poddar, Managing Director & Chief Executive Officer, stating that the members of board of directors and senior management personnel have affirmed compliance with the Company's Code of Business Conduct and Ethics;

b. A compliance certificate from the Company's Statutory Auditors confirming compliance with the conditions of Corporate Governance;

c. A certificate of Non-Disqualification of Directors from the Secretarial Auditor of the Company; and

d. A certificate of the CEO and CFO of the Company, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI Listing Regulations is provided in a separate section and forms an integral part of this Annual Report.

## ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year ended March 31, 2023 can be accessed at https://www.bajajelectricals.com/annual-reports/.

## VIGIL MECHANISM

The Company has a Whistle Blower Policy to report genuine concerns or grievances about any poor or unacceptable practice and any event of misconduct and to provide adequate safeguards against victimisation of persons who may use such mechanism. The Whistle Blower Policy has been posted on the website of the Company at: https://www.bajajelectricals.com/media/6129/whistle-blower-policy-vigil-mechanism-wef-1st-april-2019.pdf.

## EMPLOYEES STOCK OPTION SCHEME

The Company implemented the Employees Stock Option Scheme ("ESOP Scheme") in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, read with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") as a measure to reward and motivate employees as also to attract and retain talent.

During financial year under review, 3,27,500 stock options were granted to the eligible employees at the market price prevailing on the National Stock Exchange of India Limited as on the date of their grant. Details of the shares issued under ESOP Scheme, as also the disclosures in compliance with SEBI SBEB Regulations is uploaded on the website of the Company www.bajajelectricals. com, which forms part of this Report. No employee has been issued stock options, during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant. The issuance of equity shares pursuant to exercise of stock options does not affect the profit and loss account of the Company, as the exercise is made at the market price prevailing as on the date of the grant plus taxes as applicable.

The Company has obtained a Certificate from the Secretarial Auditors stating that ESOP Scheme has been implemented in accordance with the SEBI SBEB Regulations. The said Certificate will be made available for inspection through electronic mode by writing to the Company at legal@bajajelectricals.com from the date of circulation of the AGM Notice till the date of the AGM i.e., August 10, 2023.

## SUBSIDIARY, JOINT VENTURE AND ASSOCIATE

As on March 31, 2023, your Company has two (2) subsidiaries and one (1) associate. During the year under review, with the effectiveness of the Scheme of Merger by Absorption of Starlite Lighting Limited ("SLL") with the Company and their respective shareholders, SLL ceased to be a subsidiary of the Company, with effect from September 30, 2022.

**Details of subsidiary/associate companies/joint ventures of the Company**

| Name | % of shareholding of the Company as on March 31, 2023 | Status |
|---|---|---|
| Nirlep Appliances Private Limited ("Nirlep") | 100.00 | Subsidiary |
| Bajel Projects Limited ("Bajel") | 100.00 | Subsidiary |
| Hind Lamps Limited ("Hind Lamps") | 19.00 | Associate |

**Performance of Subsidiary, Joint Venture and Associate**

**Nirlep:** Total income of Nirlep for the financial year 2022-23 stood at ₹ 70.76 crore (Previous Year: ₹ 71.17 crore). Loss for the year was at ₹ 10.00 crore (Previous Year Loss: ₹ 7.07 crore).

**Bajel:** Total income of Bajel for the financial year starting from January 19, 2022 (i.e., the date of incorporation of Bajel) to March 31, 2023 was NIL. Loss for the same period was at ₹ 0.21 crore.

**Hind Lamps:** Total income of Hind Lamps for the financial year 2022-23 stood at ₹ 3.72 crore (Previous Year: ₹ 2.82 crore). Profit for the year was at ₹ 0.04 crore (Previous Year Loss: ₹ 0.08 crore).

Pursuant to the provisions of Section 129(3) of the Act, a Report on the performance and financial position of the subsidiary, associate and joint venture are included in the Consolidated Financial Statement and their contribution to the overall performance of the Company in Form AOC-1 is given in **Annexure D**, which forms part of this Report.

In accordance with the fourth proviso to Section 136(1) of the Act, the Annual Report of Company, containing therein its Standalone and Consolidated Financial Statements are available on the Company's website at: https://www.bajajelectricals.com/annual-reports/. Further, as per fifth proviso to the said Section, the annual accounts of the subsidiary, joint venture and associate of the Company are also available on the Company's website at: https://www.bajajelectricals.com/annual-reports/. Any member who may be interested in obtaining a copy of the aforesaid documents may write to the Company Secretary at the Company's Registered Office. Further, the said documents will be available for examination by the shareholders of the Company at its Registered Office during all working days except Saturday, Sunday, Public Holidays and National Holidays, between 11.00 a.m. to 01.00 p.m.

The Policy for Determining Material Subsidiary as approved by the Board may be accessed on the Company's website at: https://www.bajajelectricals.com/media/6127/policy-for-determining-material-subsidiary-wef-1st-april-2019.pdf.

## FINANCIAL STATEMENTS

The financial statements of the Company for the year ended March 31, 2023, as per Schedule III to the Act forms part of this Report.

## CONSOLIDATED FINANCIAL STATEMENTS

The Directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiary, associate and joint venture prepared in compliance with the Act, applicable Accounting Standards and the SEBI Listing Regulations and they form part of this Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

**Appointments/Re-appointments and Director coming up for retirement by rotation**

- **Re-designations and fresh appointments of Mr. Shekhar Bajaj and Mr. Anuj Poddar**

  During the year under review, the Board of Directors of the Company, on the recommendation of Nomination and Remuneration Committee, resolved to split the positions of the Chairman and Managing Director, and considered and approved the following in its meeting held on August 12, 2022:

  a The re-designation and appointment of Mr. Shekhar Bajaj (DIN: 00089358) as an Executive Chairman, in the category of a whole-time director, with the title as the "Chairman" of the Company, for a fresh term of five (5) years commencing from August 12, 2022; and

  b. The re-designation and appointment of Mr. Anuj Poddar (DIN: 01908009) as the "Managing Director and Chief Executive Officer" of the Company, for a fresh term of five (5) years commencing from August 12, 2022.

  The special resolutions pertaining to the above re-designations and appointments were duly approved by the shareholders of the Company, with requisite majority, on October 12, 2022, by means of Postal Ballot, through remote e-voting only.

- **Appointment of Mr. Sudarshan Sampathkumar as an Independent Director for a term of five consecutive years from May 23, 2023**

  On the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on May 23, 2023, appointed Mr. Sudarshan Sampathkumar (DIN: 01875316) as an Additional Director on the Board of the Company in the category of Non-Executive & Independent Director to hold office for a term of 5 (five) consecutive years from May 23, 2023 to May 22, 2028, subject to approval of the shareholders. Mr. Sudarshan Sampathkumar will hold office as an Additional Director upto the ensuing AGM of the Company to be held on August 10, 2023 and thereafter, subject to the approval of the Members at the said AGM, as a Non-Executive Independent Director, not liable to retire by rotation.

  The Board recommends appointment of Mr. Sudarshan Sampathkumar for the consideration of the Members of the Company at the forthcoming AGM. The relevant details including profile of Mr. Sudarshan Sampathkumar is included separately in the Notice of AGM and Report on Corporate Governance of the Company, forming part of the Annual Report.

- **Director coming up for retirement by rotation**

  In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Madhur Bajaj (DIN: 00014593) and Mr. Rajiv Bajaj (DIN: 00018262), are the Directors liable to retire by rotation at the forthcoming AGM and being eligible offers themselves for re-appointment. The Board recommends re-appointment of Mr. Madhur Bajaj and Mr. Rajiv Bajaj for the consideration of the Members of the Company at the forthcoming AGM. The relevant details including profiles of Mr. Madhur Bajaj and Mr. Rajiv Bajaj are included separately in the Notice of AGM and Report on Corporate Governance of the Company, forming part of the Annual Report.

  As on the date of this Report, the Company's Board comprises of eleven (11) Directors, out of which, nine (9) are Non-Executive Directors (NEDs) including two (2) Woman Directors. NEDs represent 81.82% of the total strength. Further, out of the said nine (9) NEDs, six (6) are independent directors representing 54.55% of the total strength of the Board. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations and also with the provisions of the Act.

**Independent Directors**

All Independent Directors of the Company have given declarations under Section 149(7) of the Act that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) and other applicable provisions of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation. All Independent Directors of the Company have valid registration in the Independent Director's databank of Indian Institute of Corporate Affairs as required under Rule 6(1) of the Companies (Appointment and Qualification of Director) Fifth Amendment Rules, 2019. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) and other applicable provisions of the SEBI Listing Regulations.

The terms and conditions of appointment of the Independent Directors are placed on the website of the Company at: https://www.bajajelectricals.com/media/6937/letter-of-appointment-to-independent-directors.pdf.

In compliance with the requirement of SEBI Listing Regulations, the Company has put in place a familiarisation programme for the independent directors to familiarise them with their role, rights and responsibility as directors, the working of the Company, nature of the industry in which the Company operates, business model, etc. The details of familiarisation programme are explained in the Corporate Governance Report and the same are also available on the website of the Company at: https://www.bajajelectricals.com/media/7317/familiarisation-programmes-for-independent-directors-for-financial-year-ended-march-31-2022.pdf.

**Key Managerial Personnel**

During the year under review, there has been a change in the key managerial personnel of the Company. Mr. Anuj Poddar has been designated as one of the key managerial personnel in place of Mr. Shekhar Bajaj, following his re-designation and appointment as the "Managing Director and Chief Executive Officer" of the Company, effective from August 12, 2022.

As on March 31, 2023, the Board has designated Mr. Anuj Poddar, Managing Director & Chief Executive Officer, Mr. E C Prasad, Chief Financial Officer, and Mr. Ajay Nagle, Company Secretary & Chief Compliance Officer, as Key Managerial Personnel of the Company, pursuant to the provisions of Sections 2(51) and 203 of the Act, read with the Rules framed thereunder.

None of the Key Managerial Personnel of the Company has resigned during the year under review.

Further, the Board of Directors of the Company, at its meeting held on May 23, 2023, has:

a. Taken on record the cessation of Mr. Ajay Nagle, Company Secretary & Chief Compliance Officer and Key Managerial Personnel of the Company, with effect from the close of business hours on June 30, 2023, since he would be taking up higher responsibilities within the group; and

b. Considered and approved the appointment of Mr. Prashant Dalvi, the existing Vertical Head - Corporate Secretarial & Compliance of the Company, as the new Company Secretary & Chief Compliance Officer and Key Managerial Personnel of the Company with effect from the start of business hours on July 1, 2023.

## NUMBER OF MEETINGS OF THE BOARD

Six (6) Board meetings were held during the financial year 2022-23. The intervening gap between the meetings was within the period prescribed under the Act and SEBI Listing Regulations. The details of meetings of the Board held during the financial year 2022-23 forms part of the Corporate Governance Report.

## COMMITTEES OF THE BOARD

As on March 31, 2023, the Board of Directors had the following Committees:

a. Audit Committee;

b. Nomination and Remuneration Committee;

c. Stakeholders' Relationship Committee;

d. Risk Management Committee;

e. Corporate Social Responsibility Committee;

f. Finance Committee; and

g. Committee of Independent Directors.

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

## BOARD EVALUATION

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors. The manner in which the evaluation was conducted by the Company and evaluation criteria has been explained in the Corporate Governance Report which forms part of this Annual Report.

The Board of Directors has expressed its satisfaction with the evaluation process.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board of Directors has framed a Nomination and Remuneration Policy which lays down a framework in relation to appointment and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company ("Policy"). The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The Policy also provides for the Board Diversity, the criteria for determining qualifications, positive attributes and independence of Director and criteria for appointment of Key Managerial Personnel/Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors whilst taking a decision on the potential candidates.

The above Policy is given in **Annexure E**, which forms part of this Report, and has also been posted on the website of the Company at: https://www.bajajelectricals.com/media/6722/nomination-and-remuneration-policy.pdf.

## RISK AND INTERNAL CONTROLS ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Based on the report of the Statutory Auditors, the internal financial controls with reference to the standalone financial statements were adequate and operating effectively.

## COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## REPORTING OF FRAUD

There was no instance of fraud reported during the year under review, which required the Statutory Auditors, Cost Auditor or Secretarial Auditor to report the same to the Audit Committee of the Company under Section 143(12) of the Act and Rules framed thereunder.

## RISK MANAGEMENT

The Company has formulated a risk management policy and has in place a mechanism to inform the Board about risk assessment and minimisation procedures along with a periodical review to ensure that executive management controls risk by means of a properly designed framework.

The Risk Management Framework is reviewed periodically by the Risk Management Committee, which includes discussing the Management submissions on risks, prioritising key risks and approving action plans to mitigate such risks.

Detailed discussion on risk management forms part of the Management Discussion and Analysis, which forms part of this Integrated Annual Report. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company

## AUDIT COMMITTEE

The Audit Committee comprises of three Directors viz. Mr. Shailesh Haribhakti as the Chairman of the Committee, and Dr. (Mrs.) Indu Shahani, and Dr. Rajendra Prasad Singh, as the members of the Committee.

During the year under review all the recommendations of the Audit Committee were accepted by the Board. Details of the role and responsibilities of the Audit Committee, the particulars of meetings held, and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of the Annual Report.



## AUDITORS AND AUDITOR'S REPORT

### Statutory Auditors

The Members at their 83rd Annual General Meeting ("83rd AGM") of the Company held on August 12, 2022, had appointed Messrs S R B C & Co. LLP, Chartered Accountants (ICAI Registration No.324982E/E300003) as the Statutory Auditors of the Company to hold office for a second term of five years i.e. from the conclusion of 83rd AGM till the conclusion of 88th Annual General Meeting of the Company to be held in 2027.

The Auditors' Report on the financial statements forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### Cost Auditors

Pursuant to the provisions of Section 148 of the Act read with the Rules framed thereunder, the cost audit records maintained by the Company in respect of its manufacturing activities are required to be audited. Messrs R. Nanabhoy & Co. (Firm Registration No.000010), Cost Accountants carried out the cost audit for applicable businesses during the year.

Based on the recommendation of the Audit Committee, the Board of Directors has appointed Messrs R. Nanabhoy & Co. (Firm Registration No.000010), Cost Accountants as the Cost Auditors for the financial year 2023-24. The Company has received a certificate from Messrs R. Nanabhoy & Co., confirming that they are not disqualified from being appointed as the Cost Auditors of the Company.

The remuneration payable to the Cost Auditors is required to be placed before the members in the general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to Messrs R. Nanabhoy & Co., Cost Accountants, is included at Item No.5 of the Notice of the ensuing AGM.

The particulars of the Cost Auditors and cost audit conducted by them for financial year 2021-22 are furnished below:

| | |
|---|---|
| ICWA Membership No. | 7464 |
| Registration No. of Firm | 000010 |
| Address | Jer Mansion, 70, August Kranti Marg, Mumbai 400036. |
| Cost Audit Report | Financial year 2021-22 |
| Due date of filing of Report | September 30, 2022 |
| Actual date of filing of Report | September 7, 2022 |

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts and records are maintained.

### Secretarial Auditors

The Board had appointed Messrs Anant B. Khamankar & Co., Practicing Company Secretaries (Membership No. FCS 3198; CP No. 1860) as the Secretarial Auditors to conduct the secretarial audit of the Company for the financial year ended March 31, 2023, as per the provisions of Section 204 of the Act read with Rules framed thereunder. The Secretarial Audit Report in Form MR-3 is given as **Annexure F** and forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Pursuant to the provisions of Regulation 24A of the SEBI Listing Regulations read with SEBI Circulars issued in this regard, the Company has undertaken an audit for the financial year 2022-23 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Messrs Anant B. Khamankar & Co., Practicing Company Secretaries (Membership No. FCS 3198; CP No. 1860) has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

### Transfer of Unpaid/Unclaimed Dividend to Investor Education and Protection Fund

Pursuant to the provisions of Sections 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended, unpaid and/or unclaimed dividend of ₹ 93,75,78 pertaining to the financial year ended on March 31, 2015, were transferred during the year to the Investor Education and Protection Fund ("IEPF").

### Transfer of shares to IEPF

Pursuant to the provisions of Section 124 of the Act read with the IEPF Rules, 8,677 equity shares of face value of ₹ 2/- each, in respect of which dividend was not paid or claimed by the members for seven consecutive years or more, have been transferred by the Company to IEPF during the year. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure G** which forms part of this Report.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of its business. The Company considers people as its biggest assets and hence has put in concerted efforts in talent management and succession planning practices, strong performance management and learning, coupled with training initiatives to ensure that it consistently develops inspiring, strong and credible leadership. Apart from continued investment in skill and leadership development of its people, the Company has also focused on employee engagement initiatives and drives aimed at increasing the culture of innovation and collaboration across all strata of the workforce. These are discussed in detail in the Management Discussion and Analysis Report forming part of the Annual Report.

The relations with the employees of the Company have continued to remain cordial.

## KEY INITIATIVES WITH RESPECT TO STAKEHOLDER RELATIONSHIP, CUSTOMER RELATIONSHIP, ENVIRONMENT, SUSTAINABILITY, HEALTH, SAFETY AND WELFARE OF EMPLOYEES

The key initiatives taken by the Company with respect to stakeholder relationship, customer relationship, environment, sustainability, health and safety are provided separately under various Capitals in this Integrated Annual Report.

The Environment, Health and Safety Policy and Human Rights Policy are available on the website of the Company at www.bajajelectricals.com.

## PROTECTION OF WOMEN AT WORKPLACE

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder (“POSH Act”), the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees either permanent, temporary or contractual are covered under the above policy. The said policy has been uploaded on the internal portal of the Company for information of all employees. This has been widely disseminated. An Internal Complaint Committee (ICC) has been set up in compliance with the said provisions.

Number of cases filed and their disposal under Section 22 of the POSH Act, as at March 31, 2023, is as follows:

| Particulars | Numbers |
|---|---|
| Number of complaints pending as on the beginning of the financial year | Nil |
| Number of complaints filed during the financial year | 2 |
| Number of complaints pending as on the end of the financial year | Nil |

## PARTICULARS OF EMPLOYEES

Disclosures relating to remuneration and other details as required in terms of the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure H**, which forms part of this Report.

Further, in accordance with the provisions of Sections 197(12) & 136(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list pertaining to the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, is kept open for inspection during working hours at the Registered Office of the Company and the Report & Accounts as set out therein are being sent to all the Members of the Company. Any Member, who is interested in obtaining these, may write to the Company Secretary at the Registered Office of the Company.

## DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors confirm that:

a. in the preparation of the Annual Accounts for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

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

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

## OTHER DISCLOSURES / CONFIRMATIONS

a. Neither the Chairman nor the Managing Director & Chief Executive Officer of the Company received any remuneration or commission from any of the subsidiaries of the Company.

b. The Company has not issued any sweat equity shares to its directors or employees.

c. The Company has not failed to implement any corporate action during the year under review.

d. The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company.

e. The Company’s securities were not suspended during the year under review.

f. There was no revision of financial statements and Board’s Report of the Company during the year under review.

## APPRECIATION AND ACKNOWLEDGEMENT

The Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment, which is vital in achieving the over-all growth of the Company.

The Board places on record its appreciation for the support and co-operation the Company has been receiving from its suppliers, distributors, business partners and others associated with it as its trading partners. The Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be the Company’s endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests. The Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government Regulatory Authorities and Stock Exchanges, for their continued support.

## ANNEXURES

a. Dividend Distribution Policy – **Annexure A**;

b. Disclosures of transactions pursuant to the provisions of Regulation 34(3) read with clause 2A of Part A of Schedule V of the SEBI Listing Regulations – **Annexure B**;

c. Annual Report on CSR Activities – **Annexure C**;

d. Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures – **Annexure D**;

e. Nomination and Remuneration Policy of the Company – **Annexure E**;

f. Secretarial Audit Report – **Annexure F**;

g. Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo – **Annexure G**; and

h. Disclosures under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – **Annexure H**.

For and on behalf of
the Board of Directors of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

Mumbai
May 23, 2023

# Annexure A

## DIVIDEND DISTRIBUTION POLICY

### 1. PREAMBLE

As per the provisions of Regulation 43A of the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors (the "**Board**") of Bajaj Electricals Limited (the "**Company**") had approved the Company's first Dividend Distribution Policy at its meeting held on March 29, 2017.

In the endeavour to provide more clarity to stakeholders on the Company's dividend distribution framework, this revised Dividend Distribution Policy ("**Dividend Policy**") has been framed for adoption by the Board of the Company. This Dividend Policy shall supersede the earlier policy and shall be effective from May 17, 2022.

### 2. DIVIDEND DISTRIBUTION PHILOSOPHY AND OBJECTIVE

This Dividend Policy of the Company aims to strike a balance between the dual objectives of rewarding shareholders through Dividends and ploughing back earnings to support sustained growth.

The management endeavours to divide 'net earnings' into dividends and retained earnings in an optimum way to achieve the objective of wealth maximisation for shareholders.

### 3. DIVIDEND

The dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount of the paid-up shares they hold. Dividend includes Interim Dividend.

### 4. PARAMETERS FOR DECLARATION OF DIVIDEND

**External and Internal factors (strategic and financial) that would be considered for declaration of dividend includes:**

| External Factors | Internal Factors |
|---|---|
| • State of Economy- in case of uncertain or recessionary economic and business conditions; | • Distributable surplus available and liquidity position of the Company |
| • Market conditions and consumer trends; | • Present & future capital requirements of the existing businesses including any acquisition; |
| • Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution; | • Expansion / Modernisation of existing businesses; |
| • Statutory Obligations, Government Regulations and Taxation policies; | • Outstanding Borrowings and covenants thereof; |
| • Dividend pay-out ratios of companies in the same industry; and | • Likelihood of crystallisation of contingent liabilities, if any; and |
| • Other external factors. | • Other internal factors. |

**Circumstances under which shareholders may not expect a dividend includes:**

- Adverse market conditions & business uncertainty;
- Inadequacy of profits earned during the fiscal year;
- Inadequacy of cash balance;
- Large forthcoming capital requirements which are funded through internal accruals;
- Changing Government regulations; and
- Any other relevant circumstances.

Even under such (unfavorable) circumstances, the Board may, at its sole discretion, and subject to applicable rules, choose to recommend a dividend, including out of accumulated profits of any previous financial year(s) in accordance with provisions of the Companies Act, 2013 and SEBI Listing Regulations, as may be applicable.

### 5. DIVIDEND PAYOUT

The Board would endeavor to maintain a **Dividend pay-out in the range of 20-40%** of the Company's Profit After Tax on **standalone financials**. However, the Board, at its sole discretion, may pay dividend which is higher or lower than this dividend pay-out range.

The Board may also consider declaring or recommending special dividends or one or more Interim dividends during the year. Additionally, the Board may recommend final dividend for the approval of the shareholders at the Annual General Meeting.

The date of the Board meeting in which the dividend proposal will be considered shall be intimated to the stock exchanges and post-board meeting, the outcome of the meeting shall also be provided to the stock exchanges, as required under the SEBI Listing Regulations.

### 6. UTILISATION OF RETAINED EARNINGS

Subject to the applicable provisions, the retained earnings of the Company shall be applied for:

- Funding Inorganic and Organic Growth needs including working capital requirement, capital expenditure, repayment of the debt, etc. The Company can consider venturing into new markets/geographies/verticals;
- Research and Development of new products, investment in emerging technologies, etc. to increase market share;
- Capital Expenditure by way of state of art factories, technology upgradation, platform development, etc.
- Mergers and acquisitions;
- Buyback of shares subject to applicable limits;
- Payment of dividends in future years;
- Issue of Bonus Shares; and
- Any other permissible purpose.

### 7. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has only one class of shares at this point.

### 8. DIVIDEND POLICY EXCLUSION

**The Dividend Policy shall not be applicable in the following circumstances:**

(a) Any distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

(b) Distribution of dividend in kind i.e. by the issue of fully or partly paid bonus shares or other securities.

(c) Determination and declaring dividends on preference shares, if any.

### 9. DISCLOSURES

The Dividend Policy shall be disclosed on the website of the Company i.e., www.bajajelectricals.com.

### 10. REVIEW AND AMENDMENT

Any or all provisions of this Dividend Policy would be subject to the revision/amendment to the SEBI Listing Regulations or related circular, notification, guidance notes issued by the Securities and Exchange Board of India or relevant authority, on the subject from time to time.

Any such amendment shall automatically have the effect of amending this Dividend Policy without the need for any approval by the Board or any of its Committees. This Dividend Policy is subject to review from time to time.

### 11. DISCLAIMER

This Dividend Policy neither solicits investment in the Company's securities nor gives any assurance of guaranteed returns (in any form) for investments in the Company's equity shares.

For and on behalf of
Board of Directors of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

Mumbai
May 17, 2022

# Annexure B

## Disclosures of transactions of the Company with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company pursuant to the provisions of Regulation 34(3) and 53(f) read with clause 2A of part A of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Amount (₹ in Lakhs)

| Name of the person or entity | Nature of Transaction | FY 2022-23 | | FY 2021-22 | |
|---|---|---|---|---|---|
| | | Transaction Value for the Year | Outstanding receivable / (payable) carried in the Balance Sheet | Transaction Value for the Year | Outstanding receivable / (payable) carried in the Balance Sheet |
| Jamnalal Sons Private Limited | Rent Paid | 49.56 | - | 44.84 | (6.30) |
| | Rent Deposit Advanced | - | 200.00 | 50.00 | 200.00 |
| | Reimbursement of Expenses | 4.79 | 0 | 4.79 | - |
| | Dividend Paid | 676.45 | - | - | - |
| Bajaj Holdings and Investment Limited | Dividend Paid | 574.11 | - | - | - |

For and on behalf of
Board of Directors of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

Mumbai
May 23, 2023



# Annexure C

## Annual Report on Corporate Social Responsibilities (CSR) Activities for the Financial Year 2022-23

1. Brief outline on CSR Policy of the Company:

The vision and philosophy of late Jamnalal Bajaj, the founder of Bajaj Group, guide the Corporate Social Responsibility (CSR) activities of the group. He embodied the concept of trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Group believes that true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, Bajaj Group addresses the needs of communities residing in the vicinity of its facilities by taking sustainable initiatives in the areas of health, education, environment conservation, infrastructure and community development, and response to natural calamities. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment and the reason behind the smiles that light up a million faces.

At Bajaj Electricals Limited, CSR encompasses not only what we do with our profits, but also how we make them. CSR is a very useful platform to engage in all key spheres of influence such as market place, workplace, supply chain and society.

The four pillars of CSR:

a. Sustainability – To ensure that the long-term business goals are aligned with sustainable development without compromising on the economic, environmental and social factor.

b. Gender Diversity – To have a high performing inclusive work culture and commitment to attract and retain capable talent maintaining gender sensitivity and balance.

c. Employee Volunteering – To reach out to all employees and drive the volunteering programs of the Company through collective social responsibility and strong individual commitment.

d. Community Outreach Programs – To ensure the communities where we operate should also benefit.

CSR Policy:

A detailed CSR Policy was last amended by the Company on May 25, 2021, with approvals of the CSR Committee and Board of Directors. The Policy, inter alia, covers the following:

- Philosophy
- Preamble / Objective of the CSR Policy
- Vision
- Corporate Social Responsibility Committee
- Responsibilities of the Board
- CSR Programmes/Projects
- Implementation and Monitoring
- Engagement of International Organisations
- CSR Annual Action Plan
- Information Dissemination

The CSR Policy is placed on the Company's website at: https://www.bajajelectricals.com/media/7071/corporate-social-responsibility-policy.pdf

2. Composition of CSR Committee:

| Sr. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. Shekhar Bajaj | Chairperson – Managing Director | 2 | 2 / 2 |
| 2. | Dr. (Mrs.) Indu Shahani | Member – Independent Director | | 2 / 2 |
| 3. | Dr. Rajendra Prasad Singh | Member – Independent Director | | 1 / 2 |

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.bajajelectricals.com/miscellaneous/

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

| Sr. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---|---|---|---|
| Nil | | | |

6. Average net profit of the Company as per Section 135(5): ₹ 15,031.41 lakh.

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 300.63 lakh.

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil.

   (c) Amount required to be set off for the financial year, if any: Nil.

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 300.63 lakh.

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (₹ in lakh) | Amount Unspent (₹ in lakh) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 246.24 | 54.39 | April 28, 2023 | NA | Nil | NA |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes / No) | Location of the project | | Project duration | Amount allocated for the project (₹ in lakh) | Amount spent in the current financial year (₹ in lakh) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakh) | Mode of Implementation - Direct (Yes/ No) | Mode of Implementation - Through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | | | | Name | CSR Registration number |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| 1. | Farmer Livelihood Enhancement Project | Environment Sustainability | No | Maharashtra | Parli, Beed | 2022-2023 | 15.00 | 11.50 | 3.50 | No | BEF | CSR00003537 |
| 2. | Environmental Rejuvenation Project | Environment Sustainability | Yes | Maharashtra | Mumbai and other locations | 2022-2023 | 26.85 | 24.30 | 2.55 | No | BEF | CSR00003537 |
| 3. | Urban forestation project | Environment Sustainability | No | Uttar Pradesh | Kanpur | 2022-2023 | 30.13 | 21.06 | 9.06 | No | BEF | CSR00003537 |
| 4. | Environmental Awareness and education | Environment Sustainability | Yes | Maharashtra | Mumbai / Pune | 2022-2023 | 33.85 | 30.47 | 3.39 | No | BEF | CSR00003537 |
| 5. | Balanand Program, Sadanand Program, Kalanand Program | Arts and Culture | Yes | Maharashtra | Mumbai | 2022-2023 | 23.00 | 20.70 | 2.30 | No | BEF | CSR00003537 |
| 6. | Tobacco Cessation in IPD patients | Health Care | Yes | Maharashtra | Mumbai | 2022-2023 | 9.45 | 5.22 | 4.22 | No | BEF | CSR00003537 |
| 7. | Tobacco Control among Railway Police | Health Care | Yes | Maharashtra | Mumbai | 2022-2023 | 19.80 | 10.52 | 9.28 | No | BEF | CSR00003537 |
| 8. | Capacity Building for Tobacco Cessation and Intervention | Health Care | Yes | New Delhi | Delhi | 2022-2023 | 30.28 | 10.19 | 20.08 | No | BEF | CSR00003537 |
| | **Total** | | | | | | **188.35** | **133.96** | **54.39** | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes / No) | Location of the project | | Amount spent for the project (₹ in lakh) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | Name | CSR Registration number |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| 1. | School refurbishment project | Education | Yes | Maharashtra | Mumbai | 45.00 | No | BEF | CSR00003537 |
| 2. | Sports | Education | Yes | Telangana | Hyderabad | 11.00 | No | BEF | CSR00003537 |
| 3. | Creation of Innovation Hub for Social Entrepreneurs – Anant Bajaj Limitless Ideas Hub | Creation of Innovation Hub for Social Entrepreneurs | Yes | Rajasthan | Jaipur | 41.25 | No | BEF | CSR00003537 |
| | **Total** | | | | | **97.25** | | | |

(d) Amount spent in Administrative Overheads: ₹ 15.03 lakh.

(e) Amount spent on Impact Assessment, if applicable: Not Applicable.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 246.24 lakh.

(g) Excess amount for set off, if any:

| Sr. No. | Particular | Amount (₹ in lakh) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | 300.63 |
| (ii) | Total amount spent for the Financial Year | 246.24 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Not Applicable |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any. | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lakh) | Amount spent till the start of reporting Financial Year (₹ in lakh) | Amount spent in the reporting Financial Year (₹ in lakh) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | Amount remaining to be spent in succeeding financial years (₹ in lakh) |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1. | 2020-21 | 204.59 | 37.67 | 93.61 | Nil | 73.31 |
| 2. | 2021-22 | 129.18 | NA | 81.59 | Nil | 47.59 |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| Sr. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project Duration | Total amount allocated for the project (₹ in lakh) | Amount spent on the project in the reporting Financial Year (₹ in lakh) | Cumulative amount spent at the end of reporting Financial Year (₹ in lakh) | Status of the project - Completed / Ongoing |
|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1. | SV/21-22/005 | Rainwater harvesting in Govt aided schools | 2021-2022 | 2021-2022 | 27.04 | 2.70 | 27.04 | Completed |
| 2. | SV/21-22/004 | Upgradation of WASH Infrastructure | 2021-2022 | 2021-2022 | 7.72 | 3.86 | 7.72 | Completed |
| 3. | SV/21- 22/006 | Scholarship program | 2021-2022 | 2021-2023 | 56.54 | 11.31 | 25.44 | Ongoing |
| 4. | AC/21-22/002 | Kalanand | 2021-2022 | 2021-2022 | 20.00 | 0.55 | 20.00 | Completed |
| 5. | GI/21- 22/003 | Urban Forestation Project | 2021-2022 | 2021-2023 | 24.75 | 5.13 | 17.50 | Ongoing |
| 6. | GI/21- 22/004 | Urban Forestation Project | 2021-2022 | 2021-2022 | 13.36 | 10.69 | 11.36 | Ongoing |
| 7. | GI/21- 22/005 | Urban Forestation Project | 2021-2022 | 2021-2022 | 22.01 | 8.80 | 19.81 | Ongoing |
| 8. | CI/21- 22/004 | Solar Power Project (off grid) | 2021-2022 | 2021-2022 | 39.99 | 4.00 | 39.99 | Completed |
| 9. | CI/21- 22/003 | Project Cloth Bag - Alternate to plastics | 2021-2022 | 2021-2022 | 10.15 | 3.05 | 9.14 | Ongoing |
| 10. | CI/21- 22/002 | Project Recycle | 2021-2022 | 2021-2022 | 5.16 | 4.30 | 5.16 | Completed |
| 11. | DR/21- 22/012 | Upgradation of the Primary Health Centre | 2021-2022 | 2021-2022 | 23.74 | 2.37 | 23.74 | Completed |
| 12. | DR/21-22/013b | COVID-19 Response, Distribution of medical equipments | 2021-2022 | 2021-2022 | 25.00 | 10.00 | 25.00 | Completed |
| 13. | DR/21-22/013a | Post COVID-19 Livelihood Support to women entrepreneurs | 2021-2022 | 2021-2022 | 16.22 | 10.54 | 14.60 | Ongoing |
| 14. | DR/21-22/013c | Post COVID-19 Response - support for education to students | 2021-2022 | 2021-2022 | 4.16 | 0.00 | 3.29 | Ongoing |
| 15. | DR/21-22/013d | Post COVID-19 response school refurbishment and education support for students | 2021-2022 | 2021-2022 | 8.55 | 4.29 | 7.02 | Ongoing |
| | **Total** | | | | **304.40** | **81.59** | **256.81** | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year-Nil.

**(asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s). – Not Applicable.

(b) Amount of CSR spent for creation or acquisition of capital asset. - Not Applicable.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Not Applicable.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Not Applicable.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- Not Applicable.

| | | |
|---|---|---|
| | **Anuj Poddar** | **Shekhar Bajaj** |
| | Managing Director & | Chairman and |
| Mumbai, May 23, 2023 | Chief Executive Officer | Chairman of CSR Committee |

# Annexure D

## FORM AOC-1

**[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]**

### Statement containing salient features of the financial statement of subsidiary, associate and joint venture

**Part A: Subsidiary**

(Amount: ₹ in lakh)

| Sr. No. | Particulars | Nirlep Appliances Private Limited | Bajel Projects Limited ("Bajel") |
|---|---|---|---|
| 1. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Not Applicable | Not Applicable [Refer Note below] |
| 2. | Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | Not Applicable | Not Applicable |
| 3. | Share capital | 743.56 | 50.00 |
| 4. | Reserves & surplus | (5,155.45) | 30.11 |
| 5. | Total assets | 7,144.09 | 48.25 |
| 6. | Total liabilities | 11,555.98 | 28.36 |
| 7. | Investments | - | - |
| 8. | Turnover | 7,082.91 | - |
| 9. | Profit before taxation | (998.99) | (30.11) |
| 10. | Provision for taxation | 1.11 | - |
| 11. | Profit after taxation | (1,000.1) | (30.11) |
| 12. | Proposed dividend | - | - |
| 13. | % of shareholding of the Company in the subsidiary | 100 | 100 |

Note: Bajel has been incorporated on January 19, 2022, and hence, pursuant to provisions of Section 2(41), the first financial year of Bajel shall end on March 31, 2023.

Names of subsidiaries which are yet to commence operations: Not Applicable.

Names of subsidiaries which have been liquidated or sold during the year: Starlite Lighting Limited ("Starlite"), which was dissolved without undergoing the winding-up process following the implementation of the scheme of merger by absorption of Starlite into the Company and their respective shareholders.

**Part B: Associate and Joint Venture**

| Sr. No. | Particulars | Hind Lamps Limited (Associate) |
|---|---|---|
| 1. | Date on which the associate or joint venture was associated or acquired | January 7, 1952 |
| 2. | Latest audited Balance Sheet date | March 31, 2023 |
| 3. | Shares of associate/joint venture held by the Company on the year end | |
| | Number of equity shares | 1140000 |
| | Amount of investment in associate / joint venture | Nil |
| | Extent of holding % | 19.00 |

| Sr. No. | Particulars | Hind Lamps Limited (Associate) |
|---|---|---|
| 4. | Description of how there is significant influence | As per Section 2(6) of the Act, "associate company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary of the Company having such influence and includes a joint venture company.<br>For the purposes of this clause, "significant influence" means control of at least 20% of total share capital, or of business decisions under an agreement.<br>Since the Company is in a position to influence the operating and financial policies of both these companies, their financial statements are consolidated with the Company's financial statements. |
| 5. | Reason why the associate / joint venture is not consolidated | Impaired post Demerger |
| 6. | Net worth attributable to Shareholding as per latest audited Balance Sheet | 23.01 lakh |
| 7. | Profit / (Loss) for the year | |
| | i. Considered in Consolidation | - |
| | ii. Not Considered in Consolidation | 0.67 lakh |

Names of associates or joint ventures which are yet to commence operations: Nil

Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of
Board of Directors of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

Mumbai
May 23, 2023





# Annexure E

## NOMINATION AND REMUNERATION POLICY

### 1. REGULATORY FRAMEWORK

1.1. This policy (**"Policy"**) of Bajaj Electricals Limited (**"Company"/"BEL"**) has been prepared and adopted in accordance with the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR Regulations"**) alongwith circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

1.2. Section 178(3) of the Act and Part D of Schedule II of SEBI LODR Regulations requires the Nomination and Remuneration Committee (**"Committee"**) to formulate the criteria for determining qualifications, positive attributes and independence of a director, recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees, criteria for evaluation of performance, board diversity etc.

1.3. The Committee shall review the Policy periodically and may amend the same from time to time, as deemed necessary.

### 2. OBJECTIVES OF THIS POLICY

This policy aims to formulate certain criteria for the following activities with regards to its directors, key managerial personnel, senior management and employees:

2.1. Selection, appointment and removal;

2.2. Remuneration;

2.3. Evaluation of performance;

2.4. Board diversity.

### 3. DEFINITIONS

3.1. "**Key Managerial Personnel**" or "**KMP**" in relation to the Company, means-

3.1.1. the Chief Executive Officer or the managing director or the manager;

3.1.2. the company secretary;

3.1.3. the whole-time director;

3.1.4. the Chief Financial Officer;

3.1.5. such other officer, not more than one level below the directors who is in Whole-time employment, designated as key managerial personnel by the Board; and

3.1.6. such other officer as may be prescribed.

3.2. "**Net Profit**" shall be calculated as per section 198 of the Act.

3.3. "**Senior Management**" shall comprise officers/ personnel of the Company who meet the criteria established under the provisions of the Act and SEBI LODR Regulations, pertaining to the definition of senior management.

### 4. CRITERIA FOR APPOINTMENT OF DIRECTORS, KMP AND SENIOR MANAGEMENT

4.1. The Committee shall formulate criteria for determining qualifications, positive attributes and independence of a director. The Committee may consider this Policy and the below provisions of this Policy as guidance.

4.2. The person to be appointed as a Director, KMP or in the senior management should possess adequate qualification, experience and expertise for the position he or she is considered for, considering various factors including the Company's strategy and requirements.

4.3. The Committee shall have the discretion to decide whether such qualification, experience and expertise of the person is sufficient for him or her to effectively discharge duties of the concerned position.

4.4. The person to be appointed as Director, KMP or in the senior management, should possess impeccable reputation for integrity, efficiency, expertise and insight in sectors or areas relevant to the Company's industry or otherwise demonstrate relevant qualities.

4.5. In case of a Director, such person's personal and professional standing must be such that it helps him or her to best complement the other Board members thereby contributing effectively towards Company's growth.

4.6. The Committee shall consider the potential candidates on merit alone.

4.7. In case of a Director, such person must also fulfil the minimum and/or maximum age criteria as applicable under the provisions of the Act and SEBI LODR Regulations and take necessary approvals from the shareholders in this regard in case of directors above the maximum age criteria as well as comply with other requirements of law at the time.

4.8. In case of an Independent Director, he or she should meet the requirements of the Act and SEBI LODR Regulations concerning independence of directors.

## 5. APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

5.1. The Committee shall ensure that the size and composition of the Board satisfies the applicable law including provisions of the Act and SEBI LODR Regulations.

5.2. The Committee shall identify persons who are qualified to become directors, KMP's and who may be appointed in the senior management with regard to the attributes as specified under clause 4 of this Policy and such other qualifications or attributes as the Committee or board may deem necessary from time to time.

Explanation – For the purpose of this clause, "appointed in the senior management" means:

(i) induction/appointment of persons/officers/ personnel of the Company as members of the core management team of the Company as on date called as the 'Core Management Committee'; and

(ii) appointment of person/officer/personnel as the company secretary or chief financial officer of the Company.

5.3. The Committee while considering a person for appointment as director, shall verify that the said person has not been debarred or disqualified from being appointed as directors of companies by the Securities and Exchange Board of India ("SEBI") and/or Ministry of Corporate Affairs or any other statutory authority.

5.4. The Committee shall then recommend the identified candidates to the Board for final selection and appointment.

5.5. In case of directors, the Committee shall ensure that the number of directorships held by each director in other companies is below the specified limit under the Act and SEBI LODR Regulations and amendments made from time to time.

5.6. The Committee shall also ensure that any person appointed as independent director does not have any material pecuniary relationship with the Company, its holding, subsidiary or associate company, or company's promoters or directors, except receiving remuneration as a director or having transaction not exceeding 10% of his total income or such amount as prescribed, during the current financial year or two immediately preceding financial years and also satisfies other criteria for determining independence as specified under the Act, SEBI LODR Regulations and amendments made from time to time.

5.7. A whole-time KMP of the Company shall not hold office at the same time in more than one Company except in its subsidiary company. However, a whole-time KMP can be appointed as a director in any company subject to the provisions of the Act and/or SEBI LODR Regulations and in accordance with the policy of the Company.

5.8. The Committee shall review the performance of the Board from time to time.

5.9. The Board shall ensure and satisfy itself that plans are in place for orderly succession of the board of directors and senior management.

5.10. The Committee may recommend removal of any director or KMP to the Board with reasons in writing explaining the breach of company policy or any disqualifications or other such criteria for removal in line with the provisions of the Act and/or SEBI LODR Regulations or for other reasons.

5.11. The Board will have the discretion to retain the whole-time directors, KMP and senior management personnel in the same position/remuneration or otherwise, even after attaining the retirement age, if they deem fit for the benefit of the Company.

## 6. TERMS OF APPOINTMENT

### 6.1. Managing Director / Whole – Time Director / Executive Director / Non-executive Director

6.1.1. The Board shall appoint or re-appoint any person as a managing director, whole-time director, executive director or manager for a term not exceeding five years (5 years) at a time subject to approval by the members at the next general meeting.

6.1.2. Not less than two-thirds of the total number of directors (excluding independent directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation and be appointed by the Company in general meeting; and at every annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office as per the provisions of the Act.

6.1.3. The directors retiring by rotation at every annual general meeting shall be those who have been longest in the office since last appointment; the retiring director amongst directors appointed on the same day shall be determined by a lot.

6.1.4. At the annual general meeting at which a director retires by rotation, the Company may fill up the vacancy either by appointing the retiring director or some other person as may be deemed fit.

### 6.2. Independent Director

6.2.1. The term of appointment of an Independent Director shall be up to five (5) years but he or she shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment shall be made in the Board's Report.

6.2.2. No independent director shall hold office for more than two consecutive terms but shall become eligible for appointment after expiration of three years (3 years) cool off period, provided that he or she shall not be appointed or associated with the Company in any other capacity, either directly or indirectly during such period.

### 6.3. KMP and senior management

6.3.1. The term of appointment and subsequent retirement of KMPs and senior management shall be as per the provisions of the law including the Act, SEBI LODR Regulations, and prevailing policy of the Company.

## 7. CRITERIA FOR RECOMMENDATION OF REMUNERATION

### 7.1. Executive Directors / Whole- Time Directors / Managing Directors

7.1.1. The remuneration to the Managing Director and other Executive directors shall be broadly divided into fixed and variable components. The fixed components shall comprise of monthly salary, allowances, perquisites, amenities and other retirement benefits. The variable component shall comprise of performance based annual commission and/or incentives. The performance criteria are individual performance based on annual targets, Company's performance and recent compensation trends in the industry.

7.1.2. Subject to provisions of the Act and SEBI LODR Regulations, the remuneration payable shall be approved by the Board of Directors at the time of appointment subject to approval by shareholders of the Company.

7.1.3. The overall remuneration payable to all the directors of the Company including managing director and whole-time directors in respect of any financial year shall not exceed 11% of the net profits of the Company.

7.1.4. Remuneration payable to any one managing director; or whole-time director or manager shall not exceed 5% of the net profits of the Company and if there is more than one such director, the remuneration shall not exceed 10% of the net profits of all such directors and manager taken together.

7.1.5. Payment of remuneration in excess of the above statutory limits shall be done by recording of clear reason and justification and obtaining approval of shareholders through special resolution as per the provisions of the Act, SEBI LODR Regulations and amendments made thereto from time to time.

7.1.6. The fees and compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting if –

i. The annual remuneration payable to such executive director exceeds rupees five crore (5 crore) or 2.5 percent (2.5%) of the net profits of the Company, whichever is higher; or

ii. Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent (5%) of the net profits of the Company.

Such approval shall be valid only till the expiry of the term of such director.

7.1.7. In any financial year, if the Company has no profits or its profits are inadequate, the remuneration payable to its directors, including Managing Director and/or other Executive Director(s), shall be governed by the provisions of Schedule V to the Act subject to the approval of the shareholders of the Company.

**7.2. Independent Directors / Non-executive Directors**

7.2.1. The remuneration to Non-Executive Directors shall consist of sitting fees for attending Board/ Committee meetings, commission and other reimbursements.

7.2.2. Non-Executive Directors shall be paid commission upto an aggregate amount not exceeding 1 % of the net profits of the Company for the year. The payment of commission shall be based on their attendance at the board and the committee meetings as member.

7.2.3. All the Non-executive Directors shall be paid commission on uniform basis.

7.2.4. The Independent directors shall not be entitled to any stock options under the stock option scheme of the Company.

7.2.5. The Company shall undertake Directors and Officers insurance ('D and O insurance') for all their independent directors of such quantum and for such risks as may be determined by the board of directors.

**7.3. KMP, Senior Management and other employees**

7.3.1. In respect KMPs, senior management and other employees the remuneration shall be payable based on the person's performance, Company's performance, targets achieved, industry benchmark and compensation trends in the industry.

7.3.2. The remuneration shall consist of monthly salary, bonus, perquisites, KPI and other retirement benefits as per the prevailing policy of the Company.

7.3.3. The Committee shall recommend to the Board and finalise the salary and other perks remuneration in whatever form payable to the senior management.

**7.4. Employee Stock Options**

As permissible under the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 (as re-enacted), the eligible permanent employees and directors (other than promoter directors and independent directors) of the Company shall be eligible for Stock Options pursuant to Employee Stock Option Scheme of the Company.

**7.5. Other common criteria**

The Committee shall also consider the following criteria with regards to recommendation of remuneration:

7.5.1. the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate potential candidates of the quality required to run the Company successfully;

7.5.2. relationship of remuneration to performance shall be clear and able to meet appropriate performance benchmarks;

7.5.3. in line with best governance practices and legal requirements;

7.5.4. remuneration to directors, KMPs and senior management shall involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and

7.5.5. ensure high quality of work.

## 8. CRITERIA FOR EVALUATION OF PERFORMANCE OF DIRECTORS

8.1. The evaluation process for performance of the Board, its Committees and directors shall be carried out as per the provisions of the Act and the SEBI LODR Regulations.

8.2. The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out by the Board and also review its implementation and compliance.

8.3. Each director shall be provided with a questionnaire to be filed up, providing feedback on the overall functioning of the Board and its committees.

8.4. The questionnaire shall cover various parameters such as composition structure with independent directors and woman director with relevant skills, experience, knowledge and diversity, understanding of members on their respective roles and responsibilities, discharge of key functions & other responsibilities under the law, etc.

8.5. The directors shall also be asked to provide their suggestions for areas of improvements to ensure higher degree of engagement with the management.

8.6. The Independent Directors shall have a meeting at least once in a year to review the performance and evaluation of the non-independent directors and the entire Board as a whole including the Chairman.

8.7. The evaluation of individual directors shall be carried out considering factors such as their attendance & participation, approach to board & senior management especially for risk management & meeting competition challenges, maintaining confidentiality and other related factors as may be deemed necessary in this exercise.

8.8. The evaluation of independent directors shall be done by the entire board of directors (excluding the directors being evaluated) with respect to –

8.8.1. performance of the directors; and

8.8.2. fulfillment of the independence criteria as per the provisions of the Act and SEBI LODR Regulations and their independence from the management.

## 9. BOARD DIVERSITY

9.1. Board diversity is an important aspect that makes use of differences in the skills, regional and industrial experience, background, gender and other distinctions to gain competitive advantage in the market.

9.2. Board diversity shall be such that it ensures that the Board is comprised of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company.

9.3. The Committee shall periodically review the size and composition of the Board to ensure its structure in terms of different perspectives, skills and expertise in the board room.

9.4. The Committee shall strive to maintain a proper balance in terms of diversity in gender, thought, experience, knowledge and perspective when recommending persons for appointment to the Board.

## 10. DISCLOSURE REQUIREMENTS

10.1. The Company shall disclose in its Corporate Governance Report, a chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following:

10.1.1. The list of core skills/ expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board; and

10.1.2. The names of directors who have such skills/ expertise/ competence.

10.2. The Company shall also disclose in its Corporate Governance Report a confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI LODR Regulations and are independent of the management.

10.3. The Corporate Governance Report shall also include detailed reasons for the resignation of any independent director who resigns before the expiry of his or her tenure along with a confirmation by such director that there are no other material reasons other than those provided.

10.4. This policy shall be uploaded on the website of the Company i.e. www.bajajelectricals.com.

10.5. The salient features of this policy and any changes made therein in brief along with a weblink to the policy shall be provided in the Board's Report.

## 11. LIMITATION AND AMENDMENT

11.1. In the event of any conflict between the provisions of this policy and the Act or SEBI LODR Regulations or any other statutory requirements, rules, regulations, enactments, the provisions of such Act or SEBI LODR Regulations or any other statutory requirements, rules, regulations, enactments, the provisions shall prevail over this policy.

11.2. Any subsequent amendment/modification in SEBI LODR Regulations, Act and/ or applicable laws in this regard shall automatically apply to this policy.

Mumbai, May 23, 2023

**Shekhar Bajaj**
Chairman





# Annexure F

## Form No. MR - 3

## Secretarial Audit Report

**For the Financial Year Ended March 31, 2023**
**[Pursuant to Section 204(1) of The Companies Act, 2013 & Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members,
**BAJAJ ELECTRICALS LIMITED**
45/47, Veer Nariman Road,
Mumbai - 400001.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

1. The Companies Act, 2013 (the' Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
   e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable as the Company has not delisted / proposed to delist its equity shares from any stock exchange during the financial year under review;
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- N o t applicable as the Company has not bought back / proposed to buyback its securities during the financial year under review; and

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

6. OTHER APPLICABLE LAWS INCLUDING:

a. The Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder;

b. The Environment (Protection) Act, 1986;

c. The Water (Prevention & Control of Pollution) Act, 1974 read with water (Prevention & Control of Pollution) Rules, 2011;

d. The Legal Metrology Act, 2009 read with the Legal Metrology (Packaged Commodity) Rules, 2011;

e. The Indian Copyright Act, 1957;

f. The Patents Act, 1970;

g. The Trade Marks Act, 1999;

h. The Contract Labour (Regulations and Abolition) Act, 1970 & its Central Rules / concerned State Rules;

i. Employees Pi;ovident Fund and Miscellaneous Provisions Act, 1952 and Rules/ Scheme thereunder;

j. Employers Liability Act, 1938;

k. Equal Remuneration Act, 1976;

l. Employees State Insurance Act, 1948 and Rules made thereunder;

m. The Minimum Wages Act, 1948 & its Central Rules / concerned State Rules/Notification of Minimum Wages applicable to various class of industries /Trade;

n. The Payment of Wages Act, 1936 & its Central Rules / concerned State Rules, if any;

o. The Payment of Bonus Act, 1965 & its Central Rules / concerned State Rules, if any;

p. The Payment of Gratuity Act, 1972 & its Central Rules / concerned State Rules, if any;

q. The Maternity Benefit Act, 1961 & its Rules;

r. The Industrial Employment (Standing Orders) Act, 1946 & its Rules;

s. The Apprentices Act, 1961 & its Rules;

t. The Workmen's Compensation Act, 1923;

u. The Industrial Disputes Act, 1947;

v. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013;

w. The Information Technology Act, 2000;

x. The Competition Act, 2002;

y. The Goods and Services Tax, 2017;

z. The Customs Act, 1972;

aa. The Income Tax Act, 1961 and

bb. The Central Excise Act, 1944.

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws, and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

## We further report that:

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes book.

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

## We further report that during the audit period:

1. The Company during the financial year 2022-2023 has allotted 2,01,505 (Two Lakh One Thousand Five Hundred and Five) equity shares of ₹ 2 each fully paid up, on the following dates, to the employees of the Company on their exercise of stock options granted to them under the Company's ESOP 2011 / ESOP 2015 Schemes and vested in their favour:

| Sr. No. | Date of Allotment | No of Equity Shares |
|---|---|---|
| 1. | June 14, 2022 | 30,450 |
| 2. | September 08, 2022 | 84,950 |
| 3. | December 16, 2022 | 42,705 |
| 4. | March 02, 2023 | 43,400 |

2. The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT, Mumbai"), vide its order dated August 25, 2022 has approved the Scheme of Merger by absorption of Starlite Lighting Limited ("Transferor Company") with the Company and their respective Shareholders ("Scheme") under Sections 230 to 232 (read with other applicable provisions) of the Companies Act, 2013, and rules framed thereunder as approved by the Board in its meeting held on May 25, 2021.

3. The Company in its board meeting held on September 29, 2022 approved the Scheme of Merger by Absorption of Nirlep Appliances Private Limited ("Transferor Company") with Bajaj Electricals Limited ("Transferee Company") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

4. The Company in its Board Meeting held on February 2, 2023, approved allotment of 19 shares pursuant to the Scheme of Merger by Absorption of Starlite Lighting Limited (Transferor Company") with Bajaj Electricals Limited ("Transferee Company") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

FOR **ANANT B KHAMANKAR & CO.**
COMPANY SECRETARIES

**ANANT KHAMANKAR**
PROPRIETOR
FCS No. - 3198
CP No. -1860
UDIN: FCT03198E000263491

DATE : May 06, 2023
PLACE: Mumbai

## Annexure to Secretarial Auditors' Report

To,
The Members,
**Bajaj Electricals Limited**
45/47, Veer Nariman Road,
Mumbai - 400 001.

Our Secretarial Audit Report for the Financial Year ended March 31, 2023, of even date is to be read along with this letter.

### Management's Responsibility

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

### Auditor's Responsibility

2. Our responsibility is to express an opm1on on these secretarial records, standards and procedures followed by the Company with respect to the secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

**FOR ANANT B KHAMANKAR & CO.**
COMPANY SECRETARIES

**ANANT KHAMANKAR PROPRIETOR**
FCS No. - 3198
CP No.-1860

DATE: May 06, 2023
PLACE: Mumbai



# Annexure G

## Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

### A. Conservation of Energy

(i) The steps taken or impact on conservation of energy:

a. Unity power factor is maintained throughout the financial year 2022-23 at Ranjangaon Unit (RU)-1 and RU-2.

b. A timer control circuit is installed in 02 Nos. hydraulic power packs in the shop floors of RU-1.

c. 02 Nos. of Variable Frequency Drives (VFDs) are installed in Electric Overhead Traveling (EOT) cranes in the Galva Shop at RU-1.

d. An interlock system is provided by installing a timer control system for the hydraulic power packs of EP1 and EP2 CNC machines.

e. A sequential timer is provided for 04 Nos. of fans and 04 Nos. of 250-Watt lamps at the kettle area in the Galva Shop.

f. The design of the Radial Tube (Furnace) has been changed, resulting in gas and electricity savings at the Nasik Unit.

(ii) The steps taken by the Company for utilising alternate sources of energy: 791 KWP Rooftop solar panels have been installed at RU1 since December 2022, with a capital investment of ₹ 311 lakh.

(iii) The capital investment on energy conservation equipments:

a. A capital investment of ₹ 311 lakh on solar panels at RU.

b. A capital investment of ₹ 3.2 lakh on Dryer VFD at RU.

(iv) Total energy consumption and energy consumption per unit of production:

a. Total energy consumption at Ranjangaon Units was 23,75,558 KWH and energy consumption per unit of production was at 86 KWH/MT.

b. Total energy consumption at Chakan Unit was 13,07,085 KWH and energy consumption per unit of production was at 0.304 KWH.

c. Total energy consumption at Nashik Unit was 16,13,042 KWH and energy consumption per unit of production was at 0.576 KWH.

(v) Impact of the energy conservation measures for reduction of energy consumption and consequent impact on the cost of production of goods: Obtained unity power factor thereby received incentives for RU-1 and RU-2 respectively.

### B. Technology Absorption

(i) The efforts made towards technology absorption:

a. The Messer's make Plasma Cutting Machine has been upgraded with a Double Torch.

b. A new 300 CFM Atlas Capco Compressor has been installed at RU1.

c. An installation of a 1000 LPH Reverse Osmosis (RO) system has been carried out at RU1.

d. The implementation of SAP, an integrated enterprise resource planning software, at the manufacturing units.

e. Multiple cost-saving projects have been undertaken at the Nashik Unit, including process improvement initiatives such as line balancing of enamel lines, merging multiple lines in the mixer into single lines, implementing low-cost automations, optimizing space utilization by installing a mezzanine floor, and incorporating backward integration in water heater production.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Improvement in productivity.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not applicable.

(iv) The expenditure incurred on Research and Development (R&D):

(Amount: ₹ in lakh)

| Particulars | Amount |
|---|---|
| (a) Capital | 1,367.69 |
| (b) Recurring | 2,584.09 |
| (c) Total | 3,950.78 |
| (d) Total R&D expenditure as a percentage of turnover (in %) | 0.73 |

## C. Foreign Exchange Earnings and Outgo

The foreign exchange earned in terms of actual inflows and the foreign exchange outgo during the year in terms of actual outflows during the year.

(Amount: ₹ in lakh)

| Particulars | Amount |
|---|---|
| Earned (Export) | 5,003.99 |
| Used (Import) | 29,593.03 |

For and on behalf of
Board of Directors of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

Mumbai
May 23, 2023

# Annexure H

## Information Pursuant to the Provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Sr. No. | Requirements | Particulars |
|---|---|---|
| 1. | Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year | (see table below) |
| 2. | Percentage increase/(decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year | (see table below) |
| 3. | Percentage increase in the median remuneration of employees in the financial year | 3.17% |
| 4. | Number of permanent employees on the rolls of Company | 2,353 |

| Name of the Director | Category | Ratio to median Remuneration |
|---|---|---|
| Shekhar Bajaj | Executive | 111.36 : 1 |
| Anuj Poddar | | 97.60 : 1 |
| Madhur Bajaj | Non-Executive | 1.14 : 1 |
| Rajiv Bajaj | | 1.14 : 1 |
| Pooja Bajaj | | 1.33 : 1 |
| Harsh Vardhan Goenka | Independent | 0.86 : 1 |
| Shailesh Haribhakti | | 2.48 : 1 |
| Dr. Rajendra Prasad Singh | | 2.05 : 1 |
| Dr. Indu Shahani | | 2.52 : 1 |
| Munish Khetrapal | | 1.24 : 1 |

| Name of the Director, Chief Executive Officer or Company Secretary | Percentage increase / (decrease) in remuneration |
|---|---|
| Shekhar Bajaj | 32.86 |
| Anuj Poddar | 63.51 |
| Madhur Bajaj | (25.00) |
| Rajiv Bajaj | 50.00 |
| Pooja Bajaj | (26.32) |
| Harsh Vardhan Goenka | (48.57) |
| Shailesh Haribhakti | (22.39) |
| Dr. Rajendra Prasad Singh | (37.68) |
| Dr. Indu Shahani | (31.17) |
| Munish Khetrapal | (27.78) |
| E C Prasad (CFO) | 25.21 |
| Ajay Nagle (CS) | 35.29 |

| Sr. No. | Requirements | Particulars |
|---|---|---|
| 5. | Average percentile increase/(decrease) already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Average increase in remuneration of Managerial Personnel - 39.22%<br>Average increase in remuneration of employees other than the Managerial Personnel – 0.39%<br>The Managerial Personnel compensation is linked to Profit Before Tax and linked to the performance of the Company. |
| 6. | Affirmation that the remuneration is as per the remuneration policy of the Company | The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013. |

For and on behalf of
Board of Directors of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

Mumbai
May 23, 2023





# Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the financial year ended March 31, 2023, in terms of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

> **Business should be pursued with a view to benefit the poor, not just to become a millionaire or a billionaire.**
>
> **Jamnalal Bajaj**

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The ethical values are the foundation of Company's governance philosophy which over the past eight decades of the Company's existence has become a part of its culture. We feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business. We strongly believe that in business, there is something more important than just top line and bottom line and hence, each of us needs to strive towards producing our very best in all we do, so that, we not only fulfil the needs of each and every consumer, but also far exceed their expectations. This is what has set us apart and this may be the very reason that we have been able to enjoy a very special relationship with our consumers. After all, when you strive, with every sinew to be the best you can be, it will show.

Corporate Governance is about commitment to values and ethical business conduct. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislations.

The Company emphasises on the need for complete transparency and accountability in all its dealings to protect stakeholders' interests. The governance framework encourages the efficient utilisation of resources and accountability for stewardship. The Board considers itself as the custodian of trust and acknowledges its responsibilities towards stakeholders for wealth creation sustainably and responsibly.

## GOVERNANCE STRUCTURE

The Corporate Governance structure of the Company is as follows:

**Board of Directors:** The Board is entrusted with an ultimate responsibility of the management, directions, and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective, and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency, and disclosures.

**Committees of the Board:** The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee, Finance Committee and Committee of Independent Directors. Each of the aforesaid Committees has been mandated to operate within a given framework.

**Executive Chairman:** The primary role of the Executive Chairman is to provide leadership to the Board in achieving goals of the Company. He is responsible for transforming the Company into a worldclass organisation. He is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. He is also responsible for formulating the corporate strategy along with other members of the Board.

**Managing Director & Chief Executive Officer:** The Managing Director & Chief Executive Officer, as a member of the Board and Core Management

Committee, contributes to the strategic management of the Company's businesses within Board approved direction and framework. He assumes overall responsibility for strategic management of business and corporate functions including its governance processes and top management effectiveness.

**Non-Executive Directors including Independent Directors:** Non-Executive Directors play a critical role in balancing the functioning of the Board by providing independent judgements on various issues raised in the Board meetings like formulation of business strategies, monitoring of performances, etc.

**Core Management Committee:** The main function of the Core Management Committee is strategic management of the Company's businesses within the Board approved direction and framework, ensuring that effective systems are in place for appropriate reporting to the Board on important matters. The Core Management Committee is headed by the Executive Chairman and has functional heads as its members, which looks after the management of the day-to-day affairs of the Company.

## BOARD OF DIRECTORS

The Company's Board comprises people of eminence and repute who bring the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees.

The Board takes care of the business and stakeholders' interest. The Non-Executive Directors, including the Independent Directors are well qualified, experienced, and renowned persons from the fields of industrial, manufacturing, general corporate management, finance, law, media, corporate strategy, technical, marketing, and other allied background. The Board Members take an active part at the Board and Committee Meetings and provide valuable guidance to the Management on various aspects of business, governance, and compliance, amongst others. The Board's guidance provides foresight, enhances transparency, and adds value in decision-making. The Company is managed by the Board in coordination with the senior management team.

None of the Non-Executive Directors have attained the age of Seventy-five (75) years.

**Composition and category of the Board as on March 31, 2023**

As per Regulation 17(1)(b) of the SEBI Listing Regulations, where the Chairman is executive or a promoter, at least one half of the Board of the Company should consist of independent directors.

The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Board of Directors as at the end of March 31, 2023, comprised of ten (10) Directors viz. one (1) Executive Director - Promoter, one (1) Executive Director – Non Promoter, three (3) Non-Executive Directors – Promoter and Promoter Group including one Woman Director, and five (5) Non-Executive Directors - Independent Directors, including one (1) Independent Woman Director, and accordingly, has the following composition:

| Category of Directors | No. of Directors | % |
|---|---|---|
| Executive Directors | 2 | 20.00 |
| Non-Executive Directors, Non-Independent | 3 | 30.00 |
| Non-Executive Directors, Independent | 5 | 50.00 |

The Chairman of the Board is an Executive Director. Independent Directors constitute half of the total Board strength.

**Board Diversity**

The Company has over the years been fortunate to have eminent persons from diverse fields to serve as Directors on its Board. Pursuant to the SEBI Listing Regulations, the Nomination and Remuneration Policy of the Company ensures diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture. The Policy is posted on the Company's website at: https://www.bajajelectricals.com/media/6722/nomination-and-remuneration-policy.pdf.

**Directors' profile**

The brief profiles of all the members of Board are available on the website of the Company: https://www.bajajelectricals.com/board-of-directors/.

The Board has identified the following skill sets with reference to its business and industry which are available with the Board:

| Name of the Director | Core Skills/Competencies/Expertise in specific functional area |
|---|---|
| Mr. Shekhar Bajaj | Industrialist, Electrical Consumer Durables Industry domain, Experience in managing a large business conglomerate, Business Strategy and Corporate Management. |
| Mr. Anuj Poddar | A Chartered Accountant with strong professional experience across consumer and other industries, Business Strategy and Corporate Management. |
| Mr. Madhur Bajaj | Industrialist, Experience in managing a large industrial conglomerate. |
| Mr. Rajiv Bajaj | Industrialist, Experience in managing a large industrial conglomerate. |
| Ms. Pooja Bajaj | Strong commercial acumen. |
| Mr. Harsh Vardhan Goenka | Industrialist, Experience in managing a large business conglomerate. |
| Mr. Shailesh Haribhakti | Experience in Auditing, Tax and Risk Advisory Services. |
| Dr. (Mrs.) Indu Shahani | Academics, Education. |
| Dr. Rajendra Prasad Singh | Experience in managing a large industrial conglomerate. |
| Mr. Munish Khetrapal | Technology professional with extensive leadership experience across global markets. |

**Board meetings**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board meetings are pre-scheduled, and a tentative annual calendar of the Board meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

**Number of meetings of the Board**

During the financial year 2022-23, the Board met six (6) times, viz. May 17, 2022, August 12, 2022, September 29, 2022, November 8, 2022, February 2, 2023, and March 28, 2023. The gap between any two meetings has been less than one hundred and twenty days.

**Attendance record of directors**

Composition of the Board and attendance record of directors for the financial year 2022-23:

| Name of the director | Category | Relationship with other directors | No. of Board Meetings attended | Whether attended last AGM |
|---|---|---|---|---|
| Mr. Shekhar Bajaj | Executive Chairman | Brother of Madhur Bajaj, father-in-law of Pooja Bajaj | 6/6 | Yes |
| Mr. Anuj Poddar | Managing Director & Chief Executive Officer | - | 6/6 | Yes |
| Mr. Madhur Bajaj | Non-executive | Brother of Shekhar Bajaj | 6/6 | Yes |
| Mr. Rajiv Bajaj | Non-executive | - | 6/6 | Yes |

| Name of the director | Category | Relationship with other directors | No. of Board Meetings attended | Whether attended last AGM |
|---|---|---|---|---|
| Ms. Pooja Bajaj | Non-executive | Daughter-in-law of Shekhar Bajaj | 6/6 | Yes |
| Mr. Harsh Vardhan Goenka | Non-executive, independent | - | 4/6 | Yes |
| Mr. Shailesh Haribhakti | Non-executive, independent | - | 6/6 | Yes |
| Dr. (Mrs.) Indu Shahani | Non-executive, independent | - | 5/6 | Yes |
| Dr. Rajendra Prasad Singh | Non-executive, independent | - | 5/6 | Yes |
| Mr. Munish Khetrapal | Non-executive, independent | - | 6/6 | Yes |

**Information placed before the Board**

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as a part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meetings.

**Post meeting mechanism**

The important decisions taken at the Board / Committee meetings are communicated to the concerned department / division.

**Board support**

The Company Secretary attends the Board Meetings and advises the Board on compliances with applicable laws and governance.

**Duties and functions of the Board**

The duties of Board of Directors have been enumerated in SEBI Listing Regulations, Section 166 (read with Schedule IV) of the Companies Act, 2013 (the "Act") (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

**Meeting of Independent Directors**

During the year under review, the independent directors met on May 17, 2022 and March 28, 2023, inter alia to discuss (i) evaluation of the performance of Non Independent Directors and the Board of Directors as a whole; (ii) evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; (iii) evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties; and (iv) other related matters. All the independent directors attended the meeting dated May 22, 2022, while the meeting dated March 28, 2023 was attended by all the independent directors except Dr. Rajendra Prasad Singh.

**Opinion of the Board**

The Board hereby confirms that, in its opinion, the independent directors on the Board fulfil the conditions specified in the SEBI Listing Regulations and the Act and are independent of the management. A formal letter of appointment given to independent directors as provided in the Act has been issued and disclosed on website of the Company: https://www.bajajelectricals.com/media/6937/letter-of-appointment-to-independent-directors.pdf.

**Directorships and Memberships of Committees**

Number of directorships/committee positions of directors as on March 31, 2023:

| Name of the director | Directorships | | | Committee positions held in listed and unlisted public limited companies | |
|---|---|---|---|---|---|
| | In equity Listed companies | In unlisted public limited companies | In private limited companies | As Member (including as Chairman) | As Chairman |
| Mr. Shekhar Bajaj | 3 | 5 | 5 | 3 | 2 |
| Mr. Anuj Poddar | 1 | 1 | - | - | - |





| Name of the director | Directorships | | | Committee positions held in listed and unlisted public limited companies | |
|---|---|---|---|---|---|
| | In equity Listed companies | In unlisted public limited companies | In private limited companies | As Member (including as Chairman) | As Chairman |
| Mr. Madhur Bajaj | 4 | - | 4 | - | - |
| Mr. Rajiv Bajaj | 5 | 2 | 6 | - | - |
| Ms. Pooja Bajaj | 1 | - | - | 1 | 1 |
| Mr. Harsh Vardhan Goenka | 5 | 2 | 2 | - | - |
| Mr. Shailesh Haribhakti | 5 | 3 | 9 | 10 | 5 |
| Dr. (Mrs.) Indu Shahani | 4 | 1 | 3 | 6 | 1 |
| Dr. Rajendra Prasad Singh | 2 | 3 | - | 1 | - |
| Mr. Munish Khetrapal | 1 | - | - | - | - |

**Note:**

None of the directors hold office as a director, including as an alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included and directorships in dormant companies are excluded. No Independent Director holds any alternate directorship.

As per declarations received, none of the directors serves as an independent director in more than seven equity listed companies. Further, the Managing Director and Executive Director of the Company does not serve as an independent director in more than three equity listed companies and in fact not even in a single entity.

None of the directors was a member in more than ten committees, nor a chairperson in more than five committees across all companies in which he/she was a director.

For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Act have been excluded. Only audit committee and stakeholders' relationship committee are considered for the purpose of reckoning committee positions.

**Directorships in equity listed Companies**

Name of equity listed entities where directors of the Company held directorships as on March 31, 2023:

| Particulars | Name of listed entities | Category |
|---|---|---|
| Mr. Shekhar Bajaj | Bajaj Electricals Limited | Chairman, Executive |
| | Hercules Hoists Limited | Chairman, Non-Executive, Non-Independent |
| | Bajaj Holdings & Investments Limited | Chairman, Non-Executive, Non-Independent<br>Director-Chairperson related to Promoter |
| Mr. Anuj Poddar | Bajaj Electricals Limited | Managing Director and Chief Executive Officer, Executive |
| Mr. Madhur Bajaj | Bajaj Electricals Limited | Non-Executive, Non-Independent |
| | Bajaj Holdings & Investment Limited | Non-Executive, Non-Independent |
| | Bajaj Finserv Limited | Non-Executive, Non-Independent |
| | Bajaj Auto Limited | Non-Executive, Non-Independent |
| Mr. Rajiv Bajaj | Bajaj Electricals Limited | Non-Executive, Non-Independent |
| | Bajaj Holdings & Investment Limited | Non-Executive, Non-Independent |
| | Bajaj Finance Limited | Non-Executive, Non-Independent |

| Particulars | Name of listed entities | Category |
|---|---|---|
| | Bajaj Finserv Limited | Non-Executive, Non-Independent |
| | Bajaj Auto Limited | Managing Director and CEO, Executive |
| Ms. Pooja Bajaj | Bajaj Electricals Limited | Non-Executive, Non-Independent |
| Mr. Harsh Vardhan Goenka | Bajaj Electricals Limited | Non-executive, Independent |
| | RPG Life Sciences Limited | Chairman, Non-Executive, Non-Independent-Chairperson related to Promoter |
| | CEAT Limited | Chairman, Non-Executive, Non- Independent-Chairperson related to Promoter |
| | KEC International Limited | Chairman, Non-Executive, Non-Independent-Chairperson related to Promoter |
| | Zensar Technologies Limited | Chairman, Non-Executive, Non-Independent |
| Mr. Shailesh Haribhakti | Bajaj Electricals Limited | Non-executive, Independent |
| | Torrent Pharmaceuticals Limited | Non-executive, Independent |
| | Blue Star Limited | Non-executive, Independent- Chairperson |
| | Adani Total Gas Limited | Non-executive, Independent |
| | L&T Finance Holdings Limited | Non-executive, Independent |
| Dr. (Mrs.) Indu Shahani | Bajaj Electricals Limited | Non-executive, Independent |
| | United Spirits Limited | Non-executive, Independent |
| | Colgate-Palmolive (India) Limited | Non-executive, Independent |
| | Heubach Colorants India Limited | Non-executive, Independent |
| Dr. Rajendra Prasad Singh | Bajaj Electricals Limited | Non-executive, Independent |
| | Jyoti Structures Limited | Chairman, Non-Executive, Independent-Chairperson |
| Mr. Munish Khetrapal | Bajaj Electricals Limited | Non-executive, Independent |

**D&O Insurance for Directors**

The Company has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the Board.

**Familiarisation Programme for Independent Directors**

At the time of appointing an Independent Director, a formal letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected from him / her as a Director of the Company. The Director is also explained in detail the compliances required from him / her under the Act, the SEBI Listing Regulations and other statutes and an affirmation is obtained. The Chairman & Managing Director also have a one to one discussion with the newly appointed Director to familiarise him / her with the Company's operations. Further, on an ongoing basis as a part of agenda of Board / Committee meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiary, associate and joint venture companies' operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of the familiarisation programme for Directors are available on the Company's website: https://www.bajajelectricals.com/media/7543/familiarization-program-for-independent-directors-march-31-2023.pdf

**Plans for orderly succession for appointments**

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee work along with the Human Resource team of the Company for a structured leadership succession plan.



## GOVERNANCE CODES

**Code of conduct for Directors and Senior Management**

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all employees of the Company. The Board of Directors and the members of senior management team of the Company are required to affirm compliance of this Code on an annual basis. A declaration signed by the Managing Director and Chief Executive Officer of the Company to this effect is placed at the end of this Report. The Code requires Directors and employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website: https://www.bajajelectricals.com/media/7614/code-of-conduct-for-directors-and-senior-management.pdf

**Disclosure on conflict of interests**

Each Director informs the Company on an annual basis about the Board and the Committee positions he/she occupies in other companies including as Chairman and notifies changes during the year. The members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The members of Board restrict themselves from participating in any discussions and voting in transactions in which they have concern or interest.

**Insider Trading Code**

The Company has adopted a 'Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and its Immediate Relatives' ("the IT Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended ("PIT Regulations"). The IT Code is applicable to promoters, member of promoter group, all Directors and such designated persons who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' ("Fair Disclosure Code") in compliance with the PIT Regulations.

This Fair Disclosure Code is displayed on the Company's website: https://www.bajajelectricals.com/media/6125/fair-disclosure-code-wef-1st-april-2019.pdf

## COMMITTEES OF THE BOARD

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and require a closer review. The Board Committees are formed with the approval of the Board and they function under their respective Charters. These Committees play an important role in the overall management of the day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform the duties entrusted by the Board. The minutes of the Committee meetings are placed before the Board for noting.

**(A) Audit Committee**

Audit Committee is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of the SEBI Listing Regulations.

As on March 31, 2023, the Audit Committee comprised of three (3) Directors i.e. Mr. Shailesh Haribhakti as the Chairman and Dr. (Mrs.) Indu Shahani and Dr. Rajendra Prasad Singh as its members. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, taxation, economics, legal, risk and international finance. The Committee functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. The Company Secretary acts as the convener to the Audit Committee.

**Meetings and Attendance**

The Audit Committee met five (5) times during the financial year 2022-23. The maximum gap between two meetings was not more than 120 days. The Committee met on May 17, 2022, August 12, 2022, November 8, 2022, February 2, 2023, and March 28, 2023. The requisite quorum was present at all meetings. The Chairperson of the Audit Committee was present at the last AGM of the Company held on August 12, 2022.

The attendance of the Audit Committee members:

| Sr. No. | Name of Directors | Position | Category | No. of meetings attended |
|---|---|---|---|---|
| 1. | Mr. Shailesh Haribhakti | Chairperson | Independent Director | 5/5 |
| 2. | Mr. Rajendra Prasad Singh | Member | Independent Director | 4/5 |
| 3. | Dr. (Mrs.) Indu Shahani | Member | Independent Director | 4/5 |

### Terms of reference and functions of Audit Committee

The terms of reference of the Audit Committee as stated below is in line with what is mandated in Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions.
    g. Modified Opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval including the financial statements, in particular, the investments made by unlisted subsidiary(ies);
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of the related party transactions;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. To review the utilization of loans, advances or both in the subsidiary company(ies) which shall not exceed ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee) submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. Appointment, removal and terms of remuneration of the Chief Internal Auditor;
6. Statement of deviations:
    (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations, 2015; and
    (b) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus /notice in terms of Regulation 32(7) of SEBI Listing Regulations, 2015.
7. Compliance with the provisions of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

### Internal Controls and Governance Processes

The Company continuously invests in strengthening its internal controls and processes. The Audit Committee formulates a detailed audit plan for the year for the internal auditor. The Internal Auditors attend the meetings of the Audit Committee and submit their recommendations to the Audit Committee and provide a road map for the future.

### (B) Nomination and Remuneration Committee

As on March 31, 2023, the Nomination and Remuneration Committee comprised of four (4) Directors viz. Dr. (Mrs.) Indu Shahani as the Chairperson, and Mr. Shekhar Bajaj, Mr. Shailesh Haribhakti, and Dr. Rajendra Prasad Singh as its members. The Company Secretary acts as the convener to the Committee.

### Meetings and Attendance

The Nomination and Remuneration Committee met six (6) times during the financial year 2022-23. The Committee met on April 29, 2022, May 17, 2022, August 12, 2022, November 8, 2022, February 2, 2023, and March 28, 2023. The requisite quorum was present at all meetings. The Chairperson of the Nomination and Remuneration Committee was present at the last AGM of the Company held on August 12, 2022.

The attendance of the Nomination and Remuneration Committee members:

| Sr. No. | Name of Directors | Position | Category | No. of meetings attended |
|---|---|---|---|---|
| 1. | Dr. (Mrs.) Indu Shahani | Chairperson | Independent Director | 5/6 |
| 2. | Mr. Shekhar Bajaj | Member | Executive Chairman | 6/6 |
| 3. | Mr. Shailesh Haribhakti | Member | Independent Director | 6/6 |
| 4. | Mr. Rajendra Prasad Singh | Member | Independent Director | 5/6 |

**Terms of reference and functions of Nomination and Remuneration Committee**

The broad terms of reference of Nomination and Remuneration Committee as stated below is in compliance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall specify the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors to be carried out by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. While formulating the policy, to ensure that: a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully; b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and longterm performance objectives appropriate to the working of the Company and its goals.
4. To take into account financial position of the Company, trend in the industry, appointees qualifications, experience, past performance, past remuneration, etc., and bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders while approving the remuneration payable to managing director, whole time director or manager.
5. To lay down / formulate the evaluation criteria for performance evaluation of independent directors and the Board.
6. To devise a policy on Board diversity.
7. To ensure 'Fit & Proper' status of the proposed/existing directors.
8. To recommend to Board, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
9. To review and approve the remuneration and change in remuneration payable to whole-time directors.
10. To recommend to Board, all remuneration payable to senior management (i.e., members of the core management team one level below the chief executive officer/managing director/whole time director and shall specifically include Company Secretary and Chief Financial Officer).
11. To act as the Compensation Committee under SEBI (Share Based Employee Benefits) Regulations, 2014 (including amendment thereof) to determine the quantum of Employee Stock Options to be granted to the employees under Company's ESOP Plans; determine eligibility for grant of ESOPS; decide the procedure for making a fair and reasonable adjustment in case of corporate actions; procedure and terms for the grant, vest and exercise of Employee Stock Option; procedure for cashless exercise of Employee Stock Options, etc.
12. To undertake specific duties as may be prescribed by the Board from time to time.

**Remuneration Policy**

The Board on the recommendation of Nomination and Remuneration Committee has framed a Nomination and Remuneration Policy ("Policy"), providing a) Selection, appointment, and removal; b) Remuneration; c) Evaluation of performance; and d) Board diversity. The Policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Policy is displayed on the Company's website: https://www.bajajelectricals.com/media/6722/nomination-and-remuneration-policy.pdf.

**Criteria for recommendation of remuneration**

**a) Non-Executive Directors remuneration:**

The remuneration of Non-Executive Directors is determined within the limits prescribed under Section 197 of the Act read with the Rules framed thereunder and SEBI Listing Regulations. The Non-Executive Directors of the Company receive remuneration by way of sitting fees for attending the Board and Committee meetings and commission as detailed below:

(i) Sitting fees of ₹ 1,00,000 for each meeting of the Board and Audit Committee, and ₹ 50,000 for each meeting of other Committees attended by the Director, as approved by the Board within the overall limits prescribed under the Act;

(ii) Payment of commission on an annual basis of ₹ 1,00,000 for each meeting of the Board and Audit Committee attended by the Director, subject to the ceiling of 1% of the net profit of the Company prescribed under the Act as approved by the Members in the Eightieth (80th) AGM held on August 7, 2019;

(iii) Reimbursement of travelling and other related expenses incurred by the Non-Executive Directors for attending the Board and Committee meetings;

(iv) Independent Directors and any employee/director of the Company, who is a promoter or belongs to the promoter group are not entitled to participate in ESOPs of the Company.

The service contract, notice period and severance fees are not applicable to Non-Executive Directors.

**b) Executive Directors' remuneration:**

The appointment and remuneration of Executive Directors i.e., of Executive Chairman, and Managing Director & Chief Executive Officer, is governed by the recommendation of Nomination and Remuneration Committee and resolutions passed by the Board and Shareholders of the Company.

The terms and conditions of appointment and the remuneration payable to:

(i) Mr. Shekhar Bajaj, Executive Chairman, as approved by the Members of the Company by way of special resolution dated October 12, 2022 passed through postal ballot, can be accessed at weblink: https://www.bajajelectricals.com/media/7408/intimation-wrt-notice-of-the-postal-ballot.pdf

(ii) Mr. Anuj Poddar, Managing Director & Chief Executive Officer, as approved by the Members of the Company by way of special resolution dated October 12, 2022 passed through postal ballot, can be accessed at weblink: https://www.bajajelectricals.com/media/7408/intimation-wrt-notice-of-the-postal-ballot.pdf

The remuneration package of Executive Directors' comprises of salary, commission, perquisites and allowances, and contributions to provident fund and other retirement benefits as approved by the shareholders at the general meetings. Annual increments are linked to performance and are decided by Nomination and Remuneration Committee and recommended to the Board for approval thereof. The Company has no stock option plans for the promoter executive directors/nonexecutive directors and only non-promoter executive directors are eligible for stock option plans.

During the financial year 2022-23, the Company did not advance any loans to any of the directors.

The tenure of office of the Executive Chairman and Managing Director & Chief Executive Officer is for 5 (five) years from their respective dates of appointment and can be terminated by either party by giving three months' notice in writing. There is no separate provision for payment of severance fees.

c) **Remuneration Criteria for the Key Managerial Personnel (KMP) and other employees:**

Remuneration of KMP and other employees largely consists of basic salary, perquisites, allowances and performance incentives. The components of total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him/ her, his/her annual performance, etc. The performance pay policy links the performance pay of each employee to his/ her individual, business unit and an overall Company's performance on parameters aligned to the Company's objectives.

### Remuneration drawn by the Directors during the financial year 2022-23

The remuneration paid to the Directors is in accordance with the provisions of the Act and has been duly approved by Members of the Company. None of the Directors of the Company has any pecuniary relationship with the Company. The remuneration paid to the Non-Executive Directors does not exceed the threshold specified in Regulation 17(6)(ca) of the SEBI Listing Regulations and no approval of the shareholders by Special Resolution was called for. Also, the remuneration of Executive Chairman and Managing Director & Chief Executive Officer were paid as per the terms of their remuneration approved by shareholders by way of respective special resolutions under Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Act or SEBI Listing Regulations.

The remuneration drawn by the Directors during the year is set out below:

### Executive Directors

(Amount: ₹ in lakh)

| Name of Directors | Salary and allowances | Perquisites | Retiral Benefits | Commission payable | Total |
|---|---|---|---|---|---|
| Mr. Shekhar Bajaj | 255.00 | 151.31 | 84.79 | 678.18 | 1,169.28 |
| Mr. Anuj Poddar | 475.63* | 73.40 | 23.66 | 452.12 | 1,024.81 |

* Includes performance linked incentive of ₹ 92.25 lakh.

As on March 31, 2023, Mr. Shekhar Bajaj held 18,14,639 equity shares in the Company, whereas Mr. Anuj Poddar held 8000 equity shares in the Company. As on March 31, 2023, Mr. Anuj Poddar also had 1,52,000 stock options under the Company's ESOP Scheme.

### Non-Executive Directors

| Name of the Non-Executive Director(s) | Sitting Fees (₹) | Commission provided for financial year 2022-23 (₹) | Total (₹) | Number of equity shares and convertible instruments held as at March 31, 2023 |
|---|---|---|---|---|
| Mr. Madhur Bajaj | 6,00,000 | 6,00,000 | 12,00,000 | 2,00,000 |
| Mr. Rajiv Bajaj | 6,00,000 | 6,00,000 | 12,00,000 | Nil |
| Ms. Pooja Bajaj | 8,00,000 | 6,00,000 | 14,00,000 | 15,41,875 |
| Mr. Harsh Vardhan Goenka | 5,00,000 | 4,00,000 | 9,00,000 | Nil |
| Mr. Shailesh Haribhakti | 15,00,000 | 11,00,000 | 26,00,000 | Nil |
| Dr. (Mrs.) Indu Shahani | 17,50,000 | 9,00,000 | 26,50,000 | Nil |
| Dr. Rajendra Prasad Singh | 12,50,000 | 9,00,000 | 21,50,000 | Nil |
| Mr. Munish Khetrapal | 7,00,000 | 6,00,000 | 13,00,000 | Nil |



### Performance Evaluation

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, and governance.

The performance evaluation of independent directors was done by the entire Board, excluding the director being evaluated. A separate exercise was carried out to evaluate the performance of Individual Directors. The Chairman of the Board of Directors interacted with all the Directors individually to get an overview of the functioning of the Board/Committees, inter alia, on the following broad criteria i.e., attendance and level of participation at meetings of the Board/committees, independence of judgment exercised by Independent Directors, interpersonal relationship and so on. The detailed criteria for such an evaluation is available on the website of the Company at https://www.bajajelectricals.com/media/7069/evaluation-criteria-of-directors-and-committee.pdf.

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Executive Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors.

A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board.

Based on the inputs received from the Directors, an action plan is being drawn up in consultation with the Directors to encourage their greater engagement with the Company.

### (C) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of three (3) Directors i.e., Ms. Pooja Bajaj as the Chairperson, and Dr. (Mrs.) Indu Shahani and Mr. Shekhar Bajaj as its members. The Committee is governed by a Charter.

Mr. Ajay Nagle, Company Secretary has been designated as Compliance Officer of the Company. He has also been appointed as the nodal officer in line with statutory requirements.

### Meetings and Attendance

The Stakeholders' Relationship Committee met four (4) times during the financial year 2022-23. The Committee met on June 14, 2022, September 8, 2022, December 16, 2022, and March 2, 2023. The requisite quorum was present at all meetings. The Chairperson of the Stakeholders' Relationship Committee was present at the last AGM of the Company held on August 12, 2022.

The attendance of the Stakeholders' Relationship Committee members:

| Sr. No. | Name of Directors | Position | Category | No. of meetings attended |
|---|---|---|---|---|
| 1. | Ms. Pooja Bajaj | Chairperson | Non-Executive Director | 4/4 |
| 2. | Mr. Shekhar Bajaj | Member | Executive Chairman | 4/4 |
| 3. | Dr. (Mrs.) Indu Shahani | Member | Independent Director | 4/4 |

### Terms of reference

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

1. To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, nonreceipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings, etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring

timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

5. Issue and allotment of equity and/or preference shares.

6. Issue of new share certificate on allotment.

7. Issue of duplicate / split / consolidated share certificates.

8. To settle any question, difficulty or doubts of the shareholders that may arise with regards to the issue and allotment of shares.

9. Reference to Board of Directors in case of any question, doubts or difficulty in respect of issue, allotment, transfer of shares and any shareholders grievances, if necessary.

The Corporate Secretarial Department of the Company and the Registrar and Share Transfer Agent, Link Intime India Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The minutes of Stakeholders' Relationship Committee meetings are circulated to and noted by the Board.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

Details of Shareholders' complaints received, resolved, and pending during the financial year 2022-23:

| Investors Complaints | No. of complaints |
|---|---|
| Pending at the beginning of the year | Nil |
| Received during the year | 11 |
| Disposed off during the year | 11 |
| Remaining unresolved at the end of the year | Nil |

**(D) Risk Management Committee**

As on March 31, 2023, the Risk Management Committee comprised of three (3) Directors and two (2) management personnel i.e., Mr. Shekhar Bajaj as the Chairperson and Mr. Anuj Poddar, Dr. (Mrs.) Indu Shahani, Mr. E C Prasad (Chief Financial Officer) and Mr. Rishiraj Haldankar (Head of Department - Audit) as its members. The Committee is governed by a Charter. The Company Secretary acts as the convener to the Committee.

The composition of the Committee is in conformity with the SEBI Listing Regulations, with majority of members being Directors of the Company.

During the year under review, the Committee met twice i.e., on September 8, 2022, and February 28, 2023. The requisite quorum was present at all the meetings. The gap between any two meetings has been less than one hundred and eighty days.

The attendance of the Risk Management Committee members:

| Sr. No. | Name of Directors | Position | Category | No. of meetings attended |
|---|---|---|---|---|
| 1. | Mr. Shekhar Bajaj | Chairperson | Executive Chairman | 2/2 |
| 2. | Mr. Anuj Poddar | Member | Managing Director & Chief Executive Officer | 2/2 |
| 3. | Dr. (Mrs.) Indu Shahani | Member | Independent Director | 2/2 |
| 4. | Mr. E C Prasad | Member | Management Personnel | 2/2 |
| 5. | Mr. Rishiraj Haldankar | Member | Management Personnel | 2/2 |

The Committee may diverge from these responsibilities and may assume such other responsibilities as it deems necessary or appropriate in carrying out its functions. The role and responsibilities of the Risk Management Committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time. The performance of the Committee shall be reviewed by the Board periodically.

**(E) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee was constituted to undertake various corporate social responsibility related activities as envisaged in the Company's Corporate Social Responsibility Policy with the composition consisting of Mr. Shekhar Bajaj, as the Chairman of the Committee, and Dr. (Mrs.) Indu Shahani and Dr. Rajendra Prasad Singh, Independent Directors of the Company as its members.

During the financial year 2022-23, the Committee met twice i.e., on May 17, 2022, and March 28, 2023. The requisite quorum was present at all meetings.

The attendance of the Corporate Social Responsibility Committee members:

| Sr. No. | Name of Directors | Position | Category | No. of meetings attended |
|---|---|---|---|---|
| 1. | Mr. Shekhar Bajaj | Chairperson | Executive Chairman | 2/2 |
| 2. | Dr. (Mrs.) Indu Shahani | Member | Independent Director | 2/2 |
| 3. | Dr. Rajendra Prasad Singh | Member | Independent Director | 1/2 |

**(F) Finance Committee**

The Company has Finance Committee comprising of three Directors viz. Mr. Shekhar Bajaj as its Chairman, and Dr. Rajendra Prasad Singh and Ms. Pooja Bajaj as its members. The Company Secretary acts as the convener to the Committee.

The Committee, inter-alia, looks into the matters related to borrowings of the Company, if any, to be made in the form of fund and non-fund based limits for the business and working capital requirements of the Company, review of the Company's insurance program, issues authority to or withdraws the authority given to the officers of the Company to open / operate / close bank accounts, besides the other powers granted to it by the Board from time to time.

During the year under review, the Committee met once i.e., on October 25, 2022 which were attended by Mr. Shekhar Bajaj and Mr. Anuj Poddar, whereas leave of absence was granted to Ms. Pooja Bajaj and Dr. Rajendra Prasad Singh.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report has been attached as a separate chapter and forms part of the Annual Report.

## SUBSIDIARY COMPANIES

The Company has a Policy for determining Material Subsidiaries, which is in line with the SEBI Listing Regulations, and the same has been uploaded on the website of the Company at: https://www.bajajelectricals.com/media/6127/policy-for-determining-material-subsidiary-wef-1st-april-2019.pdf. There is no material subsidiary of the Company and hence requirements relating to composition of Board of Directors of unlisted material subsidiary do not apply to the Company.

## GENERAL BODY MEETINGS

Details of last three AGMs held

| AGM | Financial Year | Date and Time | Venue | Details of Special Resolution Passed |
|---|---|---|---|---|
| 81st | 2019-20 | Friday, August 28, 2020 at 2.30 P.M | Meeting through Video Conferencing / Other Audio Visual Means that was anchored at the registered office of the Company at 45-47, Veer Nariman Road, Mumbai- 400001 (the deemed venue). | a. Borrowing by way of Issue of Securities;<br>b. Giving loan or guarantee or providing security in connection with loan availed by any of Company's subsidiary or other person specified under section 185 of the Act; and |

| AGM | Financial Year | Date and Time | Venue | Details of Special Resolution Passed |
|---|---|---|---|---|
| | | | | c. Amendments in the 'Bajaj Electricals Limited Employee Stock Option Plan 2015'. |
| 82nd | 2020-21 | Wednesday, August 11, 2021 at 03.00 P.M. | Meeting through Video Conferencing / Other Audio Visual Means that was anchored at the registered office of the company at 45-47, Veer Nariman Road, Mumbai-400001 (the deemed venue) | a. Revision in the remuneration of Mr. Anuj Poddar (DIN: 01908009), Executive Director of the Company; b. Amendments in the 'Bajaj Electricals Limited Employee Stock Option Plan 2015'; and c. Borrowing by way of Issue of Securities. |
| 83rd | 2021-22 | Friday, August 12, 2022 at 3.00 P.M. | Meeting through Video Conferencing / Other Audio Visual Means that was anchored at the registered office of the company at 45-47, Veer Nariman Road, Mumbai-400001 (the deemed venue) | a. Borrowing by way of Issue of Securities. |

**Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern and procedure of postal ballot**

**Details of special resolutions passed through postal ballot during FY 2022-23:**

The Company sought the approval of its shareholders on a specific matter through a Special Resolution by postal ballot by utilizing a remote e-voting process only. The notice of this postal ballot, dated March 30, 2022, was circulated on the same day. Remote e-voting began on March 31, 2022 and concluded on April 29, 2022. On the final day of remote e-voting, i.e. April 29, 2022, the resolutions were passed with the necessary majority, and the outcomes were declared on April 30, 2022. Please see the information below for a description of the resolutions and details on the voting pattern.

| Sr. No. | Description of Resolution and Type of resolution | Number of Votes | | | |
|---|---|---|---|---|---|
| | | For | % | Against | % |
| 1. | Re-designation and appointment of Mr. Shekhar Bajaj (DIN: 00089358) as an Executive Chairman, in the category of a whole-time director, with the title as the "Chairman" of the Company, for a fresh term of five (5) years commencing from August 12, 2022. | 87760504 | 96.64 | 3053326 | 3.36 |
| 2. | Re-designation and appointment of Mr. Anuj Poddar (DIN: 01908009) as the "Managing Director and Chief Executive Officer" of the Company, for a fresh term of five (5) years commencing from August 12, 2022. | 87765304 | 96.64 | 3048526 | 3.36 |

**Procedure for the postal ballot:**

The aforementioned Postal Ballot was conducted solely through the Remote E-Voting process in accordance with the regulations set forth in Sections 108 and 110, as well as other applicable provisions of the Companies Act, 2013 and its corresponding Rules.

Mr. Anant B. Khamankar of Messrs Anant B. Khamankar & Co., Practicing Company Secretary (FCS: 3198 & COP No. 1860), was appointed as Scrutinizer, for conducting the above Postal Ballot through the Remote E-Voting process fairly and transparently and following the provisions of the Companies Act, 2013 and the rules made thereunder.

**Details of the special resolution proposed to be conducted through postal ballot:**

There are no special resolutions proposed to be conducted through a postal ballot regarding any of the matters to be discussed at the forthcoming AGM.

## MEANS OF COMMUNICATION TO SHAREHOLDERS

(i) The unaudited quarterly/half yearly results are announced within forty-five (45) days of the close of the quarter. The audited annual results are announced within sixty (60) days from the closure of the financial year as per the requirement of the SEBI Listing Regulations.

(ii) The approved financial results are sent to the Stock Exchanges forthwith and published in 'Free Press Journal' (English newspaper) and 'Navshakti' (local language Marathi newspaper), within forty-eight (48) hours of approval thereof. Presently the same are not sent to the shareholders separately.

(iii) The Company's financial results and official press releases are displayed on the Company's Website: https://www.bajajelectricals.com/financial-results/ and https://www.bajajelectricals.com/press-releases/ respectively.

(iv) All financial and other vital official news releases and documents under the SEBI Listing Regulations including any presentations made to the institutional investors or/ and analysts are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

(v) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS and Parivartan portals, as applicable.

(vi) A separate dedicated section under "Investors Relation", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors/ public.

(vii) SEBI processes investor complaints in a centralised web-based complaints redressal system i.e., SCORES. Through this system a shareholder can lodge a complaint against the Company for redressal of his grievance. The Company uploads the action taken report on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

(viii) The Company has designated the email id: legal@bajajelectricals.com for investor relations, and the same is prominently displayed on the Company's website www.bajajelectricals.com.

## AFFIRMATIONS AND DISCLOSURES

**a. Related Party Transactions**

All transactions entered into with the related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis and are in compliance with the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the financial statements in accordance with "IND AS". A statement of transactions entered into with the related parties in the ordinary course of business and at arm's length basis is periodically placed before the Audit Committee for review and recommendation to the Board for its approval.

As required under Regulation 23(1) of the SEBI Listing Regulations, the Company has formulated a policy on dealing with related party transactions. The Policy is available on the website of the Company: https://www.bajajelectricals.com/media/7307/policy-on-materiality-of-dealing-with-related-party-transactions.pdf.

The transactions are carried out on an arm's length or fair value basis and have no potential conflict with the interest of the Company at large.

**b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three financial years**

There are no instances of non-compliances by the Company necessitating imposition of penalties, strictures on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three (3) years.

c. **Vigil Mechanism / Whistle Blower Policy**

Pursuant to provisions of Section 177(9) and (10) of the Act and the rules framed thereunder, Regulation 22 of the SEBI Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated the Whistle Blower Policy which is applicable to all employees and all other persons dealing with the Company to inter alia report unacceptable improper practices and/or unethical practices and/or genuine concerns and to create awareness to report instances of leak of Unpublished Price Sensitive Information.

The whistle blower shall address all the protected disclosure to the Company Secretary and Compliance Officer of the Company. Protected disclosure against the Company Secretary and Compliance Officer of the Company should be addressed to the Chairman &Managing Director of the Company and protected disclosure against the Chairman & Managing Director should be addressed to the Chairman of the Audit Committee.

The Policy provides for adequate safeguards against victimisation to all whistleblowers who use such mechanism.

During the year under review, none of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website: https://www.bajajelectricals.com/media/6129/whistle-blower-policy-vigil-mechanism-wef-1st-april-2019.pdf.

d. **Details of Adoption of Non-Mandatory (Discretionary) Requirements**

The status of compliance with the non-mandatory requirements under Regulation 27 of the SEBI Listing Regulations are as under:

**The Board** - The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

**Shareholders rights** - The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.

**Modified opinion(s) in audit report** - There is no modified opinion in the audit reports.

**Reporting of Internal Auditor** - In accordance with the provisions of Section 138 of the Act, the Company has appointed an Internal Auditor who reports to the Audit Committee. Internal audit reports submitted on quarterly basis are reviewed by the Audit Committee and suggestion / directions, if any, are given for necessary action.

**Separate posts of Chairperson and the Managing Director or the Chief Executive Officer** - The Company does not have separate posts of Chairperson and the Manging Director or the Chief Executive Officer since compliance to this requirement is voluntary in nature.

e. **Commodity price risk or foreign exchange risk and hedging activities**

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure in any particular commodity. Accordingly, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

f. **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).** Not Applicable

g. **A certificate from a Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority**

The Company has received a certificate from Messrs Anant B. Khamankar & Co., Practicing Company Secretaries (Membership No. FCS 3198; CP No. 1860) to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the companies by the Board/Ministry of Corporate Affairs or any other statutory authority. The same forms part of this report.

h. **Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.** Not Applicable

i. **Fees paid to the Statutory Auditors paid by the Company and its subsidiary**

Total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to S R B C & CO LLP, having ICAI Registration number 324982E/E300003, statutory auditors of the Company and other firms in the network entity of which the statutory auditors are a part, during the year ended March 31, 2023, is as follows:

(Amount: ₹ in lakh)

| Particulars | S R B C & CO LLP and their network entities |
|---|---|
| Fees for audit and related services | 225.85 |
| Other fees | 74.49 |
| **Total** | **300.34** |

j. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The details of number of complaints filed and disposed-off during the year and pending as on March 31, 2023, are given in the Board's Report.

k. **CEO and CFO Certification**

Certificate issued by Mr. Anuj Poddar, Managing Director & Chief Executive Officer and Mr. E C Prasad, Chief Financial Officer of the Company, for the financial year under review, was placed before the Board at its meeting held on May 23, 2023, in terms of Regulation 17(8) of the SEBI Listing Regulations and the said certificate is annexed to this Report. The Managing Director & Chief Executive Officer and Chief Financial Officer also gave quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI Listing Regulations.

l. **Compliance Certificate of the Auditors**

Certificate from the Company's Auditors, S R B C & Co. LLP confirming compliance with conditions of Corporate Governance as stipulated under Clause E of Schedule V of the SEBI Listing Regulations, is attached to this Report.

## THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2) OF THE SEBI LISTING REGULATIONS

| Sr. No. | Particulars | Regulations | Compliance Status (Yes/ No/N.A.) | Brief Descriptions of the Regulations |
|---|---|---|---|---|
| 1. | Board of Directors | 17 | Yes | • Composition and Appointment of Directors.<br>• Meetings and quorum.<br>• Review of compliance reports.<br>• Plans for orderly succession for appointments.<br>• Code of Conduct.<br>• Fees / compensation to Non-Executive Directors.<br>• Minimum information to be placed before the Board.<br>• Compliance Certificate by Chief Executive Officer and Chief Financial Officer.<br>• Risk assessment and risk management plan.<br>• Performance evaluation of Independent Directors.<br>• Recommendation of Board for each item of special business |
| 2. | Maximum number of directorships | 17A | Yes | • Directorships in listed entities. |

| Sr. No. | Particulars | Regulations | Compliance Status (Yes/ No/N.A.) | Brief Descriptions of the Regulations |
|---|---|---|---|---|
| 3. | Audit Committee | 18 | Yes | • Composition.<br>• Meetings and quorum.<br>• Chairperson present at Annual General Meeting.<br>• Role of the Committee |
| 4. | Nomination and Remuneration Committee | 19 | Yes | • Composition.<br>• Chairperson present at Annual General Meeting.<br>• Meetings and quorum |
| 5. | Stakeholders Relationship Committee | 20 | Yes | • Composition.<br>• Chairperson present at Annual General Meeting.<br>• Meetings.<br>• Role of the Committee. |
| 6. | Risk Management Committee | 21 | Yes | • Composition.<br>• Meetings.<br>• Role of the Committee |
| 7. | Vigil Mechanism | 22 | Yes | • Vigil Mechanism for Directors and employees.<br>• Adequate safeguards against victimisation.<br>• Direct access to Chairperson of Audit Committee. |
| 8. | Related Party Transaction | 23 | Yes | • Policy on materiality of related party transactions and dealing with related party transactions.<br>• Prior approval including omnibus approval of Audit Committee for related party transactions.<br>• Periodical review of related party transactions.<br>• Disclosure on related party transactions |
| 9. | Subsidiaries of the Company | 24 | Yes | • Review of financial statements and investments of subsidiaries by the Audit Committee.<br>• Minutes of the Board of Directors of the subsidiaries are placed at the meeting of the Board of Directors.<br>• Significant transactions and arrangements of subsidiaries are placed at the meeting of the Board of Directors. |
| 10. | Secretarial Audit | 24A | Yes | • Annual Secretarial Audit Report and Annual Secretarial Compliance Report. |
| 11. | Obligations with respect to Independent Directors | 25 | Yes | • Maximum directorships and tenure.<br>• Meetings of Independent Directors.<br>• Cessation and appointment of Independent Directors.<br>• Review of Performance by the Independent Directors.<br>• Familiarisation of Independent Directors.<br>• Declaration from Independent Director that he / she meets the criteria of independence.<br>• Directors and Officers insurance for all the Independent Directors. |
| 12. | Obligations with respect to Directors and Senior Management | 26 | Yes | • Memberships / Chairmanships in Committees.<br>• Affirmation on compliance of Code of Conduct by Directors and Senior Management.<br>• Disclosure of shareholding by Non-Executive Directors.<br>• Disclosures by Senior Management about potential conflicts of interest.<br>• No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter. |
| 13. | Other Corporate Governance Requirements | 27 | Yes | • Filing of quarterly, half-yearly and yearly compliance report on Corporate Governance. |
| 14. | Website | 46(2)(b) to (i) | Yes | • Terms and conditions of appointment of Independent Directors.<br>• Composition of various Committees of the Board of Directors.<br>• Code of Conduct of Board of Directors and Senior Management Personnel.<br>• Details of establishment of Vigil Mechanism / Whistle-blower policy.<br>• Policy on dealing with related party transactions.<br>• Policy for determining material subsidiaries.<br>• Details of familiarisation programmes imparted to Independent Directors |

## GENERAL SHAREHOLDER INFORMATION

**a. Company Information**

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L31500MH1938PLC009887.

**b. Information on General Body Meetings**

AGM for the financial year 2022-23

| | |
|---|---|
| Day and date | Thursday, August 10, 2023 |
| Time | 03:00 P.M. IST |
| Venue | Via video conferencing/ other audio-visual means |
| Financial year | April 1, 2022 to March 31, 2023 |

Details of EGM/Court or Tribunal Convened Meeting held during the financial year 2022-23:

| | |
|---|---|
| Day and date | Thursday, March 2, 2023 |
| Time | 11.00 A.M. (IST) |
| Purpose of Meeting | Approving the Scheme of Arrangement between Bajaj Electricals Limited ("BEL" or "Demerged Company" or "Company") and Bajel Projects Limited ("BPL" or "Resulting Company") and their respective Shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). |
| Venue | Via video conferencing/other audio-visual means |
| Financial year | April 1, 2022 to March 31, 2023 |

**c. Dividend**

The Board of Directors at its Meeting held on May 23, 2023, has recommended dividend payout, subject to approval of the shareholders at the ensuing AGM, of ₹ 4.00 per equity share for FY 2022-23. The dividend shall be paid to the members whose names appear on Company's Register of Members as of the closing hours on Friday, July 28, 2023, in respect of physical shareholders and whose name appear in the list of Beneficial Owner as of the close of business hours on Friday, July 28, 2023, furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose. The dividend, if declared at the AGM, shall be paid on or after August 14, 2023.

**Dividend Distribution Policy**

The Company has adopted Dividend Distribution Policy in terms of the requirements of the SEBI Listing Regulations and the same is annexed with this Annual Report and is also available on the Company's website at: https://www.bajajelectricals.com/media/7301/dividend-distribution-policy.pdf.

**Dividend history for the last 10 Financial Years**

Table below gives the history of dividend declared and paid by the Company in the last 10 financial years:

| Sr. No. | Financial Year | Date of declaration of Dividend | Dividend Per Share (in ₹) |
|---|---|---|---|
| 1. | 2012-13 | August 6, 2013 | 2.00 |
| 2. | 2013-14 | July 31, 2014 | 1.50 |
| 3. | 2014-15 | August 6, 2015 | 1.50 |
| 4. | 2015-16 | March 10, 2016 | 2.80 |
| 5. | 2016-17 | August 3, 2017 | 2.80 |
| 6. | 2017-18 | August 9, 2018 | 3.50 |
| 7. | 2018-19 | August 7, 2019 | 3.50 |
| 8. | 2019-20 | No dividend recommended | |
| 9. | 2020-21 | No dividend recommended | |
| 10. | 2021-22 | August 12, 2022 | 3.00 |

**d. Tentative calendar for financial year ending March 31, 2024**

Financial Year – 1 April to 31 March.

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

| Particulars of Quarter | Tentative dates |
|---|---|
| Q1 Results | 2nd Week of August 2023 |
| Q2 and Half Yearly Results | 2nd Week of November 2023 |
| Q3 Results | 1st Week of February 2024 |
| Q4 and Annual Results | 4th Week of May 2024 |

The Board Meetings for approval of financial results during the year ended March 31, 2023, were held on the following dates:

| Particulars of Quarter | Date of approval of financial results |
|---|---|
| Q1 Results | August 12, 2022 |
| Q2 and Half Yearly Results | November 8, 2022 |
| Q3 Results | February 2, 2023 |
| Q4 and Annual Results | May 23, 2023 |

**e. Listing on stock exchanges & stock code**

Equity Shares of the Company are currently listed on the following stock exchanges:

| Name of the Stock Exchange(s) | Address | Stock Code |
|---|---|---|
| BSE Limited | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 | 500031 |
| National Stock Exchange of India Limited | Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051 | BAJAJELEC |

The ISIN Number allotted to the Company's equity shares of face value of ₹ 2 each under the depositories (NSDL and CDSL) system is INE193E01025.

For the financial year 2023-24, the Company has paid annual listing fees to both the stock exchanges and annual custody/issuer fees to both the depositories.

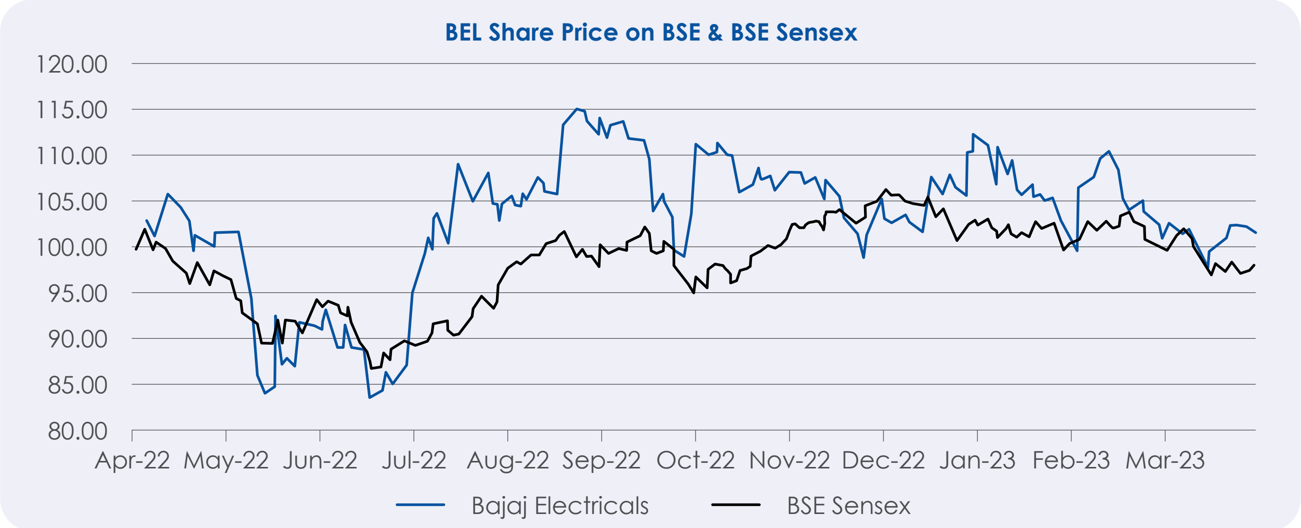
**f. The details of NCDs issued by the Company**

Not applicable.

**g. Market Price Data**

**BEL Share Price on BSE vis-à-vis BSE Sensex April 2022-March 2023**

| Month | BSE Sensex Close | BEL Share Price High (₹) | BEL Share Price Low (₹) | BEL Share Price Close (₹) | Number of shares traded during the month | Turnover (₹ in crore) |
|---|---|---|---|---|---|---|
| Apr-22 | 57,060.87 | 1,153.45 | 1,061.40 | 1,098.20 | 6,21,651 | 68.65 |
| May-22 | 55,566.41 | 1,124.05 | 875.50 | 992.05 | 2,11,309 | 20.90 |
| Jun-22 | 53,018.94 | 1,046.00 | 857.55 | 1,016.55 | 1,43,803 | 13.77 |
| Jul-22 | 57,570.25 | 1,198.40 | 1,001.00 | 1,132.70 | 2,23,773 | 24.79 |
| Aug-22 | 59,537.07 | 1,265.00 | 1,113.80 | 1,230.25 | 2,74,969 | 33.01 |
| Sep-22 | 57,426.92 | 1,255.00 | 1,003.85 | 1,203.60 | 3,08,162 | 35.29 |
| Oct-22 | 60,746.59 | 1,229.00 | 1,134.10 | 1,167.30 | 6,11,066 | 71.41 |
| Nov-22 | 63,099.65 | 1,179.25 | 1,063.00 | 1,112.95 | 95,031 | 10.73 |
| Dec-22 | 60,840.74 | 1,240.00 | 1,086.10 | 1,215.75 | 1,13,646 | 13.17 |
| Jan-23 | 59,549.90 | 1,222.55 | 1,056.65 | 1,074.30 | 62,437 | 7.22 |
| Feb-23 | 58,962.12 | 1,209.95 | 1,079.50 | 1,088.75 | 1,67,281 | 19.41 |
| Mar-23 | 58,991.52 | 1,155.55 | 1,039.00 | 1,052.10 | 6,26,328 | 67.46 |

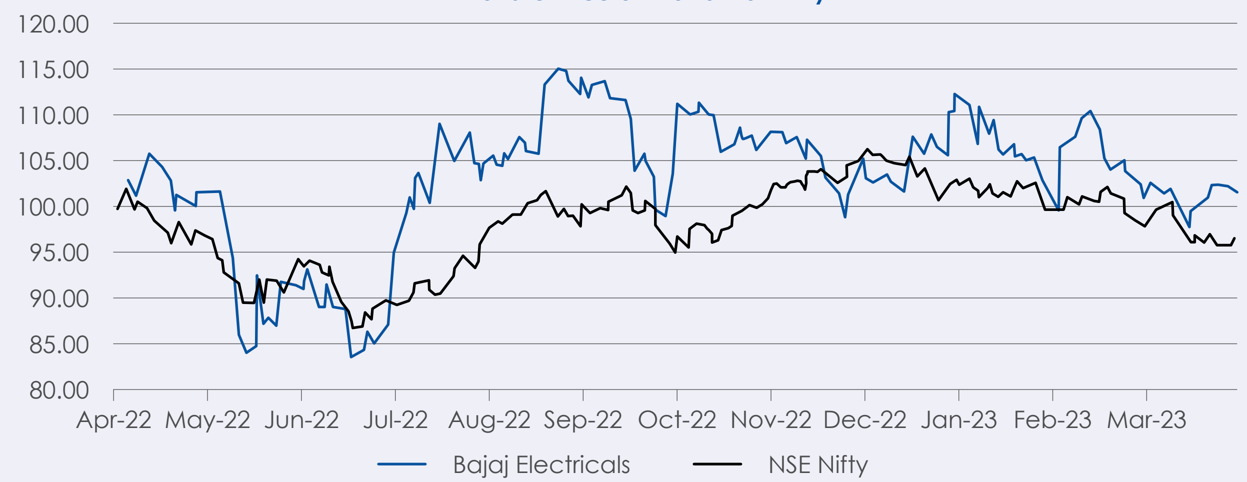



**Note:** Share price of Bajaj Electricals Limited and BSE Sensex have been indexed to 100 on April 1, 2022.

**BEL Share Price on NSE vis-à-vis NSE Nifty April 2022-March 2023**

| Month | NSE Nifty Close | BEL Share Price | | | Number of shares traded during the month | Turnover (₹ in crore) |
|---|---|---|---|---|---|---|
| | | High (₹) | Low (₹) | Close (₹) | | |
| Apr-22 | 17,102.55 | 1,155.00 | 1,060.55 | 1,097.70 | 18,71,954 | 208.71 |
| May-22 | 16,584.55 | 1,125.00 | 860.60 | 990.15 | 26,78,281 | 264.90 |
| Jun-22 | 15,780.25 | 1,047.00 | 858.55 | 1,023.95 | 17,65,725 | 169.68 |
| Jul-22 | 17,158.25 | 1,199.05 | 1,000.20 | 1,133.15 | 27,18,135 | 300.07 |
| Aug-22 | 17,759.30 | 1,265.00 | 1,113.10 | 1,232.90 | 36,25,800 | 437.82 |
| Sep-22 | 17,094.35 | 1,255.00 | 1,003.00 | 1,202.20 | 23,43,340 | 271.48 |
| Oct-22 | 18,012.20 | 1,229.90 | 1,133.90 | 1,169.05 | 18,21,062 | 215.23 |
| Nov-22 | 18,758.35 | 1,179.70 | 1,062.00 | 1,112.45 | 10,88,727 | 123.03 |
| Dec-22 | 18,105.30 | 1,240.00 | 1,090.00 | 1,214.40 | 17,84,741 | 206.40 |
| Jan-23 | 17,662.15 | 1,088.40 | 1,190.10 | 1,198.00 | 8,47,406 | 97.19 |
| Feb-23 | 17,303.95 | 1,125.30 | 1,080.00 | 1,147.50 | 16,99,632 | 194.68 |
| Mar-23 | 17,359.75 | 1,109.35 | 1,081.60 | 1,103.60 | 16,52,257 | 180.22 |

**BEL Share Price on NSE & NSE Nifty**




**Note:** Share price of Bajaj Electricals Limited and NSE Nifty have been indexed to 100 on April 1, 2022.

**h. Share Transfer System/Dividend and Other related matters**

**(i) Share Transfer System**

In light of the provisions of Regulation 40 of the SEBI Listing Regulations read with a SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, as issued by the Securities and Exchange Board of India, Members may please note that issuance of securities in the following cases shall only be done in dematerialised form:

1. Transfer of share
2. Issue of duplicate securities certificate
3. Claim from Unclaimed Suspense Account
4. Renewal / Exchange of securities certificate
5. Endorsement
6. Sub-division / Splitting of securities certificate
7. Consolidation of securities certificates/ folios
8. Transmission
9. Transposition

In view of the above, the shareholders holding shares in physical form are requested to get their shares dematerialised at the earliest to avoid any inconvenience in future.

**(ii) Nomination facility for shareholding**

In terms of the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website. Members holding shares in dematerialised form should contact their Depository Participants in this regard.

**(iii) Permanent Account Number and KYC**

Members who hold shares in physical form are advised to register their PAN card details with the Registrar and Share Transfer Agents of the Company. SEBI, vide the Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, has mandated furnishing of PAN, Address with pin code, email address, mobile number, bank account details, specimen signature and nomination by holders of physical securities. Folios wherein any one of the cited documents/ details are not available on or after October 01, 2023, shall be frozen by the Registrar and Transfer Agent of the Company.

**(iv) Subdivision of shares**

The Company had subdivided the face value of its equity shares from ₹ 10 to ₹ 2 in 2009. Members still holding share certificates of ₹ 10 are requested to send the certificates to the Registrar and Share Transfer Agent of the Company (contact details given below) for exchange with shares of the face value of ₹ 2 each.

In terms of the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website. Members holding shares in dematerialised form should contact their Depository Participants in this regard.

**(v) Dividend / Unclaimed Dividend / Unclaimed Shares**

**a) Payment of dividend through Automated Clearing House (ACH)**

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. SEBI Listing Regulations also mandate companies to credit the dividend to the members electronically. Members are therefore urged to avail this facility to ensure safe and speedy credit of their dividend into their bank account through the banks' ACH mode.

Members who hold shares in demat mode should inform their depository participant, whereas Members holding shares in physical form should inform Registrar and Share Transfer Agent of the Company (contact details given below) of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not available, the Company will issue demand drafts mentioning the existing bank details available with the Company.

**b) Unclaimed dividends**

The Company is required to transfer dividends, which have remained unpaid/ unclaimed for a period of seven (7) years from the date the amount is transferred to Unpaid Dividend Account of the Company to the Investor Education & Protection Fund ("IEPF") established by the Government.

Before transferring the unclaimed dividends to IEPF, individual letters / email communications / newspaper notices are sent / given to those Members whose unclaimed dividends are due for transfer to enable them to claim the dividends before the due date for such transfer. The information on unclaimed dividend is also posted on the Company's website at: https://www.bajajelectricals.com/unclaimed-dividend-iepf/

Details of Unclaimed Dividend as on March 31, 2023, and due dates for their transfer:

| Sr. No. | Financial Year | Date of declaration of Dividend | Unclaimed Amount (₹) | Due Date for transfer to IEPF Account |
|---|---|---|---|---|
| 1. | 2015-16 | March 10, 2016 | 17,50,501.20 | April 16, 2023 |
| 2. | 2016-17 | August 3, 2017 | 16,52,229.60 | September 9, 2024 |
| 3. | 2017-18 | August 9, 2018 | 14,02,397.50 | September 15, 2025 |
| 4. | 2018-19 | August 7, 2019 | 7,84,525.00 | September 13, 2026 |
| 5. | 2019-20 | No dividend recommended | | |
| 6. | 2020-21 | No dividend recommended | | |
| 7. | 2021-22 | August 12, 2022 | 39,19,970.00 | September 18, 2029 |

**c) Transfer of the 'shares' into Investor Education and Protection Fund ("IEPF") (in cases where dividend has not been paid or claimed for seven (7) consecutive years or more)**

In terms of Section 124(6) of the Act read with Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unpaid/unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred the required number of shares to the IEPF.

**Guidelines for investors to file claim in respect of the unclaimed dividend or shares transferred to the IEPF:**

Investors/depositors whose unpaid dividends, matured deposits or debentures, etc. have been transferred to IEPF under the erstwhile Companies Act, 1956 and/ or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/guidelines stated as follows:

i. Download the Form IEPF-5 from the website of IEPF (www.iepf.gov.in) for filing the claim for the refund of dividend/shares. Read the instructions provided under the IEPF Rules, on the website/instruction kit, along with the e-form carefully, before filling the form.

ii. After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading, an acknowledgment will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.

iii. Take a print out of the duly filled Form No.IEPF-5 and the acknowledgment issued after uploading the form.

iv. Submit an indemnity bond in original, copy of the acknowledgment and self-attested copy of e-form, along with other documents as mentioned in the Form No IEPF-5 and the IEPF Rules to the Nodal Officer of the Company at its Registered Office in an envelope marked 'Claim for refund from IEPF Authority/Claim for shares from IEPF' as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.

v. Claim forms completed in all respects will be verified by the concerned Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadharlinked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.

vi. The Nodal Officer of the Company for IEPF Refunds Process is Mr. Ajay Nagle, Company Secretary & Head of Department.

**d) Unclaimed Shares**

Regulation 39(4) of the SEBI Listing Regulations read with Schedule VI 'Manner of dealing with Unclaimed Shares', had directed Companies to dematerialise such shares, which have been returned as 'undelivered' by the postal authorities and hold these shares in an 'Unclaimed Suspense Account' to be opened with either one of the Depositories viz. National Securities Depository Limited (NSDL) or Central Depository Services (India) Ltd. (CDSL).

All corporate benefits on such shares viz. bonus, dividend, etc. shall be credited to the unclaimed suspense account as applicable for a period of seven (7) years and thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the details of the shares in the Suspense Account are as follows:

| | |
|---|---|
| Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year | 14 number of shareholders and 7,940 Equity Shares |
| Number of shareholders who approached the Company for transfer of shares from suspense account during the year | 1 number of shareholder and 94 Equity Shares |
| Number of shareholders to whom shares were transferred from suspense account during the year | 1 number of shareholder and 94 Equity Shares |
| Number of shareholders and aggregate number of shares transferred to unclaimed suspense account | 19 number of shareholders and 1,317 Equity Shares |
| Number of shareholders and aggregate number of shares transferred to IEPF Authority | 8 number of shareholders and 4,255 Equity Shares |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year | 24 number of shareholders and 4,908 Equity Shares |
| That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares | 24 number of shareholders and 4,908 Equity Shares |

**i. Reconciliation of Share Capital Audit**

As required by the SEBI, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with NSDL, CDSL and held in physical form, with the issued and listed capital. The Auditor's Certificate with regard to the same is submitted to BSE and NSE and is also placed before the Board of Directors.

**j. Distribution of Shareholding as on March 31, 2023**

Distribution of shareholding across categories

| Categories | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | No. of shares | % of total capital | No. of shares | % of total capital |
| Promoters and Promoter Group | 7,23,42,279 | 62.87 | 7,23,42,278 | 62.98 |
| Mutual Funds | 1,32,71,362 | 11.53 | 1,32,11,075 | 11.50 |
| FIIs | 1,29,00,627 | 11.21 | 1,22,20,932 | 10.64 |
| Individuals (including HUF) | 98,53,704 | 8.56 | 1,17,17,752 | 10.20 |
| Trusts | 31,89,832 | 2.78 | 21,32,731 | 1.86 |
| Indian Bodies Corporates | 13,65,510 | 1.19 | 14,33,530 | 1.25 |
| NRIs and OCBs | 4,13,153 | 0.36 | 8,55,678 | 0.74 |
| Alternate Investment Funds | 1,42,793 | 0.12 | 1,90,572 | 0.17 |
| Insurance Companies | 8,50,563 | 0.74 | 4,12,375 | 0.36 |

| Categories | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | No. of shares | % of total capital | No. of shares | % of total capital |
| IEPF | 3,09,378 | 0.27 | 3,03,851 | 0.26 |
| Clearing Members | 873 | 0.00 | 35,994 | 0.03 |
| Banks, NBFCs and FIs | 20,213 | 0.02 | 17,346 | 0.02 |
| Foreign Nationals | 4,15,263 | 0.36 | - | - |
| Central Government | 88 | 0.00 | - | - |
| **Total** | **11,50,75,638** | **100.00** | **11,48,74,114** | **100.00** |

Distribution of shareholding according to size category as on March 31, 2023:

| Particulars | No. of folios | % to total Shareholders | No. of shares | % of total shares |
|---|---|---|---|---|
| 1 to 1000 | 62052 | 96.96 | 30,27,019 | 2.63 |
| 1001 to 2000 | 860 | 1.34 | 12,38,366 | 1.08 |
| 2001 to 3000 | 339 | 0.53 | 8,44,451 | 0.73 |
| 3001 to 4000 | 158 | 0.25 | 5,56,856 | 0.48 |
| 4001 to 5000 | 89 | 0.14 | 4,05,841 | 0.35 |
| 5001 to 10000 | 222 | 0.35 | 15,68,957 | 1.36 |
| 10001 and above | 279 | 0.44 | 10,74,34,148 | 93.36 |
| **Total** | **63999** | **100.00** | **11,50,75,638** | **100.00** |

**k. Dematerialisation of shares and liquidity**

As on March 31, 2023, 11,46,68,943 (99.65%) equity shares of the Company were held in dematerialised form, compared to 11,33,04,794 (98.64%) equity shares as on March 31, 2022. Shares held in physical and electronic mode as on March 31, 2023 are given herein below:

| | Position as on March 31, 2023 | | Position as on March 31, 2022 | | Net change during FY 2022-23 | |
|---|---|---|---|---|---|---|
| | No. of shares | % of total shareholding | No. of shares | % of total shareholding | No. of shares | % of total shareholding |
| **Physical (A)** | **4,06,695** | **0.35** | **15,69,320** | **1.36** | **11,62,625** | **1.01** |
| Demat | | | | | | |
| NSDL | 6,13,92,940 | 53.35 | 11,00,81,093 | 95.83 | 4,86,88,153 | 42.48 |
| CDSL | 5,32,76,003 | 46.30 | 32,23,701 | 2.81 | (5,00,52,302) | (43.49) |
| **Total Demat (B)** | **11,46,68,943** | **99.65** | **11,33,04,794** | **98.64** | **(13,64,149)** | **(1.00)** |
| **Total (A) + (B)** | **11,50,75,638** | **100.00** | **11,48,74,114** | **100.00** | **(2,01,524)** | **0** |

**l. Outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:** Not Applicable

**m. Credit Ratings**

The Company has obtained credit ratings from ICRA Limited and CRISIL Ratings Limited. During the financial year 2022-23, there has been upgrade and withdrawal in rating of the Company, the details of which are given below:

| Rating Agency | Particulars of Debt | Particulars of Change |
|---|---|---|
| CRISIL Ratings Limited | Short Term Debt | Reaffirmed to [CRISIL A1+] |
| CRISIL Ratings Limited | Bank Loan Facilities (long-term) | Revised to CRISIL A+/Watch Positive from CRISIL A+/Watch Developing |
| CRISIL Ratings Limited | Bank Loan Facilities (short-term) | Revised to CRISIL A1+ from CRISIL A+/ Watch Developing |

**n. Address for Correspondence**

All Shareholders' correspondence should be forwarded to Link Intime India Private Limited, Registrar & Share Transfer Agents of the Company or to the Compliance Officer at their following respective addresses should be forwarded to Link Intime India Private Limited, Registrar & Share Transfer Agents of the Company or to Compliance Officer at their following respective addresses:

| | |
|---|---|
| Link Intime India Private Limited<br>Registrar & Share Transfer Agents<br>C101, 247 Park, L B S Marg, Vikhroli (West),<br>Mumbai 400 083.<br>Tel. No.: 022-4918 6000 Fax No.: 022-4918 6060.<br>E-mail: rnt.helpdesk@linkintime.co.in<br>Website: www.linkintime.com | Ajay Nagle, Compliance Officer<br>Company Secretary and Head of Department<br>Bajaj Electricals Limited<br>45/47, Veer Nariman Road, Mumbai 400 001<br>Tel. No.: 022-6110 7800 / 6149 7000<br>E-mail: legal@bajajelectricals.com<br>Website: www.bajajelectricals.com |

**o. Factories/Plants Location**

| Chakan Unit | Ranjangaon Unit | Nashik Plant | Wind Farm |
|---|---|---|---|
| Village Mahalunge,<br>Chakan, Chakan<br>Talegaon Road,<br>Taluka: Khed,<br>District: Pune,<br>Maharashtra – 410501. | MIDC – Ranjangaon<br>Village : Dhoksanghavi<br>Taluka: Shirur,<br>District: Pune,<br>Maharashtra – 412210 | Gat No. 423 to 426,<br>Wadivarhe Mumbai<br>Agra Highway, Taluka-<br>Igatpuri,<br>District Nashik -422403. | Village Vankusawade,<br>Taluka: Patan,<br>District: Satara<br>Maharashtra - 415206. |

# Compliance with Code of Conduct

As provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Business Conduct & Ethics for the year ended March 31, 2023.

For **Bajaj Electricals Limited**

Sd/-
**Anuj Poddar**
Managing Director and Chief Executive Officer
DIN: 01908009

Mumbai, May 23, 2023

# Certificate of Non-Disqualification of Directors

[pursuant to Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
**BAJAI ELECTRICALS TIMITED**
45/47, Veer Nariman Road, Mumbai – 400001.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bajaj Electricals Limited having CIN: L31500MH1938PLC009887 and having registered office at 45/47, Veer Nariman Road, Mumbai – 400001, Maharashtra, India (the "**Company**"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2023 have been debarred and disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No | Name of Director | DIN | Date of appointment at current designation in the Company |
|---|---|---|---|
| 1. | Mr. Shekhar Bajaj | 00089358 | 12/08/2022 |
| 2. | Mr. Anuj Vishnukumar Poddar | 01908009 | 12/08/2022 |
| 3. | Mr. Rajendra Prasad Singh | 00004812 | 30/07/2009 |
| 4. | Mr. Shailesh Vishnubhai Haribhakti | 00007347 | 28/08/2020 |
| 5. | Mr. Madhur Bajaj | 00014593 | 28/11/1994 |
| 6. | Mr. Rajivnayan Rahulkumar Bajaj | 00018262 | 07/08/2019 |
| 7. | Mr. Harsh Vardhan Goenka | 00026726 | 17/09/1984 |
| 8. | Mrs. Indu Ranjit Shahani | 00112289 | 31/03/2006 |
| 9. | Mrs. Pooja Bajaj | 08254455 | 07/08/2019 |
| 10. | Mr. Munish Khetrapal | 08263282 | 07/08/2019 |

Ensuring the eligibility for the appointment /continuity of every Director on the Board is the responsibility of the management of the company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Anant B Khamankar & Co.**
Company Secretaries

Sd/-
**Anant B. Khamankar**
Membership No.:3198
C P No.:1860
UDIN: F003198E000263469

Date: May 6, 2023
Place: Mumbai

# Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To,
The Board of Directors
**Bajaj Electricals Limited**
Mumbai
Dear Sirs/Madam,

We, the undersigned, in our respective capacities as Managing Director and Chief Executive Officer and Chief Financial Officer of Bajaj Electricals Limited ("the Company"), pursuant to Regulation 17(8) [read with Part B of Schedule II] of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of our knowledge and belief certify that:

1) We have reviewed the financial statements for the fourth quarter and year ended March 31, 2023 and to the best of our knowledge and belief, we state that:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations;
2) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the said period, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4) We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Auditors and Audit Committee:
   a. Any significant changes in internal controls during the said period;
   b. Any significant changes in accounting policies during the said period, if any, and the same have been disclosed in the notes to the financial statements; and
   c. Any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

**Anuj Poddar**
Managing Director and Chief Executive Officer

**EC Prasad**
Chief Financial Officer

Mumbai, dated May 23, 2023

# Compliance Certificate of the Auditors

**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

The Members of
**Bajaj Electricals Limited**
45/47, Veer Nariman Road,
Mumbai- 400001

1. The Corporate Governance Report prepared by Bajaj Electricals Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2023 as required by the Company for annual submission to the Stock exchange.

## Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

## Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
   iii. Obtained and read the Register of Directors as on March 31, 2023 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
   iv. Obtained and read the minutes of the following committee meetings period from April 1, 2022 to March 31, 2023:
      (a) Board of Directors;
      (b) Audit Committee;

(c) Annual General Meeting (AGM);

(d) Nomination and Remuneration Committee;

(e) Stakeholders Relationship Committee;

(f) Risk Management Committee; and

(g) Corporate Social Responsibility Committee Meeting

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

## Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 4 above.

## Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003

**per Vikram Mehta**
Partner
Membership Number: 105938
UDIN: 23105938BGXGHB5689

Place of Signature: Mumbai
Date: May 23, 2023





# Management discussion and analysis

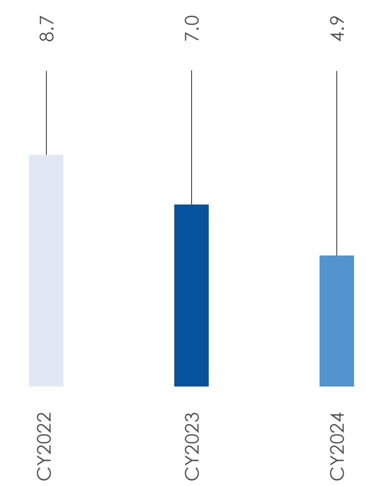
## Global economic overview

In 2022, global economies grappled with several headwinds in the wake of broadening inflationary pressures and geopolitical conflict in Europe. The continuous hike in interest rates by Central Banks to combat inflation and the protracted geopolitical crises in Europe did weigh on economic growth for several advanced and developed economies.

However, the emerging and developing economies of the world have weathered the macro-economic hurdles relatively better and are likely to play a greater role in accelerating global economic growth. Monetary policy tightening measures are projected to result in a significant drop in global inflation from 8.7% in CY2022 to 7.0% in CY2023, followed by a sharper drop to 4.9% in CY2024.[1]

### Global inflation projection (in %)

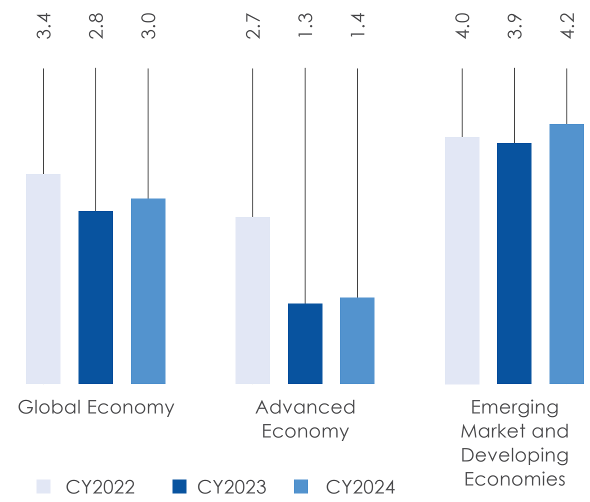
Source: World Economic Outlook, IMF (April 2023)




The global economic output is expected to grow gradually, driven by stabilising inflationary scenario, reviving consumer sentiment and investor confidence. The employment scenario in the US and other advanced economies have recovered from the pandemic levels, and growing disposable income is also likely to support growth in the coming years.

### GDP growth projection (in %)

Source: World Economic Outlook, IMF (April 2023)




## Indian economic overview

India's economy remained the fastest growing major economy in the world while demonstrating strong resilience to the global headwinds during FY2023. According to the Ministry of Statistics and Programme Implementation (MOSPI) it is estimated to have grown by 7.2% for the year FY23. During this financial year 2023, India has also marked itself as one of the largest economies in the world in terms of US dollars.[2]

A further deep-dive into a sectorial analysis reveals that economic growth was driven by robust construction activity aided by increased infrastructure investment both by the Central government and state governments. While post-COVID private investment recovery is still at a nascent stage, there are early signals, which indicate that India is poised for a stronger investment upcycle in both manufacturing and services sectors.

Although India's GDP figures are robust, the actual consumption demand scenario has been lagging. This can be attributed to the fact that employment and actual household savings are yet below pre-COVID levels, compounded by a high-interest

[1] https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023

[2] https://www.mospi.gov.in/sites/default/files/press_release/PressNoteQ4_FY2022-23_31may23.pdf

environment leading to higher EMI payouts. Thus, the actual disposable income for a large section of the population remains lower than in earlier years. These figures are a better and more direct barometer of the economic well-being of the population than GDP and as these pick up, consumer demand is likely to see an uptick. We are beginning to see signs of that as there are broad indications that the inflation trajectory has peaked. India's headline retail inflation rate crashed below the Reserve Bank of India's (RBI) 6% upper-band in March 2023, which in turn should lead to interest rates stabilising and thus consumer demand should return.

The outlook for the Indian economy remains encouraging bolstered by an underlying and overall macroeconomic stability across the globe, while remaining resilient to geopolitical and geo-economic concerns.

## Industry overview

**Consumer products**

### Appliances

The growth of appliances is driven by innovation, changing consumer preferences, and emerging market trends. The rise in modern apartment developments has increased the demand for higher-end appliances. Modern homes with their more modernised/modular kitchens as well as more aspirational living spaces act as triggers for more appliances and with greater convenience, features and technology. Additionally, greater aspirations among consumers have enhanced their desire for a better user experience and design aesthetics of appliances that reflect their modern lifestyle and persona. This combination of factors has fuelled the growth of appliances, catering to the needs of a growing consumer base.

Another crucial trend in the appliance industry is the growing interest in sustainability and health. Today's consumers seek appliances that not only cater to basic functional needs but also contribute to their well-being holistically. Consequently, appliance manufacturers are continuously innovating to introduce features that support healthier cooking methods, energy efficiency, and smart technologies. Additionally, the concept of a smart home is becoming popular, leading to a demand for appliances that seamlessly integrate with home automation systems. The increased emphasis on health, wellness, and convenience will continue to drive demand for appliances across various household activities, thereby aiding the industry's growth.

In India, the appliances market, boosted by the above factors, is projected to reach a value of USD 33.50 billion by 2028.[3]

[3]https://www.statista.com/outlook/cmo/household-appliances/small-appliances/india

### Fans

While fans are already a highly penetrated category, there are several factors that will aid the continued growth of this category. Firstly, rapid urbanisation and the construction of new residential buildings are driving the ceiling fan market in India. The Government of India has implemented several initiatives to expand housing projects, further supporting this growth. Rural electrification is also boosting the market demand for ceiling fans. The growth of the retail and hospitality sectors also adds to the growing demand. Secondly, fans are evolving from purely functional utility products to becoming lifestyle and home-décor accessories leading to high demand for visually attractive designs and smart technologies. This is contributing to an increased demand for premium and smart fans.

The Government has imposed regulations mandating the adoption of BEE star labelling to encourage the move towards more energy-efficient fans that align with the nation's energy and climate goals. While the switch to star-rated, energy-efficient fans increase product cost for consumers, the savings on energy consumption provides a compelling proposition and payback. All of these factors are expected to act as a trigger not just for volume growth of the fan's category, but also for higher value growth. At the same time, as technology and quality standards continue to evolve, the industry is further expected to witness a greater consolidation among leading players.

## Opportunities and threats

**Opportunities**

### Changing consumer preferences

With more and more customers investing in their homes and seeking innovative and time-saving solutions, the consumer products segment is undergoing a major transformation. The fast-paced lifestyles of consumers today are driving the demand for consumer durables that are convenient and make daily chores easier. Household penetration levels for most product categories are well below countries with comparable economic standing, thereby providing a long runway for growth.

### Energy-efficiency

The preference for energy-efficient appliances with a lower carbon footprint, which also helps lower electricity bills, has significantly increased. In the years ahead, growing awareness of climate change concerns will increase the demand for energy-efficient appliances.

### Expansion into rural markets

The widespread availability of electricity, the Internet and online shopping platforms in rural regions also drives the demand for appliances and fans in these regions. This presents a significant opportunity for businesses to expand their reach into untapped, remote markets.

**Threats**

### Supply chain disruptions

Global economic uncertainty and political tensions have caused supply chain disruptions, leading to higher manufacturing costs and reduced profitability for the consumer appliances industry in India.

### Rapid technological advancements

Businesses that fail to adapt to the rapid evolution of technology risk losing market share to more technologically advanced competitors.

### Environmental concerns

Companies that are unable to meet the recently introduced BEE norms and consumer preferences for eco-friendly appliances may experience reduced sales, potential backlash and loss of consumer trust.

### Increased competitive intensity

The increased competitive intensity has led to price wars, reduced margins and the need for aggressive marketing strategies, thereby posing a challenge for the players.

## Lighting solutions

**Consumer lighting**

The rapid expansion of infrastructure in Tier I and Tier II cities has been crucial in driving the growth of this sector. Owing to India's ever-growing population and high electricity consumption, the nation has been witnessing wide electricity supply-demand gap. Lighting solutions alone constitute a considerable share of the total electricity consumption. However, electricity generation cannot be increased beyond a certain point considering the fast depletion of natural resources. Therefore, it is crucial that applications consuming less electricity are developed. A significant step towards this has been the advent of energy-efficient LED (light-emitting diode) lighting technology in recent years. LED lighting has gained traction due to its greater durability, cost-effectiveness, low energy usage, decreased heat output and versatile designs. This has resulted in a transition in the consumer lighting sector towards LED lighting products, which are replacing old incandescent and fluorescent bulbs.

Other trends influencing this industry include higher disposable incomes and India's growing aspirational population, which have boosted the demand for quality interior design, architecture and home décor trends. All these factors have cumulatively benefited the consumer lighting industry, as lighting plays a significant role in improving ambience and raising the aesthetic quotient of living spaces. Consumers today prefer lighting products that are beautiful, eco-friendly and energy-efficient.

Going forward, the consumer lighting industry in India is expected to reach USD 11.9 billion by 2028.[4]

### Professional lighting

The Government of India has taken significant steps in recent years to improve the infrastructure of cities and states across the country. This includes the launch of the Street Lighting National Project (SLNP) to replace traditional streetlights with smart, energy-efficient LED lights. Municipalities have assumed the responsibility of providing free LED light replacement and maintenance to reduce energy consumption. This has enabled the saving of 8,891.17 MUs per year and a reduction of 6.13 million tCo2 emissions.[5]

The Government has also set an ambitious target of installing 1.6 crore LED lights by FY 2024.[6] Further, overall infrastructural growth in terms of airports, ports, highways, metro trains, stadiums, industrial hubs, and so on, is a strong enabler for growth of professional lighting solutions. With increased initiatives aimed at smart infrastructure development, there will be a surge in demand for the finest lighting solutions across all commercial sectors in India.

## Opportunities and threats

### Opportunities

#### Energy-efficient lighting

In light of global climate change concerns, there is a greater emphasis on energy conservation, which has raised the demand for energy-efficient lighting solutions. LED lighting is gaining popularity due to its low energy consumption and carbon footprint when compared to traditional lighting solutions, making it a key growth driver for the lighting industry.

#### Technological advancements

Smart lighting, IoT-enabled lighting solutions, motion sensor lighting and connected lighting systems have enabled growth in the lighting business, enabling users to remotely control their lighting, automate schedules and customise settings, resulting in convenience, energy savings and enhanced functionality. These technological advancements present opportunities for manufacturers to develop and market innovative and high-tech lighting products.

#### Rapid urbanisation and infrastructure development

The demand for lighting products has increased due to urbanisation and infrastructure development in Tier II and Tier III cities, along with the electrification of rural areas.

[4]https://www.imarcgroup.com/indian-led-lighting-market

[5]https://slnp.eeslindia.org/

[6]https://static.pib.gov.in/WriteReadData/specificdocs/documents/2022/may/doc202253060301.pdf



#### Evolving consumer trends

Consumers are increasingly seeking lighting solutions that align with their interior design preferences, personal style and smart-home integration. Ceiling lighting is especially favoured by consumers due to its visual appeal. As a result, there is a growing demand for decorative, customised and high-quality lighting products.

#### Government regulations and incentives

To promote the use of energy-efficient lighting solutions, the Government has implemented regulations to phase out inefficient lighting technologies such as incandescent bulbs. It is also providing rebates and subsidies for installing eco-friendly lights.

#### Increasing health awareness

Customers today are more concerned about their well-being, which is why they are increasingly choosing lighting that can uplift their mood and provide better eye care. To this end, the lighting industry is developing lighting products with rich colour rendering, colour temperature choices and circadian lights that mimic the effects of natural light.

### Threats

#### Intense competition

With the rapid expansion of the lighting industry, several new entrants have forayed into the market. Thus, the industry has now become highly competitive, with many companies offering a diverse range of products. To stay ahead of the curve, companies that can provide high-quality lighting solutions at reasonable prices will have a competitive edge in the industry.

#### Economic factors

Macro headwinds such as soaring inflation, currency fluctuations and supply chain disruptions can all lead to muted demand. Economic downturns may limit consumer spending and rising raw material costs may have an adverse impact on businesses' revenue generation and profitability.

#### Environmental concerns

Improper disposal of lighting items and electronic waste can constitute a severe environmental hazard. To mitigate this risk, adequate techniques must be implemented for the appropriate disposal and recycling of electronic waste. Non-compliance with environmental regulations, can result in financial penalties or cause reputational damage.

## Engineering, procurement and construction projects

### Power sector overview

India is the third-largest producer and consumer of electricity across the world, with an installed power capacity of 417.66 GW. Till FY23, 50.54% of the total power capacity installed is owned by the private sector, whereas the central and state sectors hold the remaining 49.46%.

The Government has initiated multiple projects and programmes to develop and improve indigenous renewable energy resource potential to create a more sustainable environment while also reducing energy costs.

With the Indian government setting ambitious goals of achieving a renewable energy capacity of 500 GW by 2030, renewable energy generation in the country's power sector is likely to grow in 2023. [7] This is projected to stimulate increased investment in renewable energy projects such as solar power, wind power,

[7] https://pib.gov.in/FeaturesDeatils.aspx?NoteId=151141&ModuleId%20=%202

hydropower and biofuels, with a greater emphasis on capacity expansion, efficiency improvement and cost reduction.[8]

**Power transmission and distribution**

Power transmission and distribution is a massive and complicated network that involves the generation, transmission and distribution of power throughout the country. In recent years, India has made great strides in developing its power transmission and distribution infrastructure to meet growing demand and accomplish its power generation objectives.

With the evolution of power generation methods focusing increasingly on adopting renewable energy, the transmission infrastructure is also undergoing a significant upgradation to efficiently transfer electricity across different regions of the country.

India's power transmission network has witnessed steady growth by supporting the transition to renewable energy. The Government is investing in improving grid infrastructure at the inter-state and intra-state transmission levels to evacuate power generated in locations with higher solar and wind energy potential to load centres. India is also set to play a major role in cross-border power trading, providing electricity to neighbouring countries, which will ensure additional investments in sub-continental transmission connectivity.[9]

Power distribution, being one of the major objectives of the Government, is reform-based and results-oriented. The Government has also announced the Revamped Distribution Sector Scheme (RDSS), which aims to improve the electricity distribution segment's operational performance and financial stability. This is the biggest distribution scheme, with an outlay of ₹ 3 trillion for 5 years, from 2022 to 2026.

This scheme is targeted at achieving 100% prepaid smart metering at all levels and eliminating the ACS-ARR gap by FY 2024-25 while reducing pan-India Aggregate Technical and Commercial (AT&C) losses to 12-15%. This will boost revenue collection, reduce distribution losses and provide reliable and uninterrupted electricity supply to consumers, while lowering supply costs, improving the viability of the power distribution segment and crowding in more private investment in the next few years.[10]

## Opportunities and threats

**Opportunities**

### Increasing energy demand

In the years ahead, India's electricity sector is set to undergo a major transformation due to higher energy demand, a changing energy mix and evolving market dynamics. In line with this, India aims to ensure reliable, ubiquitous electricity access while transitioning to cleaner energy sources and reducing dependence on fossil fuels. This shift presents a lucrative opportunity for investments, considering strong demand, a favourable policy environment and the Government's focus on infrastructure development.

### Change in energy mix

India's energy mix is shifting towards renewable energy sources due to government targets and regulatory incentives. The proliferation of large-scale solar parks, wind farms and distributed solar power generation, such as rooftop solar systems, offers immense growth opportunities in the sector. Innovative energy storage solutions such as battery storage and pumped hydro storage are gaining traction, promising to bolster grid stability and enable efficient demand-supply management. The Ministry of Power's guidelines to procure and use battery energy storage systems (BESS) pave the way for the sector's future expansion.

### Expansion of the EV market in India

The introduction of electric vehicles in India has increased power demand in the country. It is expected that 30% of the total vehicle fleet in the country will be electric by 2030.[11] For this, a proportionate number of charging stations and related infrastructure will have to be built to cater to the demand in the EV space. With the increasing demand for power in India, generation capacity will increase, further facilitating the sector's growth.

### Rural electrification

The Indian government continues to prioritise rural electrification programmes to make electricity available in distant, rural regions. Rural electrification projects, such as off-grid and micro-grid solutions, can provide opportunities for power generation and distribution, bridging the energy access gap and expanding the customer base.

[8]https://timesofindia.indiatimes.com/business/india-business/govt-approves-rs-19500-crore-pli-scheme-for-manufacturing-solar-pv-modules/articleshow/94351346.cms

[9]https://indiainfrastructure.com/product/inner-nested-tab-9-59/

[10]https://pib.gov.in/PressReleaseIframePag





**Threats**

### Economic factors

Volatile fuel prices may impact the Indian power sector. Additionally, changes in international relations, trade policies, the availability of funding and market access to power projects can affect the sector's sustained growth.

### Challenges in fuel supply

The power sector in India mostly relies on fossil fuels. Nonetheless, there may be concerns pertaining to fuel supply, availability and transportation. These problems may adversely impact the operating efficiency of power plants, resulting in lower power generation capacity and potential power outages.

### Regulatory concerns

With major economies across the globe striving to reduce their greenhouse gas emissions and transition towards cleaner energy sources, power companies are being required to adopt stricter environmental standards and shift away from fossil fuels. This transition is presenting numerous challenges; as compliance with these criteria may entail additional investments in pollution control systems and renewable energy, which might raise power generation costs and impact the overall financial feasibility of power projects.

## Company overview

Bajaj Electricals Limited (BEL), a part of the admired Bajaj Group, proudly upholds a rich legacy that spans over eight decades. Since its inception in 1938, the Company has been unwavering in its commitment to elevate the quality of life. With a comprehensive product portfolio encompassing Consumer Products (Appliances, Fans, Cookware), Lighting Solutions (Consumer and Professional Lighting), and EPC (Power Transmission and Distribution), Bajaj Electricals continuously strives to meet the diverse needs of its discerning customers. Driven by a relentless pursuit of excellence, Bajaj Electricals remains dedicated to enhancing the overall living experience and setting new benchmarks in the industry.

The Company has established a strong market presence in the FMEG (fast-moving electronic goods) segment, comprising consumer products and lighting solutions by creating a wide network of 700+ distributors, almost 2L retail outlets and 600+ consumer care centres in India to serve its customers across the country.

The EPC segment continued to demonstrate strong performance with a robust order book and growth in topline, while delivering double-digit growth during the current fiscal. The turnaround in the EPC segment, now being profitable, demonstrates our resilience and commitment, backed by a growing portfolio of EHV transmission line projects, EHV substations, monopoles for transmission and distribution and electrification projects.

## Business segment overview

**Consumer products**

The Consumer Products division of BEL has an extensive product range designed to meet the evolving needs of consumers. The Company's diverse product portfolio ranges from everyday kitchen appliances to various home appliances. In line with the emerging trends and advancements in technology, BEL has consistently revamped its product offerings. This commitment to innovation underscores the Company's mission to meet and exceed customer expectations in an ever-changing market landscape.

Overcoming significant inflationary headwinds and lacklustre consumption demand, the revenue generated from this segment aggregated to ₹ 3,764 Crores, marking a strong growth of 13.5% compared to the previous fiscal year. This exceptional industry-beating performance can be attributed to the enduring brand loyalty and unwavering commitment to product quality that have fortified our position in the market. Moreover, this also evidences that our strategic investments in brand development, product premiumisation, new launches and an improved product mix are paying off and driving market-share growth.

The Company offers its products under three distinct brands, each with their own unique offerings.

| BAJAJ | Nirlep | Morphy Richards |
|---|---|---|

# ₹ 3,764 crores

Revenue from consumer products


**165**

SKUs launched in FY 2022-23

### BAJAJ

During the year consistent inflationary pressure contributed to commodity price increases, impacting input costs. However, the trade-offs between price increases, sales volumes and margins were well-balanced to deliver growth in revenues as well as profits. The Company also effectively implemented diverse cost optimisation strategies.

The implementation of the new BEE Rating regulations for fans has made it mandatory for manufacturers to evolve the products to higher energy efficiency standards. While this has resulted in an increase in fan prices, it has also created opportunities for growth, as consumers made a shift to replace their old fans with energy-efficient models. Through the year, the Company expanded its fans portfolio under the 'BAJAJ' brand, including a full spectrum of energy-efficient fans, thereby achieving industry-beating growth and market-share expansion.

Similarly, new product launches with a prudent mix of premiumisation resulted in healthy growth for the appliances portfolio comprising kitchen and home appliances. The all-new smart appliances and aggressive market penetrating strategy, through offline and online channels, helped the Company further strengthen its market share and meet growing consumer demands.

The Company continued to strengthen its leadership position in the market by launching many new products under Mixers, Water Heaters, Fans and Coolers on the durability platform with unique features. The Company has introduced:

- Mixer Grinders featuring DuraCut blades with lifetime blade warranty
- Geysers with ten years DuraAce tank warranty
- Fans with Super5Tuff technology with five years product warranty
- Fans with Thermatuff technology with three years warranty
- Air coolers with DuraMarine Pump with two years warranty.



## New brand positioning

During the year, the Company unveiled its new brand positioning for the brand 'BAJAJ' under its 'BUILT FOR LIFE' campaign. The new brand positioning is a promise of durability and endurance, combined with superior aesthetics and functionality that connects well with the lives of our consumers. The 360-degree campaign covered broadcast, print, digital, and other platforms, ensuring a wide reach. Moreover, to further boost consumer engagement, the Company activated numerous stores with in-shop branding and product exhibitions, participating in around 50 events and exhibitions. Strategic campaigns were also introduced with the engagement of celebrity chefs and influencers, resulting in increased awareness of the new brand positioning.


During the year under review, the Company has extensively worked towards brand transformation, product transition and strengthening the distribution and service network. Going forward, the Company will continue the journey of new product launches, penetrate further in under-penetrated market segments backed by sustained brand investments.

| Parameter | Sub-category |
|---|---|
| BAJAJ | Mixers, food processors, juicer mixer grinders, induction cookers, rice cookers, oven toaster grill (OTG), microwave ovens, non-electric kitchen appliances (NEKA), pressure cookers and gas stoves, water heaters, irons, air coolers, and room heaters |
| | Ceiling fans, table and wall fans, pedestal fans, air circulators, domestic exhaust fans |
| Nirlep | Non-stick cookware and hard adonised cookware |
| Morphy Richards | Coffee makers, OTG, microwave, juicer-mixer- grinder, toasters, water heaters |

## Nirlep

Nirlep's dedicated state-of-the-art manufacturing set-up and strong brand recall continue to drive growth for the brand. The Company is continuously improving its supply and distribution channels, resulting in an extensive distribution network across various geographies, thus providing a wider chance to penetrate underserved markets.

The brand has also focused on promoting its products through digital and print media. We leveraged strengthening our social media content to reach out to the younger generation, while the print media helped garner revenue in specifically targeted geographies. The Company strategically focused on consistent brand messaging across digital platforms and actively engaging with the community on social media. Going forward, the Company is aiming towards developing new products in the brand portfolio with unique benefits for its consumers that will offer them a combination of convenience and lifestyle. It will also emphasise expanding the distribution reach of Nirlep across various channels.

## Morphy Richards

**Premium home and kitchen appliances brand**

Bajaj Electricals has set a long-term vision for product development and expansion through a collaboration arrangement with the UK-based Morphy Richards Ltd. The introduction of hybrid distribution model, which includes a direct dealership with the on-boarded distributors helped the brand expand its market reach. The Company has strategically partnered with several larger scale local retailers to aid visibility and increase engagement.

To enhance brand exposure, the Company implemented several strategic initiatives. These included the development of the impactful 'Happiness Engineered' campaign, along with modifications to the logo and packaging to better resonate with the target audience. The Company also focused on strengthening its digital media presence, increasing outdoor visibility, and improving its presence on website and e-commerce platforms. These efforts collectively contributed to the overall brand exposure and market reach. Morphy Richards also unveiled its new brand film during the Diwali season through social media platform.

The Company also launched new products almost every month during FY2023. The all-new Innovative on-the-go (OTG) that ensures food storage for a longer period of time was launched along with new induction cooktops with fresh colour palettes for contemporary homes. The Company entered into garment steamer segment that garnered strong demand on e-commerce platform due to its premium finish, high power and ergonomic design. The brand is also expanding its presence in the water heater space with higher capacities to serve a discerning customer audience.

Based on deep consumer insights and need gap analysis, the Company has also taken steps towards implementing innovative technology to better its product features. Engineering innovation in the OTG market, such as Digital UI and Autocook menus under the flagship OTG 'Digichef,' has enabled consumers to quickly pre-set the correct time, temperature, and cooking modes for a wide range of foods.

Morphy Richards have also bagged a number of awards for its products such as 'Product of the Year' award and 'Good Design' award for its flagship product KUBE water heater. Digichef also bagged the 'Product of the Year' award for its 1st-in-segment fully digital interface and a variety of auto-cook menus.

Throughout the year, the Company dedicated significant efforts to brand transformation, product transition, and bolstering the distribution and service network. These strategic initiatives played a vital role in driving the brand's success. Looking ahead to FY 2024, the Company remains committed to the ongoing brand transformation journey and plans to introduce durable and contemporary products across diverse categories, further fuelling its growth trajectory.

## Review of distribution channels

**Trade sales channel**

With a strong network of 660 distributors and a retailer base of approximately 2L, the trade sales channel remains our core competitive distribution channel to strengthen market share. The Company has worked towards network correction strategies across its channel partners to drive focus and widen the distribution reach resulting in portfolio expansion and improved return on investment. Through the RBP programme 2.0, secondary schemes were introduced to the retailers for increasing the engagement and driving sales. In addition, the Company has adopted a commercialisation process to track the placement as per the seeding plan for all the newly launched SKUs.

**660**
Distributors

**~2 Lakhs**
Retailer-base

**~37%**
Revenue contribution from Alternate Channels

The Company has observed that rural regions contribute a high share of the overall business. In response, efforts have been made to appoint super stockist distributors, facilitating distribution in remote and upcountry markets. In addition to the general trade business, the trade sales channel will also focus on ensuring proper distribution in rural areas.

The Company has achieved significant advancements in enhancing the efficiency and performance of its sales team by leveraging advanced technological tools, including Power BI, DSO app, and retailer app. Schemes and programmes have been thoughtfully designed, taking into account regional and zonal challenges to maximise market extraction. Although, due to sluggish market conditions there were various challenges in the secondary and tertiary sales movement, the Company maintained a steady momentum throughout the year by implementing innovative ad hoc solutions.

Same Store Sales Growth (SSSG) started off robustly in the initial quarter but decelerated from the second quarter onwards. Regardless of these obstacles, the Company was able to achieve positive growth by the end of the year.

The Company has strategically revitalised its digitalisation process, incorporating artificial intelligence to propel its business growth. Complemented by a strong distribution network spanning both urban and rural areas, a well-crafted product mix strategy will prioritise mid-range and premium-level items in the years ahead, ensuring sustained success for the Company in the long run.

## Alternate channels

Due to the evolving consumer behaviour and Company's strategic alignment with its key consumers, its revenue from the consumer products segment recorded a significant contribution from alternate channels in FY23, accounting for ~37% of the total revenue. This represents a year-on-year increase of ~13%. Both institution and retail segments have driven the growth metrics through the steady implementation of the key strategic drivers.

The **e-commerce** channel's strong position in the SHA industry continues to generate growth. This has mostly been accomplished through the rebalancing of the business platform mix and the effective deployment of vendor flex. To assure expansion, the 'Different Model Different Channel' (DMDC) framework was also used.

Digital marketing was strategically carried out with an 'always on' approach to enhance visibility of brands. In the e-commerce channel, fans, air coolers and water heaters witnessed the highest growth during the year. All efforts have contributed to ~14% of the total consumer products revenue at ~18% year-on-year growth during FY2023.

The **modern trade channel** recorded a total sale of 10% of total consumer items revenue with a year-on-year rise of 16% due to the high contribution from National Format Retail (NFR) stores and Regional Format Retail (RFR) stores. The Company implemented a strong advertising strategy, that helped the brand to dominate its presence across all advertising mediums. For the fiscal year 2022-23, the emphasis continued on new listings and promotional activations, new category introductions, and exclusive releases.

The **institutional channel** registered robust sales, delivering growth of ~9% year-on-year. The Company has expanded its reach across the country by employing Institutional Trade Partners (ITPs) to maximise SOW from diverse business and government customers. In FY2023, the Company expanded its presence across industries, with microfinance institutions leading the way, followed by cement, CPWD, MES, and GEM. The expansion of the MRI sector has also aided the Company's expansion into rural areas through enhanced penetration and reach.

The **government channels** (CSD and CPC) have also witnessed significant growth momentum during the year. This was driven by the efforts made towards a one-to-one replacement of imported and phased-out products, the introduction of 'Made in India' SKUs, coverage optimisation of URCs and subsidiary canteens through ground-level activations, and leveraging tactical level partnerships at INCS and state police canteens.

## Consumer care

Keeping consumers at the centre of the business, the Company is focusing towards conducting real time and quick resolution of complaints. The Company engaged 3,600 field service engineers to ensure proper customer support during the year.

**3,600**

Field service engineers engaged

The Company constantly expanded its service network and increased its service staff in order to speed up the service delivery process and handle concerns. The customers can now raise their concerns through online tools like chatbots, webforms and WhatsApp call registration. The WhatsApp chatbot is customer-friendly and its service is available round the clock.

**>99%**

Delighted, happy and satisfied customers

**621**

Total customer care centres

**18,929**

Pin codes covered

### Outlook

For FY2024, the Company's plan is rooted in continuing its journey of brand transformation, enhancing its product offerings, strengthening distribution, and improving customer service. The focus remains on delivering durable and contemporary products that resonate with the evolving needs and preferences of the consumers. The e-commerce channel, will continue to be a focal point. With digital marketing maintaining an 'always on' approach, the Company plans to enhance visibility and strengthen its position in the market. The Company also aims to broaden its geographical reach through the contemporary trade channel, providing a premium experience to its customers.

The Company will focus on implementing innovative technology to enhance product features based on deep consumer insights and need gap analysis and will continue to leverage advanced technological tools to improve the efficiency and performance of its sales team. Revamped digitalisation processes and artificial intelligence will play a pivotal role in driving the business forward.

The Company is keeping its strong focus on consumer care and will soon be providing voice bot call registration and call status updates for smooth service to customers. Digitisation of client interactions for service will enhance the process to a larger extent, resulting in increased customer loyalty and brand value.

## Lighting solutions

The lighting segment has shown robust growth across all product categories. In FY23, the LED luminaire business (non-EESL business) has grown by 33% whereas the industrial lighting business marked a growth of 43%, compared to the last year. Also, the area lighting business grew by 30%. The sports lighting's market share has now grown to 40%. The street lighting segment's topline crossed ₹ 120 crores due to the strong presence in ULBs and NHAI. The SITC business has also grown to ₹ 110 crores of revenue during FY23.

**2nd position**

In the professional lighting segment with a turnover of ₹ 675 crore

To bridge the product offering gap in accordance with market demand, 428 new SKUs have been introduced. Products on the performance matrix have been constantly upgraded, and value engineering has been undertaken for fast-moving items.

The Company identified sunrise segments for their professional lighting business that will drive future growth. With a focus on manufacturing products specifically for needs of downstream industries and a go-to-market strategy to connect with these customers the Company identified the following sunrise segments.

| Sectors Identified | |
|---|---|
| Sports Lighting | New Stadium projects coming up in Tier-2 cities. The Company has identified these opportunities and lighting systems are specifically developed to meet specific requirements. |
| Metro Lighting | New Metro projects in Tier-2 cities and expansion of existing in Metro lines underway across the country. |
| NHAI Highway Projects Lighting | The Company manufactured a special street light range designed to meet NHAI specifications |
| Warehousing Lighting | Highbay systems have been developed by the Company to cater this fast-developing sector |

**428 SKUs**

Have been launched

The Company is aggressively focusing on developing the solar street light portfolio through indigenous supplier partners in order to increase its portfolio of renewable energy lights. During FY2023, there has been a number of launches under this segment including high wattage all-in-one street light range and solar light column range.

### List of projects and new products

| | Major projects undertaken | New products introduced |
|---|---|---|
| Indoor commercial lighting and IBMS | • Convention Centre, Jabalpur<br>• World Trade Centre, Delhi<br>• Jind Hospital, Haryana<br>• Guru Gobind Hospital, Delhi<br>• Kaushal Bhawan, Delh | • Consio - Suspended Downlighter<br>• Gladden Advace<br>• Dovee - I<br>• Blithe Hospital Bed Light<br>• Human Centric Lighting |
| Industrial lighting | • SAIL , Bokaro<br>• IOCL - Canopy Lighting<br>• JSW Steel, Bellary, Vijaynagar<br>• Ultratech Cement<br>• Jindal Power, Raigarh | • Optibay Highbay Range<br>• Verdant Pro Wellglass range<br>• Linear Canopy Luminaire<br>• Flameproof Wellglass Range<br>• Cleanroom Luminaires range |

| | Major projects undertaken | New products introduced |
|---|---|---|
| **Outdoor lighting (street lighting, area lighting, HM and poles)** | • Jio - BP Signage Mast<br>• Gift City Ahmedabad<br>• NHAI Projects - Across Country<br>• IOCL Petrol Stations - Signage Mast | • Zela Jake Street light<br>• Glatt Flood Light<br>• Edge Next MT Series<br>• Amaze Plus Flood lights<br>• Customised Signage Masts |
| **Metro lighting** | • Agra Metro<br>• Pune Metro<br>• Delhi NCRTC project<br>• Delhi - DMRC Metro project | - |
| **Stadium lighting** | • Rajkot Cricket Stadium<br>• Birsa Munda Hockey Stadium, Rourkela<br>• Biju Patnaik indoor stadium, Odisha<br>• Kalinga Stadium, Odisha<br>• Jaipur International Hockey stadium | • Amaze Premium Range |
| **Architectural lighting** | • Indore City Beautification Project - G20<br>• Junagarh Fort<br>• Aligarh University<br>• Vidhan Bhavan, Patna<br>• Pondicheryy Light House<br>• Chittorgarh Fort | • Archner Post<br>• Buga Projector Light<br>• Merc Projector Light<br>• Phant Flood lights<br>• Limo Wall washer |

The consumer lighting segment faced headwinds in the latter half of the year, with lower than usual demand causing value erosion as a result of aggressive pricing strategies adopted by competitors. In FY 2023, the Company introduced several new SKUs in the Consumer Lighting segment, focusing on strengthening its ceiling lights category and launching innovative products.

## 85 SKUs

Launched under consumer lighting

The Company introduced its innovative Eye Care range, an industry-first offering that promotes overall consumer well-being, and Inverter lighting solutions to address electricity disruptions and inconsistent supply issues in various parts of the country. The Company added products across categories of LED Lamps, LED Battens, Ceiling Lights Range, D-Lite and also in Accessories during the past year. With an eye on the future and to address consumer needs in a more meaningful way, the Company is developing a portfolio focused on smart and connected lighting, anticipating exponential growth in this segment. The business for consumer lighting is expected to grow faster than the industry, driven by a robust product portfolio, strong field sales team, distribution network, and strategic marketing communications.

The Company's brand equity and consumer awareness remain robust, laying a strong groundwork for expansion. It's go-to-market (GTM) strategy continues to foster growth and enhance customer experience. The GTM strategy is meticulously planned to prevail in high potential markets with low market share as well as maintain dominance in markets with high market share. A new sales and marketing team has been established, specifically tasked with increasing the market share in the Consumer Lighting segment. The Company has diversified its sales channels by incorporating direct dealers to augment weighted distribution and escalate ceiling light sales in critical market clusters. Moreover, exclusive lighting partners have been recruited in markets with high potential to bolster the Company's reach.

Acknowledging the crucial role of key stakeholders in brand promotion, the Company has identified electricians, shop staff, and principal retailers as significant brand advocates. Comprehensive programmes have been devised to elucidate the characteristics and advantages of Bajaj lighting products, thereby empowering these stakeholders with the knowledge to effectively endorse the brand and sway consumer preferences. The Company has also adopted a data-driven approach to boost its sales organization's efficiency.

## Power BI and DMS Pragati

The Company has adopted an innovative, data-driven approach to enhance decision-making and efficiency. This has led to the successful implementation of Power BI, a business analytics tool that provides interactive visualisations and business intelligence capabilities. In addition, a pilot of the new DMS Pragati is underway. Both initiatives offer promising potential to further optimise business operations and strategy.

### Outlook

The rapid growth of the Ceiling Lights category presented opportunities for the Company to capitalise on rising consumer involvement and establish itself as a preferred brand in a competitive market. Value erosion, driven by aggressive pricing and weak market demand, remained a significant challenge for the business. To counter this, the Company has been working towards optimising costs and improving product mix favourably. The Company discontinued certain product ranges like Tube Lights and CFLs from their conventional lighting portfolio, shifting focus towards LED lighting solutions.

In the coming fiscal year, the Company will concentrate on the professional lighting sector for sunrise sector and industrial projects such as sports illumination, national roads, metros, and airports. Industrial lighting, warehouse lighting and smart lighting solutions will also drive growth in the upcoming years. The Company is also working on strengthening the facade lighting, solar and landscape lighting portfolio to capitalise on emerging opportunities in city beautification projects along with expansion of channel partner network.

## Power transmission and power distribution business

### Power transmission

BEL aims to provide the finest power transmission system in India through improved transmission line towers, monopoles and EHV substations. The segment completed a turnaround from operating losses to profitability driven by a strong order book and robust execution. Among the total order book of over ₹ 1,000 crores as on March 31, 2023, the Company has bagged around ₹ 200 crores of monopole orders during FY23.

Possessing an in-house design and engineering expertise for lattice towers, monopoles, and substations, the Company is now empowered to conceptualise and deliver tailored solutions that seamlessly blend aesthetics and performance. The Company has successfully tested and supplied several 765 KV /400 kV lattice towers of various configurations, Twin Poles & Multi-circuit poles, thereby augmenting their industry capability even further.

The Company is currently exploring opportunities to extend their monopole supply services to regions beyond India, including Nepal, Australia, and Latin American territories. The unique design, engineering, and environmental consciousness methodology will pave the way for the Company to become a major player in the sector and expand its global presence.

### Case study

The Company undertook a notable monopole project in Ludhiana, Punjab, a first-of-its-kind in India that incorporated Steel Caisson Technology. For this project, it devised a unique eco-friendly solution by implementing a Steel Caisson Foundation with a minimal footprint of just 1.15m in diameter. The design included a base embedded section with a flange joint, and a pole shaft fashioned with slip joints. This setup not only meets the stringent foundation footprint requirements but also allows for quick installation, effectively eliminating the need for extended power outages.

## ₹ 200+ crores

Monopole orders bagged

### Major highlights of FY2023

- The business segment successfully obtained ISO 45001 (OHS) and 14001 (EMS) certifications.
- The Company secured orders totalling ₹ 830 crores in FY 2022-23, including two design-based EPC tenders for 765 kV and 400 kV worth 600 crores.
- The first in-house designed 765kV Suspension conventional lattice tower in TBCB 765 kV Mohanlal Ganj Transmission Line Project by PGCIL, and the 400 kV QA multi-circuit tower for 400 kV Navsari Project, passed successful type-testing, strengthening the Company's design capabilities for addressing global projects.
- The 400kV Suspension and Tension Monopoles underwent successful type-testing at CPRI, demonstrating their ability to withstand 120% loads.
- Completion of five Substation projects (Seoni, Wardha, Bina, Morena & Banas kantha) for PGCIL enabled the company to pursue new green field projects in the 400kV segment, leading to an increased market share in the Sub-station segment.
- The introduction of Steel Caisson Technology in the Monopole PSPCL project showcased technological advancements.
- The Company provided twin pole supply for the Samruddhi expressway project.
- Successful type-testing of a Double circuit monopole was achieved for a new client, WBSETCL, DTL.
- Warranty obligations were successfully closed in the KPLC LMC (Kenya) and LTDRP 132kV Monopole TL (Zambia) projects

### List of projects

The major projects executed in FY 2022-23 include the following:

- Implementation of PSPCL 66kV DC line Ckt I and II from Ladhowal to GT Road S/Stn.
- Augmentation of 1X 500 MVA, 400/220kV ICT (3rd) at Morena SS (SS 73 PGCIL)
- RTS 132kV Bay Extension works & associated Transmission line at Katangi, Ishnagar, Sank, Simariyatal - MPPTCL TR33
- Extension of 765/400kV Banaskantha (PG) substation (SS 45 PGCIL)
- Construction of BGCL 220 kV D/C Naubatpur-Bhusaula TL
- Construction of BGCL 220 kV D/C Naubatpur Bihta TL
- Establishment of KPTCL 220/66 kV Substation at Hosadurga along with its transmission line & bay extension
- LILO of both circuits of 132kV D/C Ara-jagdishpur TL at Dumraon (BSPTCL)
- Installation of 132kV Sector-123, Noida (400kV) to Sector-63 on Monopoles Noida Transmission Line under ETD-II, Noida
- Construction of a 2x100MVA 220/110/11kV substation at Ramasamudra along with an associated 220kV line.

### Power distribution

The Company revamped its electricity distribution business as the Government of India continues to put a strong emphasis on upgrading power distribution networks in order to provide quality electricity to consumers while also lowering AT&C costs for all utilities, both state-owned and private. The Company is thus expecting huge investment in this sector under various schemes. Additionally, the Company has reformed its organisation, strengthened its bid evaluation and project planning and execution competencies.

Most of the existing projects have been closed and the Company is soon going to complete the UP and Karnataka projects as well. The Company also realised its long-standing claims from the projects in the states of West Bengal and Bihar. The newly-bid projects and order book have been judiciously selected and planned to provide healthy growth with an eye on margins as well as capital usage.

## ₹ 600+ crores

Order book as on March 31, 2023

### Outlook

The Company's strategic outlook focuses on continuing to build on its current strengths and diversification into new sectors, such as projects for data centres and battery energy storage systems (BESS), while also targeting higher voltage transmission projects and expanding its geographical presence in Africa and SAARC countries. It expects to drive a calibrated ramp-up in its overall EPC business post the intended demerger and is well-positioned to do so profitably while maintaining a robust balance sheet.

## Research and development

The Company's research and development team is dedicated to delivering competitive advantage by developing innovative products that meet the evolving demands of consumers. It leverages the latest technology and relies on a talented workforce with extensive skills and experience. Through collaborative efforts with experts in various domains and the use of advanced technical platforms, the team consistently provides relevant solutions to stay at the forefront of the industry.

## 184

Team members in R&D

The Company has expanded its offering of new value-added products by focusing on research on the durability and reliability of critical components of relevance, with the aim of developing products that support the BAJAJ brand promise of 'BUILT FOR LIFE' while meeting cost and quality targets with a contemporary look and feel.

**New innovations in FY2023**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| DuraCut Blade- In mixers, giving lifetime warranty of blades | DuraACE Tank- In water heaters, giving 10 years warranty of tank | DuraMarine Pump | 3 Years warranty on ceiling fans | Windhill-Technology for product life cycle management | NBIoT - communication technology for outdoor lighting solution | Smart pole - technology adopted to complement pole business | BLE mesh - technology used in indoor lighting segment |

The Company has also invested in improvements to designs, prototypes, testing, and certifications for storage water heaters, ceiling fans, BEE standards, RoHS compliances, safety glass compliances, and different BIS QCOs. By inventing energy efficient induction motors and BLDC motors, the Company has changed all of its existing ceiling fans to new BEE star rated fans. The R&D team has also created products based on IoT and AI technology, such as CitiSol and human-centric lighting.

### Awards for innovative efforts

- Product of the Year 2022
  - Morphy Richards DigiChef by NielsenIQ
  - Morphy Richards Kube Water Heater by NielsenIQ
- Good Design® Award 2022 Morphy Richards KUBE Water Heater
- Indiastar Packaging Award for innovative packaging of stadium light and Juvel Mixer Grinder
- WorldStar Packaging Award for stadium light packaging design
- Golden Peacock Innovative Product Award

**18**

Patents filed

Through benchmarking studies, in-depth analysis of technology and product landscapes, and consumer research, the Company has successfully developed new initiatives. With an expanded distribution network and a strong service infrastructure, the Company is well-positioned to introduce durable products with advanced features. These efforts are part of a comprehensive brand transformation strategy aimed at ensuring long-term sustainability and success in the coming years.

## Out of the box innovation

**CitiSol**

CitiSol offers scalable solutions for governing bodies, industrial areas, and campuses, including public Wi-Fi, smart parking, and lighting. By leveraging data and business insights, CitiSol achieves up to 80% energy efficiency, 50% operational efficiency, and improved safety standards. This IoT ecosystem also reduces manpower costs, carbon footprint, and light pollution, fostering a sustainable environment. The Company's collaborative model uses open APIs to integrate with third-party services, delivering turnkey solutions to revolutionise urban living and promote a greener planet.

### Human resources

BEL places a strong emphasis on the development and enhancement of its employees' skills across key functions. The Company firmly believes that a motivated and competent team, supported by a conducive work environment, is vital for long-term success. This commitment is reflected in its consecutive three-year recognition as a Great Place to Work®. The Company has established various policies and committees that provide employees with opportunities to voice their concerns related to employee welfare, including the Code of Conduct, Whistleblower, and POSH policies. Employees enjoy unrestricted freedom of association.

Promoting diversity and inclusivity is a continuous effort at all levels and verticals within the Company. In FY2023, the diversity and inclusion (D&I) Council focused on activities aimed at empowering women, sensitising managers and workers, conducting engagement sessions, and implementing new regulations. Women-centric policies, such as flexible working hours, four-day work-from-home option, and maternity assistance programme, have been implemented. The new domestic travel policy also includes improved travel and accommodation support to ensure the safety of female employees during official outings.

Recognising the talent pool as its most valuable asset, the Company prioritises recruitment based on job requirements and competency framework. Talent engagement programmes and workshops are conducted to enhance skills and provide an engaging work environment. The Company ensures fairness in assessment and recognition programmes, offering equal opportunities for progression to all employees. Fresh and young talent are encouraged throughout the organisation to contribute innovative and creative ideas that yield tangible results and foster a positive outlook for the Company.

To ensure continuous employee development, the Company has implemented a well-structured learning and development programme that focuses on functional and behavioral training. The introduction of 'SPRINT,' a management training programme, has provided valuable insights into team leadership, performance management, self-management, and other relevant topics. The Company has also organised additional programmes for talent development, including enhancing functional, leadership, and management capabilities, driving peak performance, embracing digital learning, fostering synergies, and promoting compliance and ESG awareness.

**590**

Employees joined the organisation

**8%**

Women employees (Corporate level)

**52,096**

Manhours of training during FY 2023

The Company provides ample opportunities for all of its employees to perform to their full potential. Employees that exhibit great performance and value-based behaviour are also rewarded and recognised at all levels.

To recognise their exceptional contributions, the Company has introduced the 'Achieverz' programme, a tri-annual Reward and Recognition initiative. This programme celebrates the outstanding achievements of employees through quarterly, semi-annual, and annual acknowledgments. Additionally, BEL has instituted the prestigious 'Sarvottam Club' as a special honour for top performers. Members of this exclusive group are rewarded with a Company-sponsored international trip, demonstrating the Company's commitment to appreciating and incentivising its exceptional workforce.

**Safety first**

The Company has appointed safety officers and established safety committees, led by the Plant Head and comprising members from various teams, to proactively address safety concerns and maintain a secure working environment. To identify and mitigate risks associated with critical equipment, the Company has adopted the Hazard Identification Risk Assessment (HIRA) technique. In addition, the Company has developed an EHS portal for reporting near misses and deviations, enabling effective KPI tracking and fostering employee engagement through an EHS reward function. To further enhance safety practices, the Company has introduced the 'One EHS' application, enabling real-time incident tracking, recording of near-miss cases, reporting of unsafe acts and conditions, and timely notifications for prompt action by the authorities.

**461**

EHS training sessions conducted during FY 2023

### Quality Assurance

The Company helped maintain product quality through various initiatives and projects such as in-house manufacturing of advanced technology or premium products, capacity and capability enhancement of supply partners, automation of processes, evaluation and audits of manufacturing units.

The Company is focusing on additional product quality improvement parameters through first month product failure or feedback analysis, CARE audit at warehouses, design improvements, Lakshya projects for process upgradation, warranty term extension, and statistical process control. These approaches have resulted in significant improvements in the quality of products provided to customers, as well as reducing production costs.

**ISO 9001:2015**

Certified for best quality control for Consumer Products, Lighting, T&D and R&D centre.

**Frost & Sullivan's Project Assessment and Recognition Programme 2022 has recognised Bajaj Electricals Ltd as a 'Winner in Manufacturing Category' for its finest MQH practise, The Company also bagged the 'Winner under Quality Enterprise Leadership category in the Manufacturing Sector'.**

The strong quality control system in the Company has boosted brand perception while also providing a better client experience. The Company has reduced the rejection rate by conducting root cause analysis of field failures on a regular basis and taking remedial action to bridge the gap and fulfil the defined criteria.

The quality management system is also focused on increasing customer satisfaction by introducing new and energy-efficient quality goods at reasonable prices on time.

## Integrated supply chain management

The Company has effectively developed a robust and integrated supply chain team that adds consistency, efficiency, and resilience to the whole production and supply chain operations. To maintain a strong focus on operational efficiency, the manufacturing plants are targeting effective sourcing and material planning, initiatives that address the challenges related to new product development, and fostering cross-functional collaboration to improve Overall Equipment Effectiveness (OEE). These achievements and ongoing efforts underscore the Company's approach to enhance production capabilities and operational excellence across its manufacturing facilities.

The Company has been actively working towards integrating digital technologies into its manufacturing processes to improve operational efficiency and decision-making. In line with this goal, it has completed the SAP S/4 HANA implementation across all plants, bringing significant operational advantages such as improved tracking of costing modules, inventory visualisation, and reporting structures. Additionally, the Nirlep plant invested around ₹ 35 lakhs in implementing an IoT system, with plans to upgrade further, including the implementation of a business processing module, attendance system, and IoT integration with SAP.

Having already implemented the Total Productive Maintenance (TPM) methodology across all manufacturing plants, the Company now closely monitors KPIs to maintain operational excellence. Looking ahead, it plans to implement Manufacturing Execution System (MES) and digitise its Chakan factory in FY24.

**90+**

Total suppliers

The Company, in collaboration with the supply chain team, is also emphasising the importance of local sourcing. Actions have been taken to establish a local supply partner base for this purpose. The 'Hello Local' programme already resulted in localisation of 35 SKUs, encompassing ₹ 130 crores of purchase value. Additionally, plans of localising another 20+ SKUs representing ₹ 60 crores of purchase value are to be executed in the coming years.

The Company launched a major initiative called 'Mulya' for its suppliers. This programme aimed at acknowledging suppliers for their cost-saving efforts within the supply chain. The supply chain team conducted numerous activities under the Mulya initiative, such as Value Addition Value Engineering, negotiations, optimisation of bought-out components, packaging, BTST, volume consolidation, and more.

**800+**

SKUs covered

## Information technology

As part of this digital transformation plan, the company intends to make significant investments in state-of-the-art digital technologies, such as Artificial Intelligence (AI), Machine Learning (ML), Robotic Process Automation (RPA), advanced analytics, and sophisticated security systems.

Digitalisation has been a pivotal force in the Company's operations, consistently enhancing productivity and catalysing growth. The integration of state-of-the-art technologies with manufacturing facilities has substantially improved efficiency and output. In FY2023, the Company implemented the SAP S/4 HANA platform across all operations and plants, leading to a myriad of benefits such as advanced cost module tracking, inventory visualisation, and an improved reporting structure.

With a robust digital foundation, the Company is now beginning its journey towards becoming a comprehensive digital enterprise. This is intended to empower the Company to develop future-proof, technology-driven solutions centred on customer needs. The strategic focus of the Company is to leverage its vast data resources, using advanced technologies to reinvent how they interact with consumers, partners, and operations.

The Company is making continuous improvements which extends to its workforce as well. It has invested heavily in technical training for their personnel, aiming to assure superior production quality. This initiative has led to improved communication among teams, enhanced technical expertise, and encouraged innovative thinking.

In an effort to further streamline operations, the Company invested in installing an IoT system in their Nirlep factory. This investment has yielded significant returns by reducing maintenance challenges, optimising asset utilisation, enhancing production efficiency, and conserving energy.

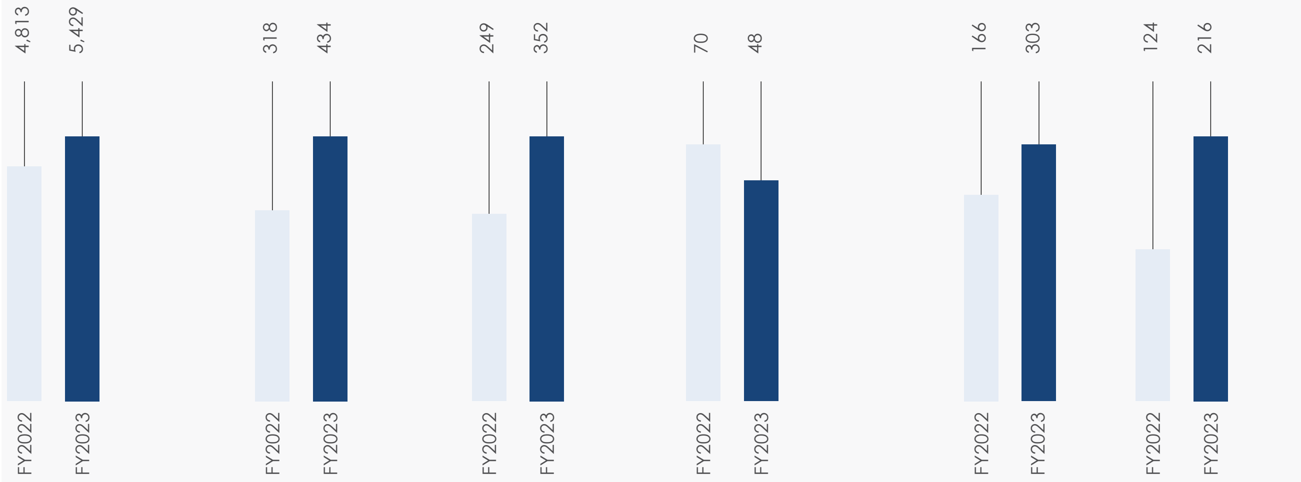
Looking ahead, the Company is poised to leverage a range of advanced technologies, including Cloud, Artificial Intelligence (AI), Internet of Things (IoT), Advanced Analytics, Big Data with a data warehouse, Cyber-security, Robotics, Robotic Process Automation (RPA), and Virtual Reality. These technologies will help to achieve three main goals

- Crafting immersive experiences for customers
- Enhancing operational productivity
- Supporting better, data-informed decision-making.

Moreover, it plans to upgrade its SAP system to integrate business processing module implementation, an attendance system, and IoT capabilities. These strategic initiatives are expected to drive cost optimisation benefits and drive the Company's revenues and margins.

**Financial analysis** (on consolidated financials)

| Revenues (₹ in crore) | EBITDA (₹ in crore) | EBIT (₹ in crore) | Finance Cost (₹ in crore) | PBT (₹ in crore) | PAT (₹ in crore) |
|---|---|---|---|---|---|
| 5,429 | 434 | 352 | 48 | 303 | 216 |



| Particulars | FY2023 | FY2022 | YoY Change |
|---|---|---|---|
| EBIDTA Margin | 7.99% | 6.62% | 20.67% |
| EBIT Margin | 6.48% | 5.18% | 25.12% |
| PBT Margin | 5.59% | 3.45% | 61.76% |
| PAT Margin | 3.98% | 2.58% | 54.05% |
| Debtors Turnover | 3.71 | 2.94 | 26.37% |
| Inventory Turnover | 3.64 | 3.45 | 5.40% |
| Interest Coverage Ratio | 7.27 | 3.57 | 103.43% |
| Current Ratio | 1.30 | 1.21 | 7.76% |
| Debt Equity Ratio | 0.00 | 0.03 | -99.67% |
| Return on net worth | 11.97% | 7.58% | 57.95% |

## Risk management

The Board of Directors has adopted and approved a Risk Management Policy for the Company to ensure the ongoing identification, evaluation, and mitigation of business risks, safeguarding the interests of its stakeholders. The Risk Management framework is designed to adapt to the evolving business environment and promptly address any emerging risks. The Risk Management Committee is updated on emerging risks and corrective actions every six months.

**Long-Term Material topics to be focused on**

### Sustainable product development

This encompasses sustainable production practices, embracing the circular economy, prioritising energy efficiency, and incorporating sustainable technologies.

### Technological innovations

This involves monitoring the evolution of global industry technologies, the emergence of energy-efficient innovations, and the development of cost-competitive solutions.

### Competitive landscape

This includes tracking market entrants and exits, as well as evaluating the performance of new products in the market.

### Resilient and sustainable supply chain

This focuses on optimising production and distribution cycles, ensuring the appropriate product quantities reach the right markets without any major incidents.

### Product category market share

This examines gains and losses in market share at the product category level and conducts root cause analysis to assess the success and failure of various strategies employed.

### Impact of material topics

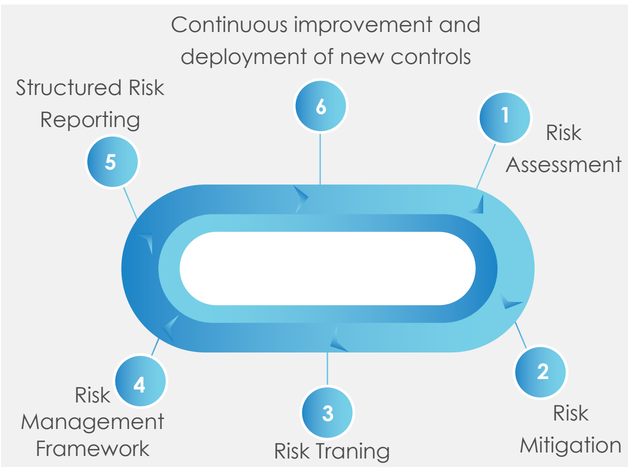
The identified material issues can potentially affect the Company's financial stability, brand perception among customers and consumers, and the reputation of products in terms of cost, quality, performance, style, and durability.

### Mitigation plans

To address the above, the Company has established a cross-functional team of subject matter experts who provide guidance and take timely actions. Sufficient budget allocations and funding are in place to ensure that initiatives are implemented promptly and efficiently. The risk treatment plan consists of preventive, detective, and corrective measures that address various aspects of risk management, such as diversification, control, and transfer of risk.

### Risk mitigation strategy

The Company has established a structured strategy to tackle the identified risks.






The Company has identified key business risks and devised mitigation plans, as described below:

- **Business growth and profitability**

  While the EPC order book forecast for project execution in FY 2023-24 is gradually improving, the Company is actively focusing on high-value projects in Railways, Monopoles, and Substations to drive growth and profitability.

  Fluctuations in commodity prices and an inflationary trend in the cost of materials have affected demand and profit margins. The Company is closely monitoring these factors, implementing strategies to minimise their impact on operations, liquidity, and overall viability. The organisation is also exploring new business opportunities and enhancing its market presence to maintain a healthy growth trajectory.

- **Working capital management**

  The Company has encountered challenges in EPC projects due to changes in scope by clients and unresolved ROW issues, resulting in non-utilisation of materials and delayed execution. Additionally, cash constraints and receivable delays have been noted due to client-related issues.

  To address these challenges, the Company coordinated with clients to identify additional work opportunities, ensuring the effective utilisation of inventory procured at project sites. Moreover, slow-moving inventory was assessed for potential use at other project sites. Efforts were made to expedite the recovery of receivables and achieve timely handover and closure of project sites.

  Financial support is extended to subsidiary and associate companies for managing working capital requirements, addressing fluctuations in demand, supply chain constraints, and capacity utilisation.

- **Talent acquisition and retention**

  Attracting and retaining the best talent remains a constant challenge for the Company. To address this, the human resource strategy emphasises building a diverse talent pipeline, hiring fresh management graduates for various business and functional roles, enhancing individual and organisational capabilities, increasing employee engagement, and strengthening employee relations.

The Company implemented various employee initiatives, including employee satisfaction surveys, town halls, competitive compensation benchmarking, stock options, management training programmes, job rotations, and recognition programs to retain and develop talent.

- **Occupational health and safety**

  The Company prioritises the safety of its employees and workers, identifying Occupational Health & Safety as a key focus area to reinforce a safety culture across the organisation. Comprehensive training programs have been conducted at plants and project sites, including behavior-based safety training, safety leadership programs, logistics safety programs, and safety protocols for employees and workers.

  A Safety Committee and a Safety Portal has been deployed to oversee and monitor safety initiatives and compliance across the organisation.

## Internal control

The Company has well-defined and appropriate internal controls that are proportionate to the size, scale, and complexity of its operations. Internal controls were observed to be functioning properly throughout the year. The Company had recruited an external consultant as an Internal Auditor to test the robustness of these controls and to cover all business units, offices, factories, and critical areas of operation. The design, sufficiency, and operational effectiveness of the Company's Internal Financial Controls are evaluated by an external consultant (Internal Auditor) and the statutory auditor.

The controls are built in compliance with the requirements defined under the Companies Act, 2013 and the Guidance Note issued by the Institute of Chartered Accountants of India.

For all business divisions and functions, the Company has written Standard Operating Procedures (SOP) and risk registers that include process flow, important risks, and critical controls. SOPs and risk registers are then analysed, and appropriate changes are made by the business based on changes in workflow and controls. On assessment of the internal financial controls, the external expert (Internal Auditor) found no significant control flaws. All of the non-significant control flaws discovered have been discussed with the process owner. To eliminate the flaws in a timely manner, remediation steps have been implemented or agreed upon.

Where control deficiencies were recognised as a result of system constraints in IT applications, adequate manual controls were implemented.

## Disclaimer

Statements in this management discussion and analysis that describe the Company's objectives, projections, estimates and expectations are considered 'forward-looking statements' under applicable laws and regulations. Actual results may differ significantly or materially from those stated or implied. Important developments that could have an impact on the Company's operations include, among other things, competition, employee costs, significant changes in India's political and economic environment, environmental standards, tax laws, litigation and labour relations.

These statements are not assurances of future performance and should not be relied on unduly. These forward-looking statements inherently involve known and unknown risks and uncertainties that may cause actual performance and financial results in future periods to deviate significantly from any projections of future performance or results expressed or implied by such forward-looking statements.

The reader is advised not to overly depend on forward-looking statements. Except as required by applicable securities laws, the Company will make no commitment to update forward-looking statements if circumstances or management's estimates or opinions change.





# Business Responsibility and Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L31500MH1938PLC009887
2. Name of the Listed Entity: BAJAJ ELECTRICALS LIMITED
3. Year of incorporation: 1938
4. Registered office address: 45/47, Veer Nariman Road, Mumbai 400001.
5. Corporate address: Rustomjee Aspire, 7th Floor, Bhanu Shankar Yagnik Marg, Sion East, Mumbai- 400022.
6. E-mail: legal@bajajelectricals.com
7. Telephone: 022-6149 7000
8. Website: www.bajajelectricals.com
9. Financial year for which reporting is being done: April 1, 2022 – March 31, 2023
10. Name of the Stock Exchange(s) where shares are listed: (i) BSE Limited; and (ii) National Stock Exchange of India Limited
11. Paid-up Capital: ₹ 23,01,51,276/- as on March 31, 2023
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:

    Mr. Ajay Nagle
    Telephone No.: 022-6149 7000
    E-mail id: legal@bajajelectricals.com

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): The disclosures are made on a standalone basis.

### II. Products/services

14. Details of business activities

| Sr. No. | Description of Main Activity | Description of Business Activity | % Turnover of the Entity |
|---|---|---|---|
| 1. | Manufacturing and Trading of Consumer Products | The Company deals with the manufacturing and trading of consumer durables products which includes Fans, Domestic Appliances, Kitchen appliances, and Non-Electrical Kitchen Aids. | 69% |
| 2. | Manufacturing and Trading of Lighting Products | The Company deals with the manufacturing and trading of lighting products which includes LED products, such as lamps, bulbs, battens and ceiling lights in consumer lighting and poles, highmast, street lighting, area lighting, etc. in professional lighting. | 21% |

| Sr. No. | Description of Main Activity | Description of Business Activity | % Turnover of the Entity |
|---|---|---|---|
| 3. | Engineering, Procurement and Commissioning of Power Transmission and Power Distribution Infrastructure | Power Transmission and Distribution Business is primarily engaged in providing solutions that include design, engineering, procurement, construction and project management of all aspects of project execution from conceptualizing to commissioning. It also comprises of providing end-to-end EPC solutions or any combination of individual services depending on customer's needs and market opportunity. | 10% |

15. Products/Services sold by the entity

| Sr. No. | Product/Service | NIC Code | % of total turnover contributed |
|---|---|---|---|
| 1. | Manufacturing and Trading of Consumer Products | 2750 | 69% |
| 2. | Manufacturing and Trading of Lighting Products | 2740 | 21% |
| 3. | Engineering, Procurement and Commissioning of Power Transmission and Power Distribution Infrastructure | 3510 | 10% |

## III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 3 | 23 | 26 |
| International | Nil | 4 | 4 |

17. Markets served by the entity:

a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States) | 29 incl. union territories |
| International (No. of Countries) | 40+ |

b. What is the contribution of exports as a percentage of the total turnover of the entity?: 1%

c. A brief on types of customers

**Consumer Products Segment**

The Company is engaged in manufacturing and trading of consumer products which include Fans, Domestic Appliances, Kitchen Appliances and Non-Electrical Kitchen Aids. The consumer products segment caters to retailers, distributors, wholesalers, institutions, e-commerce, international markets and government sector who sell the Company's products directly to end-users such as consumers, corporates, and small businesses. The appointment of dealers, distributors, institutions is strictly driven as per the standard operating procedures and credit policy followed by the Company.

**Lighting Solutions Segment**

Lighting solutions segment includes professional lighting and consumer lighting.

Professional lighting includes commercial and industrial customers who require high-quality and energy-efficient indoor and outdoor lighting solutions for their premises. These customers include contractors, project developers, corporate offices, Govt institutions, amongst other. The Company also provides IoT based experience (smart lights) to B2B customers such as smart city, Urban Local Bodies (ULB), and Government project, amongst others.

Consumer lighting includes LED lighting products such as bulbs, battens and ceiling lights, which cater to consumer household demand. The product portfolio also includes energy efficient and smart connected LEDs, which cater to smart home sentiments of consumers. Further, interior design, architecture, and home décor trends influence the consumer lighting industry.

**Engineering, Procurement and Commissioning (EPC)**

Under EPC segment, the Company operates in four business verticals – Power Transmission, Power Distribution, Monopoles and International EPC. The consumers of EPC segment are majorly Government institutions (including Urban Local Bodies) and private institutional customers. The credit concentration is more towards government institutions. These projects are normally of long-term duration of two to three years. The Company also has international presence in its EPC segment.

## IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 2,152 | 2,003 | 93.08 | 149 | 6.92 |
| 2. | Other than Permanent (E) | 2,154 | 1,834 | 85.14 | 320 | 14.86 |
| **3.** | **Total employees (D + E)** | **4,306** | **3,837** | **89.11** | **469** | **10.89** |
| | **WORKERS** | | | | | |
| 4. | Permanent (F) | 201 | 201 | 100.00 | - | - |
| 5. | Other than Permanent (G) | 2,379 | 2,194 | 92.22 | 185 | 7.78 |
| **6.** | **Total workers (F + G)** | **2,580** | **2,395** | **92.83** | **185** | **7.17** |

b. Differently abled Employees and workers:

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **DIFFERENTLY ABLED EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 3 | 3 | 100.00 | - | - |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| **3.** | **Total differently abled employees(D + E)** | **3** | **3** | **100.00** | **-** | **-** |
| | **DIFFERENTLY ABLED WORKERS** | | | | | |
| 4. | Permanent (F) | - | - | - | - | - |
| 5. | Other than Permanent (G) | - | - | - | - | - |
| **6.** | **Total differently abled workers(F + G)** | **-** | **-** | **-** | **-** | **-** |

19. Participation/Inclusion/Representation of women:

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 10 | 2 | 20.00 |
| Key Management Personnel ("KMPs") | 3* | - | - |

*MD & CEO, CFO, Company Secretary are designated as KMPs of the Company.

20. Turnover rate for permanent employees and workers:

| | FY 2022-23 (Turnover rate in current FY) | | | FY 2021-22 (Turnover rate in previous FY) | | | FY 2020-21 (Turnover rate in the year prior to the previous FY) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 27.65 | 28.87 | 27.73 | 30.30 | 39.22 | 30.89 | 20.80 | 22.61 | 20.92 |
| Permanent Workers | Nil | Nil | Nil | Nil | Nil | Nil | 0.00 | Nil | 0.00 |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures:

| Sr. No. | Name of the holding / subsidiary / associate companies / joint ventures | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1. | Nirlep Appliances Private Limited | Subsidiary | 100.00 | No |
| 2. | Bajel Projects Limited | Subsidiary | 100.00 | No |
| 3. | Hind Lamps Limited | Associate | 19.00 | No |

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover: ₹ 5,41,740.91 lakh

(iii) Net worth: ₹ 1,97,516.95 lakh

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct**:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes* | - | - | | - | - | |
| Investors (other than shareholders) | Yes* | - | - | | - | - | |
| Shareholders | Yes* | - | - | | - | - | |
| Employees and workers | Yes*** | 5 | - | | 1 | - | |
| Customers | Yes* | 5 | 5 | | 3 | 2 | |
| Value Chain Partners | Yes* | - | - | | - | - | |
| Other (please specify) | - | - | - | | - | - | |

* Any grievances can be addressed to the Company Secretary & Chief Compliance Officer of the Company, whose contact details are made available on the website of the Company at https://www.bajajelectricals.com/investors-updates/

**Only such complaints/grievances that qualify under Principles 1 to 9 of the National Guidelines on Responsible Business Conduct have been considered above.

***Any grievances can be addressed to the concerned Committee(s) as per Internal Policies of the Company.

24. Overview of the entity's material responsible business conduct issues:

| Sr. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1. | Environmental Portfolio | Opportunity | Focus on a diversified portfolio of greener products offers new growth opportunities for the Company. | - | Positive |
| 2. | Energy Management | Opportunity | Focus on energy management, energy efficiency improvement and transitioning to renewable energy sources offers cost saving opportunity along reduced GHG emissions. | - | Positive |

| Sr. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 3. | Product Stewardship | Risk & Opportunity | Consumer awareness about benefits of sustainable products is growing which offers an opportunity to tap the emerging demand while policy and regulatory changes to reduce negative impact of products pose a risk of compliance. | The Company introduced Product Research Centre (PRC), Centre of Excellence, and Design Quality departments within the Company's R&D vertical. The Company's R&D team ensures that it adapts to its changing environment.<br><br>It has introduced energy efficient products such as LED bulbs and energy efficient consumer products, and is currently focusing on launching the products, which cater to the health and hygiene needs of the consumers. | Positive as well as Negative |
| 4. | Water Management | Risk | Water scarcity may lead to disruption in operations.<br>Further, increased costs and reduced production capacity can negatively impact the Company's financial performance. | The Company's focus is primarily on decreasing the water usage to increase the efficiency of its operations. To mitigate the negative impact, the Company also undertakes water harvesting as a part of CSR initiatives. | Negative |
| 5. | Supply chain Management | Risk | Climate change and other macroeconomic factors might disrupt supply chain which may lead to shortages in raw materials, delayed deliveries, and increased costs. ESG risks (including raw material quality) in supply chain also pose reputational risk to the organisation. | To mitigate these risks, the Company undertakes several measures such as diversifying its supplier base, developing contingency plans for supply chain disruptions, implementing quality control measures, conducting supplier audits to ensure ethical and sustainable practices and focusing on local suppliers. | Negative |

| Sr. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 6. | Waste generation and recycling | Risk | Non-Compliance with regulatory requirements such as EPR obligations may lead to fines, penalties and might damage Company's reputation. | To mitigate these risks, the Company undertakes several measures such as implementing waste reduction and recycling programs, working with suppliers to reduce waste generation, implementing sustainable waste management practices, and complying with waste management regulations such as EPR | Negative |
| 7. | Employee Health and Safety | Risk | Workplace accidents and injuries can lead to employee absenteeism, reduced productivity, and increased healthcare costs. | Employee health and safety is an important focus area for the Company. The Company reinforces the safety culture across the Company through various measures such as implementing safety protocols and training programs, conducting regular safety audits, and complying with relevant health and safety regulations. The Company also introduced an EHS app to track incidents or fatalities at the workplace in real time. | Negative |
| 8. | Quality and Service Delivery | Opportunity | Good product and service quality enhances brand image and customer satisfaction. | - | Positive |
| 9. | Fair business practices | Opportunity | Fair business practices create stakeholder trust and respect resulting in protecting the Company's social licence to operate. | - | Positive |

| Sr. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 10. | Corporate Governance, Transparency and Disclosures | Risk & Opportunity | Good corporate governance results in enhanced stakeholder trust and brand reputation.<br>Poor corporate governance practices may lead to financial mismanagement, fraud, or other financial risks. | The Company undertakes several measures such as implementing robust corporate governance practices, ensuring transparency in business practices and financial reporting, conducting regular internal audits, and complying with all relevant corporate governance regulations. | Positive as well as Negative |
| 11. | Regulatory compliance and Integrity | Opportunity | Compliance with relevant national/local laws and regulations applicable will increase stakeholder confidence and negate any potential fines or litigations. | The Company conducts regular internal audits and provides trainings to employees and top management on ethical business practices. | Positive |
| 12. | Business Ethics and Anti-corruption | Risk | Unfair business practices, such as bribery or corruption, may lead to reputational damage and reduced stakeholder trust. | The Company has a defined Code of Conduct which covers issues related to ethics, bribery and corruption. It also covers all dealings with suppliers, customers and other business partners and other stakeholders. The Company also has a Whistle Blower Policy ('WB Policy') which enables its directors and employees to report their concerns about unethical behaviour. | Negative |
| 13. | Resilient Business Model and Long-term Profitability | Opportunity | Resilient business model and focus on long-term profitability ensures sustainable value creation for all stakeholders. | - | Positive |
| 14. | Environmental Risk Management | Risk | Emerging climate related risks if not analysed and addressed might pose risk to physical assets and business performance. | The Company is working on developing environment strategies, and integrating ESG into their business model. | Negative |





## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| Disclosure Questions | P1 | P2 | P3 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Policy and Management Processes** | | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available. | https://www.bajajelectricals.com/miscellaneous/ | | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4. Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | The policies are compliant with respective principles of National Guidelines on responsible Business conduct. | | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | Please review the relevant sections of the Integrated Annual Report for detailed information about the management approach and commitments, categorized by capital. | | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | The Company systematically monitor important parameters and document them for the purpose of learning and development, aiming to continuously improve its policies. | | | | | | | | | |
| **Governance, leadership and oversight** | | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements *(listed entity has flexibility regarding the placement of this disclosure)* | Refer message by the Managing Director & Chief Executive Officer | | | | | | | | | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). | Board of Directors | | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Mr. Anuj Poddar, Managing Director & Chief Executive Officer, DIN: 01908009. | | | | | | | | | |

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) |
|---|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P3 | P4 | P5 | P6 | P7 | P8 | P1 P2 P3 P3 P4 P5 P6 P7 P8 P9 |
| Performance against above policies and follow up action | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | The management periodically reports its ESG performance to the core management committee and holds discussions to review and take necessary follow-up actions. |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | The Directors receive a compliance report every six months, covering all statutory requirements. To ensure complete compliance, a dedicated compliance management tool is utilized for tracking and enforcing adherence to compliance requirements. |

| | P1 | P2 | P3 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | No | No | No | No | No | No | No | No | No | No |

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P1 | P2 | P3 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| It is planned to be done in the next financial year (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Any other reason (please specify) | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |



## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1 -** **Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 2 | All 9 Principles. | 75.00 |
| Key Managerial Personnel | 6 | Principles 1, 3 and 5. | 83.33 |
| Employees other than BoD and KMPs | 71 | Principles 1, 3 and 5. | 87.87 |
| Workers | Nil | Nil | Nil |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

No material fines were paid in FY 2022-23.

| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|---|---|---|---|---|---|
| **Monetary** | | | | | |
| Penalty/ Fine | NA | NA | NA | NA | NA |
| Settlement | NA | NA | NA | NA | NA |
| Compounding fee | NA | NA | NA | NA | NA |

| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|---|---|---|---|---|
| **Non-Monetary** | | | | |
| Imprisonment | NA | NA | NA | NA |
| Punishment | NA | NA | NA | NA |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| NA | NA |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   The Company has an Anti-Bribery and Anti-Corruption Policy to ensure that proper procedures are in place to prevent any violations of the law and to clearly outline the responsibilities of the Company's personnel and business partners in preventing bribery and corruption. This policy drives the Company's Anti-Bribery Management System ("ABMS"), with the primary objective of mitigating bribery-related risks by implementing robust processes and controls, training and awareness activities that ensure:

   a. Compliance with applicable anti-bribery laws;

   b. Creating awareness about the Company's emphasis on ethical business practices and its zero-tolerance approach towards conduct that is in breach of this Policy; and

   c. Effective Implementation of ABMS by incident reporting, investigation, and compliance.

   Please find the Anti-Bribery and Anti-Corruption Policy https://www.bajajelectricals.com/media/7623/anti-bribery-anti-corruption-policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|---|---|
| Directors | - | - |
| KMPs | - | - |
| Employees | - | - |
| Workers | - | - |

6. Details of complaints with regard to conflict of interest:

| | FY 2022-23 (Current Financial Year) | | FY 2021-22 (Previous Financial Year) | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | - | - | - | - |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | - | - | - | - |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

   Not applicable as there were no such cases of corruption and conflict of interest.

## PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | Current Financial Year | Previous Financial Year | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | 96.14 | 98.11 | Investment in new moulds and products. |
| Capex | 5.53 | 8.52 | Investment towards solar power generation at factories. |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   Yes, the Company endeavours to focus on protection of environment, stakeholders' interest and cost effectiveness while procuring any raw material or goods. The Company recognises the importance of integrating sustainability into its supply chain in its commitment to a sustainable business. Towards this end the Company takes various measures.

   **Vendor Onboarding:** The Company has a dedicated 'Manual for Purchasing' that allows it to lay down purchase procedures that include evaluation of new vendor, performance monitoring of existing vendors, review and placement of purchase order, and monitoring of supplies. While on-boarding a vendor, the Company undertakes vendor assessment to screen them on the parameters such as commercial capability, technical capability, legal compliance, electrical safety, fire safety, hazardous material storage and process management, which is jointly conducted by Supply Chain Management (SCM) and Quality Assessment teams.

   **Vendor Re-evaluation:** Some of the existing suppliers are audited twice a year with a gap of 6 months. They are evaluated on the parameters such as safety, legal compliance, organisation polices, work environment, and the quality of the products. Root cause analysis (RCA) is conducted in case of quality issues and corrective action is planned where necessary. The Company also conducts Paryavaran & Safety audit at Tier 2 Suppliers where the assessment of critical components is carried out. These audits also include the compliance related to Infrastructure, Pollution, Safety.

   - **Local sourcing**

     The Company is committed to sourcing locally without compromising on quality. The Company plans for procuring finished goods and services from the local vendors which help to create job opportunities in the semi-urban areas. Further, to support the local vendors, the Company carries out governance meetings with strategic suppliers, workshops and trainings to create awareness about quality, product development and delivery.

   - **Mulya**

     The Company developed a digital platform/portal "Mulya" which is accessible to all the supply partners. This portal has enabled vendors to contribute to 'VAVE' ideas/initiatives which focus on reducing the cost or adding value without compromising on the quality.

   - **Hello Local**

     The Company has also undertaken 'Hello Local' initiative to accelerate the localisation of imported Products & components required for manufacturing. The initiative will help the Company de-risking dependency on imports and promote "Make-in-India" products.

     Additionally, in its journey towards sustainability, the Company is striving to sensitise its suppliers on the critical aspects of ESG and encouraging them to adopt sustainable practices. Vendors in the semi-urban regions are supported technically and financially by helping them with capacity building programs. The Company regularly interacts with all its suppliers to learn about their concerns and expectations and to take immediate action to address their needs.

b. If yes, what percentage of inputs were sourced sustainably?

~83% of the inputs for the "Manufacturing and Trading of Consumer Products" are sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

| | | |
|---|---|---|
| (a) | Plastics (including packaging) | The Company is currently collaborating with a third-party organization who collects and recycles waste on behalf of the Company. We have successfully completed annual PWM target given by Central Pollution Control Board (CPCB). The Company is also exploring its own collection channels.<br>For consumer awareness, the Company will be launching a digital campaign and also give out all the information in the product manual, explaining the benefits for consumer in giving us the product back at the end of life.<br>Plastic waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards. |
| (b) | E-waste | The Company has been granted EPR authorisation under E-Waste (Management) Rules, 2016, by CPCB. The Company has partnered with a third-party waste management organisation for collection and disposal of e-waste.<br>E-waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards. |
| (c) | Hazardous waste | NA |
| (d) | Other waste | NA |

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to the Company.

The Company is responsible for collection and safe disposal of end-of-life selected electrical equipment such as compact fluorescent lamps (CFLs) and fluorescent tube light lamps (FTLs). The Company has been granted EPR authorization under E-Waste (Management) Rules, 2016 by Central Pollution Control Board for Electricals and Electronic Equipment with a collection target of 1331.211 MT for FY 2022-23.

**PRINCIPLE 3 -** **Businesses should respect and promote the well-being of all employees, including those in their value chains**

## Essential Indicators

1. a. Details of measures for the well-being of employees:

| Category | Total (A) | Health insurance Number (B) | Health insurance % (B / A) | Accident insurance Number (C) | Accident insurance % (C / A) | Maternity benefits Number (D) | Maternity benefits % (D / A) | Paternity Benefits Number (E) | Paternity Benefits % (E / A) | Day Care facilities Number (F) | Day Care facilities % (F / A) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Permanent employees** | | | | | | | | | | | |
| Male | 2,003 | 2,003 | 100 | 2,003 | 100 | Nil | Nil | 2,003 | 100 | Nil | Nil |
| Female | 149 | 149 | 100 | 149 | 100 | 149 | 100 | NA | - | Nil | Nil |
| **Total** | **2,152** | **2,152** | **100** | **2,152** | **100** | **149** | **100** | **2,003** | **100** | **Nil** | **Nil** |
| **Other than Permanent employees*** | | | | | | | | | | | |
| Male | 1,834 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Female | 320 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **Total** | **2,154** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |

*The Company does not cover insurance for other than permanent employees. This is directly handled by the agencies.





b. Details of measures for the well-being of workers:

| Category | Total (A) | Health insurance Number (B) | Health insurance % (B / A) | Accident insurance Number (C) | Accident insurance % (C / A) | Maternity benefits Number (D) | Maternity benefits % (D / A) | Paternity Benefits Number (E) | Paternity Benefits % (E / A) | Day Care facilities Number (F) | Day Care facilities % (F / A) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Permanent workers** | | | | | | | | | | | |
| Male | 201 | 201 | 100 | 201 | 100 | Nil | Nil | 83 | 41.29 | Nil | Nil |
| Female | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| **Total** | **201** | **201** | **100** | **201** | **100** | **Nil** | **Nil** | **83** | **41.29** | **Nil** | **Nil** |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | 2,194 | 2,194 | 100 | 2,194 | 100 | Nil | Nil | Nil | Nil | Nil | Nil |
| Female | 185 | 185 | 100 | 185 | 100 | 185 | 100 | Nil | Nil | Nil | Nil |
| **Total** | **2,379** | **2,379** | **100** | **2,379** | **100** | **185** | **100** | **Nil** | **Nil** | **Nil** | **Nil** |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | FY 2022-23 (Current Financial Year) No. of employees covered as a % of total employees | FY 2022-23 No. of workers covered as a % of total workers | FY 2022-23 Deducted and deposited with the authority (Y/N/N.A.) | FY 2021-22 (Previous Financial Year) No. of employees covered as a % of total employees | FY 2021-22 No. of workers covered as a % of total workers | FY 2021-22 Deducted and deposited with the authority (Y/N/N.A.) |
|---|---|---|---|---|---|---|
| PF | 100 | 100 | Yes | 100 | 100 | Yes |
| Gratuity | 100 | 100 | Yes | 100 | 100 | Yes |
| ESI | NA | 100 | Yes | NA | 100 | Yes |
| **Others – please specify** | | | | | | |
| Superannuation | 4.6 | 0 | Yes | 5.15 | 0 | Yes |
| NPS | 8.96 | 0 | Yes | 8.64 | 0 | Yes |

3. Accessibility of workplaces - Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Yes, most of the premises/offices of the Company are accessible to differently abled employees and workers. The Company in its endeavour to promote an inclusive workplace provides facilities such as ramps to make its offices accessible to differently abled employees and workers. The Company's offices in Mumbai (Sion), New Delhi, and Mohali are accessible to employees with disabilities.

The management is developing a plan to ensure that all of Company's facilities are accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has an equal opportunity employer policy which reflects the Company's commitment to ensure equality, create an inclusive workplace & work culture and promote diversity in the workplace in which all individuals are treated with respect and dignity. The Company is an equal opportunity employer providing opportunities without any discrimination on the grounds of age, colour, disability, marital status, nationality, region, race, caste, religion, place of birth, sex, sexual orientation and any sort of family history. Individuals are encouraged to report any complaints/ violations of the policy by writing to HR Compliance team. The policy can be accessed at: https://www.bajajelectricals.com/media/7626/policy-on-human-rights.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100.00 | 64.00 | NA | NA |
| Female | 67.00 | 78.00 | NA | NA |
| Total | 96.00 | 67.00 | NA | NA |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers<br>Other than Permanent Workers<br>Permanent Employees<br>Other than Permanent Employees | Yes, the Company has dedicated grievance mechanisms in place.<br>• For employees the Company has an internal policy and grievance mechanism.<br>• For workers, safety committee meetings are conducted at factory level to redress their grievances.<br>• For women employees and workers, the Company has an ICC (Internal Complaints Committee) formed under POSH and a common Grievance redressal committee for any other grievances.<br>• Company's vigil mechanism helps to report genuine concerns or grievances about any poor or unacceptable practice and any event of misconduct. |

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| **Total Permanent Employees** | **2,152** | **4** | **0.19** | **2,108** | **6** | **0.28** |
| - Male | 2,003 | 3 | 0.15 | 1,967 | 5 | 0.25 |
| - Female | 149 | 1 | 0.67 | 141 | 1 | 0.71 |
| **Total Permanent workers** | **201** | **201** | **100** | **201** | **201** | **100** |
| - Male | 201 | 201 | 100 | 201 | 201 | 100 |
| - Female | Nil | Nil | Nil | Nil | Nil | Nil |

8. Details of training given to employees and workers:

| Category | FY 2022-23 (Current Financial Year) | | | | | FY 2021-22 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Employees** | | | | | | | | | | |
| Male | 2,003 | 1,432 | 71.50 | 1,325 | 66.15 | 1,967 | 0 | 0.00 | 773 | 39.30 |
| Female | 149 | 12 | 8.05 | 139 | 93.29 | 141 | 0 | 0.00 | 102 | 72.34 |
| **Total** | **2,152** | **1,444** | **67.10** | **1,464** | **68.03** | **2,108** | **0** | **0.00** | **875** | **41.50** |
| **Workers** | | | | | | | | | | |
| Male | 201 | 0 | 0.00 | 118 | 58.70 | 201 | 201 | 100.00 | 118 | 58.70 |
| Female | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 |
| **Total** | **201** | **0** | **0.00** | **118** | **58.70** | **201** | **201** | **0.00** | **118** | **58.70** |

9. Details of performance and career development reviews of employees and worker:

| Category | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| **Employees** | | | | | | |
| Male | 2,003 | 1,913 | 95.51 | 1,967 | 1,891 | 96.13 |
| Female | 149 | 145 | 97.32 | 141 | 132 | 93.62 |
| **Total** | **2,152** | **2,058** | **95.63** | **2,108** | **2,023** | **95.96** |
| **Workers** | | | | | | |
| Male | 201 | 0 | 0.00 | 201 | 0 | 0.00 |
| Female | 0 | 0 | 0.00 | 0 | 0 | 0.00 |
| **Total** | **201** | **0** | **0.00** | **201** | **0** | **0.00** |

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, the Company has a comprehensive health and safety management system. The health and safety management system covers all manufacturing plants and offices. The EPC business and two manufacturing facilities are certified for ISO 45001:2018. The Company aims to certify all the facilities for ISO 45001:2018 in near future.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

At Bajaj Electricals, Hazard Identification Process and Risk assessment is carried out for all the routine and non-routine activities.

**Hazard Identification Process:** The Company has implemented the Hazard Identification Risk Assessment (HIRA) technique, which is intended to determine the risk associated with certain critical equipment. The following things are considered while identifying hazards:

- Activities and areas where incidents have occurred in the past (leads to a better understanding of activities and areas, which are prone to health and safety incidents).
- Consultation with employees for better understanding of the safety issues.
- Review of material safety data sheets and information about plant machinery and equipment to identify listed hazards and safety precautions.

**Hazard Identification and Risk Assessment:** At Bajaj Electricals, "Probability-Consequence" Risk matrix is used for risk assessment. Once a hazard is identified the next step is to determine severity of it in consultation with the personnel who are exposed to the hazard and who are likely to be harmed because of it. If the risk associated with a particular hazard is considered high, immediate action is taken to control it by taking an interim short-term measure, followed by research required to fully assess the risk and decide on solutions. The results of evaluation of risks assessment help determine the risk controls to be established.

**Implementing Risk controls:** All hazards that have been assessed are dealt with in order of priority in one or more of the following ways:

- **Elimination of hazard:** Removing it from the workplace.
- **Substitution of hazard:** Substituting a substance, method, or material to reduce the risk or the hazard.
- **Isolation or enclosure of the hazard:** Separation of hazard from workplace e.g., Chemical storeroom access only to authorized personnel; faulty equipment is identified and isolated to prevent accidental usage.
- **Engineering solutions:** Modifying existing machinery or install different machine.
- **Administrative procedures:** Developing processes to reduce the conditions of risk. E.g., work instructions for safe operation, job rotation to reduce working hours on strenuous tasks, tasks requiring high focus, repetitive tasks.
- **Use of PPE and training on its use:** This is the last resort of dealing with a hazard when it cannot be removed or reduced by any other means.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has set up various means by which workers can report about the work-related hazards.

- **EHS Portal:** The Company established an EHS portal to report on near miss and deviations. The EHS portal was developed to receive support in KPI after reporting deviation near miss by the execution team.
- **One EHS App:** The Company has One EHS app for safety observations and to achieve real time tracking of any incidents taking place at the workplace.
- **EHS Daily tracker initiative:** For the safety of the workers at the manufacturing unit, the Company started daily basis tracking of the EHS data, to report all the incidences and keep a record of all the documentation related to EHS. The daily tracking system was implemented at the sites for EHS documentation. This system notifies the entire site team about their daily performance. Additionally, monthly combined data is sent to the associated committee members in the form of graphical presentation.
- **Others:** The Company has suggestion boxes, dedicated safety officer, safety committee meetings to discuss work hazards.

Further, workers are made aware of the ability to remove themselves from work situation that they consider present an imminent and serious danger to their life or health, as well as the arrangements for protecting them from undue consequences of doing so.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all workers are covered under the non-occupational medical and health care services. The Company's employees/workers are part of group Mediclaim policy and workers are covered under ESI.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0.34 |
| | Workers | 0 | 0 |
| Total recordable work-related injuries | Employees | 0 | 2 |
| | Workers | 0 | 0 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 2 |
| | Workers | 0 | 0 |

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has implemented a robust occupational health and safety management system across all the units. The Company has implemented the Hazard Identification Risk Assessment (HIRA) technique. The Company also has EHS portal for employees to report safety incidents. A dedicated EHS officer is present at all sites to report and monitor safe work practices. Further, the plant head chairs the safety committee which includes members from across the functions. Regular trainings are imparted to workers on the importance of safety and other topics like firefighting, importance of PPE, first aid, etc. Adequate PPEs are provided to workers, a work permit system has been implemented across the organization which ensures no unauthorized or unsupervised work takes place.

13. Number of Complaints on the following made by employees and workers:

| Benefits | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | NA | 0 | 0 | NA |
| Health & Safety | 0 | 0 | NA | 0 | 0 | NA |

14. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

Note: The above assessments were carried out by the Company and 3rd party auditors.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There were no significant risks/concerns from the assessments undertaken for health & safety practices and working conditions.

## PRINCIPLE 4 - Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   The Company takes a people-centric and stakeholder-inclusive approach to value creation. At Bajaj Electricals, stakeholder engagement is an important aspect of the Company's overall decision-making process. The Company identifies its key stakeholders by prioritizing the list of stakeholder groups based on their ability to influence and get influenced by the Company's performance and operations. Identified stakeholders include board and leadership, investors, customers, vendors, employees, and communities. The Company engages through tailored engagement strategies with each stakeholder groups. These stakeholder engagement and feedback mechanism help the Company in identifying and addressing stakeholder concerns.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Investors | No | Annual general meetings, Investor and analyst meet and conferences, Quarterly earnings call and presentation, Integrated reports, and press releases. | Quarterly or as and when required | • Economic performance<br>• Business model resilience and profitability<br>• Ethics and compliance<br>• Financial growth and business<br>• Scalability<br>• ESG interventions |
| Employees | No | Emails, meetings, communication through digital platform, International townhall, Trainings and L&D activities, Rewards and recognition, Employee survey, amongst other. | Ongoing and need based | • Career enhancement and growth opportunities<br>• Employee benefits<br>• Occupational health and safety<br>• Rewards and recognitions<br>• Learning and development interventions |
| Distributors /Vendors/ Dealers | No | Contract Management & Supplier governance meeting, Vendor meets, Training programmes, Quality enhancement programmes, Safety trainings, Feedback and surveys, amongst other. | Ongoing and need based | • Product quality<br>• Product Development<br>• ESG aspects including health, safety and human rights<br>• Supply chain sustainability<br>• Increase reach and provide opportunities to collaborate in CSR activities<br>• Cost<br>• Delivery |
| Customers | No | Customer feedback and surveys, Brand Campaigns (ATL & BTL), Social media engagements, Loyalty programmes, amongst other. | Real time Need-based | • Innovation<br>• Product and solution offerings<br>• Product, quality, safety<br>• Accessibility<br>• Sustainable products |
| Local communities | Yes | CSR Interventions, Email, physical meetings, IEC materials such as posters, audio visual ads community meetings and visits. | Ongoing Need based | • Community upliftment and development<br>• Health and well-being<br>• Financial assistance and support |

## PRINCIPLE 5 - Businesses should respect and promote human rights

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| **Employees** | | | | | | |
| Permanent | 2,152 | 1,819 | 87.87 | 2,108 | 1,631 | 77.37 |
| Other than permanent | 2,154 | 0 | 0.00 | 1,713 | 0 | 0.00 |
| **Total Employees** | **4,306** | **1,819** | **43.92** | **3,821** | **1,631** | **42.68** |
| **Workers** | | | | | | |
| Permanent | 201 | 0 | 0.00 | 201 | 0 | 0.00 |
| Other than permanent | 2,379 | 602 | 25.30 | 1,685 | 0 | 0.00 |
| **Total Workers** | **2,580** | **602** | **23.33** | **1,886** | **0** | **0.00** |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2022-23 (Current Financial Year) | | | | | FY 2021-22 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Employees** | | | | | | | | | | |
| Permanent | 2,152 | 0 | 0.00 | 2,152 | 100.00 | 2,108 | 0 | 0.00 | 2,108 | 100.00 |
| Male | 2,003 | 0 | 0.00 | 2,003 | 100.00 | 1,967 | 0 | 0.00 | 1,967 | 100.00 |
| Female | 149 | 0 | 0.00 | 149 | 100.00 | 141 | 0 | 0.00 | 141 | 100.00 |
| Other than Permanent | 2,154 | 818 | 37.98 | 1,336 | 62.02 | 1,713 | 688 | 40.16 | 1,025 | 59.84 |
| Male | 1,834 | 697 | 38.00 | 1,137 | 62.00 | 1,456 | 587 | 40.31 | 869 | 59.68 |
| Female | 320 | 121 | 37.81 | 199 | 62.19 | 257 | 101 | 39.30 | 156 | 60.70 |
| **Workers** | | | | | | | | | | |
| Permanent | 201 | 0 | 0.00 | 201 | 100.00 | 201 | 0 | 0.00 | 201 | 100.00 |
| Male | 201 | 0 | 0.00 | 201 | 100.00 | 201 | 0 | 0.00 | 201 | 100.00 |
| Female | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 |
| Other than Permanent | 2,379 | 2,348 | 98.70 | 31 | 1.30 | 1,685 | 1,685 | 100.00 | 0 | 0.00 |
| Male | 2,194 | 2,163 | 98.59 | 31 | 1.41 | 1,541 | 1,541 | 100.00 | 0 | 0.00 |
| Female | 185 | 185 | 100.00 | 0 | 0.00 | 144 | 144 | 100.00 | 0 | 0.00 |

3. Details of remuneration/salary/wages, in the following format:

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | 8 | 17,25,000 | 2 | 20,25,000 |
| Key Managerial Personnel | 3* | 1,85,90,099 | 0 | 0 |
| Employees other than BoD and KMP | 2,000 | 12,00,000 | 149 | 11,92,860 |
| Workers | 201 | 3,74,124 | 0 | 0 |

*MD & CEO, CFO, Company Secretary are designated as KMPs of the Company.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, 'Compliance Committee' constituted under the Company's Code of Conduct for Employees ("COC Committee") is responsible for addressing any Human Rights complaints raised by stakeholders.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Employees and value chain partners are encouraged to report any genuine human rights related concern through a formal complaint at complainacemanager@bajajelectricals.com. The 'Compliance Committee' constituted under the Company's Code of Conduct for Employees ("COC Committee") reviews the case and recommend action to the Managing Director & Chief Executive Officer (MD & CEO). Further, any grievance against any member of the COC Committee is addressed to the MD & CEO.

6. Number of Complaints on the following made by employees and workers:

| Benefits | FY 2022-23 (Current Financial Year) | | | FY 2021-22 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 2 | - | - | - | - | - |
| Discrimination at workplace | - | - | - | - | - | - |
| Child Labour | - | - | - | - | - | - |
| Forced Labour/ Involuntary Labour | - | - | - | - | - | - |
| Wages | - | - | - | - | - | - |
| Other human rights related issues | - | - | - | - | - | - |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

The Company has implemented mechanisms to prevent adverse consequences to complainants in discrimination and harassment cases. The Company's Human Rights Policy ensures a work environment free from discrimination and harassment. The policy is disclosed on Company's website for the information and reference of all relevant stakeholders.

To address potential violations, individuals are encouraged to report concerns to the 'Compliance Committee', constituted under the Company's Code of Conduct for Employees ("COC Committee"), through a formal complaint at compliancemanager@bajajelectricals.com.

Grievances against the COC Committee members should be addressed to the MD & CEO. The Company prioritize confidentiality and safeguard the privacy of complainants throughout the process.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, human rights requirements form a part of the Company's business agreements and contracts as and where relevant.

9. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100% |
| Forced/involuntary labour | 100% |
| Sexual harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Others – please specify | - |

Note: The above assessments were carried out by the Company and 3rd party auditors.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

There were no significant risks/concerns from the above assessments.

## PRINCIPLE 6 - Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|---|---|
| Total electricity consumption (A) | 20,756.60 | 16,576.02 |
| Total fuel consumption (B) | 53,626.50 | 12,017.34 |
| Energy consumption through other sources (C) | 2,537.40 | 2,211.31 |
| Total energy consumption (A+B+C) | 76,920.50 | 30,803.65 |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) | 0.00000142 | 0.00000065 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   No, the Company does not fall under PAT scheme of Government of India.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | 0.00 | 0.00 |
| (ii) Groundwater | 8,357.00 | 7,143.00 |
| (iii) Third party water | 43,416.00 | 44,296.00 |
| (iv) Seawater / desalinated water | 0.00 | 0.00 |
| (v) Others | 0.00 | 0.00 |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | **51,773.00** | **51,439.00** |
| **Total volume of water consumption (in kilolitres)** | **51,773.00** | **51,439.00** |
| Water intensity per rupee of turnover (Water consumed / turnover) | 0.00000096 | 0.00000108 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   Yes, the Company has achieved Zero Liquid Discharge (ZLD) status at Ranjangaon and Chakan plant. Domestic wastewater at both the units is treated and reused for gardening purposes following applicable norms. The quality of effluent discharge where applicable is ensured as per regulatory requirements.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|---|---|---|
| NOx | mg/nm3 | 14.71 | 12.35 |
| SOx | mg/nm3 | 13.21 | 18.61 |
| Particulate matter (PM) | mg/nm3 | 42.92 | 31.96 |
| Persistent organic pollutants (POP) | NA | - | - |
| Volatile organic compounds (VOC) | NA | - | - |
| Hazardous air pollutants (HAP) | NA | - | - |
| Others – please specify | NA | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes, independent assessment was carried out in FY 22-23 through various external agencies. At Chakan, the assessment was done by Rajas Laboratories. At Nasik, third party assessment was done by Ashwamedh Engineers & consultants and at Ranjangaon assessment was conducted by external laboratory testing. Further, ISO 14001 Standard Audit was conducted by TUV. As for corporate offices, the assessment was done by Green Envirosafe.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|---|---|---|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | tCO2e | 3,485.76 | 779.68 |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | tCO2e | 4,122.57 | 3,528.36 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | tCO2e | 0.00000014 | 0.00000009 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

   Yes, the Company is taking conscious efforts to reduce its GHG emissions. The Company is transitioning to alternate and renewable source of energy. The Company installed solar panels at manufacturing units to increase its energy efficiency and reduce its environmental footprint.

   - At Ranjangaon Unit, 297 KWP rooftop solar panels are installed.
   - At Chakan, 605 KWP rooftop solar panels are installed.

8. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste (A) | 18.55 | 3.59 |
| E-waste (B) | 53.45 | 17.61 |
| Bio-medical waste (C) | 0.01 | 0.00 |
| Construction and demolition waste (D) | 0.00 | 0.00 |
| Battery waste (E) | 0.00 | 0.00 |
| Radioactive waste (F) | 0.00 | 0.00 |
| Other Hazardous waste. Please specify, if any. (G) | 956.69 | 1,052.90 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 4,316.09 | 6,124.20 |
| **Total (A+B + C + D + E + F + G + H)** | **5,344.78** | **7,198.30** |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | | |
| - Plastic | 15.17 | 0.00 |
| - E-waste | 52.66 | 17.07 |
| - Hazardous Waste | 918.17 | 1,052.90 |
| - Non-hazardous waste | 3,837.01 | 5,411.70 |
| (ii) Re-used | 0.64 | 0.46 |
| (iii) Other recovery operations | 0.14 | 0.09 |
| **Total** | **4,823.79** | **6,482.21** |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | | |
| - Bio- medical Waste | 0.01 | 0.00 |
| - Hazardous Waste | 31.16 | 47.30 |
| - Non-hazardous waste | 0.00 | 0.00 |
| (ii) Landfilling | | |
| - Hazardous Waste | 3.56 | 0.00 |
| (iii) Other disposal operations | | |
| - Plastic | 3.38 | 3.59 |
| - Hazardous Waste | 3.78 | 0.00 |
| - Non-hazardous waste | 479.08 | 712.5 |
| **Total** | **520.97** | **763.39** |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: No.

9. a. Briefly describe the waste management practices adopted in your establishments.

The Company's waste management strategy follows industry best practices to responsibly mange waste generated. The approach to manage different type of waste is mentioned below:

**Hazardous Waste:** The hazardous waste generated during operations are scraps in the steel fabrication process, spent acid in the acid pickling process, industrial sludge, Zinc ash and dross during galvanisation. This waste is disposed as per the waste handling/disposal regulations given by Central Pollution Control Board and respective State Pollution Control Board.

**Non-hazardous waste:** In line with the 3R approach followed by Bajaj Electricals, an initiative was undertaken to reduce the usage of thermocol at the suppliers and vendors. Bajaj Paryavaran Mitra, a non-profit organization founded by the Company in 2004 aimed at safeguarding nature and the environment. One of the organization's initiatives was to decrease the usage of non-biodegradable materials (specifically, thermocol) by substituting it with pulp for packaging purposes. This initiative was advantageous for our organization, as it allowed us to reduce the dependence on non-biodegradable thermocol and achieve zero wastage by returning all scraps to the pulp slurry.

**E-waste:** The Company has taken on the responsibility of Extended Producer Responsibility (EPR) as per the E-waste rules, which involves collecting and disposing of selected electrical equipment like CFLs and FTL once they reach the end of their useful life. The Central Pollution Control Board (CPCB) has granted the EPR authorization to the Company for managing electrical and electronic equipment in compliance with the 2016 e-waste management rule. The waste generated by the Company is handled according to the regulations set forth by the CPCB and/or the State Pollution Control Board (SPCB). Moreover, the Company follows the Hazardous Substances Restriction (RoHS) stipulated by the Indian E-Waste Management Rules 2016. The waste management procedures are prepared for Nasik and Chakan units and the waste is disposed through authorized agency as per regulatory requirements.

**Construction Waste:** An appropriate waste management method for construction waste has been adopted which requires the proper segregation of construction and demolition debris (CDD), clean fill material, and other construction waste.

b. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The R&D team is working closely with all our suppliers and vendors to ensure that our products are compliant with the ROHS standards. We will soon be undergoing ROHS v2 certification for all our products.

At the Nasik unit, we have implemented a management program to reduce fumes generation in the soldering process. This has been achieved by eliminating the entire process and providing a fumes extractor in the welding section to minimize the effect of hazardous gases.

At Chakan unit, we have introduced new technology in the paint shop to reuse recovery powder. Additionally, we have established a separate hazardous waste room in a secure environment to manage the waste generated.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| Sr. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| Not applicable | | | |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Not applicable | | | | | |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

    No material fines were paid in FY 2022-23.

## PRINCIPLE 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations: Sixteen (16)

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| Sr. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1. | IMC Chamber of Commerce and Industry | National |
| 2. | Bombay Chamber of Commerce | State |
| 3. | Confederation of Indian Industry | National |
| 4. | Indian Electrical and Electronics Manufacturers Association | National |
| 5. | Council For Fair Business Practices | National |
| 6. | The Indian Society of Advertisers | National |
| 7. | Deccan Chamber of Commerce | National |
| 8. | Indian Fan Manufacturers Association | National |
| 9. | Consumer Electronics and Appliances Manufacturers Association | National |
| 10. | Ranjangaon Industries Association | State |

## PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| There was no such project which was mandated for social impact assessment based on applicable laws. | | | | | |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| Sr. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In ₹) |
|---|---|---|---|---|---|---|
| Not applicable. | | | | | | |

3. Describe the mechanisms to receive and redress grievances of the community.

   At Bajaj Electricals, we have established effective mechanisms to receive and redress grievances from the community, aligning with our policy of engaging with stakeholders in a consistent and systematic manner. The policy is disclosed on our website for the information and reference of all relevant stakeholders. Our approach is rooted in identifying and understanding the concerns of all stakeholders, including those who are disadvantaged, vulnerable, and marginalized. We prioritize their concerns and strive to address them in an equitable and transparent manner.

   To ensure a smooth process for handling grievances, we have designated the Company Secretary & Chief Compliance Officer as the point of contact. Any grievances pertaining to our policy can be addressed to him directly. The contact details of the Company Secretary & Chief Compliance Officer are readily available on our Company website, making it convenient for stakeholders to reach out.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| Parameter | FY 2022-23 (Current Financial Year) | FY 2021-22 (Previous Financial Year) |
|---|---|---|
| Directly sourced from MSMEs/small producers | 40.64 | 40.86 |
| Sourced directly from within the district and neighbouring districts | 26.13 | 28.75 |

## PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The Company follows a robust mechanism to track consumer complaints and focus has been to make it easy for consumer voices to be heard and accordingly, a well-established escalation matrix has been developed on the Company's website. In case of a consumer compliant, each escalation is addressed promptly and followed up for resolution. Any negative response coming during consumer survey is also addressed by calling the consumer and understanding where the Company failed to meet expectations. The Company takes measures to address consumer feedback.

| Particulars | Objective |
|---|---|
| Consumer Meets | To gauge consumers' satisfaction level regarding products and services. |
| Consumer satisfaction feedback | To analyse consumer feedback and take suitable measures for upgrading products and services. A system of collecting feedback through feedback cards, e-mails, telephonic surveys, etc. |
| Consumer Care Cell | 24x7 toll-free number for receiving and redressing consumer complaints. |

| Particulars | Objective |
|---|---|
| 'Bajaj Paddy' – Virtual assistant on the website of the Company | To stimulate conversations with consumers and to help them report a problem with an appliance, request a demo or schedule an appointment with a technician for installation and generate consumer complaint instantly in real time. |
| Product check-up and consumer meets | To address consumers' concerns and complaints. |

For consumer products, the Company receives request calls for tech support and other queries including product installation, product demo, repairs/warranty claims, etc. All such request calls are attended to with utmost seriousness and the entire organisation focusses on reducing hassle to consumers. Out of close to 30 lakh consumer request calls received during the year, ~more than 99% were resolved at the end of the year. The Company resolves such requests of consumers in the following manner:

**A. Tech Support**

Bajaj Electricals has adopted various support methods for consumers to reach out to the Company such as Voice Call through Call centres, Web Form and Online Chat Bots at Bajaj Electricals and Morphy Richards India website and e-mail support. The Company has deployed the web-based CRM for capturing the consumer calls online. The consumer calls are registered online on real time basis and almost 95%+ calls are resolved within two days of call registration. A confirmatory message is sent to each consumer with call registration ID instantly on registering the call.

**B. Consumer Satisfaction and Feedback**

The Company reaches out to consumers to gauge and track consumer satisfaction level. The consumer satisfaction is measured through a digital process. The Company has managed to maintain delighted and satisfied response rate above 99% in all the months. Further, the Company constantly monitors social media, and any online client concerns and take immediate action to address the concerns.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | - |
| Safe and responsible usage | 88.24 |
| Recycling and/or safe disposal | 26.31 |

Note: The above information is provided for "Manufacturing and Trading of Consumer Products" segment of the Company.

3. Number of consumer complaints in respect of the following:

| Category | FY 2022-23 (Current Financial Year) | | Remarks | FY 2021-22 (Previous Financial Year) | | Remarks |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | - | - | | - | - | |
| Advertising | - | - | | - | - | |
| Cyber-security | - | - | | - | - | |
| Delivery of essential services | - | - | | - | - | |
| Restrictive Trade Practices | - | - | | - | - | |
| Unfair Trade Practices | 5 | 5 | Refer Note | 3 | 2 | Refer Note |
| Other | - | - | | - | - | |

Note: These are pending consumer litigations related to its products/services, alleging Unfair Trade Practices (UTP). These cases are being filed by consumers in/before consumer courts/forums/regulatory authorities, but no orders alleging UTP have been issued against the company so far.

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | Nil | NA |
| Forced recalls | Nil | NA |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. the Company has a cyber security policy where VAPT and Security Tests are run according to the Company's security policies. The policy is hosted on Company's intranet.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable.

# Standalone Financial Statements

# Independent Auditor's Report

To the Members of **Bajaj Electricals Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Bajaj Electricals Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| **A. Cost to complete estimates in the EPC business segment (Refer Note 1D(3) of the standalone financial statements)** | |
| Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of related contract risks and their financial estimation; scope | Our audit procedures included the following:<br>• Performed procedures to test the design and operating effectiveness of controls relating to cost estimation;<br>• Selected projects by applying audit sampling techniques and examined whether the cost estimates for these projects are in line with the supplier quotations obtained by the management and other internal estimates where latest supplier quotations are not available. |

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| of deliveries and services required for fulfilling the contractually defined obligations and expected delays, if any.<br>Accordingly, cost to complete estimates have been considered as a key audit matter. | • Examined whether the future supply quantities in the selected projects are in line with the contractual Bill of Quantities (BOQ) / survey conducted by the management. Further, also performed audit tests in respect of erection and other overhead costs considered in the selected projects.<br>• Examined the contingencies identified by the management in these selected projects and corroborated the same with internal / external evidence available with the management.<br>• Examined project contractual terms and customer correspondences for the selected projects, to determine any adjustments to be considered to the project margins. |
| **B. Impairment allowance on trade receivables pertaining to operationally closed projects in Power Distribution (PD) and Transmission Line Tower (TLT) business (Refer Note 1D(2) and Note 6 of the standalone financial statements)** | |
| As at March 31, 2023, trade receivables of ₹ 15,688.56 lakhs (net of impairment allowance of ₹ 3,362.88 lakhs) related to amounts collectible in respect of operationally closed projects in the PD and TLT business.<br>In determining whether an impairment allowance is required, the management takes into consideration the ageing status and likelihood of collection based on contractual terms, past experience, customer correspondences etc. Based on such assessment, specific allowances are made for receivables that are unlikely to be collected.<br>Due to the involvement of management's judgement and materiality of the amounts involved, we have considered the same as a key audit matter. | Our audit procedures included the following<br>• Obtained management's assessment of recoverability of receivables from operationally closed projects.<br>• Discussed with the business heads in the PD and TLT business on the steps taken by them for recovery of the amounts, including discussions with customers during the period under audit.<br>• For samples, assessed whether the rationale behind the management's judgment in determining the impairment provisions are in line with the customer correspondences (including any disputes), material reconciliations (where done during the year) and post year end payments. |
| **C. Impairment of investment and recoverability of advances to subsidiary and recognition of liability for guarantee given for loans taken by the subsidiary (Refer Notes 5.1, 7 , 14 and 40a(x) of the standalone financial statements)** | |
| As at March 31, 2023, the Company has the following exposure in respect of Nirlep Appliances Private Limited ('NAPL'), other than those provided for in the books: -<br>Investment of ₹ 4,333.20 lakhs<br>Trade advances of ₹ 3,000.00 lakhs<br>Loans of ₹ 6,323.00 lakhs<br>Financial guarantee given by the Holding Company for loans taken by NAPL from the banks<br>(outstanding balance of ₹ 0.00 lakhs to the extent of borrowings as at March 31, 2023)<br>NAPL has been making losses over the past years. Management has performed a fair value assessment by forecasting and discounting future cash flows which involve significant estimates and judgment and determined that: -<br>• No impairment is required to be recorded for the year ended March 31, 2023<br>• No liability is probable on the financial guarantee given by the Company for loans taken by NAPL.<br>Considering the judgments / estimates as discussed above, it has been determined as a key audit matter. | Our audit procedures included the following:<br>• Obtained management's future cash flow forecasts along with the discounted cash flow working for subsidiary and tested the mathematical accuracy of the underlying calculations.<br>• Compared historical actual results to those budgeted and inquired with management on the reasons for significant deviations, to assess the quality of management's forecasts.<br>• Assessed the key assumptions used in the fair value assessment, comprising sales growth rates with reference to the contractual arrangements, EBITDA margin perpetual growth rate and discount rates.<br>• Examined the valuation report obtained by the management from external valuation specialists. Also, examined the objectivity and competence of the specialists involved.<br>• Assessed the sensitivity analysis of key assumptions used, including management assessment on the impact on change in assumptions. |
| **D. Timing of revenue recognition for Consumer Product business (Refer Notes 1B(2)(1) and 24 of the standalone Ind AS financial statements)** | |
| Revenue from contracts with customers is recognised upon transfer of control of promised goods and is measured at the fair value of the consideration received or receivable, net of returns, schemes and rebates, based on contractually defined terms.<br>The timing of transfer of control in case of sales to distributors is basis the arrangements including delivery specifications and incoterms, payment terms and ability of customers to return the goods if unsold in the market which create complexity and judgment in determining the timing of recognition of revenues.<br>The risk is, therefore, that revenue is not recognized in the correct period and accordingly, it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements. | Audit procedures included the following:<br>• Assessed the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.<br>• Assessed the design and tested the operating effectiveness of internal financial controls related to timing of revenue recognition.<br>• For sample customers, obtained and assessed the arrangements with the Company and impact on revenue recognition including their payment terms and right to returns<br>• Performed sample tests of individual sales transaction based on sales invoices and other related documents. In respect of the samples selected, tested the timing of revenue recognition in accordance with Ind AS 115.<br>• Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents and the terms of sale.<br>• Performed analytical procedures on sales and sales return trend<br>• For sample customer balances, obtained direct confirmation and tested the reconciliations if any |

We have determined that there are no other key audit matters to communicate in our report.

**Information Other than the Financial Statements and Auditor's Report Thereon**

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

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

2. As required by Section 143(3) of the Act, we report that:

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

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

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

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

   (e) On the basis of the written representations received from the directors as on March 31, 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 adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (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 standalone financial statements – Refer Note 40 to the standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 40 to the standalone financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

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

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

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**
Partner
Membership No.: 105938
UDIN: 23105938BGXGGZ9835

Mumbai, May 23, 2023



# Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

## Re: Bajaj Electricals Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

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

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

(i) (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.

(i) (c) The title deeds of immovable properties as disclosed in note 2 to the standalone financial statements included in property, plant and equipment are held in the name of the Company. Certain title deeds of the immovable Properties, in the nature of freehold land and building, as indicated in the below mentioned cases which were acquired pursuant to a Scheme of Amalgamation approved by National Company Law Tribunal's (NCLT) Order dated May 21st 2020, are not individually held in the name of the Company, however the deed of merger has been registered by the Company on March 31, 2023.

| Description of Property | Gross carrying value (₹ in lakhs) | Held in name of | Whether Promoter, Director or their relative or employee | Period held- indicate range, where appropriate | Reason for not held in the name of Company |
|---|---|---|---|---|---|
| Freehold land | 12,600.00 | Hind Lamps Limited | No | March 31, 2020 to March 31, 2023 | — |
| Building | 750.47 | Hind Lamps Limited | No | March 31, 2020 to March 31, 2023 | — |

In case of 1 lease agreements of immovable property as indicated below as at March 31, 2023 and as disclosed in note 3 to the standalone financial statements, the lease agreement is not duly executed in favour of the Company and hence we are unable to comment on the same

| Description of Property | Gross carrying value (₹ in lakhs) | Held in name of | Whether Promoter, Director or their relative or employee | Period held- indicate range, where appropriate | Reason for not held in the name of Company |
|---|---|---|---|---|---|
| Leasehold Building | 32.22 | Not applicable | No | October 01, 2022 to March 31, 2023 | — |

(i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

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

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies on such physical verification were less than 10% in aggregate for each class of inventory and have been properly dealt with in the books of account. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and no discrepancies were noticed.

(ii) (b) As disclosed in note 18 to the financial statements, the Company has been sanctioned working capital limits in excess of. ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:

(₹ in Lakhs)

| Particulars | Guarantees | Security | Loans | Advances in nature of loans |
|---|---|---|---|---|
| Aggregate amount granted/ provided during the year –Subsidiaries | Nil | Nil | 2,556.00 | 9,235.00 |
| Balance outstanding as at balance sheet date in respect of above cases – Subsidiaries | 2,000.00 | Nil | 6,323.00 | 3,000.00 |

(iii) (b) During the year the guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans to companies are not prejudicial to the Company's interest.

(iii) (c) The Company has granted loans and advance in the nature of loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(iii) (d) There are no amounts of loans and advances in the nature of loans granted to companies, which are overdue for more than ninety days.

(iii) (e) There were no loans or advance in the nature of loan granted to companies which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

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

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

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

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

(₹ in Lakhs)

| Matter | Year | Forum where dispute is pending: Dy. Commissioner / Commissioner / Jt. Commissioner Appeals | Appellate/ Revision | Tribunal | High court | Total* |
|---|---|---|---|---|---|---|
| Entry Tax | 2010-13 | 1.15 | – | – | – | 1.15 |
| Entry Tax | 2015-16 | 1.70 | – | – | – | 1.70 |
| Entry Tax | 2016-17 | 0.39 | – | – | – | 0.39 |
| Sales tax | 2001-02 | 95.14 | – | – | – | 95.14 |
| Sales tax | 2005-06 | 37.80 | – | – | – | 37.80 |
| Sales tax | 2006-07 | – | – | 8.19 | – | 8.19 |
| Sales tax | 2007-08 | 24.33 | – | – | – | 24.33 |
| Sales tax | 2008-09 | 2.62 | – | – | – | 2.62 |
| Sales tax | 2009-10 | 13.77 | – | – | – | 13.77 |
| Sales tax | 2010-11 | 18.98 | – | – | – | 18.98 |
| Sales tax | 2010-12 | – | – | – | 6.40 | 6.40 |
| Sales tax | 2011-12 | 0.61 | – | – | – | 0.61 |
| Sales tax | 2012-13 | 14.90 | – | 267.83 | 41.96 | 324.69 |
| Sales tax | 2013-14 | 457.85 | – | – | – | 457.85 |
| Sales tax | 2013-15 | – | – | 846.97 | – | 846.97 |
| Sales tax | 2014-15 | 120.12 | 19.38 | | – | 139.50 |
| Sales tax | 2015-16 | 82.34 | 87.41 | 10.79 | – | 180.53 |
| Sales tax | 2016-17 | 830.86 | – | – | – | 830.86 |
| Sales tax | 2017-18 | 519.68 | – | – | – | 519.58 |
| Sales tax | 2017-20 | 881.06 | – | – | – | 881.06 |
| Sales tax | 2018-19 | 161.11 | – | – | – | 161.11 |
| Sales tax | 2019-20 | 70.51 | – | – | – | 70.51 |
| Sales tax | 2020-21 | 14.98 | – | – | – | 14.98 |
| Service Tax | 2005-10 | 139.14 | – | – | – | 139.14 |
| Customs | 2016-17 | 24,175.85 | 24,175.85 | 24,175.85 | 24,175.85 | 20,991.62 |
| **Total** | | **3,545.23** | **106.79** | **1,149.27** | **48.36** | **4,849.54** |

* The unpaid amount mentioned above is net of ₹ 1,000.23 lakhs paid under protest

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

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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

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

(ix) (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

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

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

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

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

(xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

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

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

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

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

(xvi)(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

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

(xvi)(d) In our opinion, and according to the information and explanation given to us, in the group (in accordance with Core Investment Companies (Reserve Bank) Directions, 2016) there are 16 companies forming part of the promoter/promoter group of the Company which are CICs (These are unregistered CICs as per Para 9.1 of Notification No. RBI/2020-21/24 dated 13th August 2020 of the Reserve Bank of India).

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

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 46 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 43 to the standalone financial statements.

(xx)(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 43 to the standalone financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**
Partner
Membership No.: 105938
UDIN: 23105938BGXGGZ9835

Mumbai, May 23, 2023

# Annexure '2' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

**Re: Bajaj Electricals Limited ("the Holding Company")**

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

We have audited the internal financial controls with reference to standalone financial statements of Bajaj Electricals Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

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

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

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

## Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 standalone 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 Standalone Financial Statements

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

## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone 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 the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**
Partner
Membership No.: 105938
UDIN: 23105938BGXGGZ9835

Mumbai, May 23, 2023

# Standalone Balance Sheet as at 31st March 2023

(₹ in Lakhs)

| Particulars | Notes | As at 31-Mar-23 | As at 31-Mar-22 (Restated) (refer note 44) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 2 | 31,981.99 | 32,050.56 |
| Capital work in progress | 2 | 4,049.97 | 2,788.74 |
| Investment properties | 4.1 | 12,947.65 | 13,077.04 |
| Goodwill on business combination | 44 | 16,356.73 | 16,356.73 |
| Right-of-use assets | 3 | 12,298.88 | 6,855.68 |
| Intangible assets | 4 | 1,762.70 | 114.90 |
| Intangible assets under development | 4 | 145.91 | 1,546.59 |
| Investments in subsidiaries and associate | 5.1 | 4,383.20 | 4,383.20 |
| **Financial Assets** | | | |
| i) Investments | 5.3 | 600.58 | 489.73 |
| ii) Trade receivables | 6 | 8,436.72 | 22,109.94 |
| iii) Loans | 7 | 3,460.50 | 3,789.35 |
| iv) Other financial assets | 8 | 3,032.24 | 3,735.08 |
| Deferred tax assets (net) | 9 | – | 8,143.54 |
| Income tax assets (net) | | 12,750.19 | 10,385.55 |
| Other non-current assets | 10 | 15,676.61 | 13,250.86 |
| **Total Non-Current Assets** | | **1,27,883.87** | **1,39,077.49** |
| **Current Assets** | | | |
| Inventories | 11 | 1,04,957.82 | 97,594.62 |
| **Financial Assets** | | | |
| i) Investments | 5.2 | 4,078.23 | – |
| ii) Trade receivables | 6 | 1,48,047.02 | 1,13,657.11 |
| iii) Cash and cash equivalents | 12 | 34,047.35 | 11,834.91 |
| iv) Bank balances other than (ii) above | 12 | 2,871.68 | 2,352.64 |
| v) Loans | 7 | 2,897.71 | 1,000.84 |
| vi) Other current financial assets | 13 | 1,260.04 | 776.35 |
| Other current assets | 14 | 40,563.90 | 26,795.77 |
| Contract assets | 41 | 4,650.98 | 5,344.33 |
| | | **3,43,374.73** | **2,59,356.57** |
| Assets classified as held for sale | 15 | 219.40 | 1,719.41 |
| **Total Current Assets** | | **3,43,594.13** | **2,61,075.98** |
| **Total Assets** | | **4,71,478.00** | **4,00,153.47** |
| **EQUITY & LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 16 | 2,301.51 | 2,297.48 |
| Other Equity | 17 | 1,93,803.16 | 1,72,171.74 |
| **Total Equity** | | **1,96,104.67** | **1,74,469.22** |
| **LIABILITIES** | | | |
| **Non-Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| i) Borrowings | 18 | – | 1,183.32 |
| ia) Lease liabilities | 3 | 7,183.97 | 3,035.04 |
| ii) Other financial liabilities | 19 | 5.69 | 16.36 |
| Provisions | 20 | 1,689.40 | 2,254.73 |
| Employee benefit obligations | 21 | 5,770.24 | 6,175.68 |
| Deferred tax liabilities (net) | 9 | 539.73 | – |
| **Total Non-Current Liabilities** | | **15,189.03** | **12,665.13** |
| **Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| i) Borrowings | 18 | 16.65 | 2,398.58 |
| ia) Lease liabilities | 3 | 2,939.67 | 1,552.76 |
| ii) Trade payables | 22 | | |
| Total Outstanding dues of micro enterprises & small enterprises | | 5,268.10 | 7,138.94 |
| Total Outstanding dues of other than micro enterprises & small enterprises | | 1,50,761.17 | 1,15,257.85 |
| iii) Other current financial liabilities | 19 | 69,866.72 | 46,039.88 |
| Provisions | 20 | 4,873.21 | 7,853.75 |
| Employee benefit obligations | 21 | 1,526.90 | 913.80 |
| Current tax liabilities (net) | | 1,915.14 | 1,701.21 |
| Contract liabilities | 41 | 15,764.36 | 9,117.44 |
| Other current liabilities | 23 | 7,252.38 | 21,044.91 |
| **Total Current Liabilities** | | **2,60,184.30** | **2,13,019.12** |
| **Total Liabilities** | | **2,75,373.33** | **2,25,684.25** |
| **Total Equity & Liabilities** | | **4,71,478.00** | **4,00,153.47** |
| **Summary of significant accounting policies** | 1B | | |
| **The accompanying notes are an integral part of the Standalone Financial Statements** | | | |

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.105938

Mumbai, May 23, 2023

For and on behalf of the Board of directors
of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

**Anuj Poddar**
Managing Director & Chief Executive Officer
DIN: 01908009

**Ajay Nagle**
Company Secretary

**EC Prasad**
Chief Financial Officer

**Shailesh Haribhakti**
Chairman - Audit Committee
DIN: 00007347



# Statement of Standalone Profit and Loss for the year ended 31st March 2023

(₹ in Lakhs)

| Particulars | Notes | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 (Restated)(refer note 44) |
|---|---|---|---|
| **Income:** | | | |
| Revenue from operations | 24 | 5,41,740.91 | 4,78,819.26 |
| Other income | 25 | 8,331.98 | 7,241.56 |
| **Total Income** | | **5,50,072.89** | **4,86,060.82** |
| **Expenses:** | | | |
| Cost of raw materials consumed | 26 | 51,677.76 | 50,146.51 |
| Purchases of traded goods | | 3,24,303.04 | 2,75,557.08 |
| Changes in inventories of work-in-progress, finished goods, traded goods | 26 | (4,556.20) | 2,241.85 |
| Erection & subcontracting expenses | 27 | 5,409.03 | 13,388.60 |
| Employee benefits expenses | 28 | 41,909.08 | 39,544.35 |
| Depreciation and amortisation expense | 29 | 7,541.87 | 6,304.16 |
| Other expenses | 30 | 87,245.30 | 72,826.96 |
| Finance costs | 31 | 4,770.32 | 6,867.16 |
| **Total Expenses** | | **5,18,300.20** | **4,66,876.67** |
| **Profit before exceptional items and tax** | | **31,772.69** | **19,184.15** |
| Exceptional Items | 45 | – | 1,322.69 |
| **Profit before tax** | | **31,772.69** | **17,861.46** |
| **Tax expense / (credit):** | | | |
| Current tax | 32 | 5,178.79 | 5,321.86 |
| Deferred tax | 9 | 3,543.38 | (649.73) |
| Adjustment of tax relating to earlier periods | 32 | – | (489.34) |
| **Total tax expenses** | | **8,722.17** | **4,182.79** |
| **Profit for the year** | | **23,050.52** | **13,678.67** |
| **Other comprehensive (income) / loss** | | | |
| Items that will be reclassified to profit and loss in subsequent periods | | | |
| Cash flow hedge reserve | 35c | 41.72 | (51.20) |
| Tax impacts on above | | (10.50) | 12.89 |
| Items that will not be reclassified to profit and loss in subsequent periods | | | |
| Remeasurement (gains)/losses on defined benefit plans | 21 | (276.47) | (729.42) |
| Tax impacts on above | 9 | 69.58 | 183.58 |
| **Other comprehensive income net of tax** | | **(175.67)** | **(584.15)** |
| **Total Comprehensive Income net of tax** | | **23,226.19** | **14,262.82** |
| **Earnings per equity share before exceptional items (face value per share ₹ 2)** | 39 | | |
| Basic | | 20.05 | 12.79 |
| Diluted | | 20.01 | 12.74 |
| **Earnings per equity share after exceptional items (face value per share ₹ 2)** | 39 | | |
| Basic | | 20.05 | 11.93 |
| Diluted | | 20.01 | 11.88 |
| Summary of significant accounting policies | 1B | | |
| **The accompanying notes are an integral part of the Standalone Financial Statements** | | | |

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.105938

Mumbai, May 23, 2023

For and on behalf of the Board of directors
of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

**Anuj Poddar**
Managing Director & Chief Executive Officer
DIN: 01908009

**Ajay Nagle**
Company Secretary

**EC Prasad**
Chief Financial Officer

**Shailesh Haribhakti**
Chairman - Audit Committee
DIN: 00007347

# Standalone Statement of Changes in Equity for the year ended 31st March 2023

## A. Equity share capital (Note 16)

(₹ in Lakhs)

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| Equity shares of ₹ 2 each issued, subscribed and fully paid-up | | |
| **At the beginning of the year** | **2,297.48** | **2,290.73** |
| Changes in Equity Share Capital due to prior period errors | – | – |
| **Restated balance at the beginning of the year** | **2,297.48** | **2,290.73** |
| Issue of equity share capital during the year | 4.03 | 6.75 |
| **At the end of the year** | **2,301.51** | **2,297.48** |

## B. Other equity (Note 17)

(₹ in Lakhs)

| Particulars | Share Application Money Pending Allotment | Reserves and surplus: Amalgamation Adjustment Reserve | Effective Portion of Cashflow Hedges | Securities premium reserve | Debenture Redemption Reserve | Shares Option Outstanding | General Reserve | Retained earnings * | Capital Redemption Reserve | Capital Reserve | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Restated Balance as at 31st March 2022 (refer note 44) | 0.19 | (2,327.15) | 88.29 | 65,356.13 | – | 1,198.56 | 45,967.75 | 61,577.08 | 135.71 | 175.18 | 1,72,171.74 |
| Profit for the year | – | – | – | – | – | – | – | 23,050.52 | – | – | 23,050.52 |
| Other comprehensive income | – | – | (31.22) | – | – | – | – | 206.89 | – | – | 175.67 |
| **Total** | **0.19** | **(2,327.15)** | **57.07** | **65,356.13** | **–** | **1,198.56** | **45,967.75** | **84,834.49** | **135.71** | **175.18** | **1,95,397.93** |
| Exercise of share options | – | – | – | 893.24 | – | – | – | – | – | – | 893.24 |
| Exercise of options - transferred from shares options outstanding account | – | – | – | 344.84 | – | (344.84) | – | – | – | – | – |
| Employee stock option expense for the year | – | – | – | – | – | 1,084.00 | – | – | – | – | 1,084.00 |
| Transferred from share options outstanding account on lapse of vested options | – | – | – | – | – | (63.66) | – | 63.66 | – | – | – |
| Dividend on equity shares | – | – | – | – | – | – | – | (3,446.03) | – | – | 3,446.03 |
| Issue of share capital | (0.19) | – | – | 0.19 | – | – | – | – | – | – | (0.00) |
| Charge for the year | – | – | (125.98) | – | – | – | – | – | – | – | (125.98) |
| **Balance at 31st March 2023** | **–** | **(2,327.15)** | **(68.91)** | **66,594.40** | **–** | **1,874.06** | **45,967.75** | **81,452.12** | **135.71** | **175.18** | **1,93,803.16** |

* Retained earnings includes revaluation reserve of ₹ 808.60 lakhs subsumed during transition to Ind AS

# Standalone Statement of Changes in Equity for the year ended 31st March 2023

## B. Other equity (Note 17)

(₹ in Lakhs)

| Particulars | Share Application Money Pending Allotment | Reserves and surplus: Amalgamation Adjustment Reserve | Effective Portion of Cashflow Hedges | Securities premium reserve | Debenture Redemption Reserve | Shares Option Outstanding | General Reserve | Retained earnings * | Capital Redemption Reserve | Capital Reserve | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 31st March 2021** | **12.51** | **–** | **–** | **63,391.97** | **3,750.00** | **1,181.39** | **45,967.75** | **43,568.03** | **135.71** | **175.18** | **1,58,182.54** |
| Created on merger of Starlite Lighting Limited | 0.19 | (2,327.15) | – | – | – | – | – | – | – | – | (2,326.96) |
| **Balance as at 31st March 2021** | **12.70** | **(2,327.15)** | **–** | **63,391.97** | **3,750.00** | **1,181.39** | **45,967.75** | **43,568.03** | **135.71** | **175.18** | **1,55,855.58** |
| Profit for the year | – | – | – | – | – | – | – | 13,678.67 | – | 0 | 13,678.67 |
| Other comprehensive income | – | – | 38.31 | – | – | – | – | 545.84 | – | – | 584.15 |
| **Total** | **12.70** | **(2,327.15)** | **38.31** | **63,391.97** | **3,750.00** | **1,181.39** | **45,967.75** | **57,792.54** | **135.71** | **175.18** | **1,70,118.40** |
| Exercise of share options | – | – | – | 1,435.02 | – | – | – | – | – | – | 1,435.02 |
| Exercise of options - transferred from shares options outstanding account | – | – | – | 529.14 | – | (529.14) | – | – | – | – | – |
| Employee stock option expense for the year | – | – | – | – | – | 580.85 | – | – | – | – | 580.85 |
| Charge for the year | – | – | 49.98 | – | – | – | – | – | – | – | 49.98 |
| Transferred from share options outstanding account on lapse of vested options | – | – | – | – | – | (34.54) | – | 34.54 | – | – | – |
| Application money received | (12.51) | – | – | – | – | – | – | – | – | – | (12.51) |
| Transfer from Debenture redemption reserve to general reserve | – | – | – | – | (3,750.00) | – | – | 3,750.00 | – | – | – |
| **Balance as at 31st March 2022** | **0.19** | **(2,327.15)** | **88.29** | **65,356.13** | **–** | **1,198.56** | **45,967.75** | **61,577.08** | **135.71** | **175.18** | **1,72,171.74** |

* Retained earnings includes revaluation reserve of ₹ 808.60 lakhs subsumed during transition to Ind AS

**Summary of significant accounting policies (Note 1B)**

**The accompanying notes are an integral part of the Standalone Financial Statements**

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.105938

Mumbai, May 23, 2023

For and on behalf of the Board of directors
of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

**Anuj Poddar**
Managing Director & Chief Executive Officer
DIN: 01908009

**Ajay Nagle**
Company Secretary

**EC Prasad**
Chief Financial Officer

**Shailesh Haribhakti**
Chairman - Audit Committee
DIN: 00007347

# Standalone Cash Flow Statement for the year ended 31st March 2023

(₹ in Lakhs)

| Particulars | Year ended 31-Mar-23 | Year ended 31-Mar-22 (Restated) |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Profit before income tax** | 31,772.69 | 17,861.47 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 7,541.87 | 6,304.16 |
| Employee share-based payment expense | 1,084.00 | 580.85 |
| Gain on disposal of property, plant and equipment (net) | (279.91) | (490.97) |
| Measurement of financial assets held at fair value through Profit or Loss | (110.85) | (19.99) |
| Measurement of financial assets and liabilities held at amortised cost | (57.79) | (59.05) |
| Measurement of provisions at fair value | – | (354.49) |
| Impairment of property, plant & equipment | – | 845.00 |
| Finance costs | 4,770.32 | 6,867.16 |
| Interest income | (1,681.39) | (1,357.66) |
| Impairment allowance for doubtful debts & advances (net of write back) | (121.70) | (1,764.63) |
| Bad debts and other irrecoverable debit balances written off | (570.90) | 973.16 |
| | **42,346.34** | **29,385.01** |
| **Change in operating assets and liabilities:** | | |
| (Increase)/decrease in trade receivables (current & non-current) | (20,170.37) | 57,380.55 |
| (Increase)/decrease in financial and other assets (current & non-current) | (14,569.73) | 2,481.48 |
| (Increase)/decrease in inventories | (7,363.20) | 2,705.74 |
| Increase/(decrease) in trade payables, provisions, employee benefit obligations, other financial liabilities and other liabilities (current & non-current) | 47,034.14 | 5,625.66 |
| **Cash generated from operations** | **47,277.18** | **97,578.44** |
| Income taxes paid (net of refunds) | (2,248.67) | (4,454.95) |
| **Net cash inflow from operating activities** | **45,028.51** | **93,123.49** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment including capital work in progress and capital advances | (7,484.30) | (6,463.33) |
| Purchase of intangible assets including intangible assets under development | (974.18) | (796.46) |
| Proceeds from sale of property, plant and equipment including advances received | 952.47 | 2,920.37 |
| Proceeds from sale of assets held for sale | 1,500.00 | – |
| Proceeds from sale of investment properties | 16.52 | – |
| Loans and advances given to subsidiary and an associate | (11,791.00) | (5,677.00) |
| Loans and advances repaid to subsidiary and an associate | 9,855.00 | 3,514.04 |
| Purchase of financial instruments | (36,578.23) | (2,559.85) |
| Proceeds from sale of financial instruments | 32,500.00 | – |
| Investments / (realisations) in bank deposits | 514.60 | (779.30) |
| Interest received | 1,561.22 | 1,145.65 |
| **Net cash used in investing activities** | **(9,927.90)** | **(8,695.88)** |



# Standalone Cash Flow Statement for the year ended 31st March 2023

(₹ in Lakhs)

| Particulars | Year ended 31-Mar-23 | Year ended 31-Mar-22 (Restated) |
|---|---|---|
| **Cash flows from financing activities** | | |
| Proceeds from issues of shares | 897.27 | 1,429.44 |
| Proceeds from borrowings | – | 908.43 |
| Repayment of borrowings | (3,565.24) | (65,162.06) |
| Payment of principal portion of lease liabilities | (2,217.96) | (1,781.85) |
| Interest paid on lease liabilities | (544.44) | (545.00) |
| Interest paid | (4,012.87) | (12,080.78) |
| Dividend paid to equity shareholders | (3,444.93) | – |
| **Net cash used in financing activities** | **(12,888.17)** | **(77,231.82)** |
| **Net increase in cash and cash equivalents** | **22,212.44** | **7,195.79** |
| Cash and cash equivalents at the beginning of the year | 11,834.91 | 4,562.91 |
| Acquired on business combinations (refer note 44) | – | 76.21 |
| **Cash and cash equivalents at the end of the year** | **34,047.35** | **11,834.91** |

(₹ in Lakhs)

| Change in liability arising from financing activities | Year ended 31-Mar-23 | Year ended 31-Mar-22 |
|---|---|---|
| **Borrowings as on the beginning of the year** | 3,581.89 | 46,373.16 |
| Proceeds from borrowings * | – | 908.43 |
| Repayment of borrowings | (3,565.24) | (65,162.06) |
| Acquired on business combination (refer note 44) | – | 21,462.36 |
| **Borrowings as on the end of the year** | **16.65** | **3,581.89** |

* Proceeds from borrowings includes ₹ NIL towards borrowings.

Summary of significant accounting policies (Note 1B)

The accompanying notes are an integral part of the Standalone Financial Statements

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.105938

Mumbai, May 23, 2023

For and on behalf of the Board of directors
of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

**Anuj Poddar**
Managing Director & Chief Executive Officer
DIN: 01908009

**Ajay Nagle**
Company Secretary

**EC Prasad**
Chief Financial Officer

**Shailesh Haribhakti**
Chairman - Audit Committee
DIN: 00007347

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 1

### 1A GENERAL INFORMATION.

Bajaj Electricals Limited ('the Company') is an existing public limited company incorporated on 14th July 1938 under the provisions of the Indian Companies Act, 1913 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at 45/47, Veer Nariman Road, Mumbai-400 001.

The Company deals in Consumer Products (CP) (which includes domestic appliances, kitchen appliances, and electric Fans). The Company deals in Lighting Solutions (which includes consumer and professional lighting). The Company also deals in Engineering and projects (EPC) (which includes transmission line towers and power distribution). The equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The standalone financial statements are presented in Indian Rupee (INR).

The standalone financial statements have been recommended for approval by the audit committee and is approved and adopted by their Board in their meeting held in Mumbai on 23rd May, 2023.

### 1B SIGNIFICANT ACCOUNTING POLICIES

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

#### 1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

The standalone financial statements are prepared under the historical cost convention except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- assets held for sale which are measured at lower of carrying value and fair value less cost to sell;
- defined benefit plans where plan assets are measured at fair value; and
- share-based payments at fair value as on the grant date of options given to employees.

Estimates, judgements and assumptions used in the preparation of the standalone financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the standalone financial statements, which may differ from the actual results at a subsequent date. The critical estimates, judgements and assumptions are presented in Note no. 1D.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. Deferred tax assets and liabilities are classified as non-current.

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or



# Notes to Standalone Financial Statements for the year ended 31st March 2023

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

#### 2 Revenue from contract with customers:

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

The recognition criteria for sale of products and construction contracts is described below

**(1) Sale of products**

Revenue from sale of products is recognized at the point in time when control of the asset is transferred to the customer, generally on dispatch of the product to the customer's destination. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points and warranties). In determining the transaction price for the sale of product, the Company considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

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

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company has a loyalty points program, "Retailer Bonding Program", which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as deferred revenue until the points are redeemed. Revenue is recognized upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the deferred revenue are charged against revenue.

The Company provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are bundled together with the sale of products. Contracts for bundled sales of products and a service-type warranty comprise two performance obligations because the product and service-type warranty are both sold on a stand-alone basis and are distinct within the context of contract. Using the relative stand-alone selling price

# Notes to Standalone Financial Statements for the year ended 31st March 2023

method, a portion of the transaction price is allocated to the service-type warranty and recognised as deferred revenue. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

**(2) Construction contracts**

Performance obligation in case of construction contracts is satisfied over a period of time, as the Company creates an asset that the customer control and the Company has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of technical, political, regulatory and other related contract risks and their financial estimation; scope of deliveries and services required for fulfilling the contractually defined obligations and expected delays, if any. Provision for foreseeable losses/ construction contingencies on said contracts is made based on technical assessments of costs to be incurred and revenue to be accounted for. The Company has long-term receivables from customers. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Company and its customers at contract inception, to take into consideration the significant financing component

**(3) Contract balances**

**Contract asset**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

## 3 Leases:

**As a lessee:**

**Right-of-use assets**

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

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

The Company has determined leasehold lands also as, right of use assets and hence the same has been classified from property, plant and equipment to right of use assets.

Leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below ₹ 5,00,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## 4 Other income:

**(1)** Interest income on financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments.

**(2) Others:**

The Company recognises other income (including income from sale of power generated, income from scrap sales, income from claims received, etc.) on accrual basis. However, where the ultimate collection of the same is uncertain, revenue recognition is postponed to the extent of uncertainty. Rental income arising from operating leases is accounted for on a straight line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and is included in the Statement of profit or loss due to its operating nature.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

**5 Property, plant and equipment :**

**A) Asset class:**

i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.

ii) All other items of property, plant and equipment (including capital work in progress) are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

iii) Capital goods manufactured by the Company for its own use are carried at their cost of production (including duties and other levies, if any) less accumulated depreciation and impairment losses if any.

iv) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

v) Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipments which are carried at cost are recognised in the statement of profit and loss.

vi) Capital work-in-progress, property, plant and equipment is stated at cost, net of accumulated depreciation. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing cost for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred. Capital work-in-progress comprises cost of property, plant and equipment (including related expenses), that are not yet ready for their intended use at the reporting date.

**B) Depreciation:**

i) Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Premium of Leasehold land and leasehold improvements cost are amortised over the primary period of lease.

ii) 100% depreciation is provided in the month of addition for temporary structure cost at project site

iii) Where a significant component (in terms of cost) of an asset has an economic useful life different than that of it's corresponding asset, the component is depreciated over it's estimated useful life.

iv) The Company, based on internal technical assessments and management estimates, depreciates certain items of property, plant & equipment over the estimated useful lives and considering residual value which are different from the one prescribed in Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

v) Useful life of asset is as given below:

| Asset block | Useful Lives (in years) |
|---|---|
| Building – Office | 5 to 70 |
| Building – Factory | 2 to 30 |
| Ownership Premises | 60 |
| Plant & Machinery | 1 to 22 |
| Furniture & Fixtures | 1 to 24 |
| Electric Installations | 1 to 25 |
| Office Equipment | 1 to 12 |
| Vehicles | 8 to 10 |
| Dies & Jigs | 1 to 10 |
| Leasehold Improvements | 5 to 10 |
| Roads & Borewell | 3 to 21 |
| IT hardware | 1 to 10 |
| Laboratory equipments | 1 to 10 |

vi) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

**6 Intangible assets:**

An intangible asset shall be recognised if, and only if:

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company; and

(b) the cost of the asset can be measured reliably.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

**Asset class & depreciation:**

Computer software / licenses are carried at historical cost. They have an expected finite useful life of 3 years and are carried at cost less accumulated amortisation and impairment losses. Computer licenses which are purchased on annual subscription basis are expensed off in the year of purchase .

Trademarks are carried at historical cost. They have an registered finite useful life of 10 years and are carried at cost less accumulated amortisation and impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

**Research and development costs**

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

7 **Investment properties:**

Investment properties that are not intended to be occupied substantially for use by, or in the operations of the Company have been considered as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Company does not charge depreciation to investment property land which is held for future undetermined use. Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use.

The Company depreciates its investment properties over the useful life which is similar to that of property, plant and equipment.

8 **Impairment of non-financial assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment loss is charged to the Statement of Profit & Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in the prior accounting periods is reversed if there has been change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

Impairment losses are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.





Notes to Standalone Financial Statements for the year ended 31st March 2023

9 **Financial instruments:**

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

I. **Financial Assets**

A) **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

B) **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- **Debt instruments at amortised cost**

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **Debt instruments at fair value through other comprehensive income (FVTOCI)**

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

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

- **Debt instruments at fair value through profit or loss (FVTPL)**

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

- **Equity instruments measured at fair value through other comprehensive income (FVTOCI)**

All equity investments in scope of Ind AS 109 are measured at fair value.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**C) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**D) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**II. Financial Liabilities**

**A) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.



# Notes to Standalone Financial Statements for the year ended 31st March 2023

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

**B) Subsequent measurement**

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

- **Financial liabilities at fair value through profit or loss**

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

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

- **Loans and Borrowings**

  This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

  Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

  The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the contractual payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

**C) De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially

# Notes to Standalone Financial Statements for the year ended 31st March 2023

different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**III. Reclassification of financial assets / liabilities**

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations.

**IV. Offsetting of 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 Company or the counterparty.

**V. Derivatives and hedging activities**

The Company enters derivatives like forwards contracts to hedge its foreign currency risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently marked to market at the end of each reporting period with profit/loss being recognised in statement of profit and loss. Further, the Company has also entered into put and call options in respect of its investment in its subsidiaries which are initially recognised at fair value with subsequent changes in fair value recognised in the statement of profit and loss. Derivative assets/liabilities are classified under "other financial assets/other financial liabilities".

Profits and losses arising from cancellation of contracts are recognised in the statement of profit and loss.

The company designates certain hedging instruments, which includes derivatives, embedded derivatives and non-derivatives in respect of foreign currency and commodity risk, as either cash flow hedge, fair value hedge or hedges or net investment in foreign operations. Hedges of foreign currency risk on firm commitments are accounted for cash flow hedges.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedge is when hedging the exposure to change in fair value of a recognised asset or liability or an unrecognised song commitment
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to particular risk associated with a recognised asset or liability or highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of hedge relationship, the Company formally designates and keeps the hedge relationship to which the Company wishes to apply hedge accounting and risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk by hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting exposure to changes in the hedge item fair value or cash flow attributable to the hedge risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cashflows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Hedge that meet the strict criteria for hedge accounting accounted for as described below



Notes to Standalone Financial Statements for the year ended 31st March 2023

**Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

The Company designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

**10. Fair value measurements:**

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

# Notes to Standalone Financial Statements for the year ended 31st March 2023

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets.

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

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

## 11. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet and for the purpose of the statement of cash flows, include cash on hand, other short-term, highly liquid investments 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.

## 12. Inventories:

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## 13. Foreign currency transactions:

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

a) On initial recognition, all foreign currency transactions are recorded at the functional currency spot rate at the date the transaction first qualifies for recognition.

b) Monetary assets and liabilities in foreign currency outstanding at the close of reporting date are translated at the functional currency spot rates of exchange at the reporting date.

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

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

## 14. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and unabsorbed depreciation.

Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

### A. Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Company establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

### B. Deferred tax

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

## 15. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs also include exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## 16. Provisions, contingent liabilities and contingent assets

### A. Provisions

A provision is recognised if

- the Company has present legal or constructive obligation as a result of an event in the past;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation has been reliably estimated.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Company provides for general repairs of defects that existed at the time of sale, as required by the law. Provision for warranty related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The estimate of warranty related costs is revised annually.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

### B. Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

### C. Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is not recognised but disclosed where an inflow of economic benefit is probable.

## 17. Employee benefits

### A. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in the same period in which the employees renders the related service and are measured at the amounts expected to be paid when the liabilities are settled.



# Notes to Standalone Financial Statements for the year ended 31st March 2023

Retirement benefit in the form of provident fund is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related services. If the Contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payment or a cash refund.

### B. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### C. Post-employment obligations

The Company operates the following post-employment schemes

(a) defined benefit plans - gratuity and obligation towards shortfall of Provident Fund Trusts

(b) defined contribution plans - Provident fund (RPFC Contributions), superannuation and pension

**Defined benefit plans :**

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets excluding non-qualifying asset (reimbursement right). The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Insurance policy held by the Company from insurers who are related parties are not qualifying insurance policies and hence the right to reimbursement is recognised as a separate assets under other non-current and/or current assets as the case may be.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans :**

In respect of certain employees, the Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. Such contributions are

# Notes to Standalone Financial Statements for the year ended 31st March 2023

accounted for as employee benefit expense when they are due. Defined contribution to superannuation fund is being made as per the scheme of the Company. Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority whereas the contributions for National Pension Scheme is made to Stock Holding Corporation of India Limited

**D. Share based payment**

The Company operates a number of equity settled, employee share based compensation plans, under which the Company receives services from employees as consideration for equity shares of the Company. Equity settled share based payment to employees and other providing similar services are measured at fair value of the equity instrument at grant date.

The fair value of the employee services received in exchange for the grant of the options is determined by reference to the fair value of the options as at the Grant Date and is recognised as an 'employee benefits expense' with a corresponding increase in equity. The total expense is recognised over the vesting period which is the period over which the applicable vesting condition is to be satisfied. The total amount to be expensed is determined by reference to the fair value of the options granted excluding the impact of any service vesting conditions.

At the end of each year, the entity revises its estimates of the number of options that are expected to vest based on the service vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

If at any point of time after the vesting of the share options, the right to the same expires (either by virtue of lapse of the exercise period or the employee leaving the Company), the fair value of the options accruing in favour of the said employee are written back to the retained earning in the reporting period in which the right expires.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share

**18. Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. Two or more operating segments are aggregated by the Company into a single operating segment if aggregation is consistent with the core principle of Ind AS 108, the segments have similar economic characteristics, and the segments are similar in aspects as defined by Ind AS.

The Company reports separately, information about an operating segment that meets any of quantitative thresholds as defined by Ind AS. Operating segments that do not meet any of the quantitative thresholds, are considered reportable and separately disclosed, only if management of the Company believes that information about the segment would be useful to users of the financial statements

Information about other business activities and operating segments that are not reportable separately are combined and disclosed in an 'all other segments' category

**19. Dividends**

The Company recognises a liability to pay dividend to equity holders when the distribution is authorised and is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**20. Assets held for sale**

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification. For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned.

The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

**21. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit of loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**22. Investment in Subsidiaries**

Investment in subsidiaries are accounted at cost in accordance with Ind AS 27.

**23.** All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakh (upto two decimals) as per the requirement of Schedule III, unless otherwise stated.

**1C NEW AND AMENDED STANDARDS**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to

# Notes to Standalone Financial Statements for the year ended 31st March 2023

amend the following Ind AS which are effective from April 01, 2022.

**(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37**

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period. There is no material impact on other comprehensive income or the basic and diluted earnings per share.

**(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103**

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the standalone financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

**(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16**

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the standalone financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

**(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter**

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Company as it is not a first-time adopter.

**(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the standalone financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

**(vi) Ind AS 41 Agriculture – Taxation in fair value measurements**

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments had no impact on the standalone financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

**STANDARDS ISSUES BUT NOT YET EFFECTIVE**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

**(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the standalone financial statements.

**(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The amendments are not expected to have a material impact on the standalone financial statements.

**1D SUMMARY OF CRITICAL ESTIMATES, JUDGEMENTS AND ASSUMPTIONS**

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included below.

### 1 Warranty provision

The Company generally offers 1 to 2 year standard warranties for its consumer products. Based on the evaluation of the past warranty trends, management has estimated that warranty costs for 25% of sales arises in the year of sale itself, warranty costs for 50% of the sales in Year 1 and the balance 25% in Year 2. Based on the same, the related provision for future warranty claims has been determined.

The Company also sells lighting fitting to its customers. In few lighting fittings products, the drivers are an essential part and are expected to last for a longer period. In such cases, the Company provides warranties beyond fixing defects that existed at the time of sale. Basis this, the Company recognises this as a separate performance obligation and recognises revenue only in the period in which such service is provided based on time elapsed.

The assumptions made in relation to serviceable sales and related standard or serviceable warranty provision for the current period are consistent with those in the prior years.

### 2 Impairment allowance for trade receivables

The Company makes allowances for doubtful accounts receivable using a simplified approach which is a dual policy of an ageing based provision and historical / anticipated customer experience. Management believes that this simplified model closely represents the expected credit loss model to be applied on financial assets as per Ind AS 109. Further, in case of operationally closed projects, Company makes specific assessment of the overdue balances by considering the customer's historical payment patterns, latest correspondences with the customers for recovery of the amounts outstanding and credit status of the significant counterparties where available. Accordingly, a best judgment estimate is made to record the impairment allowance in respect of operationally closed projects

### 3 Project revenue and costs

Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. The percentage-of-completion method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

### 4 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments. Refer Note 34 of financial statements for the fair value disclosures and related sensitivity.

### 5 Employee benefits

The cost of the defined benefit gratuity plan and other post-employment leave benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates. Refer note 21

### 6 Leases

Estimates are required to determine the appropriate discount rate used to measure lease liabilities. The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates, bank rates to the Company for a loan of a similar tenure, etc). The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

### 7 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately




Notes to Standalone Financial Statements for the year ended 31st March 2023

# Notes to Standalone Financial Statements for the year ended 31st March 2023

for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### 8 Retailer Bonding Program

The Company has a loyalty points program, "Retailer Bonding Program", which allows customers to accumulate points that can be redeemed for free products, upto a limited time period. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as deferred revenue until the points are redeemed. Revenue is recognized upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company considers various judgement and estimates like determination of cost of redemption, redeemed points, expiry date, etc. The Company updates its estimates on a quarterly basis and any adjustments to the deferred revenue are charged against revenue.

### 9 Share based payments

The Company initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

### 10 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### 11 For judgements relating to contingent liabilities, refer note 40(a).



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 2 : Property, plant and equipment

(₹ in Lakhs)

| Particulars | Freehold Land | Building | Ownership Premises | Plant & Machinery | Furniture & Fixtures | Electrical Installations | Office Equipment | Vehicles | Dies & Jigs | Leasehold Improvements | Temporary Structures | Roads & Borewell | IT Hardware | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Opening gross block as at 1st April 2021 | 3,728.06 | 5,046.26 | 10,987.85 | 8,363.69 | 2,338.77 | 850.18 | 1,733.60 | 953.68 | 4,161.54 | 378.81 | 126.59 | 130.07 | 8,043.74 | 46,842.84 |
| Additions | – | 76.37 | – | 1,591.01 | 189.29 | 144.21 | 136.17 | 0.81 | 1,996.61 | 72.76 | – | – | 705.86 | 4,913.09 |
| Disposals | – | (377.26) | (1,978.30) | (1,354.38) | (146.94) | (38.44) | (77.11) | (146.24) | (34.90) | (75.48) | – | – | (317.05) | (4,546.10) |
| Asset classified as held for sale | (1,900.98) | (618.50) | 78.00 | – | – | – | – | – | – | – | – | (30.89) | – | (2,472.37) |
| Asset classified to investment property | – | (446.35) | (259.12) | – | – | – | – | – | – | – | – | (103.59) | – | (809.06) |
| Reclassification * | – | (219.81) | 259.12 | (258.44) | (11.83) | 107.11 | (108.04) | 0.48 | 123.33 | – | – | 103.59 | 4.49 | – |
| Acquired on Business Combination (refer note 44) | 1,355.20 | 4,971.22 | – | 2,610.80 | 197.28 | – | 143.20 | – | – | – | – | – | – | 9,277.70 |
| **Closing gross block as at 31st March 2022** | **3,182.28** | **8,431.93** | **9,087.55** | **10,952.68** | **2,566.57** | **1,063.06** | **1,827.82** | **808.73** | **6,246.58** | **376.09** | **126.59** | **99.18** | **8,437.04** | **53,206.10** |
| Additions | – | 255.80 | 5.21 | 1,431.66 | 131.68 | 287.62 | 105.12 | 260.67 | 1,618.11 | 7.83 | – | 97.38 | 657.14 | 4,858.24 |
| Disposals | – | (6.14) | (398.46) | (316.00) | (85.26) | (1.34) | (84.29) | (90.55) | – | – | – | (0.94) | (117.13) | (1,100.11) |
| **Closing gross block as at 31st March 2023** | **3,182.28** | **8,681.59** | **8,694.30** | **12,068.33** | **2,612.99** | **1,349.35** | **1,848.65** | **978.86** | **7,864.69** | **383.92** | **126.59** | **195.62** | **8,977.06** | **56,964.23** |
| Opening accumulated depreciation as at 1st April 2021 | – | 955.63 | 1,208.94 | 4,804.20 | 1,164.81 | 312.47 | 1,068.37 | 375.60 | 2,605.38 | 202.58 | 126.59 | 64.31 | 6,102.62 | 18,991.50 |
| Depreciation charge during the year | – | 441.65 | 220.01 | 952.26 | 357.28 | 73.36 | 254.35 | 84.03 | 931.91 | 26.42 | – | 8.47 | 976.57 | 4,326.31 |
| Disposals | – | (147.23) | (210.25) | (594.63) | (95.56) | (29.14) | (71.55) | (65.27) | (34.90) | (75.48) | – | – | (315.31) | (1,639.32) |
| Asset classified as held for sale | – | (183.35) | 10.39 | – | – | – | – | – | – | – | – | (16.36) | – | (189.32) |
| Asset classified to investment property | – | (241.29) | (90.73) | – | – | – | – | – | – | – | – | – | – | (332.02) |
| Reclassification * | – | 100.84 | 38.91 | (135.47) | (10.84) | 19.20 | (22.79) | 0.57 | 4.93 | – | – | – | 3.04 | (1.61) |
| **Closing accumulated depreciation as at 31st March 2022** | **–** | **926.25** | **1,177.27** | **5,026.36** | **1,415.69** | **375.89** | **1,228.38** | **394.93** | **3,507.32** | **153.52** | **126.59** | **56.42** | **6,766.92** | **21,155.54** |
| Depreciation charge during the year | – | 293.67 | 168.70 | 970.48 | 319.26 | 119.93 | 199.21 | 90.40 | 1,228.75 | 33.86 | – | 5.51 | 824.49 | 4,254.26 |
| Disposals | – | 45.88 | (100.60) | (66.13) | (82.25) | (0.60) | (73.29) | (53.32) | 6.76 | – | – | – | (103.98) | (427.56) |
| **Closing accumulated depreciation as at 31st March 2023** | **–** | **1,265.79** | **1,245.37** | **5,930.71** | **1,652.69** | **495.22** | **1,354.30** | **432.01** | **4,742.83** | **187.38** | **126.59** | **61.93** | **7,487.42** | **24,982.24** |
| Impairment allowance as at March 31, 2021 | – | – | – | 704.76 | – | – | – | – | – | – | – | – | – | 704.76 |
| Impairment charge / (reversal) during the year | – | – | – | (704.76) | – | – | – | – | – | – | – | – | – | (704.76) |
| Impairment allowance as at March 31, 2022 | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Impairment charge during the year | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Impairment allowance as at March 31, 2023 | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Restated Closing Net carrying amount as at 31st March 2022** | **3,182.28** | **7,505.68** | **7,910.28** | **5,926.32** | **1,150.88** | **687.17** | **599.44** | **413.80** | **2,739.26** | **222.57** | **–** | **42.76** | **1,670.12** | **32,050.56** |
| **Closing Net carrying amount as at 31st March 2023** | **3,182.28** | **7,415.80** | **7,448.93** | **6,137.62** | **960.30** | **854.13** | **494.35** | **546.85** | **3,121.86** | **196.54** | **–** | **133.69** | **1,489.64** | **31,981.99** |

* Reclassification / adjustment includes few assets which have been moved within various block of property, plant and equipment on accounts of business combination and system migration

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 2 : Property, plant and equipment (Contd..)

**(i) Leased assets**

The Company has given few assets on operating lease to third parties. The gross block, accumulated depreciation and net book value is as mentioned below:

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| **Plant and Machinery** | | |
| Cost / Deemed cost | 637.91 | 637.91 |
| Accumulated depreciation | 426.15 | 372.88 |
| **Net carrying amount** | **211.76** | **265.03** |

**(ii) Property, plant and equipment pledged as security**

Refer to note 18 for information on property, plant and equipment pledged as security by the Company.

**(iii) Contractual obligations**

Refer to note 40(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**(iv) Capital work-in-progress**

Capital work-in-progress mainly comprises of dies & jigs, plant and machineries and factory building amounting to ₹ 3,187.53 lakhs (March 31, 2022 - ₹ 2,363.76 lakhs), ₹ 368.73 lakhs (March 31, 2022 - ₹ 25.22 lakhs) and ₹ 235.87 lakhs (March 31, 2022 - ₹ NIL lakhs) respectively, pending to be put to use.

**Movement of capital work-in-progress**

(₹ in Lakhs)

| Particulars | Year ended 31-Mar-23 | (Restated) Year ended 31-Mar-22 |
|---|---|---|
| **Opening at the start of the year** | **2,788.74** | **1,002.01** |
| Additions during the year | 2,612.63 | 2,493.69 |
| Capitalised during the year | (1,351.40) | (706.96) |
| **Closing at the end of the year** | **4,049.97** | **2,788.74** |

**(v) Title deeds**

The title deeds of immovable properties are held in the name of the Company, except for certain title deeds of the immovable properties, in the nature of freehold land and building, which were acquired pursuant to a Scheme of Amalgamation approved by National Company Law Tribunal's (NCLT) Order dated May 21, 2020, are not individually held in the name of the Company. However the deed of merger has been registered by the Company on March 31, 2023.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 2 : Property, plant and equipment (Contd..)

**(vi) Ageing schedule**

**CWIP aging schedule as at March 31, 2023**

(₹ in Lakhs)

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | Total |
| Projects in progress | 2,612.63 | 1,415.75 | 14.24 | 7.35 | 4,049.97 |
| Projects temporarily suspended | – | – | – | – | – |
| **TOTAL** | **2,612.63** | **1,415.75** | **14.24** | **7.35** | **4,049.97** |

**CWIP aging schedule as at March 31, 2022**

(₹ in Lakhs)
**(Restated)**

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | Total |
| Projects in progress | 2,493.69 | 83.59 | 211.46 | – | 2,788.74 |
| Projects temporarily suspended | – | – | – | – | – |
| **TOTAL** | **2,493.69** | **83.59** | **211.46** | **–** | **2,788.74** |

All the upcoming projects of the Company are within the timelines as estimated during the original plan and the actual cost of projects are within the total cost as estimated by the management of the Company as at the Balance Sheet date.

## Note 3 : Right of use assets and Lease liabilities

The details of the right-of-use asset held by the Company is as follows:

**Right-of-use assets**

(₹ in Lakhs)

| Particulars | Buildings | Equipments | Leasehold land | Total |
|---|---|---|---|---|
| **Gross block as on March 31, 2021** | **6,234.64** | **22.72** | **2,805.69** | **9,063.05** |
| Additions for the year | 2,806.99 | – | – | 2,806.99 |
| Acquired on business combination (refer note 44) | – | – | 670.00 | 670.00 |
| Deletions for the year | (1,764.12) | – | (670.00) | (2,434.12) |
| **Gross block as on March 31, 2022** | **7,277.51** | **22.72** | **2,805.69** | **10,105.92** |
| Additions for the year | 8,875.87 | – | 12.93 | 8,888.80 |
| Deletions for the year | (2,323.22) | – | – | (2,323.22) |
| **Closing gross block as on March 31, 2023** | **13,830.16** | **22.72** | **2,818.62** | **16,671.50** |
| **Accumulated depreciation as on March 31, 2021** | **2,706.27** | **9.33** | **224.40** | **2,940.00** |
| Depreciation for the year | 1,786.94 | 11.94 | 49.50 | 1,848.38 |
| Deletions for the year | (1,526.02) | – | (12.12) | (1,538.14) |
| **Accumulated depreciation as on March 31, 2022** | **2,967.19** | **21.27** | **261.78** | **3,250.24** |
| Depreciation for the year | 2,409.88 | 0.45 | 37.37 | 2,447.70 |
| Deletions for the year | (1,338.26) | – | 12.94 | (1,325.32) |
| **Closing accumulated depreciation as on March 31, 2023** | **4,038.81** | **21.72** | **312.09** | **4,372.62** |
| **Restated net carrying value of right of use assets as on March 31, 2022** | **4,310.32** | **1.45** | **2,543.91** | **6,855.68** |
| **Net carrying value of right of use assets as on March 31, 2023** | **9,791.35** | **1.00** | **2,506.53** | **12,298.88** |

* Adjustments includes changes in the value of the right of use assets due to system migration

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 3 : Right of use assets and Lease liabilities (Contd..)

The details of the lease liabilities held by the Company is as follows:

**Lease liabilities**

(₹ in Lakhs)

| Particulars | Year ended 31-Mar-23 | (Restated) Year ended 31-Mar-22 |
|---|---|---|
| **Opening lease liabilities** | **4,587.80** | **3,863.29** |
| Additions for the year | 8,766.02 | 2,594.20 |
| Deletions / Modifications for the year | (1,012.22) | (254.83) |
| Finance cost for the year | 544.44 | 544.65 |
| Lease instalments paid for the year | (2,762.40) | (2,159.51) |
| **Closing lease liabilities** | **10,123.64** | **4,587.80** |
| - classified as current | 2,939.67 | 1,552.76 |
| - classified as non-current | 7,183.97 | 3,035.04 |

For maturity profile of lease liabilities, refer Note 35 (B)(ii)

## Note 4: Intangible Assets

(₹ in Lakhs)

| Particulars | Trade Marks | Computer Software | Total |
|---|---|---|---|
| **Opening gross block as at 1st April 2021** | **0.51** | **956.97** | **957.48** |
| Additions | – | 31.36 | 31.36 |
| **Closing gross block as at 31st March 2022** | **0.51** | **988.33** | **988.84** |
| Additions | – | 2,374.29 | 2,374.29 |
| Adjustments * | – | 0.50 | 0.50 |
| **Closing gross block as at 31st March 2023** | **0.51** | **3,363.12** | **3,363.63** |
| **Opening accumulated amortization as at 1st April 2021** | **0.30** | **744.17** | **744.47** |
| Amortisation charge for the year | 0.05 | 129.42 | 129.47 |
| **Closing accumulated amortization as at 31st March 2022** | **0.35** | **873.59** | **873.94** |
| Amortisation charge for the year | 0.05 | 726.99 | 727.04 |
| Adjustments * | – | (0.05) | (0.05) |
| **Closing accumulated amortization as at 31st March 2023** | **0.40** | **1,600.53** | **1,600.93** |
| **Restated Closing Net carrying amount as at 31st March 2022** | **0.16** | **114.74** | **114.90** |
| **Closing Net carrying amount as at 31st March 2023** | **0.11** | **1,762.59** | **1,762.70** |

* Adjustments includes changes in the value of the intangible assets due to system migration

**(i) Note**

Intangible assets under development mainly comprises of IT softwares license and implementation cost amounting to ₹ 145.91 lakhs (March 31, 2022 - ₹ 1,546.59 lakhs).

**(ii) Ageing schedule**

**Intangible asset under development aging schedule as at March 31, 2023**

(₹ in Lakhs)

| Particulars | Amount in IAUD for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | Total |
| Projects in progress | 145.91 | – | – | – | 145.91 |
| Projects temporarily suspended | – | – | – | – | – |
| **TOTAL** | **145.91** | **–** | **–** | **–** | **145.91** |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 4: Intangible Assets (Contd..)

**Intangible asset under development aging schedule as at March 31, 2022**

(₹ in Lakhs)
**(Restated)**

| Particulars | Amount in IAUD for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | Total |
| Projects in progress | 796.04 | 750.55 | – | – | 1,546.59 |
| Projects temporarily suspended | – | – | – | – | – |
| **TOTAL** | **796.04** | **750.55** | **–** | **–** | **1,546.59** |

All the upcoming projects of the Company are within the timelines as estimated during the original plan and the actual cost of projects are within the total cost as estimated by the management of the Company as at the Balance Sheet date.

**(iii) Movement in intangible assets under development**

(₹ in Lakhs)

| Particulars | Year ended 31-Mar-23 | (Restated) Year ended 31-Mar-22 |
|---|---|---|
| **Opening at the start of the year** | **1,546.59** | **781.50** |
| Additions during the year | 145.91 | 765.09 |
| Capitalised during the year | (1,546.59) | – |
| **Closing at the end of the year** | **145.91** | **1,546.59** |

## Note 4.1: Investment properties

(₹ in Lakhs)

| Particulars | Building & Ownership Premises | Land | Total |
|---|---|---|---|
| **Gross block as at 1st April 2021** | **–** | **12,600.00** | **12,600.00** |
| Transferred from property, plant and equipment (refer note 2) | 809.06 | – | 809.06 |
| **Gross block as at 31st March 2022** | **809.06** | **12,600.00** | **13,409.06** |
| Deletion | (58.59) | – | (58.59) |
| **Gross block as at 31st March 2023** | **750.47** | **12,600.00** | **13,350.47** |
| **Accumulated depreciation as at 1st April 2021** | **–** | **–** | **–** |
| Transferred from property, plant and equipment (refer note 2) | 332.02 | – | 332.02 |
| **Accumulated depreciation as at 31st March 2022** | **332.02** | **–** | **332.02** |
| Depreciation | 112.87 | – | 112.87 |
| Deletion | (42.07) | – | (42.07) |
| **Accumulated depreciation as at 31st March 2023** | **402.82** | **–** | **402.82** |
| **Restated net carrying amount as at 31st March 2022** | **477.04** | **12,600.00** | **13,077.04** |
| **Net carrying amount as at 31st March 2023** | **347.65** | **12,600.00** | **12,947.65** |

The amounts recorded above for freehold land are fair values on acquisition date based on valuation performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The Company has no restrictions on the realisability of its investment property. Fair value as at 31st March 2023 is ₹12,600 lakhs (₹ 12,600 lakhs as at 31st March 2022). The fair valuation is based on current prices in the active market for similar lands. The main inputs used are quantum, area, location, demand, etc.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 5.1 : Investments in subsidiaries and associate

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Investment in equity instruments of subsidiaries and associate (fully paid up)** | | |
| **Measured at cost** | | |
| **Unquoted** | | |
| **Investment in subsidiaries** | | |
| Non-current equity investments (unquoted) in Nirlep Appliances Pvt Ltd* - 743,555 (March 31, 2022 - 743,555) equity shares of ₹ 100 each | 4,333.20 | 4,333.20 |
| | **4,333.20** | **4,333.20** |
| Non-current equity investments (unquoted) in Bajel Projects Ltd. ** - 2,500,000 (March 31, 2022 - 2,500,000) equity shares of ₹ 2 each | 50.00 | 50.00 |
| **Investment in associate** | | |
| Non-current equity investments (unquoted) in Hind Lamps Limited. - 1,140,000 (March 31, 2022 - 1,140,000) equity shares of ₹ 25 each | – | – |
| Accumulated impairment allowance in value of investments in Hind Lamps Limited | – | – |
| | **–** | **–** |
| **Total investments in subsidiaries and associate** | **4,383.20** | **4,383.20** |

## Note 5.2 : Financial assets (Investments - Current)

### 5.2 (a) Investment in equity instruments

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Measured at fair value through profit and loss** | | |
| **Unquoted** | | |
| **Investment in mutual funds** | | |
| Investment in equity/debt mutual funds | 4,078.23 | – |

(₹ in Lakhs)

| AMC | No. of Units as on March 31, 2023 | No. of Units as on March 31, 2022 | Value as on March 31, 2023 | Value as on March 31, 2022 |
|---|---|---|---|---|
| ICICI Prudential - Money Market Fund | 1,58,830.98 | – | 515.10 | – |
| ICICI Prudential - Overnight Fund | 24,860.12 | – | 300.43 | – |
| HDFC Mutual Fund - Money Market Fund | 10,469.98 | – | 515.30 | – |
| HDFC Mutual Fund - Overnight Fund | 9,025.93 | – | 300.42 | – |
| LIC Mutual Fund - Liquid Fund | 1.28 | – | 0.05 | – |
| DSP Mutual Fund - Money Market Fund | 11,20,166.24 | – | 515.14 | – |
| DSP Mutual Fund - Overnight Fund | 25,022.25 | – | 300.43 | – |
| SBI Mutual Fund - Money Market Fund | 13,71,425.20 | – | 515.26 | – |
| SBI Mutual Fund - Overnight Fund | 8,232.51 | – | 300.42 | – |
| Kotak Mutual Fund - Money Market Fund | 13,455.57 | – | 515.12 | – |
| Kotak Mutual Fund - Overnight Fund | 25,123.67 | – | 300.54 | – |
| **Total** | | | **4,078.23** | **–** |
| Aggregate value of quoted investments | | | 4,078.23 | – |
| Aggregate value of impairment in value of investment | | | – | – |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 5.3 : Financial assets (Investments - Non-Current)

### 5.3 (a) Investment in equity instruments

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Measured at fair value through profit and loss** | | |
| **Unquoted** | | |
| **Investment in equity shares** | | |
| Non-current equity investments (unquoted) in M. P. Lamps Limited *** – 48,000 (March 31, 2022 - 48,000) equity shares of ₹ 10/- each; (Partly paid shares - ₹ 2.50/- Per share paid up, Called up ₹ 5.00/- per share) – 95,997 (March 31, 2022 - 95,997) equity shares of ₹ 10/- each; (Partly paid shares - ₹ 1.25 Per share paid up, Called up ₹ 5 per share). | 2.40 | 2.40 |
| Accumulated Fair value loss recorded in value of investments M. P. Lamps Limited. | (2.40) | (2.40) |
| | **–** | **–** |
| Non-current equity investments (unquoted) in Mayank Electro Ltd. - 100 (March 31, 2022 - 100) equity shares of ₹ 100/- each. | 0.10 | 0.10 |
| **Total equity instruments** | **0.10** | **0.10** |

### 5.3 (b) Investment in debt instruments

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Measured at fair value through profit and loss** | | |
| **Unquoted** | | |
| **Investment in venture capital fund** | | |
| Units of Bharat Innovation Fund - 4,189.470 Units as on 31st March 2023 (4,189.470 Units as on 31st March 2022) | 600.11 | 489.26 |
| **Investment in other securities** | | |
| Gold coins | 0.37 | 0.37 |
| **Total debt instruments** | **600.48** | **489.63** |
| **Total non-current investments** | **600.58** | **489.73** |
| Aggregate value of quoted investments | – | – |
| **Aggregate value of unquoted investments** | **600.58** | **489.73** |

* In the previous year, Mr. Mukund Bhogale, Mrs. Rajani Bhogale, Mr. Ramchandra Bhogale, and Mr. Nityanand Bhogale (collectively, "Continuing Shareholders", of Nirlep Appliances Private Limited ("Nirlep") – a subsidiary of the Company) and the Company have completed the required procedure for transfer of the Option Shares to the Company, as per the terms of the agreement. All the above Option Shares have been acquired by the Company, against a cash consideration of ₹ 1,017.88 lakhs.

With the above purchase/acquisition, the entire 100% equity share capital of Nirlep is now legally and beneficially held by the Company along with its nominees, and consequently, Nirlep has now become a wholly-owned subsidiary company of the Company.

** The Board of Directors ("the Board") of the Company at its meeting held on, February 8, 2022 has inter-alia, subject to the approval of the shareholders of the Company, considered and approved the Scheme of Arrangement between Bajaj Electricals Limited (the "Demerged Company" or "Company") and Bajel Projects Limited (the "Resulting Company") and their respective shareholders under Sections 230-232 of the Companies Act, 2013 ("Scheme") involving the following:-

(a) Transfer by way of demerger of the Demerged Undertaking (as defined in the Scheme) consisting of Power Transmission and Power Distribution Business (as defined in the Scheme) of the Demerged Company into the Resulting Company and consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company; and

(b) Various other matters consequential or otherwise integrally connected therewith.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## 5.3 (b) Investment in debt instruments (Contd..)

The equity shares of the Resulting Company shall be listed on BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), post the effectiveness of the Scheme. The shareholders of the Company will be issued shares in the Resulting Company in the same proportion as their holding in the Company. The Scheme is subject to necessary statutory and regulatory approvals including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench.

*** In respect of Investments made in M. P. Lamps Ltd., calls of ₹ 2.50 per share on 48,000 equity shares and ₹ 3.75 per share on 95,997 Equity Shares aggregating to ₹ 4.80 lakhs have not been paid by the Company. On principles of prudence the entire investment in M.P. Lamps Ltd. is considered as impaired and accordingly carried at ₹ NIL.

## Note 6 : Trade receivables

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Current | 1,48,047.02 | 1,13,657.11 |
| Non-current | 8,436.72 | 22,109.94 |
| | **1,56,483.74** | **1,35,767.05** |
| Unsecured, considered good | 1,56,483.74 | 1,35,767.05 |
| Unsecured, credit impaired | 10,436.04 | 10,562.32 |
| **Total** | **1,66,919.78** | **1,46,329.37** |
| Impairment allowance, credit impaired (allowance for bad and doubtful debts) | (10,436.04) | (10,562.32) |
| **Total trade receivables (net of impairment allowance)** | **1,56,483.74** | **1,35,767.05** |

The above includes receivables from related parties. Refer note 38 for more details.

**Transferred receivables**

The carrying amount of trade receivables, include receivables which are subject to factoring arrangements and channel financing facilities. Under this arrangement the Company has transferred the relevant receivables to the factor in exchange for cash. The said facilities are with recourse to Company. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as other financial liabilities.

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Other financial liabilities (Note 19) | 57,967.35 | 30,395.32 |
| **Total transferred receivables** | **57,967.35** | **30,395.32** |

Trade receivable are non-interest bearing and are generally received within the credit period. For trade and other receivables due from firms or private companies in which any director is a partner, a director or a member, refer note 38.

**Trade Receivables ageing schedule as at 31st March 2023**

(₹ in Lakhs)

| Particulars | Outstanding for following periods from * | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 69,918.16 | 67,143.48 | 5,824.81 | 1,013.87 | 1,560.76 | 11,022.66 | 1,56,483.74 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | – | – | – | – | – | – | – |
| (iii) Undisputed Trade Receivables – credit impaired | – | – | 253.97 | 653.50 | 57.50 | 6,824.96 | 7,789.93 |
| (iv) Disputed Trade Receivables – considered good | – | – | – | – | – | – | – |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | – | – | – | – | – | – | – |
| (vi) Disputed Trade Receivables – credit impaired | – | – | 0.47 | 1,964.35 | – | 681.29 | 2,646.11 |
| **TOTAL** | **69,918.16** | **67,143.48** | **6,079.25** | **3,631.72** | **1,618.26** | **18,528.91** | **1,66,919.78** |

**Trade Receivables ageing schedule as at 31st March 2022**

(₹ in Lakhs)
**(Restated)**

| Particulars | Outstanding for following periods from * | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables –considered good | 60,513.65 | 26,285.80 | 12,780.40 | 26,718.93 | 7,769.17 | 1,495.01 | 1,35,562.96 |
| (ii) Undisputed Trade Receivables –which have significant increase in credit risk | – | – | 164.79 | 39.30 | – | – | 204.09 |
| (iii) Undisputed Trade Receivables –credit impaired | – | 181.09 | 93.75 | 349.23 | 306.53 | 7,436.48 | 8,367.08 |
| (iv) Disputed Trade Receivables –considered good | – | – | – | – | – | – | – |
| (v) Disputed Trade Receivables –which have significant increase in credit risk | – | – | – | – | – | – | – |
| (vi) Disputed Trade Receivables –credit impaired | – | – | 20.37 | 10.21 | 201.38 | 1,963.28 | 2,195.24 |
| **TOTAL** | **60,513.65** | **26,466.89** | **13,059.31** | **27,117.67** | **8,277.08** | **10,894.77** | **1,46,329.37** |

* Outstanding from the transaction date for FY23 and from the due-date for EPC and transaction date from CP for FY22

## Note 7 : Loans

**(Unsecured, considered good unless otherwise stated)**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Non Current** | | |
| Unsecured, considered good | 3,460.50 | 3,789.35 |
| Unsecured, credit impaired | – | – |
| **Total** | **3,460.50** | **3,789.35** |
| Impairment allowance, credit impaired | – | – |
| **Total Non-current loans** | **3,460.50** | **3,789.35** |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 7 : Loans (Contd..)

Unsecured, considered good, majorly consists of loans given to Nirlep Appliances Private Limited (Subsidiary of the Company) for meeting its capex and working capital requirements.

(₹ in Lakhs)

| Particulars | Amount | Interest Rate | Tenure |
|---|---|---|---|
| Nirlep Appliances Private Limited<br>- repayable either via quarterly installments or on bullet payments starting from June 23 to FY28 | 6,323.00 | 9.30% - 11.70% | 5 years |

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Current** | | |
| Secured, considered good | 2,897.71 | 1,000.84 |
| **Total current loans** | **2,897.71** | **1,000.84** |

## Note 8 : Other financial assets

**(Unsecured, considered good unless otherwise stated)**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Security deposits, considered good | 2,932.21 | 2,546.75 |
| Security deposits, credit impaired | 140.45 | 128.56 |
| Impairment allowance for credit impaired security deposits | (140.45) | (128.56) |
| | **2,932.21** | **2,546.75** |
| Deposits with maturity more than 12 months | – | 109.91 |
| Fixed deposit under lien | 92.46 | 1,023.14 |
| Interest accrued on fixed deposits | 7.57 | 55.28 |
| **Total non-current other financial assets** | **3,032.24** | **3,735.08** |

For breakup of financial assets carried at amortised cost, refer note 34.

## Note 9 : Deferred tax assets / (liabilities) (net)

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Deferred tax assets | 6,292.16 | 15,294.84 |
| Deferred tax liabilities | (6,831.89) | (7,151.30) |
| **Total deferred tax assets (net)** | **(539.73)** | **8,143.54** |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 9 : Deferred tax assets / (liabilities) (net) (Contd..)

**Breakup and movement in deferred tax assets**

(₹ in Lakhs)

| Particulars | Employee benefit obligations (gratuity) | Employee benefit obligations (leave obligations) | Impairment allowance (allowance for doubtful debts and advances) | Financial assets measured at amortised cost | Assets held for sale | Carried forward losses | Right of use assets and Others | Total |
|---|---|---|---|---|---|---|---|---|
| **As at 31st March, 2021** | **128.63** | **384.64** | **3,883.18** | **0.62** | **501.77** | **3,880.71** | **2,870.15** | **11,649.70** |
| (Charged) / Credited : | | | | | | | | |
| to statement of profit and loss | (37.59) | (382.46) | (447.46) | 0.78 | 26.67 | 1,276.21 | 526.38 | 962.53 |
| to other comprehensive income | (177.63) | – | – | – | – | – | (5.95) | (183.58) |
| On account of business combination | 39.98 | 21.14 | (624.16) | – | 0.00 | 7,309.94 | – | 6,746.90 |
| transferred to income tax asstes | – | – | – | – | – | (3,880.71) | – | (3,880.71) |
| **As at 31st March, 2022** | **(46.61)** | **23.32** | **2,811.56** | **1.40** | **528.44** | **8,586.15** | **3,390.58** | **15,294.84** |
| (Charged) / Credited : | | | | | | | | |
| to statement of profit and loss | 84.62 | 124.13 | (30.64) | (0.53) | 23.34 | (3,515.84) | (547.87) | (3,862.79) |
| to other comprehensive income | – | – | – | – | – | – | (69.58) | (69.58) |
| transferred to income tax assets | – | – | – | – | – | (5,070.31) | – | (5,070.31) |
| **As at 31st March, 2023** | **38.01** | **147.45** | **2,780.92** | **0.87** | **551.78** | **–** | **2,773.13** | **6,292.16** |

**Breakup and movement in deferred tax liabilities**

(₹ in Lakhs)

| Particulars | Property, plant and equipment | Financial Assets measured at Amortised Cost | Financial Liabilities measured at Amortised Cost | Employee benefit obligations (gratuity) | Investment property | Others | Total |
|---|---|---|---|---|---|---|---|
| **As at 31st March, 2021** | **2,384.17** | **77.12** | **120.43** | **–** | **2,473.20** | **1,345.43** | **6,400.35** |
| Charged / (credited) : | | | | | | | |
| to Statement of Profit or Loss | (397.22) | 27.30 | 42.61 | – | 95.50 | 557.50 | 325.69 |
| On account of business combination | 425.26 | – | – | – | – | – | 425.26 |
| **As at 31st March, 2022** | **2,412.21** | **104.42** | **163.04** | **–** | **2,568.70** | **1,902.93** | **7,151.30** |
| Charged / (credited) : | | | | | | | |
| to Statement of Profit or Loss | (49.16) | (50.96) | (55.42) | – | (40.17) | (123.70) | (319.41) |
| **As at 31st March, 2023** | **2,363.05** | **53.46** | **107.62** | **–** | **2,528.53** | **1,779.23** | **6,831.89** |

## Note 10 : Other non-current assets

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Capital advances | 1,966.58 | 448.29 |
| Impairment allowance for credit impaired capital advances | (24.94) | (21.56) |
| | **1,941.64** | **426.73** |
| Sales tax recoverables | 2,795.82 | 3,984.51 |
| Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies) | 4,101.21 | 5,077.08 |
| Others * | 7,239.45 | 4,223.75 |
| | **16,078.12** | **13,712.07** |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 10 : Other non-current assets (Contd..)

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Impairment allowance for doubtful advances | (401.51) | (461.21) |
| **Total other non-current assets** | **15,676.61** | **13,250.86** |

*Others mainly include prepaid expenses of ₹ 3,767.87 lakhs (March 31, 2022 ₹ 868.27 lakhs) and advances to suppliers of ₹ 1,647.58 lakhs (March 31, 2022 ₹ 3,315.51 lakhs).

## Note 11 : Inventories

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Raw material | 12,424.63 | 10,623.09 |
| Work-in-progress | 5,355.77 | 2,016.49 |
| Finished goods | 2,163.97 | 2,033.54 |
| Traded goods | 78,767.29 | 80,967.36 |
| Material in Transit (traded goods) | 4,737.40 | 1,450.84 |
| Others | 1,508.76 | 503.30 |
| **Total Inventories** | **1,04,957.82** | **97,594.62** |

## Note 12 : Cash and cash equivalents

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Balances with banks | | |
| in current accounts | 2,610.08 | 1,812.87 |
| in cash credit accounts | 5,403.37 | 3,285.38 |
| Deposits with maturity of less than three months | 26,003.44 | 6,700.00 |
| Cash on hand | 30.46 | 36.66 |
| **Total cash and cash equivalents** | **34,047.35** | **11,834.91** |

There are no restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior period.

## Note 12 : Bank balances

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Unpaid Dividend Accounts * | 60.32 | 67.26 |
| Fixed deposit under lien | 144.75 | 2,111.60 |
| Deposits with maturity of more than three months & less than twelve months | 2,545.67 | 6.81 |
| Others | 120.94 | 166.97 |
| **Total other bank balances** | **2,871.68** | **2,352.64** |

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2023 and March 31, 2022.



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 13 : Other current financial assets

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Interest accrued on fixed deposits | 201.41 | 33.53 |
| Security deposits | 590.11 | 411.06 |
| Receivable from gratuity fund | 356.67 | 2.33 |
| Derivative asset | 111.85 | 329.43 |
| **Total other current financial assets** | **1,260.04** | **776.35** |

## Note 14 : Other current assets

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Advance to Nirlep Appliance Private Limited (subsidiary) | 3,000.00 | 2,610.00 |
| Export benefits | 783.25 | 783.17 |
| Balances with government authorities | 15,006.61 | 15,043.91 |
| Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies) | 2,106.21 | 1,753.82 |
| Others* | 19,552.96 | 6,604.87 |
| Sales tax recoverables | 114.87 | – |
| **Total other current assets** | **40,563.90** | **26,795.77** |

*Others mainly includes prepaid expenses of ₹ 674.26 lakhs (March 31, 2022 ₹ 1,547.14 lakhs) and advances to suppliers of ₹ 18,424.68 lakhs (March 31, 2022 ₹ 4,065.02 lakhs)

## Note 15 : Assets classified as held for sale

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Land & Buildings * | 219.40 | 1,719.41 |
| **Total assets classified as held for sale** | **219.40** | **1,719.41** |

* Upon relocation of Company's employees to new office premises in Mumbai, the erstwhile leasehold immovable property together with buildings and structure standing thereon was lying vacant. Therefore, the Board of Directors of the Company approved the sale and transfer of leasehold rights therein in favour of the purchaser vide Resolution dated March 23, 2015 subject to the permissions from the appropriate authorities and accordingly the said transaction of sale and transfer of leasehold rights was to be completed within one (1) year. However, on account of delay in getting the requisite permissions from the appropriate local / municipal authorities the transaction execution is pending. The purchaser and the Company are committed for the transaction to sail through. The asset held for sale are not attached to any reported business segment but part of other unallocable assets. The Company has received an advance of ₹ 800 lakhs from the purchaser in relation to this sale and is expected to be completed in FY 2023-24. The same is shown as a liability under other current liabilities.

## Note 16 : Equity share capital

(₹ in Lakhs)

| Particulars | 31-Mar-23 Amount | (Restated) 31-Mar-22 Amount |
|---|---|---|
| **Authorised** | | |
| 71,25,00,000 equity shares (March 31, 2022 - 20,00,00,000) of ₹ 2/- each. | 14,250.00 | 4,000.00 |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 16 : Equity share capital (Contd..)

### i) Movement in Issued, Subscribed and Paid up Equity Share Capital

**Issued capital**

(₹ in Lakhs)

| Particulars | No of Shares | Amount |
|---|---|---|
| **As at 31st March 2021** | **11,45,36,619** | **2,290.73** |
| Exercise of Options under employee stock option scheme (refer note iv below) | 3,37,495 | 6.75 |
| **As at 31st March 2022** | **11,48,74,114** | **2,297.48** |
| Exercise of Options under employee stock option scheme (refer note iv below) | 2,01,505 | 4.03 |
| Issue pursuant to merger of Starlite Lighting Limited | 19 | 0.00 |
| **As at 31st March 2023** | **11,50,75,638** | **2,301.51** |
| Paid-up capital | | |
| Calls in arrears @ ₹ 2 per share, under rights issue | (55) | (0.00) |
| **As at 31st March 2023** | **11,50,75,583** | **2,301.51** |

### ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### iii) The Details of Shareholders holding more than 5% Shares:

(₹ in Lakhs)

| Name of the Shareholder | As at 31st March 2023 | | As at 31st March 2022 | |
|---|---|---|---|---|
| | Nos. | % Holding | Nos. | % Holding |
| Jamnalal Sons Private Limited | 2,25,48,276 | 19.59 | 2,24,43,275 | 19.54 |
| Bajaj Holdings & Investment Limited | 1,91,36,840 | 16.63 | 1,87,93,840 | 16.36 |
| Kiran Bajaj | 75,45,224 | 6.56 | 75,45,224 | 6.57 |
| HDFC Small Cap Fund | 64,75,269 | 5.63 | 65,18,743 | 5.67 |
| Smallcap World Fund, Inc | 60,98,271 | 5.30 | 65,15,607 | 5.67 |

### iv) Share reserved for issue under employee stock option scheme

For details of shares reserved for issue under the employee share based payment plan of the Company, please refer Note 33.

### v) Change in promoter shareholding

| Promoter Name | As at 31st March 2023 | | As at 31st March 2022 | | % change during the year |
|---|---|---|---|---|---|
| | No of shares | % of total shares | No of shares | % of total shares | |
| **Promoters** | | | | | |
| Mr. Shekhar Bajaj | 18,14,639 | 1.58% | 18,14,639 | 1.58% | 0.00% |
| Mr. Madhur Bajaj | 2,00,000 | 0.17% | 2,00,000 | 0.17% | 0.00% |
| Mr. Niraj Bajaj | 11,30,882 | 0.98% | 11,30,882 | 0.98% | 0.00% |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 16 : Equity share capital (Contd..)

| Promoter Name | As at 31st March 2023 | | As at 31st March 2022 | | % change during the year |
|---|---|---|---|---|---|
| | No of shares | % of total shares | No of shares | % of total shares | |
| Mr. Sanjivnayan Bajaj * | 4,28,749 | 0.37% | 4,28,749 | 0.37% | 0.00% |
| Mr. Rahulkumar Bajaj ** | NA | NA | NA | NA | 0.00% |
| **Promoter Group** | | | | | |
| **Individuals :** | | | | | |
| Mrs. Kiran Bajaj | 75,45,224 | 6.56% | 75,45,224 | 6.57% | -0.01% |
| Ms. Neelima Bajaj Swamy | 2,00,000 | 0.17% | 2,00,000 | 0.17% | 0.00% |
| Ms. Minal Bajaj | 6,94,674 | 0.60% | 6,94,674 | 0.60% | 0.00% |
| Ms. Geetika Bajaj | 21,60,084 | 1.88% | 21,60,084 | 1.88% | 0.00% |
| Ms. Nimisha Jaipuria | NA | NA | NA | NA | 0.00% |
| Ms. Sunaina Kejriwal | 12,40,730 | 1.08% | 12,40,730 | 1.08% | 0.00% |
| Mr. Niravnayan Bajaj | 2,82,507 | 0.25% | 2,82,507 | 0.25% | 0.00% |
| Ms. Kumud Bajaj | 2,00,000 | 0.17% | 2,00,000 | 0.17% | 0.00% |
| Ms. Pooja Bajaj | 15,41,875 | 1.34% | 19,89,875 | 1.73% | -0.39% |
| Ms. Suman Jain | 1,10,700 | 0.10% | 1,10,700 | 0.10% | 0.00% |
| Ms. Kriti Bajaj | 1,01,297 | 0.09% | 1,01,297 | 0.09% | 0.00% |
| Ms. Shefali Bajaj | 33,767 | 0.03% | 33,767 | 0.03% | 0.00% |
| Ms. Deepa Bajaj | 1,126 | 0.00% | 1,126 | 0.00% | 0.00% |
| Master Vanraj Bajaj | 18,43,556 | 1.60% | 18,43,556 | 1.60% | 0.00% |
| **Bodies Corporate** | | | | | |
| Jamnalal Sons Private Limited | 2,25,48,276 | 19.59% | 2,24,43,275 | 19.54% | 0.06% |
| Bajaj Holdings And Investment Limited | 1,91,36,840 | 16.63% | 1,87,93,840 | 16.36% | 0.27% |
| Hind Musafir Agency Limited | 12,88,000 | 1.12% | 12,88,000 | 1.12% | 0.00% |
| Baroda Industries Private Limited | 14,12,738 | 1.23% | 14,12,738 | 1.23% | 0.00% |
| Bajaj International Private Limited | 9,17,881 | 0.80% | 9,17,881 | 0.80% | 0.00% |
| Hercules Hoists Limited | 6,24,596 | 0.54% | 6,24,596 | 0.54% | 0.00% |
| Shekhar Holdings Private Limited | 5,40,253 | 0.47% | 5,40,253 | 0.47% | 0.00% |
| Rahul Securities Private Limited | 4,67,093 | 0.41% | 4,67,093 | 0.41% | 0.00% |
| Bachhraj Factories Private Limited | 1,05,466 | 0.09% | 1,05,466 | 0.09% | 0.00% |
| Bajaj Sevashram Private Limited | 5,550 | 0.00% | 5,550 | 0.00% | 0.00% |
| Bachhraj And Company Private Limited | 66,585 | 0.06% | 66,585 | 0.06% | 0.00% |
| Kamalnayan Investment & Trading Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Madhur Securities Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Niraj Holdings Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Rupa Equities Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Sanraj Nayan Investments Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| **Trusts** | | | | | |
| Geetika Trust No.2 (Kiran Bajaj as a Trustee) | NA | NA | NA | NA | 0.00% |
| Niravnayan Trust (Niraj Bajaj as a Trustee) | 5,24,721 | 0.46% | 5,24,721 | 0.46% | 0.00% |
| Neelima Bajaj Swamy Family Trust (Neelima Bajaj Swamy as a Trustee) | 8,12,973 | 0.71% | 8,12,973 | 0.71% | 0.00% |
| Nimisha Jaipuria Family Trust (Nimisha Jaipuria as a Trustee) | 6,28,043 | 0.55% | 6,28,043 | 0.55% | 0.00% |
| Kriti Bajaj Family Trust (Minal Niraj Bajaj as a Trustee) | 5,00,000 | 0.43% | 5,00,000 | 0.44% | 0.00% |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 16 : Equity share capital (Contd..)

| Promoter Name | As at 31st March 2023 | | As at 31st March 2022 | | % change during the year |
|---|---|---|---|---|---|
| | No of shares | % of total shares | No of shares | % of total shares | |
| Niravnayan Bajaj Family Trust (Niraj Bajaj as a Trustee) | 5,00,000 | 0.43% | 5,00,000 | 0.44% | 0.00% |
| Rishab Family Trust | 4,71,052 | 0.41% | 4,71,052 | 0.41% | 0.00% |
| Sanjali Family Trust | 2,62,717 | 0.23% | 2,62,717 | 0.23% | 0.00% |
| Siddhant Family Trust | 2,62,717 | 0.23% | 2,62,717 | 0.23% | 0.00% |
| Nimisha Bajaj Family Trust (Madhur Bajaj as a Trustee) | 2,06,575 | 0.18% | 2,06,575 | 0.18% | 0.00% |
| Neelima Bajaj Family Trust (Kumud Bajaj as a Trustee) | 21,644 | 0.02% | 21,644 | 0.02% | 0.00% |
| Vanraj Bajaj Trust (Kiran Bajaj as a Trustee) | 10,00,000 | 0.87% | 10,00,000 | 0.87% | 0.00% |
| Kumud Neelima Family Trust (Madhur Bajaj as a Trustee) | 1,25,800 | 0.11% | 1,25,800 | 0.11% | 0.00% |
| Kumud Nimisha Family Trust (Madhur Bajaj as a Trustee) | 1,25,800 | 0.11% | 1,25,800 | 0.11% | 0.00% |
| Madhur Neelima Family Trust (Kumud Bajaj as a Trustee) | 1,25,800 | 0.11% | 1,25,800 | 0.11% | 0.00% |
| Madhur Nimisha Family Trust (Kumud Bajaj as a Trustee) | 1,25,799 | 0.11% | 1,25,799 | 0.11% | 0.00% |
| **Total** | **7,23,42,279** | **62.86%** | **7,23,42,278** | **62.98%** | **-0.11%** |

| Promoter Name | As at 31st March 2022 | | As at 31st March 2021 | | % change during the year |
|---|---|---|---|---|---|
| | No of shares | % of total shares | No of shares | % of total shares | |
| **Promoters** | | | | | |
| Mr. Shekhar Bajaj | 18,14,639 | 1.58% | 28,14,639 | 2.46% | -0.88% |
| Mr. Madhur Bajaj | 2,00,000 | 0.17% | 7,03,199 | 0.61% | -0.44% |
| Mr. Niraj Bajaj | 11,30,882 | 0.98% | 11,30,882 | 0.99% | 0.00% |
| Mr. Sanjivnayan Bajaj * | 4,28,749 | 0.37% | 4,28,749 | 0.37% | 0.00% |
| Mr. Rahulkumar Bajaj ** | – | 0.00% | – | 0.00% | 0.00% |
| **Promoter Group** | | | | | |
| **Individuals :** | | | | | |
| Mrs. Kiran Bajaj | 75,45,224 | 6.57% | 75,45,224 | 6.59% | -0.02% |
| Ms. Neelima Bajaj Swamy | 2,00,000 | 0.17% | 2,00,000 | 0.17% | 0.00% |
| Ms. Minal Bajaj | 6,94,674 | 0.60% | 6,94,674 | 0.61% | 0.00% |
| Ms. Geetika Bajaj | 21,60,084 | 1.88% | 7,98,199 | 0.70% | 1.18% |
| Ms. Nimisha Jaipuria | – | 0.00% | – | 0.00% | 0.00% |
| Ms. Sunaina Kejriwal | 12,40,730 | 1.08% | 12,40,730 | 1.08% | 0.00% |
| Mr. Niravnayan Bajaj | 2,82,507 | 0.25% | 2,82,507 | 0.25% | 0.00% |
| Ms. Kumud Bajaj | 2,00,000 | 0.17% | 2,00,000 | 0.17% | 0.00% |
| Ms. Pooja Bajaj | 19,89,875 | 1.73% | 19,89,875 | 1.74% | -0.01% |
| Ms. Suman Jain | 1,10,700 | 0.10% | 1,10,700 | 0.10% | 0.00% |
| Ms. Kriti Bajaj | 1,01,297 | 0.09% | 1,01,297 | 0.09% | 0.00% |
| Ms. Shefali Bajaj | 33,767 | 0.03% | 33,767 | 0.03% | 0.00% |
| Ms. Deepa Bajaj | 1,126 | 0.00% | 1,126 | 0.00% | 0.00% |
| Master Vanraj Bajaj | 18,43,556 | 1.60% | 18,43,556 | 1.61% | 0.00% |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 16 : Equity share capital (Contd..)

| Promoter Name | As at 31st March 2022 | | As at 31st March 2021 | | % change during the year |
|---|---|---|---|---|---|
| | No of shares | % of total shares | No of shares | % of total shares | |
| **Bodies Corporate** | | | | | |
| Jamnalal Sons Private Limited | 2,24,43,275 | 19.54% | 2,24,43,275 | 19.59% | -0.06% |
| Bajaj Holdings And Investment Limited | 1,87,93,840 | 16.36% | 1,87,93,840 | 16.41% | -0.05% |
| Hind Musafir Agency Limited | 12,88,000 | 1.12% | 12,88,000 | 1.12% | 0.00% |
| Baroda Industries Private Limited | 14,12,738 | 1.23% | 14,12,738 | 1.23% | 0.00% |
| Bajaj International Private Limited | 9,17,881 | 0.80% | 9,17,881 | 0.80% | 0.00% |
| Hercules Hoists Limited | 6,24,596 | 0.54% | 6,24,596 | 0.55% | 0.00% |
| Shekhar Holdings Private Limited | 5,40,253 | 0.47% | 5,40,253 | 0.47% | 0.00% |
| Rahul Securities Private Limited | 4,67,093 | 0.41% | 4,67,093 | 0.41% | 0.00% |
| Bachhraj Factories Private Limited | 1,05,466 | 0.09% | 1,05,466 | 0.09% | 0.00% |
| Bajaj Sevashram Private Limited | 5,550 | 0.00% | 5,550 | 0.00% | 0.00% |
| Bachhraj And Company Private Limited | 66,585 | 0.06% | 66,585 | 0.06% | 0.00% |
| Kamalnayan Investment & Trading Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Madhur Securities Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Niraj Holdings Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Rupa Equities Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Sanraj Nayan Investments Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| **Trusts** | | | | | |
| Geetika Trust No.2 (Kiran Bajaj as a Trustee) | – | 0.00% | 13,61,885 | 1.19% | -1.19% |
| Niravnayan Trust (Niraj Bajaj as a Trustee) | 5,24,721 | 0.46% | 5,24,721 | 0.46% | 0.00% |
| Neelima Bajaj Swamy Family Trust (Neelima Bajaj Swamy as a Trustee) | 8,12,973 | 0.71% | 8,12,973 | 0.71% | 0.00% |
| Nimisha Jaipuria Family Trust (Nimisha Jaipuria as a Trustee) | 6,28,043 | 0.55% | 6,28,043 | 0.55% | 0.00% |
| Kriti Bajaj Family Trust (Minal Niraj Bajaj as a Trustee) | 5,00,000 | 0.44% | 5,00,000 | 0.44% | 0.00% |
| Niravnayan Bajaj Family Trust (Niraj Bajaj as a Trustee) | 5,00,000 | 0.44% | 5,00,000 | 0.44% | 0.00% |
| Rishab Family Trust | 4,71,052 | 0.41% | 4,71,052 | 0.41% | 0.00% |
| Sanjali Family Trust | 2,62,717 | 0.23% | 2,62,717 | 0.23% | 0.00% |
| Siddhant Family Trust | 2,62,717 | 0.23% | 2,62,717 | 0.23% | 0.00% |
| Nimisha Bajaj Family Trust (Madhur Bajaj as a Trustee) | 2,06,575 | 0.18% | 2,06,575 | 0.18% | 0.00% |
| Neelima Bajaj Family Trust (Kumud Bajaj as a Trustee) | 21,644 | 0.02% | 21,644 | 0.02% | 0.00% |
| Vanraj Bajaj Trust (Kiran Bajaj as a Trustee) | 10,00,000 | 0.87% | – | 0.00% | 0.87% |
| Kumud Neelima Family Trust (Madhur Bajaj as a Trustee) | 1,25,800 | 0.11% | – | 0.00% | 0.11% |
| Kumud Nimisha Family Trust (Madhur Bajaj as a Trustee) | 1,25,800 | 0.11% | – | 0.00% | 0.11% |
| Madhur Neelima Family Trust (Kumud Bajaj as a Trustee) | 1,25,800 | 0.11% | – | 0.00% | 0.11% |
| Madhur Nimisha Family Trust (Kumud Bajaj as a Trustee) | 1,25,799 | 0.11% | – | 0.00% | 0.11% |
| **Total** | **7,23,42,278** | **62.98%** | **7,23,42,278** | **63.16%** | **-0.19%** |

* Considered as a Promoter post demise of Mr. Rahulkumar Bajaj on February 12, 2022

** Ceased to be a promoter post sad demise on February 12, 2022

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 17 : Other Equity

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| i) Securities premium reserve | 66,594.40 | 65,356.13 |
| ii) Debenture redemption reserve | – | – |
| iii) General reserve | 45,967.75 | 45,967.75 |
| iv) Share options outstanding account | 1,874.06 | 1,198.56 |
| v) Retained earnings | 81,452.12 | 61,577.08 |
| vi) Capital reserve | 175.18 | 175.18 |
| vii) Capital redemption reserve | 135.71 | 135.71 |
| viii) Effective Portion of Cashflow Hedges | (68.91) | 88.29 |
| ix) Share application money pending allotment | – | 0.19 |
| x) Amalgamation adjustment reserve | (2,327.15) | (2,327.15) |
| **Total reserves and surplus** | **1,93,803.16** | **1,72,171.74** |

### i) Securities premium reserve

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Opening Balance** | 65,356.13 | 63,391.97 |
| Add: Exercise of share options | 893.24 | 1,435.02 |
| Add: Exercise of options - transferred from shares options outstanding account | 344.84 | 529.14 |
| Add: Issue of share capital | 0.19 | |
| **Closing Balance** | **66,594.40** | **65,356.13** |

### ii) Debenture redemption reserve

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Opening Balance** | – | 3,750.00 |
| Less: Transferred to Retained Earnings | – | (3,750.00) |
| **Closing Balance** | **–** | **–** |

### iii) General Reserve

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Opening Balance** | 45,967.75 | 45,967.75 |
| **Closing Balance** | **45,967.75** | **45,967.75** |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 17 : Other Equity (Contd..)

### iv) Shares options outstanding account

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Opening Balance** | 1,198.56 | 1,181.39 |
| Add : Employee stock option expense | 1,084.00 | 580.85 |
| Less : Transferred from share options outstanding account on lapse of vested options | (63.66) | (34.54) |
| Less : Exercise of options - transferred from shares options outstanding account | (344.84) | (529.14) |
| **Closing Balance** | **1,874.06** | **1,198.56** |

### v) Retained earnings

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Opening Balance** | 61,577.08 | 43,568.03 |
| Add : Net profit for the year | 23,050.52 | 13,678.67 |
| Add : Other comprehensive income (net of tax) | 206.89 | 545.84 |
| Add : Transferred from stock options reserve for vested cancelled options | 63.66 | 34.54 |
| Less: Dividend on equity shares | (3,446.03) | – |
| Add : Transfer from Debenture Redemption Reserve | – | 3,750.00 |
| **Closing Balance** | **81,452.12** | **61,577.08** |

### vi) Capital reserve

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Opening Balance** | 175.18 | 175.18 |
| **Closing Balance** | **175.18** | **175.18** |

### vii) Capital redemption reserve

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Opening Balance** | 135.71 | 135.71 |
| **Closing Balance** | **135.71** | **135.71** |

### viii) Effective Portion of Cashflow Hedges

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Opening Balance** | 88.29 | – |
| Add: Charge for the year | (125.98) | 49.98 |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 17 : Other Equity (Contd..)

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| Add: Other comprehensive income (net of tax) | (31.22) | 38.31 |
| **Closing Balance** | **(68.91)** | **88.29** |

**ix) Share application money pending allotment**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Opening Balance** | 0.19 | 12.51 |
| Add: Issue of Share Capital | (0.19) | (12.51) |
| Add: Issue of merger under business combination | – | – |
| **Closing Balance** | **–** | **–** |

**x) Amalgamation adjustment reserve**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Opening Balance** | (2,327.15) | – |
| Add: Accounted under business combination (refer note 44) | – | – |
| **Closing Balance** | **(2,327.15)** | **–** |

**Nature and purpose of reserves**

**Securities Premium**

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

**Debenture Redemption Reserve (DRR)**

The Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the Company creates DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the Company. The amounts credited to the debenture redemption reserve will not be utilised except to redeem debentures.

**General Reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.





# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 17 : Other Equity (Contd..)

**Share options outstanding account**

The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

**Effective Portion of Cashflow Hedges**

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss.

**Amalgamation adjustment reserve**

The Company creates amalgamation adjustment reserve on account of business combination pursuant to any schemes for merger/demerger, etc.

**Distribution paid**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Cash dividends on equity shares declared and paid:** | | |
| Final dividend paid for the year ended March 31, 2022 of 3/- per share | 3,446.03 | – |

## Note 18 : Borrowings

(₹ in Lakhs)

| Particulars | Note No. | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|---|
| **Non-current** | | | |
| **Unsecured** | | | |
| Sales tax deferral liability | Note a | – | 16.65 |
| Rupee term loans | Note b | – | 1,166.67 |
| **Total non-current borrowings** | | **–** | **1,183.32** |
| **Current** | | | |
| **Secured** | | | |
| Cash credits | Note c | – | 1,124.29 |
| **Total secured current borrowings** | | **–** | **1,124.29** |
| **Unsecured** | | | |
| Current maturities of sales tax deferral liability | Note a | 16.65 | 107.62 |
| Current maturities of long term rupee loans | Note b | – | 1,166.67 |
| **Total unsecured current borrowings** | | **16.65** | **1,274.29** |
| **Total current borrowings** | | **16.65** | **2,398.58** |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 18 : Borrowings (Contd..)

**Note a:**

Sales tax deferral liability is interest free and repayable over predefined instalments from the initial date of deferment of liability, as per the respective schemes as given below:

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Non-current** | | |
| FY 2023-24 (June 2023) | – | 16.65 |
| | **–** | **16.65** |
| **Current** | | |
| FY 2022-23 (June 2022) | – | 107.62 |
| FY 2023-24 (June 2023) | 16.65 | – |
| | **16.65** | **107.62** |

**Note b: Rupee term loan is as per the following terms**

| Lending Bank | Maturity Date | Interest rate % | Liability In ₹ Lakhs as on 31-Mar-22 |
|---|---|---|---|
| Bank of Bahrain & Kuwait B.S.C. | 17-Aug-22 | 7.05% | 1,166.67 |
| Bank of Bahrain & Kuwait B.S.C. | 17-Aug-23 | 7.05% | 1,166.67 |
| **Total** | | | **2,333.34** |

**Note c:** Cash credits are secured, repayable on demand and bear interest in the range of 7.90% to 13.00%.

**Note d : Charge on secured borrowings is as given below**

First pari passu charge by way of hypothecation of inventories, book debts and all movable assets under the head 'property, plant and equipment

First pari passu charge on the Company's immovable properties at

- Wardha premises - Plot no. 36, Block no. 17, Mouza no. 225, Bacharaj road, Gandhi Chowk, Wardha
- Hari Kunj - Flat No. 103 and 104, 'B' wing, Sindhi Society, Chembur East, Mumbai - 400071

Second pari passu charge over present and future property, plant and equipment of the Company, situated at

- Ranjangaon Units : Village Dhoksanghvi, Taluka Shirur, Ranjangaon, Dist. Pune - 412210;
- Chakan Unit : Village Mahalunge, Chakan Talegaon Road, Khed, Pune - 410501;
- Showroom on Ground floor and Office Premises on Second Floor at Bajaj Bhawan 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.
- Office Premises No : 001, 502, 701 and 801, 'Rustomjee Aspiree', Bhanu Shankar Yagnik Marg, Off Eastern Highway, Sion (East), Mumbai - 400 022
- R & D centre at Plot no. 27/ pt 2/ at Millennium Business Park, TTC Industrial area, Mahape, Navi Mumbai

The Company has not defaulted on any loans which were due for repayment during the year.

**Note e :** The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken. Further, the Company has borrowings from banks or financial institutions on the basis of security of current assets and has filed quarterly returns / statement of current assets with banks or financial institutions which are in agreement with the books of accounts.



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 19 : Other Financial Liabilities

(₹ in Lakhs)

| Particulars | 31-Mar-23 | (Restated) 31-Mar-22 |
|---|---|---|
| **Non Current** | | |
| Employee benefit liabilities | 5.69 | 16.36 |
| **Total other non-current financial liabilities** | **5.69** | **16.36** |
| **Current** | | |
| Capital creditors | 379.10 | 351.85 |
| Unpaid dividends | 60.32 | 67.26 |
| Trade deposits (dealers, vendors etc.) | 801.13 | 900.24 |
| Channel financing liability (Note 6) | 57,967.35 | 30,395.32 |
| Derivative liability | 12.62 | 8.97 |
| Other payables | 3,879.18 | 8,657.72 |
| Liability towards corporate social responsibility (shortfall) | 175.29 | 296.10 |
| Employee benefit liabilities | 6,591.73 | 5,362.42 |
| **Total other current financial liabilities** | **69,866.72** | **46,039.88** |

All the above financial liabilities are carried at amortised cost except for derivative liabilities (forward exchange contracts) which are fair valued through profit and loss and financial guarantee contracts which are initially recognised at fair value.

## Note 20 : Provisions

(₹ in Lakhs)

| Particulars | 31-Mar-23 | | | 31-Mar-22 (Restated) | | |
|---|---|---|---|---|---|---|
| | Current | Non Current | Total | Current | Non Current | Total |
| Service warranties* | 4,173.48 | 1,689.40 | 5,862.88 | 5,837.91 | 2,254.73 | 8,092.64 |
| Legal claims | 302.41 | – | 302.41 | 373.42 | – | 373.42 |
| Other matters** | 397.32 | – | 397.32 | 1,642.42 | – | 1,642.42 |
| **Total Provisions** | **4,873.21** | **1,689.40** | **6,562.61** | **7,853.75** | **2,254.73** | **10,108.48** |

**Movement in provisions is as given below:**

(₹ in Lakhs)

| Particulars | Service Warranties | Legal Claims | Other matters |
|---|---|---|---|
| **Opening balance as on 1st April, 2021** | **9,113.22** | **543.80** | **1,447.64** |
| Arising during the year | 5,284.86 | – | 194.78 |
| Unwinding of discount (finance cost) | 197.09 | – | – |
| Utilised during the year | (6,502.53) | (170.38) | |
| **Closing balance as on 31st March, 2022** | **8,092.64** | **373.42** | **1,642.42** |
| Arising during the year | 1,059.77 | – | – |
| Unwinding of discount (finance cost) | 208.02 | – | – |
| Utilised during the year | (3,497.55) | (71.01) | (1,245.10) |
| **Closing balance as on 31st March, 2023** | **5,862.88** | **302.41** | **397.32** |

*Refer note 1D(1)

**The Company has made provisions for litigation cases and pending assessments in respect of taxes, the outflow of which would depend on the cessation of the respective events.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations

(₹ in Lakhs)

| Particulars | 31-Mar-23 Current | 31-Mar-23 Non Current | 31-Mar-23 Total | 31-Mar-22 (Restated) Current | 31-Mar-22 (Restated) Non Current | 31-Mar-22 (Restated) Total |
|---|---|---|---|---|---|---|
| Leave obligations | 463.99 | 1,430.35 | 1,894.34 | 290.89 | 1,326.25 | 1,617.14 |
| Interest rate guarantee on provident fund | – | 352.82 | 352.82 | – | 351.18 | 351.18 |
| Gratuity (refer note a below) | 1,062.91 | 3,987.07 | 5,049.98 | 622.91 | 4,498.25 | 5,121.16 |
| **Total employee benefit obligations** | **1,526.90** | **5,770.24** | **7,297.14** | **913.80** | **6,175.68** | **7,089.48** |

**Disclosure of defined benefit plans are as given below :**

**A. Gratuity :**

The Company has a defined benefit gratuity plan in India (Funded) for its employees, which requires contribution to be made to a separately administered fund. Company had an unfunded Gratuity Liability towards employees of erstwhile HLL Demerged Undertaking, which has been completely paid off during FY. 2021-22 on account of their VRS from the Company. During the FY. 2022-23, the company also passed a resolution to fund the liability pertaining to employees of entities joining-in under the schemes of business combinations

The gratuity benefit payable to the employees of the Company is greater of the two : (i) The provisions of the Payment of Gratuity Act, 1972 or (ii) The Company's gratuity scheme as described below.

**(i) The provisions of the Payment of Gratuity Act, 1972 :**

| Benefits as per the Payment of Gratuity Act, 1972 | |
|---|---|
| Salary for calculation of Gratuity (GS) | Last drawn basic salary including dearness allowance (if any) |
| Gratuity Service (SER) | Completed years of Continuous Service with part thereof in excess of six months |
| Vesting period | 5 Years # |
| Benefit on normal retirement | 15/26 * GS * SER |
| Benefit on early retirement / termination / resignation / withdrawal | Same as normal retirement benefit based on the service upto the date of exit. |
| Benefit on death in service | Same as normal retirement benefit and no vesting period condition applies. |
| Limit | ₹ 20 lakhs |

**(ii) The Company's gratuity scheme :**

| Benefits as per the Company's Gratuity Scheme for HO Employees ( Category S - Staff ) | |
|---|---|
| Salary for calculation of Gratuity (GS) | Basic Salary + Special Pay + Personal Pay + Variable Dearness Allowance + Fixed Dearness Allowance |
| Gratuity Service (SER) | Completed years of Continuous Service with part thereof in excess of six months |
| Vesting period | 5 Years # |
| Benefit on normal retirement | 21/26 * GS * SER |
| Benefit on early retirement / termination / resignation / withdrawal | Same as normal retirement benefit based on the service upto the date of exit. |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

| Benefits as per the Company's Gratuity Scheme for HO Employees ( Category S - Staff ) | |
|---|---|
| Benefit on death in service | Same as normal retirement benefit and no vesting period condition applies. |
| Limit | No Limit |

| Benefits as per the Company's Gratuity Scheme for HO (Category E - Executives, Category PSG - Project Services Group and Category Factory Staff - Chakan & Ranjangaon Employees) | | |
|---|---|---|
| Salary for calculation of Gratuity (GS) | "HO Category E & PSG: Basic Salary<br>Factory Staff : Basic Salary + DA, if any" | |
| Gratuity Service (SER) | Completed years of Continuous Service with part thereof in excess of six months | |
| Vesting period | 5 Years # | |
| Benefit on normal retirement | **Service** | **Benefits** |
| | Between 5 & 9 years | 60% x GS x SER |
| | Between 10 & 14 years | 70% x GS x SER |
| | Between 15 & 24 years | 80% x GS x SER |
| | 25 years & Above | GS x SER |
| Benefit on early retirement / termination / resignation / withdrawal | **Service** | **Benefits** |
| | Between 5 & 9 years | 60% x GS x SER |
| | Between 10 & 14 years | 70% x GS x SER |
| | Between 15 & 24 years | 80% x GS x SER |
| | 25 years & Above | 90% x GS x SER |
| Benefit on death in service | HO Category E & PSG: GS x SER<br>Factory Staff : Same as normal retirement benefit based on the service upto the date of exit. | |
| Limit | No Limit | |

# Completion of 240 days during the 5th year can be treated as completion of 1 year of continuous service.

In case of employees with age above the retirement age, the retirement is assumed to happen immediately and valuation is done accordingly.

**Changes in the Present Value of Obligation are as given below:**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 (Restated) |
|---|---|---|
| Present Value of Obligation as at the beginning | 6,035.84 | 6,698.10 |
| Current Service Cost | 581.56 | 559.65 |
| Interest Cost | 393.23 | 414.99 |
| Re-measurement (gain) / loss arising from: | | |
| – change in demographic assumptions | (232.65) | – |
| – change in financial assumptions | (143.75) | (120.30) |
| – experience adjustments (i.e. Actual experience vs assumptions) | (51.94) | (310.88) |
| Benefits Paid | (812.50) | (1,368.56) |
| Acquisition Adjustment ( SLL Mfg absorbed in Merger ) | (3.51) | 162.84 |
| **Present Value of Obligation as at the end** | **5,766.27** | **6,035.84** |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

**Changes in the Fair Value of Plan Assets is as given below :**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 (Restated) |
|---|---|---|
| Fair Value of Plan Assets as at the beginning | 914.70 | 830.35 |
| Investment Income | 60.33 | 51.45 |
| Employer's Contribution | – | 2.09 |
| Benefits Paid | (265.71) | – |
| Return on plan assets , excluding amount recognised in interest (expense)/income | 6.98 | 30.81 |
| **Fair Value of Plan Assets as at the end** | **716.30** | **914.70** |

**Changes in the Fair Value of Reimbursement Right is as given below * (Amounts in ₹ Lakhs) :**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 (Restated) |
|---|---|---|
| Fair Value of Reimbursement Right as at the beginning | 5,306.40 | 5,360.58 |
| Investment Income | 349.97 | 332.12 |
| Employer's Contribution | – | – |
| Benefits Paid | (531.21) | (630.10) |
| Return on plan assets , excluding amount recognised in interest (expense)/income | (226.23) | 243.80 |
| **Fair Value of Reimbursement Right as at the end** | **4,898.93** | **5,306.40** |

* Reimbursement right is a non-qualifying insurance policy under Ind AS 19 as it is with Bajaj Allianz Life Insurance Co. Ltd (a related party of Bajaj Electricals Limited). The same has been disclosed in Note 10 and Note 14 of the standalone financial statements

**Amount recognised in balance sheet is as given below (Amounts in ₹ Lakhs) :**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 (Restated) |
|---|---|---|
| Present Value of Obligation | 5,766.27 | 6,035.84 |
| Fair Value of Plan Assets | 716.30 | 914.70 |
| Surplus / (Deficit) | (5,049.97) | (5,121.16) |
| Effects of Asset Ceiling, if any | – | – |
| Net Actuarially Valued Asset / (Liability) | (5,049.97) | (5,121.16) |
| Liability on an actual basis for employees at foreign branches | – | – |
| **Total Net Asset / (Liability)** | **(5,049.97)** | **(5,121.16)** |

**Amount recognised in statement of profit and loss and other comprehensive income is as given below :**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 (Restated) |
|---|---|---|
| **Costs charged to statement of profit and loss :** | | |
| Current Service Cost | 581.56 | 582.05 |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 (Restated) |
|---|---|---|
| Interest Expense or Cost | 393.23 | 414.99 |
| Investment Income | (410.30) | (383.57) |
| **Expense recognised in statement of profit and loss** | **564.49** | **613.47** |
| **Re-measurement (gain) / loss arising from:** | | |
| Change in demographic assumptions | (232.65) | – |
| Change in financial assumptions | (143.75) | (120.30) |
| Experience adjustments (i.e. Actual experience vs assumptions) | (51.94) | (310.88) |
| Return on plan assets , excluding amount recognised in interest expense/(income) | 219.25 | (274.61) |
| **(Income) / Expense recognised in Other Comprehensive Income** | **(209.09)** | **(705.79)** |
| **Total Expense Recognised during the year** | **355.40** | **(92.32)** |

**Major categories of Plan Assets & Reimbursement Right (as percentage of Total Assets)**

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 (Restated) |
|---|---|---|
| Funds managed by Insurer | 100% | 100% |
| **Total** | **100%** | **100%** |

As the funds are managed wholly by the insurance company, the break-up of the plan assets is unavailable

**The significant actuarial assumptions are as follows:**

### Financial Assumptions

| Particulars | As on 31-Mar-23 | As on 31-Mar-22 |
|---|---|---|
| Discount rate (per annum) | 7.25% | 6.60% |
| Salary growth rate (per annum) | 8.50% | For HLL - 8.00%<br>For Others - 8.50% |

### Demographic Assumptions

| Particulars | As on 31-Mar-23 | As on 31-Mar-22 (Restated) |
|---|---|---|
| Mortality Rate | 100% of IALM 12-14 | 100% of IALM 12-14 |
| **Withdrawal rates, based on age: (per annum) :** | | |
| Up to 30 years | 27.00% | For HLL- 4.00%<br>For Others- 21.00% |
| 31 - 44 years | 18.00% | For HLL- 4.00%<br>For Others- 14.00% |
| Above 44 years | 18.00% | For HLL- 4.00%<br>For Others- 12.00% |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

**Summary of Membership Status**

(₹ in Lakhs)

| Particulars | As on 31-Mar-23 | As on 31-Mar-22 (Restated) |
|---|---|---|
| Number of employees | 2,406 | 2,259 |
| Total monthly salary (₹ In Lakhs) | **953.50** | **816.06** |
| Average past service (years) | **6.72** | **7.09** |
| Average age (years) | **37.39** | **37.24** |
| Average remaining working life (years) | **20.62** | **20.77** |
| Number of completed years valued | 16,157 | 16,018 |
| Decrement adjusted remaining working life (years) | 4.58 | 6.12 |
| Normal retirement age | 58.00 | 58.00 |

* The standard retirement date for executive employees is June 30 and the April 1st for the staff employees. In case of employees with age above the normal retirement age indicated above, the retirement is assumed to happen immediately and valuation is done accordingly.

**Sensitivity Analysis**

The sensitivity analysis is determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. (Amounts in ₹ Lakhs)

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Defined Benefit Obligation (Base) | 5,766.27 | 6,035.84 |

(₹ in Lakhs)
**(Restated)**

| Particulars | 31-Mar-23 | | 31-Mar-22 | |
|---|---|---|---|---|
| | Result of decrease | Result of increase | Result of decrease | Result of increase |
| Discount Rate (- / + 1%) | 5,981.62 | 5,569.16 | 6,184.07 | 5,594.71 |
| (% change compared to base due to sensitivity) | 3.73% | (3.42%) | 2.46% | (7.31%) |
| Salary Growth Rate (- / + 1%) | 5,585.84 | 5,959.16 | 5,614.37 | 6,155.59 |
| (% change compared to base due to sensitivity) | (3.13%) | 3.35% | (6.98%) | 1.98% |
| Attrition Rate (- / + 50% of attrition rates) | 6,214.51 | 5,549.12 | 6,452.14 | 5,562.67 |
| (% change compared to base due to sensitivity) | 7.77% | (3.77%) | 6.90% | (7.84%) |
| Mortality Rate (- / + 10% of mortality rates) | 5,764.64 | 5,767.90 | 5,871.79 | 5,874.20 |
| (% change compared to base due to sensitivity) | (0.03%) | 0.03% | (2.72%) | (2.68%) |

**The description of plans ability to affect the amount, timing and uncertainty of the entity's future cash flows**

**a) Funding arrangements and Funding Policy**

The scheme is managed on funded basis. Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which fully covers the same under Cash Accumulation Policies of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

**b) Expected Contribution during the next annual reporting period (Amounts in ₹ Lakhs)**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| The Company's best estimate of Contribution during the next year | 650.03 | 186.16 |

**c) Maturity Profile of Defined Benefit Obligation (Amounts in ₹)**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Weighted average duration (based on discounted cashflows) | 4 Years | 5 Years |

(₹ in Lakhs)

| Expected cash flows over the next (valued on undiscounted basis): | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| 1 year | 1,775.19 | 1,530.53 |
| More than 1 and upto 2 years | 775.69 | 582.55 |
| More than 2 and upto 5 years | 1,954.24 | 1,666.92 |
| More than 5 and upto 10 years | 2,001.55 | 2,194.44 |
| More than 10 years | 1,421.97 | 2,870.58 |

**d) Asset liability matching strategies**

For gratuity, the Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy terms, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)

**B. Provident Fund (Defined Benefit Plan) :**

Bajaj Electricals Limited operates in two schemes for the compliance of provident fund statute - (i) Bajaj Electricals Limited Employees' Provident Fund Trust & Matchwel Electricals (India) Ltd Employees' Provident Fund Trust (defined benefit plan) and (ii) RPFC Contributions for provident fund (defined contribution plan).

For exempt provident fund, the defined benefit obligation of the Company arises from the possibility that during anytime in the future, the scheme may earn insufficient investment income to meet the guaranteed interest rate declared by government / EPFO / relevant authorities as well as for fund assets shortfall as against the liabilities of the Trusts

The net defined benefit obligation as at the valuation date represents the excess of accumulated fund value (determined on actuarial basis) plus interest rate guaranteed liability over the fair value of plan assets or vice-a-versa

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

### The benefit valued under PF obligation are summarised below:

| | |
|---|---|
| Normal Retirement Age | 58 Years * |
| Benefit on normal retirement | Accrued Account Value |
| Benefit on early retirement / termination / resignation / withdrawal | Accrued Account Value |
| Benefit on death in service | Accrued Account Value |

* The standard retirement date for executive employees is June 30th of every year and the same is April 1st of every year for the staff employees.

The company's compliances for provident fund is governed by Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Responsibility for governance of the plans, including investment decisions and contribution schedules lies jointly with the company and the board of trustees. The board of trustees are composed of representatives of the company and plan participants in accordance with the plan's regulations

### Changes in the Present Value of Obligation of Trusts are as given below (Amounts in ₹ Lakhs) :

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 (Restated) |
|---|---|---|
| Present Value of Obligation as at the beginning | 18,154.10 | 17,128.89 |
| Interest Cost | **1,288.11** | **1,112.74** |
| Current Service Cost | **906.03** | **752.63** |
| Employee's Contributions | **1,516.25** | **1,392.61** |
| Transfer In / (out) of the liability | **749.03** | **149.76** |
| Benefits Paid | **(2,343.73)** | **(2,402.91)** |
| Re-measurement (gain) / loss arising from: | | |
| - experience variance (i.e. Actual experience vs assumptions), loss if positive | 116.85 | 503.78 |
| - change in financial assumptions | (57.87) | (483.40) |
| **Present Value of Obligation as at the end** | **20,328.77** | **18,154.10** |

### Changes in the Fair Value of Plan Assets of Trusts are as given below (Amounts in ₹ Lakhs) :

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 (Restated) |
|---|---|---|
| Fair Value of Plan Assets as at the beginning | 18,146.23 | 16,256.04 |
| Investment Income | **1,285.57** | **1,054.05** |
| Employer's Contributions | **848.57** | **697.24** |
| Employee's Contributions | **1,516.25** | **1,392.61** |
| Transfers In | **749.03** | **149.76** |
| Benefits Paid | (2,343.73) | (2,402.91) |
| Return on plan assets , excluding amount recognised in interest (expense)/income | 216.62 | 999.44 |
| **Fair Value of Plan Assets as at the end** | **20,418.54** | **18,146.23** |

A deterministic approach is considered to estimate the value of Interest Rate Guarantee on the Exempt Provident Fund. The per annum cost of guarantee at which Interest Rate Guarantee Liability has been valued is mentioned below



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

### Amount recognised in balance sheet of Trusts is as given below:

**Matchwel Electricals (India) Ltd Employees' Provident Fund Trust (for Chakan unit employees) :**

(₹ in Lakhs)

| Particulars | As on 31-Mar-23 | As on 31-Mar-22 (Restated) |
|---|---|---|
| Present Value of Obligation | 448.81 | 441.36 |
| Fair Value of Plan Assets | **966.73** | **918.30** |
| Surplus / (Deficit) | **517.92** | **476.94** |
| Effects of Asset Ceiling, if any | – | – |
| **Net Asset / (Liability)** | **517.92** | **476.94** |

The present value of obligation of Matchwel Electricals (India) Ltd Employees' Provident Fund Trust represents the aggregate of accumulated fund value of ₹ 441.90 lakhs (As on March 31, 2022 - ₹ 433.36 lakhs) and interest rate guarantee ₹ 6.91 lakhs (As on March 31, 2022 - ₹ 8.00 lakhs). Of the above, the interest rate guarantee is recognised as provision in the Company's books, while the accumulated fund value is recognised by the Trust. The interest rate guarantee so recognised in the Company's books is considered as non-current liability

**Bajaj Electricals Limited Employees' Provident Fund Trust (for H.O. employees) :**

(₹ in Lakhs)

| Particulars | As on 31-Mar-23 | As on 31-Mar-22 (Restated) |
|---|---|---|
| Present Value of Obligation | 19,879.97 | 17,712.74 |
| Fair Value of Plan Assets | **19,451.82** | **17,227.94** |
| Surplus / (Deficit) | **(428.15)** | **(484.80)** |
| Effects of Asset Ceiling, if any | – | – |
| **Net Asset / (Liability)** | **(428.15)** | **(484.80)** |

The present value of obligation of Bajaj Electricals Limited Employees' Provident Fund Trust represents the aggregate of accumulated fund value of ₹ 19,574.05 lakhs (As on March 31, 2022 - ₹ 17,391.82 lakhs) and interest rate guarantee ₹ 305.92 lakhs (As on March 31, 2022 - ₹ 320.92 lakhs). Of the above, the interest rate guarantee is recognised as provision in the Company's books, while the accumulated fund value is recognised by the Trust. The interest rate guarantee so recognised in the Company's books is considered as non-current liability.

Since interest rate guarantee is already accounted in BEL's books, the liability of ₹ 19,574.05 lakhs which is Accumulated Fund Value of ₹ 122.23 lakhs in excess of Fair Value of Plan Assets of ₹ 19,451.82 lakhs is accounted by BEL as payable to Trust on shortfall of plan assets. During the financial year 2021-22, out of the liability which had arisen mainly on account of negative return on plan assets contributed by negative return on Trust's investment in IL&FS as well as DHFL in past years; the partial recovery in the form of fresh debt security units and cash has happened from DHFL and the differential value is funded by BEL to the Trust. BEL has also recorded full liability towards IL&FS which is to be paid by BEL to the Trust to the extent of unrecovered balances from IL&FS

Bajaj Electricals Limited can offset an asset relating to one plan against a liability relating to another plan when, and only when, Bajaj Electricals Limited has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and intends either to settle the obligations on a net basis, or to realize the surplus in one plan and settle its obligation under the other plan simultaneously. However the two trusts namely Matchwel Electricals (India) Ltd Employees' Provident Fund Trust (for Chakan employees) and Bajaj Electricals Limited Employees' Provident Fund Trust (for H.O. employees) are independent trusts.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

Accordingly, surplus assets of trust for Chakan employees cannot be offset against liability relating to trust for H.O. employees

**Amount recognised in statement of profit and loss and other comprehensive income of Trusts is as given below :**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 (Restated) |
|---|---|---|
| **Costs charged to statement of profit and loss :** | | |
| Current Service Cost | 906.03 | 752.63 |
| Interest Cost | 1,288.11 | 1,112.74 |
| Investment Income | (1,285.57) | (1,054.05) |
| **Expense recognised in statement of profit and loss** | 908.57 | 811.32 |
| **Re-measurement (gain) / loss arising from:** | | |
| – Experience variance (i.e. Actual experience vs assumptions) * | 116.85 | 503.78 |
| – change in financial assumptions | (57.87) | (483.40) |
| Return on plan assets , excluding amount recognised in interest expense/(income) | (216.62) | (999.44) |
| **Expense recognised in Other Comprehensive Income** | (157.64) | (979.06) |
| **Total Expense Recognised during the year** | 750.93 | (167.74) |

* included in other comprehensive income in the statement of profit and loss

**The significant actuarial assumptions are as follows :**

**Financial and Demographic Assumptions**

(₹ in Lakhs)
**(Restated)**

| Particulars | As on 31-Mar-23 HO Unit | As on 31-Mar-23 Chakan Unit | As on 31-Mar-22 HO Unit | As on 31-Mar-22 Chakan Unit |
|---|---|---|---|---|
| Discount rate (per annum) | 6.94% | 6.94% | 7.46% | 7.46% |
| Interest rate guarantee (per annum) | 8.10% | 8.10% | 8.15% | 8.15% |
| Discount Rate for the Remaining Term to Maturity of the Investment (p.a.) | 6.94% | 6.94% | 7.46% | 7.46% |
| Average Historic Yield on the Investment (p.a.) | 7.82% | 7.82% | 7.93% | 7.93% |
| Mortality Rate | 100.00% | 100.00% | 100.00% | 100.00% |

| | As on 31-Mar-23 Live Employees | As on 31-Mar-22 (Restated) Live Employees |
|---|---|---|
| Attrition Rate, based on ages: | 19,879.97 | 17,712.74 |
| – Upto 30 years | 4.99% | 4.99% |
| – 31 to 44 years | 3.63% | 3.63% |
| – 45 to 57 years | 3.62% | 3.62% |
| – Above 57 years | 0.38% | 0.38% |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

**Summary of Membership Status :**

| | As on 31-Mar-23 | As on 31-Mar-22 (Restated) |
|---|---|---|
| Dormant/Inoperative Employees | 3,871 | 3,523 |
| Live Number of employees | 1,852 | 1,705 |
| **Total Number of employees** | 5,723 | 5,228 |

**Major categories of Plan Assets (as percentage of Total Plan Assets)**

| | As on 31-Mar-23 | As on 31-Mar-22 (Restated) |
|---|---|---|
| Government of India securities | 3.70% | 4.40% |
| State Government securities | 38.60% | 38.50% |
| High quality corporate bonds | 33.60% | 31.30% |
| Equity shares of listed companies | 0.00% | 0.00% |
| Special Deposit Scheme | 7.50% | 8.40% |
| Funds managed by Insurer | 0.00% | 0.00% |
| Bank balance | 0.50% | 0.30% |
| Other Investments | 16.10% | 17.10% |
| **Total** | 100.00% | 100.00% |

**Sensitivity Analysis**

**The sensitivity analysis is determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.**

(₹ in Lakhs)

| | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Defined Benefit Obligation (Base) | 20,328.78 | 18,154.10 |

(₹ in Lakhs)
**(Restated)**

| Particulars | As on 31-Mar-23 Result of decrease | As on 31-Mar-23 Result of increase | As on 31-Mar-22 Result of decrease | As on 31-Mar-22 Result of increase |
|---|---|---|---|---|
| Discount Rate (- / + 1%) | 20,342.38 | 20,316.02 | 18,292.09 | 18,016.94 |
| (% change compared to base due to sensitivity) | 0.07% | (0.06%) | 0.76% | (0.76%) |
| Interest rate guarantee (- / + 1%) | 20,015.95 | 21,761.17 | 17,825.18 | 19,349.12 |
| (% change compared to base due to sensitivity) | (1.54%) | 7.05% | (1.81%) | 6.58% |

**The description of plans ability to affect the amount, timing and uncertainty of the entity's future cash flows**

**a) Funding arrangements and Funding Policy**

The scheme is managed on funded basis. Payment for present liability of future payment of PF is made by the Company towards shortfall of Bajaj Electricals Limited Employees' Provident Fund Trust and Matchwel Electricals (India) Ltd Employees' Provident Fund Trust. The investments for the same are managed by

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

Trustees as per advice and recommendations of a professional consultant and in compliance of obligatory pattern of investments as per government notification in official gazette for the pattern of investment for EPF exempted establishments. Any deficit in the assets of PF Trusts is funded by the Company. The provident fund for certain employees is a defined contribution plans covered under RPFC Contributions

**b) Expected contribution during the next annual reporting period (Amounts in ₹ Lakhs)**

(₹ in Lakhs)

| | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| The Trusts' best estimate of Contribution during the next year | 889.17 | 790.26 |

This has been calculated assuming that the employer's contribution next year shall increase by 5%.

**c) Asset liability matching strategies**

For PF Trust Investments, the same are managed by Trustees as per advice and recommendations of a professional consultant. The Employees' Provident Fund Organisation, Ministry of Labour, Government of India, vide its notification in official gazette notified the pattern of investment for EPF exempted establishments, which depicts the obligatory pattern of investments of PF contributions and interests. The pattern mandates to invest as below :

| Category / Sub-Category | Percentage of amount to be invested |
|---|---|
| Government Securities and Related Investments | Minimum 45% and upto 50% |
| Debt Instruments and Related Investments | Minimum 35% and upto 45% |
| Short-Term Debt Instruments and Related Investments | Upto 5% |
| Equity and Related Investments | Minimum 5% and upto 15% |
| Asset Backed, Trust Structured and Miscellaneous Investments | Upto 5% |

**C. Expenses Recognised during the year (Defined Contribution Plan) :**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Provident Fund | 206.75 | 122.71 |
| Superannuation | 226.11 | 238.04 |
| Pension | 539.75 | 522.61 |

## Note 22 : Trade Payables

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| **Current** | | |
| Trade payable due to others | 1,50,753.77 | 1,14,943.32 |
| Dues to micro, small and medium enterprises * | 5,268.10 | 7,138.94 |
| Trade payable to related parties | 7.40 | 314.53 |
| **Total current trade payables** | **1,56,029.27** | **1,22,396.79** |

* Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 22 : Trade Payables (Contd..)

**Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Principal | 4,711.91 | 6,769.62 |
| Interest | 556.20 | 369.32 |
| The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | 369.32 | 328.05 |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006. | – | – |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | 556.20 | 369.32 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | – | – |

**Trade Payables aging schedule as at March 31, 2023**

(₹ in Lakhs)

| Particulars | Outstanding for following periods from transaction date | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) MSME | 720.76 | 2,914.74 | 50.58 | 2.65 | 49.11 | 3,737.84 |
| (ii) Others | 55,191.91 | 41,711.63 | 41,850.46 | 2,421.22 | 9,582.59 | 1,50,757.81 |
| (iii) Disputed Dues - MSME | 279.59 | – | – | – | 1,250.67 | 1,530.26 |
| (iv) Disputed Dues – Others | – | 0.12 | 0.07 | 0.42 | 2.75 | 3.36 |
| **TOTAL** | **56,192.26** | **44,626.49** | **41,901.11** | **2,424.29** | **10,885.12** | **1,56,029.27** |

**Trade Payables aging schedule6 as at March 31, 2022**

(₹ in Lakhs)
**(Restated)**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) MSME | 4,641.25 | 1,173.28 | 29.35 | 209.61 | – | 6,053.49 |
| (ii) Others | 71,521.95 | 24,706.98 | 5,091.65 | 3,186.80 | 10,728.76 | 1,15,236.14 |
| (iii) Disputed Dues - MSME | – | – | – | – | 1,085.45 | 1,085.45 |
| (iv) Disputed Dues – Others | – | 7.84 | – | 1.83 | 12.04 | 21.71 |
| **TOTAL** | **76,163.20** | **25,888.10** | **5,121.00** | **3,398.24** | **11,826.25** | **1,22,396.79** |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 23 : Other Current Liabilities

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Statutory liabilities payable | 3,153.13 | 2,845.79 |
| Deferred revenue * | 3,123.44 | 17,087.79 |
| Others | 975.81 | 1,111.33 |
| **Total other current liabilities** | **7,252.38** | **21,044.91** |

* Deferred revenue includes ₹ 2,773.74 lakhs (March 31, 2022 - ₹ 16,738.10 lakhs) for accrual of points under the Retailer Bonding Program and ₹ 349.70 lakhs (March 31, 2022 - ₹ 349.70) for warranty provision considered as a separate performance obligation. The reduction in deferred revenue of ₹ 10,493.85 lakhs towards retailer bonding program has been accounted in revenue from operations.

## Note 24 : Revenue from operations

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Sale of products | 4,31,340.75 | 4,24,809.93 |
| Contract Revenue | 1,01,500.77 | 45,537.77 |
| Other operating revenue | | |
| Scrap sales | 7,938.20 | 6,676.28 |
| Insurance claims | 266.89 | 364.85 |
| Writeback of provisions | 584.55 | 463.64 |
| Others | 109.75 | 966.79 |
| **Total revenue from operations (Refer Note 41(i))** | **5,41,740.91** | **4,78,819.26** |

## Note 25 : Other income

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Interest income on bank deposits and others | 864.44 | 215.21 |
| Interest income from financial assets at amortised cost | 816.95 | 666.15 |
| Interest on income tax refund | – | 476.30 |
| Rental income | 251.57 | 254.70 |
| Net gain on disposal of property, plant & equipment | 279.91 | 1,070.09 |
| Net gain from sale of investment | 310.56 | – |
| Others | | |
| Impairment allowance on trade receivables and others written back | 1,015.12 | 2,679.20 |
| Credit balance written back | 3,492.37 | 1,613.88 |
| Gain on termination of right-of-use assets | 27.24 | 16.79 |
| Others | 1,273.82 | 249.24 |
| **Total other income** | **8,331.98** | **7,241.56** |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 26 : Cost of raw materials consumed

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Raw materials at the beginning of the year | 10,623.09 | 11,384.06 |
| Add : Purchases | 53,479.30 | 49,385.54 |
| Less : Raw materials at the end of the year | 12,424.63 | 10,623.09 |
| **Total cost of raw material consumed** | **51,677.76** | **50,146.51** |

## Note 26 : Changes in inventories of work-in-progress, finished goods, traded goods

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| **Opening balance** | | |
| Work in progress | 2,016.49 | 1,926.30 |
| Finished Goods | 2,033.54 | 2,126.50 |
| Traded goods | 82,418.20 | 84,657.28 |
| **Total opening balance** | **86,468.23** | **88,710.08** |
| **Closing balance** | | |
| Work in progress | 5,355.77 | 2,016.49 |
| Finished Goods | 2,163.97 | 2,033.54 |
| Traded goods | 83,504.69 | 82,418.20 |
| **Total Closing balance** | **91,024.43** | **86,468.23** |
| **Total Changes in inventories of work in progress, traded goods and finished goods** | **(4,556.20)** | **2,241.85** |

## Note 27 : Erection & subcontracting expenses

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Erection and subcontracting expense | 5,409.03 | 13,388.60 |
| **Total Erection and subcontracting expense** | **5,409.03** | **13,388.60** |

## Note 28 : Employee benefits expenses

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Salaries, wages and bonus | 37,271.75 | 35,604.14 |
| Contribution to provident and other funds (Note 21) | 1,896.81 | 1,745.32 |
| Employees share based payment expense (Note 33) | 1,084.00 | 580.85 |
| Gratuity (Note 21) | 564.49 | 613.47 |
| Staff welfare expenses | 1,092.03 | 1,000.57 |
| **Total employee benefit expense** | **41,909.08** | **39,544.35** |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 29 : Depreciation and amortisation expense

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Depreciation of property, plant and equipment and investment properties (Note 2 & 4.1) | 4,367.13 | 4,326.31 |
| Amortisation of intangible assets (Note 4) | 727.04 | 129.47 |
| Depreciation of Right of Use assets (Note 3) | 2,447.70 | 1,848.38 |
| **Total depreciation and amortisation expense** | **7,541.87** | **6,304.16** |

## Note 30 : Other expenses

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Consumption of stores & spares | 1,702.64 | 798.70 |
| Packing material consumed | 3,056.07 | 1,437.01 |
| Power and fuel | 1,084.94 | 1,433.79 |
| Rent (refer note 42) | 971.93 | 2,304.28 |
| Repairs and maintenance | | |
| Plant and machinery | 707.29 | 1,157.38 |
| Buildings | 33.74 | 13.74 |
| Others | 355.24 | 460.30 |
| Telephone and communication charges | 820.30 | 801.28 |
| Rates and taxes | 100.75 | 196.90 |
| Travel and conveyance | 4,448.28 | 2,954.92 |
| Insurance | 2,096.96 | 1,068.50 |
| Printing and stationery | 122.79 | 125.08 |
| Directors fees | 77.00 | 117.05 |
| Non executive directors commission | 57.00 | 85.00 |
| Advertisement & publicity | 13,479.66 | 11,774.16 |
| Freight & forwarding | 13,262.38 | 9,429.26 |
| Product promotion & service charges (net) | 21,796.93 | 12,768.81 |
| Sales commission | 1,126.20 | 1,168.26 |
| Provision for service warranties | (2,437.53) | (1,273.25) |
| Impairment allowance for doubtful debts and advances (net of reversals) | 1,477.97 | 1,378.21 |
| Bad debts and other irrecoverable debit balances written off | 570.90 | 1,072.52 |
| Payments to auditors (refer note 30(a)) | 217.57 | 216.25 |
| Corporate social responsibility expenditure (refer note 43) | 300.63 | 329.58 |
| Impairment of property, plant and equipment | – | 845.00 |
| Legal and professional fees | 3,073.19 | 2,594.86 |
| Site support charges | 520.76 | 1,849.22 |
| Sales tax expenses | (30.11) | 232.49 |
| Security service charges | 888.26 | 1,274.83 |
| Software expenses (AMC) | 2,897.25 | 2,440.32 |
| Warehouse Management Services | 5,493.75 | 4,255.14 |
| Miscellaneous expenses | 8,972.56 | 9,517.37 |
| **Total other expenses** | **87,245.30** | **72,826.96** |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 30(a) : Details of payment to auditors

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| **Payment to Auditors** | | |
| **As Auditor** | | |
| Audit fee | 148.00 | 145.06 |
| Tax audit fee | 6.00 | 5.25 |
| Limited review fees | 53.85 | 47.00 |
| **In other capacities** | | |
| Certification fees | 6.10 | 16.35 |
| Re-imbursement of expenses | 3.62 | 2.59 |
| **Total payment to auditors** | **217.57** | **216.25** |

## Note 31 : Finance costs

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Interest expense on borrowings and financing activities | 2,158.32 | 5,050.95 |
| Interest expense on mobilization advances | 1,703.93 | 909.74 |
| Interest expense on lease liability (refer note 3) | 544.44 | 544.65 |
| Unwinding of discount on provisions | 214.11 | 187.74 |
| Exchange differences regarded as an adjustment to borrowing costs | – | 2.18 |
| Other borrowing costs | 149.52 | 183.33 |
| **Total** | **4,770.32** | **6,878.59** |
| Finance cost capitalised | – | (11.43) |
| **Finance cost expensed in profit and loss** | **4,770.32** | **6,867.16** |

## Note 32 : Income Tax Expense

### (a) Income Tax Expense

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Current Tax | | |
| Current income tax charge | 5,178.79 | 5,321.86 |
| Adjustments of tax relating to earlier periods | – | (489.34) |
| **Total Current tax expense** | **5,178.79** | **4,832.52** |
| Total deferred tax expense / (benefit) | 3,543.38 | (649.73) |
| **Income tax expense in the statement of profit and loss** | **8,722.17** | **4,182.79** |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 32 : Income Tax Expense (Contd..)

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Profit from continuing operations before income tax expense | 31,772.69 | 17,861.46 |
| Income Tax @ standard tax rate of 25.168% (March 31, 2022 - 25.168%) | 7,996.55 | 4,495.37 |
| Permanent differences due to: | | |
| Corporate social responsibility | 67.21 | 132.71 |
| Interest on micro, small & medium enterprises | 128.29 | 92.96 |
| Donation expenses | 6.48 | 19.89 |
| Adjustment of tax relating to earlier periods | – | (489.34) |
| Deferred tax written off on account of utilisation of business losses | 393.95 | – |
| Loss on impairment of capital assets | 214.09 | – |
| Others | (84.40) | (68.80) |
| **Income Tax Expense reported in statement of profit and loss** | **8,722.17** | **4,182.79** |

## Note 33 : Employee stock options :

**A. Summary of Status of ESOPs Granted :**

**The position of the existing schemes is summarized as under :**

| Sr. No. | Particulars | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|---|
| **I.** | **Details of the ESOS :** | | | |
| 1 | Date of Shareholder's Approval | Originally approved in AGM held on 26 Jul 2007 and revised in AGM held on 28 Jul 2010 | | As per the Postal Ballot dated 21 Jan 2016 |
| 2 | Total Number of Options approved | Bajaj Growth 2007 Scheme approved 4,321,440 shares of face value ₹2 each (erstwhile 864,288 shares of ₹10 each prior to share-split) equivalent to 5% of paid up equity shares i.e. 86,428,800 shares as at the date of the announcement of scheme. The ESOP 2011 being the modified ESOP 2007 Scheme approved aggregate of 78,03,560 shares of face value ₹2 each equivalent to 8% of paid up equity shares i.e. 97,544,495 as at the date of the announcement of scheme. | | 30,27,073 shares of face value ₹2 each equivalent to 3% of paid up equity i.e. 100,902,426 shares as at the date of the announcement of scheme. |
| 3 | Vesting Requirements & Exercise Period | Options' vesting happen only on continuation of employment being the vesting requirement. The options are granted to employees with grade Assistant General Manager and above. As per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, SEBI (Share Based Employee Benefits) (Amendment) Regulations, 2015 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, there is a minimum period of one year between the grant of options and vesting of option observed by the Company. As per the Company Policy, the vested options can be exercised anytime upto 3 years from date of vesting. Options granted under the plan carry no dividend or voting rights till the options are excercised and duly allotted to the employees. When exercisable, each option is convertible into one equity share. | | |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 33 : Employee stock options : (Contd..)

| Sr. No. | Particulars | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|---|
| 4 | The Pricing Formula | Closing price on the stock exchange where there is highest traded volume on working day prior to the date of grant. | | |
| 5 | Maximum term of Options granted (years) | 7 Years | 7 Years | 7 Years |
| 6 | Method of Settlement | Equity settled | Equity settled | Equity settled |
| 7 | Source of shares | Fresh Issue | Fresh Issue | Fresh Issue |
| 8 | Variation in terms of ESOP | Nil | Nil | The Nomination & Remuneration Committee of the Company at its meeting held on 12 November 2021 amended the Scheme to align it with the requirements of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 |
| 9 | Equity Shares reserved for issue under Employee Stock Options outstanding as at March 31, 2023 | The Company has 10,830,633 Equity Shares of ₹2/- each available to issue as Employees Stock Options as its Total Pool Size as of March 31, 2023, of which number of stock options not yet granted under ESOP 2015 scheme are 85,913, number of stock options vested & exercisable under ESOP 2011 & ESOP 2015 schemes are 296,790 and number of stock options unvested under ESOP 2015 scheme are 850,750. Thus, total equity shares reserved for issuance under ESOP Scheme outstanding as at March 31, 2023 are 1,233,453. | | |

**II. Option Movement during the year ended March 31, 2023**

(₹ in Lakhs)

| Sr. No. | Particulars | BAJAJ GROWTH 2007 | | ESOP 2011 | | ESOP 2015 | |
|---|---|---|---|---|---|---|---|
| | | No. of options | Wt. avg exercise price | No. of options | Wt. avg exercise price | No. of options | Wt. avg exercise price |
| 1 | No. of Options Outstanding at the beginning of the year | – | – | 1,900 | 257.81 | 11,72,520 | 752.14 |
| 2 | Options Granted during the year | – | – | – | – | 3,27,500 | 1,138.71 |
| 3 | Options Forfeited / Surrendered during the year | – | – | – | – | 1,48,750 | 806.79 |
| 4 | Options Expired (Lapsed) during the year | – | – | 1,250 | 257.81 | 2,875 | 361.28 |
| 5 | Options Exercised during the year | – | – | 650 | 257.81 | 2,00,855 | 445.97 |
| 6 | Number of options outstanding at the end of the year | – | – | – | – | 11,47,540 | 909.95 |
| 7 | Number of options exercisable at the end of the year | – | – | – | – | 2,96,790 | 688.66 |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 33 : Employee stock options : (Contd..)

**Option Movement during the year ended March 31, 2022**

(₹ in Lakhs)

| Sr. No. | Particulars | BAJAJ GROWTH 2007 No. of options | BAJAJ GROWTH 2007 Wt. avg exercise price | ESOP 2011 No. of options | ESOP 2011 Wt. avg exercise price | ESOP 2015 No. of options | ESOP 2015 Wt. avg exercise price |
|---|---|---|---|---|---|---|---|
| 1 | No. of Options Outstanding at the beginning of the year | – | – | 28,400 | 290.26 | 11,03,140 | 466.01 |
| 2 | Options Granted during the year | – | – | – | – | 5,17,500 | 1,116.35 |
| 3 | Options Forfeited / Surrendered during the year | – | – | 2,750 | 257.81 | 1,24,625 | 558.84 |
| 4 | Options Expired (Lapsed) during the year | – | – | 3,250 | 261.44 | 6,500 | 347.76 |
| 5 | Options Exercised during the year | – | – | 20,500 | 302.19 | 3,16,995 | 435.28 |
| 6 | Number of options outstanding at the end of the year | – | – | 1,900 | 257.81 | 11,72,520 | 752.14 |
| 7 | Number of Options exercisable at the end of the year | – | – | 1,900 | 257.81 | 2,32,895 | 464.43 |

**III. Weighted Average remaining contractual life**

(₹ in Lakhs)

| Range of Exercise Price | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|
| | Weighted average contractual life (years) as on March 31, 2023 | | |
| 0 to 100 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 101 to 200 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 201 to 300 | Nil | Nil | 0.40 |
| No. of Options Outstanding | Nil | Nil | 5,250 |
| 301 to 400 | Nil | Nil | 2.93 |
| No. of Options Outstanding | Nil | Nil | 1,40,725 |
| 401 to 500 | Nil | Nil | 3.18 |
| No. of Options Outstanding | Nil | Nil | 77,750 |
| 501 to 600 | Nil | Nil | 1.89 |
| No. of Options Outstanding | Nil | Nil | 42,250 |
| 601 to 700 | Nil | Nil | 1.78 |
| No. of Options Outstanding | Nil | Nil | 48,815 |
| 701 to 800 | Nil | Nil | 3.67 |
| No. of Options Outstanding | Nil | Nil | 83,450 |
| 801 to 900 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 901 to 1000 | Nil | Nil | 5 |
| No. of Options Outstanding | Nil | Nil | 25,000 |
| 1001 to 1100 | Nil | Nil | 4.02 |
| No. of Options Outstanding | Nil | Nil | 55,000 |
| 1101 to 1200 | Nil | Nil | 4.67 |
| No. of Options Outstanding | Nil | Nil | 6,31,800 |
| 1201 to 1300 | Nil | Nil | 4.51 |
| No. of Options Outstanding | Nil | Nil | 37,500 |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 33 : Employee stock options : (Contd..)

(₹ in Lakhs)

| Range of Exercise Price | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|
| | Weighted average contractual life (years) as on March 31, 2022 | | |
| 0 to 100 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 101 to 200 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 201 to 300 | Nil | 0.35 | 0.99 |
| No. of Options Outstanding | Nil | 1,900 | 13,125 |
| 301 to 400 | Nil | Nil | 3.42 |
| No. of Options Outstanding | Nil | Nil | 2,85,900 |
| 401 to 500 | Nil | Nil | 3.76 |
| No. of Options Outstanding | Nil | Nil | 1,20,500 |
| 501 to 600 | Nil | Nil | 2.58 |
| No. of Options Outstanding | Nil | Nil | 58,750 |
| 601 to 700 | Nil | Nil | 2.69 |
| No. of Options Outstanding | Nil | Nil | 92,795 |
| 701 to 800 | Nil | Nil | 4.60 |
| No. of Options Outstanding | Nil | Nil | 98,950 |
| 801 to 900 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 901 to 1000 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 1001 to 1100 | Nil | Nil | 5.02 |
| No. of Options Outstanding | Nil | Nil | 65,000 |
| 1101 to 1200 | Nil | Nil | 5.27 |
| No. of Options Outstanding | Nil | Nil | 3,97,500 |
| 1201 to 1300 | Nil | Nil | 5.51 |
| No. of Options Outstanding | Nil | Nil | 40,000 |

**IV Weighted average Fair Value of Options Granted during the year ended March 31, 2023 whose**

(₹ in Lakhs)

| | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|
| (a) Exercise price equals market price | No options were granted during the year | No options were granted during the year | 481.74 |
| (b) Exercise price is greater than market price | | | None |
| (c) Exercise price is less than market price | | | None |

**Weighted average Fair Value of Options Granted during the year ended March 31, 2022 whose**

(₹ in Lakhs)

| | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|
| (a) Exercise price equals market price | No options were granted during the year | No options were granted during the year | 458.10 |
| (b) Exercise price is greater than market price | | | None |
| (c) Exercise price is less than market price | | | None |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 33 : Employee stock options : (Contd..)

**V The weighted average market price of options exercised :**

(₹ in Lakhs)

| | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|
| During the year ended March 31, 2023 | NIL | 989.70 | 1,135.93 |
| During the year ended March 31, 2022 | Nil | 1,088.36 | 1,094.25 |

**VI Method and Assumptions used to estimate the fair value of options granted during the year ended March 31, 2023:**

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

| Variables | BAJAJ GROWTH 2007<br>Weighted Average | ESOP 2011<br>Weighted Average | ESOP 2015<br>Weighted Average |
|---|---|---|---|
| 1. Risk Free Interest Rate | No options granted during the year | No options granted during the year | 6.98% |
| 2. Expected Life (in years) | | | 4.15 |
| 3. Expected Volatility | | | 42.99% |
| 4. Dividend Yield | | | 26.53% |
| 5. Exercise Price (₹) | | | 1138.71 |
| 6. Price of the underlying share in market at the time of the option grant. (₹) | | | 1138.71 |

**Method and Assumptions used to estimate the fair value of options granted during the year ended March 31, 2022:**

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

| Variables | BAJAJ GROWTH 2007<br>Weighted Average | ESOP 2011<br>Weighted Average | ESOP 2015<br>Weighted Average |
|---|---|---|---|
| 1. Risk Free Interest Rate | No options granted during the year | No options granted during the year | 5.44% |
| 2. Expected Life (in years) | | | 4.15 |
| 3. Expected Volatility | | | 42.92% |
| 4. Dividend Yield | | | 0.00% |
| 5. Exercise Price (₹) | | | 1116.35 |
| 6. Price of the underlying share in market at the time of the option grant. (₹) | | | 1116.35 |

**Assumptions:**

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered

Volatility: The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information. The volatility is calculated considering the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE), over a period prior to the date of grant corresponding with the expected life of the options.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 33 : Employee stock options : (Contd..)

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected divided yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant

**VII Effect of Share-Based Payment Transactions on the Entity's Profit or Loss for the year (₹ In Lakhs) :**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| 1 Employee Stock Option Plan Expense | 1,084.00 | 580.85 |
| 2 Total ESOP Reserve at the end of the year | 1,874.06 | 1,198.56 |

## Note 34 : Fair value measurements

**(i) Financial instruments by category**

The carrying amounts of financial instruments by class are as follows

(₹ in Lakhs)

| Particulars | As at 31-Mar-23 | As at 31-Mar-22 (Restated) |
|---|---|---|
| **A. Financial assets** | | |
| **I. Measured at amortized cost** | | |
| Trade Receivables | 1,56,483.74 | 1,35,767.05 |
| Loans | 6,358.21 | 4,790.19 |
| Cash and Cash Equivalents | 34,047.35 | 11,834.91 |
| Bank Balances other than above | 2,871.68 | 2,352.64 |
| Other Financial Assets | 4,180.43 | 4,182.00 |
| **II. Measured at fair value through profit and loss (FVTPL)** | | |
| Other Financial Assets | | |
| – Forward contracts | 111.85 | 329.43 |
| Investments | 4,678.81 | 489.73 |
| | **2,08,732.07** | **1,59,745.95** |
| **B. Financial liabilities** | | |
| **I. Measured at amortized cost** | | |
| Borrowings | 16.65 | 3,581.90 |
| Trade Payables | 1,56,029.27 | 1,22,396.78 |
| Other Financial Liabilities | 69,859.79 | 46,047.28 |
| Lease Liabilities | 10,123.64 | 4,587.80 |
| **II. Measured at fair value through profit and loss (FVTPL)** | | |
| Other Financial Liabilities | | |
| – Forward contracts | 12.62 | 8.97 |
| | **2,36,041.97** | **1,76,622.73** |

* Includes investment in preference shares of Starlite Lighting Limited (joint venture), where fair value is NIL

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 34 : Fair value measurements (Contd..)

**(ii) Set out below, is a fair value measurement hierarchy and comparison by class of carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts which are reasonable approximations of their fair values:**

(₹ in Lakhs)

| | | Carrying values | Fair Values | Fair Values Measurement using Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|---|
| **As at March 31, 2023** | | | | | | |
| **Other Financial Assets** | | | | | | |
| – Forward contracts | Mark to Market | 111.85 | 111.85 | – | 111.85 | – |
| Investments | Net Asset Value (note a) | 4,678.81 | 4,678.81 | – | – | 4,678.81 |
| **Other Financial Liabilities** | | | | | | |
| – Forward contracts | Mark to Market | (12.62) | (12.62) | – | (12.62) | – |
| | | **4,778.04** | **4,778.04** | **–** | **99.23** | **4,678.81** |
| **As at March 31, 2022** | | | | | | |
| **Other Financial Assets** | | | | | | |
| – Forward contracts | Mark to Market | 329.43 | 329.43 | – | 329.43 | – |
| Investments | Net Asset Value (note a) | 489.73 | 489.73 | – | – | 489.73 |
| **Other Financial Liabilities** | | | | | | |
| – Forward contracts | Mark to Market | (8.97) | (8.97) | – | (8.97) | – |
| | | **810.19** | **810.19** | **–** | **320.46** | **489.73** |

There have been no transfers between Level 1 and Level 2 during the period.

**Note a**

In case of Bharat Innovation Fund, the fair value has been determined based on the NAV (net asset value) as per the statement issued by Bharat Innovation Fund.

**Note b**

The Company has given long term loans and advances to Nirlep Appliances Private Limited. The Company has determined the amount of loss allowance as per impairment requirements of Ind AS 109. Based on independent valuation performed by an external valuer based on the discounted cash flow model, the Company has determined that no liability has materialised as at March 31, 2023. The valuation has been performed using the below stated significant unobservable inputs as at March 31, 2023.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 34 : Fair value measurements (Contd..)

carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**Significant unobservable inputs used in Level 3 fair values as at March 31, 2023**

| Particulars | Significant Unobservable Inputs | Sensitivity |
|---|---|---|
| Loans, advances and Investments in Nirlep Appliances Private Limited and evaluation of Goodwill and CGU of BEL Nashik Unit ( erstwhile Starlite Lighting Limited ) | BEL Nashik Unit<br>Discount rate – 16.60%<br>Terminal value growth rate – 3%<br>Nirlep Appliances Private Limited<br>Discount rate – 15.50%<br>Terminal value growth rate – 3%" | **BEL Nashik Unit**<br>The enterprise value is greater than the value of the goodwill plus WDV of CGU of Nashik Unit and considering the sensitivity around the assumptions used, there is no impairment required as on March 31, 2023<br>0.25% increase in discount rate will decrease fair value by ₹ 536.71 lakhs.<br>0.25% decrease in discount rate will increase the fair value by ₹ 555.90 lakhs<br>0.25% increase in terminal value growth rate will increase fair value by ₹ 343.11 lakhs.<br>0.25% decrease in terminal value growth rate will decrease the fair value by ₹ 330.73 lakhs<br>**Nirlep Appliances Private Limited**<br>The enterprise value is greater than the value of the debt of NAPL and considering the sensitivity around the assumptions used, there is no impairment required as on March 31, 2023<br>0.25% increase in discount rate will decrease the fair value by ₹ 194.35 lakhs.<br>0.25% decrease in discount rate will increase the fair value by ₹ 202.05 lakhs<br>0.25% increase in terminal value growth rate will increase fair value by ₹ 161.32 lakhs.<br>0.25% decrease in terminal value growth rate will decrease the fair value by ₹ 155.00 lakhs |

**(iii) Reconciliation of Level 3 fair value measurement**

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| **Balance as on 31st March 2021** | **664.23** |
| Change during the year | (194.49) |
| Loss recognised in statement of profit and loss | 19.99 |
| **Balance as on 31st March 2022** | **489.73** |
| Change during the year | 4,610.49 |
| Profit recognised in statement of profit and loss | (421.41) |
| **Balance as on 31st March 2023** | **4,678.81** |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 35: Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade payables, borrowings, lease liabilities and other financial liabilities. The main purpose of these financial liabilities is to finance the entity's operations and to provide support for its operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and bank balances, loans and other financial assets, that derive directly from its operations.

The Company lays down appropriate policies and procedures to ensure that financial risks are identified, measured and managed in accordance with the entity's policies and risk objectives.

The Company is exposed to credit risk, liquidity risk and market risk, which are explained in detail below:

**(A) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities mainly in relation to trade and other receivables and bank deposits. Further, the Company is also exposed to credit risk arising from its loans, advances and investments of its affiliate companies.

**Trade and other receivables**

Trade and other receivables of the Company are typically unsecured and credit risk is managed through credit approvals and periodical monitoring of the creditworthiness of customers to which the Company grants credit terms.

In respect of trade receivables, the Company typically operates in two segments:

**Consumer products & Lighting Solutions**

The Company sells the products mainly through various channels i.e. dealers and distributors, institutions and e-commerce and through government sector. The appointment of dealers, distributors, institutions is strictly driven as per the standard operating procedures and credit policy followed by the Company. In case of government sector, the credit risk is low.

**Engineering and projects**

The Company undertake projects for government institutions (including local bodies) and private institutional customers. The credit concentration is more towards government institutions. These projects are normally of long term duration of two to three years. Such projects normally are regular tender business with the terms and conditions agreed as per the tender. These projects are fully funded by the government of India through Rural Electrification Corporation, Power Finance Corporation, and Asian Development Bank etc. The Company enters into such projects after careful consideration of strategy, terms of payment, past experience etc.

In case of private institutional customers, before tendering for the projects company evaluate the creditworthiness, general feedback about the customer in the market, past experience, if any with customer, and accordingly negotiates the terms and conditions with the customer.

The Company assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from such trade and other receivables. In respect of trade receivables the Company has a provisioning policy that is commensurate to the expected losses. The provisioning policy is based on past experience, customer creditability, and also on the nature and specifics of business especially in the engineering and projects division. In case of engineering projects, the Company also provides on more case-to-case basis, since they are large projects in individuality.



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 35: Financial risk management objectives and policies (Contd..)

The maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 is the carrying value of such trade and other receivables as shown in note 6, 8 and 13 of the standalone financial statements. "

**Reconciliation of impairment allowance on trade and other receivables**

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| **Impairment allowance on March 31, 2021** | **12,947.69** |
| Additions during the year | 4,778.93 |
| Reversals during the year since amounts are written off | (3,325.41) |
| Reversal during the year since provision no longer required | (3,227.56) |
| **Impairment allowance on March 31, 2022** | **11,173.65** |
| Additions during the year | 2,049.51 |
| Reversals during the year since amounts are written off | (596.54) |
| Reversal during the year since provision no longer required | (1,623.69) |
| **Impairment allowance on March 31, 2023** | **11,002.93** |

**Bank deposits**

The Company maintains its cash and bank balances with credit worthy banks and financial institutions and reviews it on an on-going basis. Moreover, the interest-bearing deposits are with banks and financial institutions of reputation, good past track record and high-quality credit rating. Hence, the credit risk is assessed to be low. The maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 is the carrying value of such cash and cash equivalents and deposits with banks as shown in note 8 and 12 of the financials.

**Loans, advances and investments with affiliate companies**

The Company has given loans and advances to its affiliate company (Nirlep Appliances Private Limited) to meet their capex and working capital requirements. Further, the Company also has made strategic investments (equity investments) in this entity. All such loans / advances / investments and their respective terms and conditions are duly approved by the Board of Directors of the Company. These entities also act as a strategic source of product supply to the Company.

The exposure on these loans / advances / investments are reviewed on regular basis for their recoverability on the basis of their business plan, future profitability, cash flow projections, market value of the assets, etc. Such assessment is performed by the management through an independent external valuer based on which any expected credit losses are provided for in the books. (Refer Note 5 and 14)"

**(B) Liquidity risk**

he Company has a central treasury department, which is responsible for maintaining adequate liquidity in the system to fund business growth, capital expenditures, as also ensure the repayment of financial liabilities. The department obtains business plans from business units including the capex budget, which is then consolidated and borrowing requirements are ascertained in terms of long term funds and short-term funds. Considering the peculiar nature of EPC business, which is very working capital intensive, treasury maintains flexibility in funding by maintaining availability under committed credit lines in the form of fund based and non-fund based (LC and BG) limits.

The limits sanctioned and utilised are then monitored monthly, fortnightly and daily basis to ensure that mismatches in cash flows are taken care of, all operational and financial commitments are honoured on time and there is proper movement of funds between the banks from cashflow and interest arbitrage perspective.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 35: Financial risk management objectives and policies (Contd..)

### (i) Financing arrangements

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

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| **Floating / Fixed Rate** | | |
| - Expiring within One year (Bank overdraft and other facilities) | 1,30,751.33 | 2,71,463.72 |

Bank overdraft facilities are sanctioned for a period of one year which are then enhanced / renewed from time to time. Though the Bank overdrafts are repayable on demand as per the terms of sanction, these are usually renewed by all banks in normal circumstances. Hence Bank overdraft facilities are available for use throughout the year.

### (ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

| Particulars | Carrying value as at March 31, 2023 | upto 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings (refer note 18) | 16.65 | 16.65 | – | – | – | 16.65 |
| Trade payables | 1,56,029.27 | 1,56,029.27 | – | – | – | 1,56,029.27 |
| Lease liabilities (including expected interest payable) | 10,123.64 | 3,694.68 | 2,808.28 | 4,780.07 | 868.08 | 12,151.11 |
| Other financial liabilities | 69,872.41 | 69,866.72 | 5.69 | – | – | 69,872.41 |
| **Total** | **2,36,041.97** | **2,29,607.32** | **2,813.97** | **4,780.07** | **868.08** | **2,38,069.44** |

(₹ in Lakhs)
**(Restated)**

| Particulars | Carrying value as at March 31, 2022 | upto 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings (refer note 18) | 3,581.90 | 2,398.58 | 1,183.32 | – | – | 3,581.90 |
| Trade payables | 1,22,396.78 | 1,22,396.78 | – | – | – | 1,22,396.78 |
| Lease liabilities (including expected interest payable) | 4,587.80 | 1,898.60 | 1,575.84 | 1,393.06 | 582.30 | 5,449.80 |
| Other financial liabilities | 46,056.25 | 46,039.89 | 16.36 | – | – | 46,056.25 |
| **Total** | **1,76,622.73** | **1,72,733.85** | **2,775.52** | **1,393.06** | **582.30** | **1,77,484.73** |

### (C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as commodity risk.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 35: Financial risk management objectives and policies (Contd..)

The Company operates in the global market and is therefore exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar ('USD'), Euro ('EUR'), Great Britain Pound ('GBP'), Chinese Yuan Renminbi ('RMB'), United Arab Emirates Dirham ('AED'), Kenyan Shillings ('KES'), Zambian Kwacha ('ZMW') and Canadian Dollar ('CAD'). Exposure is largely in exports receivables and Imports payables arising out of trade in the normal course of business. As these commercial transactions are recorded in currency other than the functional currency (INR), the Company is exposed to Foreign Exchange risk arising from future commercial transactions and recognised assets and liabilities. The Company is a net importer as its imports and other forex liabilities exceeds the exports. It ascertains its forex exposure and bifurcates the same into forex receivables and payables. These exposures are covered by taking appropriate forward cover from the banks.

The Company takes a forward cover based on the underlying liability for the estimated period which would be closed to the likely maturity date of the forex liability proposed to be hedged. On maturity date, the forward contracts are utilized for settlement of the underlying transactions or cancelled.

**(a) Foreign currency risk exposure:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows :

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Financial assets | Financial liabilities | Financial assets | Financial liabilities |
| USD | 304.63 | 2,841.08 | 1,136.47 | 664.74 |
| EUR | – | 13.82 | 1.81 | 10.50 |
| CFA | 63.55 | 9.33 | 68.34 | 188.05 |
| GBP | – | 1.29 | 61.57 | – |
| RMB | 67.82 | 41.68 | 114.76 | 170.21 |
| KES | 253.18 | 71.00 | 1,138.50 | 261.28 |
| ZMW | – | 95.01 | 146.49 | 167.91 |
| SGD | – | 0.41 | – | 0.41 |
| AED | 9.46 | 2.62 | 17.49 | 17.37 |

Further, the Company has open foreign exchange forward contracts amounting to USD 37.01 lakhs (March 31, 2022 - USD 24.48 lakhs)

**b) Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments is given below"

(₹ in Lakhs)

| Particulars | Impact on profit after tax & Equity | |
|---|---|---|
| | 31-Mar-23 | 31-Mar-22 (Restated) |
| USD sensitivity | | |
| INR appreciates by 5% (31 March 2022 - 5%) | 126.82 | (23.59) |
| INR depreciated by 5%(31 March 2022 - 5%) | (126.82) | 23.59 |

In respect of exposure in other currencies, the impact of sensitivity of which is very negligible.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 35: Financial risk management objectives and policies (Contd..)

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In case of short term borrowings, the interest rate is fixed in a large number of cases. Hence, interest rate risk is assessed to be low. Accordingly, the sensitivity / exposure to change in interest rate is insignificant

### (iii) Commodity Price risk

The Company's revenue is exposed to market risk of price fluctuations related to the sales of its products. Market forces generally determine the prices for the products sold by the Company. This prices may be influenced by the factors such as supply, demand, production cost (including the cost of raw materials) , regional and global economic conditions and growth. Adverse changes in any of the factors may reduce the revenue that Company earns from sale of its products. The Company is therefore subject to fluctuations in prices for the purpose of raw materials like Aluminium, Copper and other raw material inputs.

Commodity hedging is used primarily as a risk management tool to secure the future cash flow in case of volatility by entering into commodity forward contracts. The Company has entered into commodity forward contracts for aluminium and Copper. Hedging the price volatility of forecast aluminium and copper purchases is in accordance with the risk management strategy outlined by the Board of Directors. Hedging commodity is based on procurement schedule and price risk. Commodity is undertaken as a risk offsetting exercise and depending upon market conditions, hedges may extend beyond the financial year.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 35: Financial risk management objectives and policies (Contd..)

**A. The company is holding the following commodity future contracts:**

(₹ in Lakhs)

| Particulars | Maturity | | | | | |
|---|---|---|---|---|---|---|
| | Less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 9 months | 9 to 12 months | Total |
| **As at 31st March 2023** | | | | | | |
| **Aluminium** | | | | | | |
| Notional Qty (in MT) | 140.00 | | | | | 140.00 |
| Notional amount (in ₹ Lacs) | 287.03 | | | | | 287.03 |
| Average hedged rates (per MT) | 2.05 | | | | | – |
| **Copper** | | | | | | |
| Notional Qty (in MT) | 25.00 | | | | | 25.00 |
| Notional amount (in ₹ Lacs) | 192.53 | | | | | 192.53 |
| Average hedged rates (per MT) | 7.70 | | | | | 7.70 |
| **As at 31st March 2022** | | | | | | |
| **Aluminium** | | | | | | |
| Notional Qty (in MT) | 195.00 | – | – | – | – | 195.00 |
| Notional amount (in ₹ Lacs) | 546.86 | – | – | – | – | 546.86 |
| Average hedged rates (per MT) | 2.80 | – | – | – | – | – |
| **Copper** | | | | | | |
| Notional Qty (in MT) | 22.50 | – | – | – | – | 22.50 |
| Notional amount (in ₹ Lacs) | 183.32 | – | – | – | – | 183.32 |
| Average hedged rates (per MT) | 8.15 | – | – | – | – | 8.15 |

**B. The impact of hedged items on the balance sheet is, as follows**

| Particulars | Change in fair value used for measuring ineffectiveness | Effective portion of cash flow hedges | cost of cash flow hedges |
|---|---|---|---|
| **As at 31st March 2023** | | | |
| Commodity future contracts | 9.47 | 9.47 | 6.87 |
| **As at 31st March 2022** | | | |
| Commodity future contracts | 51.20 | 51.20 | 2.88 |

**C. The effect of the cash flow hedge in the statement of profit and loss is, as follows**

| Particulars | Total hedging gain/(loss) recognised in OCI* | Ineffectiveness recognised in profit or loss | Line item in statement of profit and loss | Cost of hedging recognised in OCI | Amount reclassified from OCI to profit or loss | Line item in statement of profit and loss |
|---|---|---|---|---|---|---|
| **As at 31st March 2023** | | | | | | |
| Commodity future contracts | 9.47 | – | Other comprehensive (income) / loss | 6.87 | 8.35 | 1.40 |
| **As at 31st March 2022** | | | | | | |
| Commodity future contracts | 51.20 | – | Other comprehensive (income) / loss | | | 2.88 |

*This represents total unrealised gain/(loss) net of charges and net of taxes

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 36: Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves.

The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Total debt (total borrowings including current maturities of long term borrowings and excluding lease liabilities) divided by total equity (as shown in the balance sheet)

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Total debt | 16.65 | 3,581.90 |
| Total equity | 1,96,104.67 | 1,74,469.22 |
| Total debt to equity ratio (in times) | 0.00 | 0.02 |

## NOTE 37: Segment reporting

The Company w.e.f. July 1, 2022, pursuant to the provisions of Ind AS 108, identified its business segments as its primary reportable segments, which comprises of Consumer Products, Lighting Solutions and EPC. "Consumer Products" includes Appliances, Fans and Morphy Richards. "Lighting Solutions" includes Professional Lighting (B2B) and Consumer Lighting (B2C) and "EPC" includes Power Transmission and Power Distribution.

**1) Segment Results**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| a) Consumer Products | 25,372.22 | 23,125.91 |
| b) Lighting | 8,702.52 | 5,883.62 |
| c) EPC | 734.44 | (3,961.34) |
| **Operating Segment Profit** | **34,809.18** | **25,048.19** |
| **Unallocated income / (expenses)** | | |
| Finance Cost | (4,770.33) | (6,867.16) |
| Interest income on financial assets measured at amortised cost | 1,099.39 | 1,069.29 |
| Profit / (Loss) on sale of Property, plant & equipment | 120.11 | 416.02 |
| Rent received | 4.91 | 245.43 |
| Impairment on property, plant & equipment | – | (850.65) |
| Others | 509.43 | 123.03 |
| **Profit before income tax and exceptional items** | **31,772.69** | **19,184.15** |
| Exceptional items | – | 1,322.69 |
| **Profit before income tax** | **31,772.69** | **17,861.46** |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## NOTE 37: Segment reporting (Contd..)

The operating segment results includes depreciation and amortization of ₹ 5,698.27 lakhs (March 31, 2022 – ₹ 4,717.86 lakhs) for consumer products, ₹ 1,183.14 lakhs (March 31, 2022 – ₹ 896.39 lakhs) for lighting solutions and ₹ 660.46 lakhs (March 31, 2022 – ₹ 689.91 lakhs) for EPC.

**2) Segment Revenue:**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| a) Consumer Products | 3,75,238.61 | 3,29,042.98 |
| b) Lighting | 1,12,500.34 | 1,08,071.55 |
| c) EPC | 54,001.96 | 41,703.73 |
| **Sub-total** | **5,41,740.91** | **4,78,818.26** |
| Less: Inter Segment Revenue | – | – |
| **Net Sales / Income from Operations** | **5,41,740.91** | **4,78,818.26** |

There is no single customer which is more than 10% of the entity's revenues. The amount of revenue from external customers broken down by location of the customers is shown in table below:

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| India | 5,36,137.75 | 4,68,157.50 |
| Outside India | 5,603.16 | 10,660.76 |
| **Total** | **5,41,740.91** | **4,78,818.26** |

**3) Segment Assets:**

Segment assets are measured on the same principles as they have been for the purpose of these standalone financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 (Restated) |
|---|---|---|
| a) Consumer Products | 2,40,497.58 | 1,74,945.06 |
| b) Lighting | 55,734.65 | 45,602.09 |
| c) EPC | 71,862.43 | 99,451.67 |
| **Total Segment Assets** | **3,68,094.66** | **3,19,998.82** |
| **Unallocated** | | |
| Deferred tax assets | – | 8,143.54 |
| Income tax assets (net) | 12,750.19 | 10,385.55 |
| Investments in subsidiaries and an associates | 4,383.20 | 4,383.20 |
| Investments | 4,678.81 | 489.73 |
| Investment properties | 12,600.00 | 12,600.00 |
| Property, Plant & Equipments, Capital work in progress, Intangible assets and Intangible assets under development | 15,122.36 | 15,435.93 |
| Cash & cash equivalents and other bank balances | 36,919.03 | 14,187.55 |
| Others | 16,929.75 | 14,529.15 |
| **Total assets as per balance sheet** | **4,71,478.00** | **4,00,153.47** |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## NOTE 37: Segment reporting (Contd..)

The total of non-current assets other than financial instruments, investments and deferred tax assets, broken down by location of the assets, is shown below:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 (Restated) |
|---|---|---|
| India | 95,142.57 | 86,006.81 |
| Outside India | 77.87 | 27.23 |
| **Total** | **95,220.44** | **86,034.04** |

The capital expenditure incurred for consumer products is ₹ 3,128.94 lakhs (March 31, 2022 – ₹ 2,118.57 lakhs), for lighting solutions is ₹ 177.07 lakhs (March 31, 2022 - ₹ 191.74 lakhs), for EPC is ₹ 178.95 lakhs (March 31, 2022 – ₹ 93.01 lakhs) and for Unallocable is ₹ 3,747.57 lakhs (March 31, 2022 – ₹ 1,066.64 lakhs).

4) **Segment Liabilities:**

Segment liabilities are measured on the same principles as they have been for the purpose of these financial statements. The Company's borrowings and derivative financial instruments are not considered to be segment liabilities but are managed by the treasury function

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 (Restated) |
|---|---|---|
| a) Consumer Products | 1,75,540.60 | 1,41,580.89 |
| b) Lighting | 44,611.51 | 28,066.04 |
| c) EPC | 50,039.07 | 44,658.31 |
| **Total Segment Liabilities** | **2,70,191.18** | **2,14,305.24** |
| **Unallocated** | | |
| Borrowings | 16.65 | 3,581.90 |
| Others | 5,165.50 | 7,797.11 |
| **Total liabilities as per balance sheet** | **2,75,373.33** | **2,25,684.25** |

## Note 38: Disclosure of transactions with related parties

(₹ in Lakhs)

| Name of Related Party and Nature of relationship | Nature of Transaction | 2022-23 | | 2021-22 (Restated) | |
|---|---|---|---|---|---|
| | | Transaction Value for the year | Outstanding receivable / (payable) carried in the Balance Sheet | Transaction Value for the year | Outstanding receivable / (payable) carried in the Balance Sheet |
| **(A) Parent Entities** | | | | | |
| | Not Applicable | | | | |
| **(B) Subsidiaries** | | | | | |
| | **Nirlep Appliances Private Limited** | | | | |
| | Purchases | 6,697.58 | 186.42 | 5,016.32 | (377.18) |
| | Royalty Paid | 48.15 | (7.96) | 42.02 | (10.46) |
| | Loan given | 2,556.00 | 6,323.00 | 867.00 | 4,767.00 |
| | Trade Advance Given | 9,235.00 | 3,000.00 | 5,810.00 | 2,610.00 |
| | Interest Received | 756.63 | – | 594.79 | 67.09 |
| | Sales of Asset | – | – | 42.86 | – |



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 38: Disclosure of transactions with related parties (Contd..)

(₹ in Lakhs)

| Name of Related Party and Nature of relationship | Nature of Transaction | 2022-23 | | 2021-22 (Restated) | |
|---|---|---|---|---|---|
| | | Transaction Value for the year | Outstanding receivable / (payable) carried in the Balance Sheet | Transaction Value for the year | Outstanding receivable / (payable) carried in the Balance Sheet |
| | Sale of components | 2,267.85 | 348.02 | – | – |
| | Contribution to Equity | – | 4,088.30 | 1,017.88 | 4,088.30 |
| | **Bajel Projects Ltd** | | | | |
| | Contribution to Equity | – | 50.00 | 50.00 | 50.00 |
| | Reimbursement of Expenses | 0.01 | 4.14 | 4.13 | 4.13 |
| **(C) Associate - Hind Lamps Limited** | | | | | |
| | Loan given | – | – | 10.00 | 10.00 |
| | Interest on loan and advance | – | – | 0.17 | – |
| | Sales | 300.59 | 34.77 | 264.98 | 32.34 |
| | Rent Received | 2.77 | – | 1.80 | 3.15 |
| **(D) Key Management Personnel #** | | | | | |
| | Short-term employee benefits | 2,529.08 | (1,199.07) | 1,979.20 | (648.39) |
| | Post- employment benefits (contribution to super annuation fund) | 55.99 | – | 55.99 | – |
| | Long-term employee benefits (contribution to provident fund) | 60.01 | – | 58.63 | – |
| | Perquisite value of ESOPs excercised during the year | 31.41 | – | 95.48 | – |
| | **Total Compensation** | **2,676.49** | **(1,199.07)** | **2,189.30** | **(648.39)** |
| | Sale of car proceeds | 17.20 | – | | |
| | Sales | – | – | 0.03 | – |
| | Purchase Of TV | 7.30 | – | – | – |
| | Purchase of Car | 186.91 | – | – | – |
| | Sale of car proceeds | 12.50 | – | – | – |
| **(E) Transactions with the Entities which is Controlled or Jointly Controlled by a person identified in para 9 (a) of Ind AS 24 - Related Party Disclosures** | | | | | |
| | Reimbursement of Expenses | 177.70 | (3.27) | 91.57 | (8.14) |
| | Services Received | 205.93 | (16.38) | 5.85 | (0.22) |
| | Interest Received | 0.23 | – | – | – |
| | Rent Paid | 57.30 | – | 44.10 | – |
| | Deposits given | – | 27.00 | – | 28.24 |
| | Donations Given | 25.00 | – | 50.00 | – |
| | Deposits Refund | 1.24 | – | – | – |
| | Sales | 68.52 | 3.38 | 45.66 | 6.22 |
| **(F) Dividend to Other Related Parties** | | | | | |
| | Dividend Paid | 2,203.14 | – | – | – |
| **(G) Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures is a member of the KMP of the entity** | | | | | |
| | Other Expenses | – | – | 7.97 | (0.63) |
| | CSR Contribution | 408.33 | – | 233.49 | – |
| | Sales | 0.33 | 1.38 | 3.75 | 2.35 |
| | Reimbursement of Expenses | 4.79 | – | 4.79 | – |
| | Rent Deposit Advanced | – | 200.00 | 50.00 | 200.00 |
| | Rent Paid | 49.56 | – | 44.84 | (6.30) |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 38: Disclosure of transactions with related parties (Contd..)

(₹ in Lakhs)

| Name of Related Party and Nature of relationship | Nature of Transaction | 2022-23 | | 2021-22 (Restated) | |
|---|---|---|---|---|---|
| | | Transaction Value for the year | Outstanding receivable / (payable) carried in the Balance Sheet | Transaction Value for the year | Outstanding receivable / (payable) carried in the Balance Sheet |
| | Advance given | – | – | 2.00 | – |
| | Purchase of Asset | 6.11 | – | – | – |
| | Services Received | 40.91 | (0.59) | 13.65 | 0.00 |
| | Rent Received | 1.64 | 0.11 | 1.61 | 0.11 |
| **(H) Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures has significant influence over the entities** | | | | | |
| | Services Received | 50.30 | (3.52) | 40.44 | (2.79) |
| | Deposits Given/Refund | 0.42 | 3.36 | (0.42) | 3.78 |
| | Sales | 3.86 | 2.67 | 3.23 | 0.52 |
| **(I) Transactions with the entities which are the post employment benefit plans as identified in para 9 (b) (v) of Ind AS 24 - Related Party Disclosures** | | | | | |
| | Trustees Bajaj Electricals Ltd Employees Provident Fund | 2,380.12 | (200.48) | 2,351.60 | (173.35) |
| | Matchwel Electrical India Limited Employees Provident Fund Trust | 57.57 | (6.21) | 45.42 | (3.97) |
| **(J) Transactions with the persons identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures** | | | | | |
| | Refund of Advance Rent | – | (15.00) | – | (15.00) |
| | Sales | 4.40 | 0.08 | – | (0.81) |
| | Purchase of Capital Asset | 3.90 | (0.52) | – | – |
| | Services Recd | 0.07 | – | – | – |
| **(K) Material transactions with related parties** | | | | | |
| | **Spencer Retail Limited** | | | | |
| | Sales | 633.38 | 268.72 | 498.22 | 230.03 |
| | Services Received | 25.56 | (49.10) | 30.80 | (44.08) |
| | **Bajaj Allianz General Insurance Company Limited** | | | | |
| | Insurance Premium paid | 5,527.63 | (32.02) | 636.27 | – |
| | Advance Insurance Premium (Deposit) | 680.54 | 680.54 | 749.63 | 749.63 |
| | Claims Received | 1,169.81 | 408.08 | 19.28 | – |
| | **Bajaj Allianz Life Insurance Co Ltd.** | | | | |
| | Insurance Premium paid | 249.47 | – | 44.79 | – |
| | Advance Insurance Premium for next year | 132.61 | 132.61 | 215.49 | 215.49 |
| | Employee Benefit Obligations and/ or Retiremental Benefits | – | 6,207.41 | 1,500.00 | 6,830.91 |
| | **Bajaj Finance Ltd** | | | | |
| | Sales | 19.92 | (2.87) | – | 3.91 |
| | Services Received | 17.16 | (5.42) | 6.25 | (0.46) |
| | Fixed Deposit Placed | 7,000.00 | 7,000.00 | – | – |
| | Interest Received on Fixed Deposit | 53.58 | 48.22 | – | – |

# As the future liability for defined benefit obligations and other long term employment benefits is provided on an actuarial basis for the Company as a whole, the amounts pertaining to key managerial personnel is not ascertainable and hence not included above.

There are no loans or advances granted to promoters, directors, KMPs and the related parties that are repayable on demand or without any terms or period of repayment



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 39. Earnings per share:

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Profit for the year (A) (₹ In Lakhs) - before exceptional | 23,050.52 | 14,668.47 |
| Profit for the year (A) (₹ In Lakhs) - after exceptional | 23,050.52 | 13,678.67 |
| Weighted average number of equity shares for basic EPS ( B ) | 11,49,62,035 | 11,47,02,038 |
| Add: Effect of dilution (employee stock options - Refer Note 33) | 2,38,771 | 4,19,325 |
| Weighted average number of equity shares for diluted EPS ( C ) | 11,52,00,806 | 11,51,21,363 |
| **Earnings Per Share in ₹ :- after exceptional items** | | |
| (a) Basic EPS (A/B) | 20.05 | 11.93 |
| (b) Diluted EPS (A/C) | 20.01 | 11.88 |
| **Earnings Per Share in ₹ :- before exceptional items** | | |
| (a) Basic EPS (A/B) | 20.05 | 12.79 |
| (b) Diluted EPS (A/C) | 20.01 | 12.74 |

## Note 40. Commitments and contingencies

a. **Contingent liabilities**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| **Contingent Liabilities not provided for :** | | |
| i) Claims against the Company not acknowledged as debts (Refer Note xi, xii below) | 1,753.31 | 1,582.71 |
| ii) Guarantees on behalf of Subsidiaries ₹ 2,000 Lakhs (Previous Year ₹ 7,200 Lakhs) (refer note x below) | – | 2,359.41 |
| iii) Excise and Customs duty matters under dispute | 73.55 | 15.49 |
| iv) Service Tax matters under dispute | 149.40 | 149.40 |
| v) Income Tax matters under dispute | 625.73 | 4,266.70 |
| vi) Sales Tax matters under dispute | 5,020.21 | 5,150.43 |
| vii) Uncalled liability in respect of partly paid Shares held as investments | 7.20 | 7.20 |
| viii) Others | 1,062.60 | 1,062.60 |

ix) The Company's fluorescent and mercury containing lamps (CFL/FTL) fall within the purview of the E-waste (Management) Rules, 2016 (the "E-waste Rules") which has come in force with effect from October 01, 2016. Under the E-waste Rules the Company is responsible for collection and safe disposal of end of life CFL/FTL in terms of Extended Producer Responsibility (EPR) obligation set out therein. In the 57th meeting of Technical Review Committee of Central Pollution Control Board ("CPCB"), the compliances and implementation of EPR Authorisation conditions including targets under the E-waste Rules for the existing producers of CFL/ FTL were deferred till May 01, 2017. Electric Lamp and Component Manufacturers Association of India (ELCOMA), on behalf of all its members, has filed the Writ Petition (C) 5461 of 2016 ("Writ Petition") in the Hon'ble Delhi High Court challenging the inclusion of 'fluorescent and mercury containing lamps' under E-waste Rules. The Hon'ble Delhi High Court by its order dated September 28, 2016, directed the producers of CFL/FTL, to apply for EPR Authorisation without prejudice to their rights and contentions in the said Writ Petition. Subsequently, vide a later order (dated August 5, 2019) the Hon'ble Delhi High Court directed that the said interim order (dated September 28, 2016) shall continue to be operative during the pendency of the Writ.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 40. Commitments and contingencies (Contd..)

There is no further update on this matter in the current year.

The Company has been granted EPR authorization under E-Waste (Management) Rules, 2016 by Central Pollution Control Board for Electricals and Electronic Equipment with a collection target of 986.67 MT for FY 2019-20. The Company has entered into agreements with Trans Thane Creek Waste Management Association and GATI Logistics for collection and disposal of E-waste."

x. The Company has investments, loans and advances given to Nirlep Appliances Private Limited (NAPL). Management has determined the enterprise value of NAPL based on the discounted cash flow projections for a period of 5 years. The enterprise value is greater than the value of the external debt of NAPL and considering the sensitivity around the assumptions used, the exposure in this regard is considered to be 'possible' and disclosed as contingent liability (Refer Note 34). There are no guarantees outstanding as on March 31, 2023.

xi. These represent legal claims filed against the Company by various parties and these matters are in litigation. Management has assessed that in all these cases the outflow of resources embodying economic benefits is not probable.

xii. The Company had in earlier years terminated employment agreements of few die casting workmen at the Chakan plant. On 3rd July, 2018, the Honourable Hight Court of Bombay had awarded the appeal in favour of the Company. On 27th June, 2019, the appeal on the matter has been admitted in the Honourable Supreme Court. Management has assessed that the outflow of resources embodying economic benefits is not probable and has accordingly considered the claim of ₹ 323.22 lakhs as contingent liability.

**b. Commitments**

i. Estimated amounts of contracts remaining to be executed in capital account (net of capital advances) is ₹ 2,876.60 lakhs (March 31, 2022, ₹ 787.45 lakhs).

ii. During the previous year the Company has successfully won bidding for the Transmission line package of Ghatampur, Hapur and Indirapuram with Substation at Mohanlalganj. The cost estimated to complete the project has significant exceeded the cost expected at the time of bidding on account of

- Delay in awarding the project,
- increase in metal prices,

Considering the foreseeable loss on the project basis March 31, 2022 rates, the Company had recorded a loss of ₹ 2,213 lakhs in the year ended March 31, 2022. During the current year, the Company has reversed the loss if ₹ 2,034.65 lakhs towards the same project.

## Note 41: Disclosures of revenue from contracts with customers

The disclosures as required for revenue from contracts with customers are as given below

**(i) Disaggregation of revenue**

Disaggregation of the Company's revenue from contracts with customers and reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price is as given below."

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| **A. Revenue from contracts with customers** | | |
| Consumer products (includes appliances, lighting and fans) | 3,75,096.42 | 3,28,181.80 |
| Lighting solutions (includes professional and consumer lighting) | 1,12,464.25 | 1,08,025.69 |
| Engineering, procurement and construction (EPC) (includes power distribution, transmission line towers and illumination) | 53,871.99 | 41,336.72 |
| | **5,41,432.66** | **4,77,544.21** |
| **B. Reconciliation of contracted price with (A) above** | | |
| Revenue at contracted price | 5,50,027.51 | 4,83,656.04 |
| Unbilled on account of work under certification | (693.35) | (1,516.96) |
| Billing in excess of contract revenue | 1,636.31 | 10,634.21 |
| Revenue deferred on customer loyalty program | 10,493.85 | 1,523.54 |
| Discounts | (22,405.15) | (13,131.02) |
| Others | 2,373.49 | (3,621.60) |
| **Revenue from contracts with customers (a)** | **5,41,432.66** | **4,77,544.21** |
| **Add: Other operating income (b)** | | |
| Claims received, export incentives, etc | 308.25 | 1,275.05 |
| **Revenue from operations (a+b)** | **5,41,740.91** | **4,78,819.26** |

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| **Timing of revenue recognition** | | |
| At a point in time | 4,87,738.95 | 4,37,115.53 |
| Over a period of time | 54,001.96 | 41,703.73 |
| **Revenue from operations** | **5,41,740.91** | **4,78,819.26** |

**(ii) Contract balances**

The details of the contract assets, contract liabilities and receivables are as under"

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Contract assets | 4,650.98 | 5,344.33 |
| Contract liabilities | 15,764.36 | 9,117.44 |
| Accounts receivables | 1,56,483.74 | 1,35,767.05 |
| Revenue recognised in the period from: | | |
| Amounts included in contract liability at the beginning of the period | 7,752.74 | 11,826.15 |

The contract assets and contract liabilities balances mentioned above pertain to the EPC segment of the Company. The Company executes the work as per the terms and agreements mentioned in the contracts. The Company receives payments from the customers based on the milestone achievement and billing schedule as established in the contracts.

Contract assets are initially recognised for revenue earned from supply of materials and erection services provided when the performance obligation is met. Upon achievement and acceptance of milestones mentioned by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 41: Disclosures of revenue from contracts with customers (Contd..)

Contract liabilities are relates to payments received in advance of performance under the contract and billing in excess of contract revenue recognised. Contract liabilities are recognised as revenue when the Company satisfies the performance obligation under the contract.

**(iii) Performance obligations**

Information about the Company's performance obligations under CP and EPC segment are summarised below:

**Consumer Product and Lighting Solutions Segment:**

**a) Delivery of goods:**

The Company sells fans, appliances and lighting products to the customers. The performance obligation is satisfied and revenue is recognised on dispatch of the goods to the customers. The stand alone selling price of the performance obligation is determined after taking the variable consideration and right to return. The contracts do not have a significant financing component. The Company offers standard warranty on selected products. The Company makes provision for same as per the principles laid down under Ind AS 37. The payment is generally due within 30 to 60 days across various streams of customers.

**b) Loyalty program:**

The Company operates a customer loyalty program (for retailers), where the customer is awarded certain points on purchase of selected products from the Company. The customer (retailer) can redeem these points in future. The Company treats the redemption of customer loyalty points as a separate performance obligation. Accordingly, the revenue is recognised by allocating the total transaction price on the stand alone selling prices of sale of goods and loyalty points.

**c) Extended warranties:**

The Company provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are bundled together with the sale of products. Contracts for bundled sales of products and a service-type warranty comprise two performance obligations because the product and service-type warranty are both sold on a stand-alone basis and are distinct within the context of contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as deferred revenue. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

**Engineering, procurement and construction:**

The performance obligations in EPC segment is the supply of materials and erection services. The supply of materials and erection services are promised goods and services which are not individually distinct. Hence both of them are counted as a single performance obligation under the contract. The satisfaction of this performance obligation happens over time, as the performance or enhancement of the obligation is controlled by the customer. Also, the performance of the obligation creates an asset without any alternative use to the customer. The Company uses the input method to determine the progress of the satisfaction of the performance obligation and accordingly recognises revenue.

The standalone selling price of the performance obligation is determined after taking the variable consideration and significant financing component .

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 41: Disclosures of revenue from contracts with customers (Contd..)

**iv) Unsatisfied performance obligations**

The transaction price allocated to the unsatisfied performance obligations are as below:

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Consumer products | 2,773.74 | 16,738.10 |
| EPC | 1,61,476.99 | 77,994.94 |
| **Total** | **1,64,250.73** | **94,733.04** |

**v) Assets recognised from the costs to obtain or fulfil a contract**

The incremental costs of obtaining a contract with a customer are recognised as an asset if the Company expects to recover them. The Company incurs costs such as bank guarantee charges and insurance charges. The Company amortizes the same over the period of the contract. The total unamortised balances towards such cost is as below.

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Unamortised portion of cost to obtain a contract | – | 17.21 |
| Amount recognised in the profit and loss account | 1,209.28 | 1,578.86 |

## Note 42: Leases:

The Company for the consumer products segment, generally takes godowns on lease to store the goods at various locations. These godowns generally have a term of 1 year to 3 years. There are few godowns with a longer lease period of 5 years or more also. Similarly, the Company also takes on lease, storage places at various EPC sites to store the inventories which are used for construction. These leases are generally short term in nature, with very few contracts having a tenure of 1-2 years. Further, the Company has few guest houses, residential premises and office premises also on leases which generally for a longer period ranging from 2-5 years.

The Company's obligations under its leases are secured by the lessor's title to the leased assets. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, on the commencement of the lease. There are several lease contracts that include extension and termination options. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The leases which the Company enters, does not have any variable payments. The lease rents are fixed in nature with gradual escalation in lease rent.

Apart from the above, the Company also has various leases which are either short term in nature or the assets which are taken on the leases are generally low value assets (e.g. printers). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company has determined leasehold lands also as, right of use assets and hence the same has been classified from property, plant and equipment to right of use assets.

# Notes to Standalone Financial Statements for the year ended 31st March 2023

**Disclosures under Ind AS 116**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| Amortization charge for right of use assets | 2,447.70 | 1,848.38 |
| Interest expense on lease liabilities | 544.44 | 544.65 |
| Lease rent expenses for short term leases | 971.93 | 2,304.28 |
| Cash outflow towards lease liabilities | 2,762.40 | 2,326.85 |
| – as principal | 2,217.96 | 1,781.85 |
| – as interest | 544.44 | 545.00 |
| Carrying amount of right of use assets | 12,298.88 | 6,855.68 |
| Carrying amount of lease liabilities | 10,123.64 | 4,587.80 |

For movement of right of use assets, refer note 3

For movement of lease liability, refer note 3. For maturity profile of lease liabilities, refer note 35 (liquidity risk)

For significant judgements used for accounting right of use assets and lease liabilities, refer note 1D(6)

## Note 43: Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, the gross amount to be spent by the Company during financial year 22-23 is ₹ 300.63 lakhs (Previous year ₹ 329.58 Lakhs). The Company has spent ₹ 246.24 lakhs (Previous year ₹ 200.40 Lakhs) on various CSR initiatives as below:

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 (Restated) |
|---|---|---|
| **Two percent of average net profit of the company as per section 135(5)** | **300.63** | **329.58** |
| Spent on ongoing projects | 231.21 | 175.22 |
| Spent on other than ongoing projects | – | 19.98 |
| Administrative expenses | 15.03 | 5.20 |
| **Total Amount Spent for the Financial Year. (in ₹) (a) *** | **246.24** | **200.40** |
| **Total Amount transferred to Unspent CSR Account as per section 135(6) (b)** | **54.39** | **129.18** |
| **Total (a + b)** | **300.63** | **329.58** |

* The amount has been spent on purposes other than construction / acquisition of asset and no amounts are yet to be paid in cash

Out of the above unspent amount for FY21 and FY22, of ₹ 204.58 lakhs, and ₹ 129.18 lakhs, the Company has already spent ₹ 131.27 lakhs and ₹ 81.59 lakhs so far on various ongoing projects.

## Note 44: Business combination on merger of Starlite Lighting Limited (SLL) into the Company

The Mumbai Bench of the Hon'ble National Company Law Tribunal has passed an order dated August 25, 2022 ("Order"), approving the Scheme of Merger by Absorption of Starlite Lighting Limited ("Transferor Company") with Bajaj Electricals Limited ("Company" /"Transferee Company") and their respective shareholders ("Scheme")



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 44: Business combination on merger of Starlite Lighting Limited (SLL) into the Company (Contd..)

Accordingly, the Company had accounted for the merger under the pooling of interest method retrospectively for all periods presented as prescribed in IND AS 103 Business Combinations of entities under common control. The previous year numbers have been accordingly restated. The Impact of the merger on these standalone financial statements is as under:

(₹ in Lakhs)

| Particulars | As on April 1, 2021 |
|---|---|
| Assets | 42,316.42 |
| Liabilities | 44,643.39 |
| Net assets acquired (A) | (2,326.97) |
| Accounted as | |
| Amalgamation adjustment reserve | 2,327.15 |
| Equity share capital (19 shares @ ₹ 2/- per share) | (0.00) |
| Securities premium | (0.19) |

**Below is the reconciliation of the reported numbers of Balance Sheet of April 1, 2021 with the restated numbers of April 1, 2021**

(₹ in Lakhs)

| Balance Sheet as at April 1,2021 | Reported | Merger Impact on April 1, 2021 | | | | Restated |
|---|---|---|---|---|---|---|
| Particulars | BEL Standalone as on April 1, 2021 | Further Investment in SLL | Assets and Liabilities of SLL | InterCo Elims | Issue of Shares * | BEL Restated Standalone as on April 1, 2021 |
| **ASSETS** | | | | | | |
| **Non -Current Assets** | | | | | | |
| Property, plant and equipment | 27,146.60 | – | 9,947.70 | – | – | 37,094.30 |
| Capital work in progress | 1,002.01 | – | 157.02 | – | – | 1,159.03 |
| Right-of-use assets | 6,123.05 | – | – | – | – | 6,123.05 |
| Intangible assets | 213.01 | – | – | – | – | 213.01 |
| Intangible Assets under development | 781.50 | – | – | – | – | 781.50 |
| Investment property | 12,600.00 | – | – | – | – | 12,600.00 |
| Goodwill on merger | – | – | 16,356.73 | – | – | 16,356.73 |
| Investments in associates and joint ventures | 3,315.32 | 5,991.98 | (5,991.98) | – | – | 3,315.32 |
| **Financial Assets** | – | – | – | – | | |
| i) Investments | 469.74 | – | – | – | – | 469.74 |
| ii) Trade receivables | 40,470.53 | – | – | (2,174.68) | – | 38,295.85 |
| iii) Loans | 11,144.74 | – | 280.00 | (7,520.00) | – | 3,904.74 |
| iv) Other financial assets | 2,946.14 | – | 1,043.81 | – | – | 3,989.95 |
| Deferred tax assets (net) | 5,249.35 | – | 6,308.75 | – | – | 11,558.10 |
| Income tax assets (net) | 7,560.12 | – | 16.51 | – | – | 7,576.63 |
| Other non-current assets | 10,994.42 | – | 2,258.48 | (2,200.00) | – | 11,052.89 |
| **Total Non-Current Assets** | **1,30,016.53** | **5,991.98** | **30,377.02** | **(11,894.68)** | **–** | **1,54,490.85** |
| **Current Assets** | | | | | | |
| Inventories | 97,104.86 | – | 3,195.50 | – | – | 1,00,300.36 |
| **Financial Assets** | – | – | – | – | | |
| i) Trade receivables | 1,51,150.52 | – | 2,528.16 | – | – | 1,53,678.68 |
| ii) Cash and cash equivalents | 4,562.91 | (4,500.00) | 4,576.21 | – | – | 4,639.12 |
| iii) Bank balances other than (ii) above | 1,592.54 | (1,491.98) | – | – | – | 100.56 |
| iv) Loans | 1.02 | – | – | – | – | 1.02 |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 44: Business combination on merger of Starlite Lighting Limited (SLL) into the Company (Contd..)

(₹ in Lakhs)

| Balance Sheet as at April 1,2021 | Reported | Merger Impact on April 1, 2021 | | | | Restated |
|---|---|---|---|---|---|---|
| Particulars | BEL Standalone as on April 1, 2021 | Further Investment in SLL | Assets and Liabilities of SLL | InterCo Elims | Issue of Shares * | BEL Restated Standalone as on April 1, 2021 |
| v) Other current financial assets | 389.60 | – | 594.71 | – | – | 984.31 |
| Other current assets | 33,042.96 | – | 1,044.82 | (5,395.32) | – | 28,692.46 |
| Contract assets | 6,861.30 | – | – | – | – | 6,861.30 |
| Assets classified as held for sale | 287.02 | – | – | – | – | 287.02 |
| **Total Current Assets** | **2,94,992.73** | **(5,991.98)** | **11,939.40** | **(5,395.32)** | **–** | **2,95,544.83** |
| **Total Assets** | **4,25,009.26** | **(0.00)** | **42,316.42** | **(17,290.00)** | **–** | **4,50,035.68** |
| **EQUITY & LIABILITIES** | | | | | | |
| **Equity** | | | | | | |
| Equity share capital * | 2,290.73 | – | – | – | – | 2,290.73 |
| Other Equity | 1,58,182.54 | – | (2,326.97) | – | – | 1,55,855.58 |
| **Total Equity** | **1,60,473.27** | **–** | **(2,326.97)** | **–** | **–** | **1,58,146.31** |
| **LIABILITIES** | | | | | | |
| **Non-Current Liabilities** | | | | | | |
| Financial Liabilities | | | | | | |
| i) Borrowings (long term) | 2,457.61 | – | 3,694.53 | – | – | 6,152.14 |
| i) Lease liabilities | 2,210.59 | – | – | – | – | 2,210.59 |
| iii) Trade payables | 0.00 | – | – | – | – | 0.00 |
| iv) Other financial liabilities | 84.37 | – | – | – | – | 84.37 |
| Provisions (long term) | 2,094.64 | – | 215.26 | – | – | 2,309.90 |
| Employee Benefit Obligations | 6,764.10 | – | – | – | – | 6,764.10 |
| **Total Non-Current Liabilities** | **13,611.31** | **–** | **3,909.79** | **–** | **–** | **17,521.10** |
| **Current Liabilities** | | | | | | |
| Financial Liabilities | | | | | | |
| i) Borrowings (short term) | 23,420.16 | – | 18,561.12 | (17,290.00) | – | 24,691.28 |
| ii) Lease liabilities | 1,652.70 | – | – | – | – | 1,652.70 |
| iii) Trade payables | – | – | – | – | – | |
| Total Outstanding dues of micro enterprises & small enterprises | 10,977.22 | – | 996.71 | – | – | 11,973.93 |
| Total Outstanding dues of other than micro enterprises & small enterprises | 83,434.13 | – | 1,927.36 | – | – | 85,361.49 |
| iv) Other current financial liabilities | 74,186.78 | – | 18,730.47 | – | – | 92,917.25 |
| Provisions (short term) | 8,966.27 | – | 477.98 | – | – | 9,444.25 |
| Employee Benefit Obligations | 1,183.04 | – | – | – | – | 1,183.04 |
| Current Tax Liabilities (net) | 2,382.58 | – | – | – | – | 2,382.58 |
| Other Current Liabilities | 24,175.85 | – | 39.95 | – | – | 24,215.80 |
| Contract liabilities | 20,545.95 | – | – | – | – | 20,545.95 |
| **Total Current Liabilities** | **2,50,924.68** | **–** | **40,733.59** | **(17,290.00)** | **–** | **2,74,368.27** |
| **Total Liabilities** | **2,64,535.99** | **–** | **44,643.39** | **(17,290.00)** | **–** | **2,91,889.37** |
| **Total Equity & Liabilities** | **4,25,009.26** | **–** | **42,316.42** | **(17,290.00)** | **–** | **4,50,035.68** |

* 19 equity shares were issued pursuant to the scheme of merger of Starlite Lighting Limited into Bajaj Electricals Limited





# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 44: Business combination on merger of Starlite Lighting Limited (SLL) into the Company (Contd..)

**Below is the reconciliation of the reported numbers of Balance sheet of March 31, 2022 with the restated numbers of March 31, 2022**

(₹ in Lakhs)

| Balance Sheet as at March 31,2022 | Reported | Merger Impact | | | Restated |
|---|---|---|---|---|---|
| Particulars | BEL Standalone as on March 31, 2022 | Impact of SLL Merger | InterCo Elims | Issue of Shares * | BEL Restated Standalone as on March 31, 2022 |
| **ASSETS** | | | | | |
| **Non-Current Assets** | | | | | |
| Property, plant and equipment | 22,197.20 | 9,853.38 | – | – | 32,050.56 |
| Capital work in progress | 2,810.51 | (21.77) | – | – | 2,788.74 |
| Investment properties | 13,077.04 | – | – | – | 13,077.04 |
| Goodwill on merger | – | 16,356.73 | – | – | 16,356.73 |
| Right-of-use assets | 6,855.68 | – | – | – | 6,855.68 |
| Intangible assets | 114.90 | – | – | – | 114.90 |
| Intangible assets under development | 1,546.59 | – | – | – | 1,546.59 |
| Investments in subsidiaries and associate | 10,375.17 | (5,991.98) | – | – | 4,383.20 |
| **Financial Assets** | – | – | – | | |
| i) Investments | 489.73 | – | – | – | 489.73 |
| ii) Trade receivables | 22,109.94 | – | – | – | 22,109.94 |
| iii) Loans | 37,684.35 | 280.00 | (34,175.00) | – | 3,789.35 |
| iv) Other financial assets | 2,567.56 | 1,167.53 | – | – | 3,735.08 |
| Deferred tax assets (net) | 545.69 | 7,597.85 | – | – | 8,143.54 |
| Income tax assets (net) | 10,620.92 | (235.37) | – | – | 10,385.55 |
| Other non-current assets | 13,250.84 | 2,200.00 | (2,200.00) | – | 13,250.86 |
| **Total Non-Current Assets** | **1,44,246.12** | **31,206.37** | **(36,375.00)** | **–** | **1,39,077.49** |
| **Current Assets** | | | | | |
| Inventories | 94,519.22 | 3,075.40 | – | – | 97,594.62 |
| **Financial Assets** | | | | | |
| i) Investments | – | – | – | – | – |
| ii) Trade receivables | 1,12,924.96 | 1,850.02 | (1,117.87) | – | 1,13,657.11 |
| iii) Cash and cash equivalents | 11,781.85 | 53.06 | – | – | 11,834.91 |
| iv) Bank balances other than (ii) above | 2,352.64 | – | – | – | 2,352.64 |
| v) Loans | 1,000.84 | – | – | – | 1,000.84 |
| vi) Other current financial assets | 365.47 | 410.88 | – | – | 776.35 |
| Other current assets | 27,084.61 | 1,235.57 | (1,524.42) | – | 26,795.77 |
| Contract assets | 5,344.34 | – | – | – | 5,344.33 |
| | **2,55,373.93** | **6,624.93** | **(2,642.29)** | **–** | **2,59,356.57** |
| Assets classified as held for sale | 1,719.41 | – | – | – | 1,719.41 |
| **Total Current Assets** | **2,57,093.34** | **6,624.93** | **(2,642.29)** | **–** | **2,61,075.98** |
| **Total Assets** | **4,01,339.46** | **37,831.30** | **(39,017.29)** | **–** | **4,00,153.47** |
| **EQUITY & LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| Equity share capital * | 2,297.48 | – | – | – | 2,297.48 |
| Other Equity | 1,76,163.40 | (3,991.66) | – | – | 1,72,171.74 |
| **Total Equity** | **1,78,460.88** | **(3,991.66)** | **–** | **–** | **1,74,469.22** |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 44: Business combination on merger of Starlite Lighting Limited (SLL) into the Company (Contd..)

(₹ in Lakhs)

| Balance Sheet as at March 31,2022 | Reported | Merger Impact | | | Restated |
|---|---|---|---|---|---|
| Particulars | BEL Standalone as on March 31, 2022 | Impact of SLL Merger | InterCo Elims | Issue of Shares * | BEL Restated Standalone as on March 31, 2022 |
| **LIABILITIES** | | | | | |
| **Non-Current Liabilities** | | | | | |
| **Financial Liabilities** | | | | | |
| i) Borrowings | 1,183.32 | – | – | – | 1,183.32 |
| ia) Lease liabilities | 3,035.04 | – | – | – | 3,035.04 |
| ii) Other financial liabilities | 16.36 | – | – | – | 16.36 |
| Provisions | 2,254.73 | – | – | – | 2,254.73 |
| Employee benefit obligations | 5,947.41 | 228.27 | – | – | 6,175.68 |
| **Total Non-Current Liabilities** | **12,436.86** | **228.27** | **–** | **–** | **12,665.13** |
| **Current Liabilities** | | | | | |
| **Financial Liabilities** | | | | | |
| i) Borrowings | 1,274.29 | 39,313.80 | (38,189.52) | – | 2,398.58 |
| ia) Lease liabilities | 1,552.76 | – | – | – | 1,552.76 |
| ii) Trade payables | – | – | – | | |
| Total Outstanding dues of micro enterprises & small enterprises | 6,719.74 | 419.20 | – | – | 7,138.94 |
| Total Outstanding dues of other than micro enterprises & small enterprises | 1,14,520.47 | 1,271.73 | (534.36) | – | 1,15,257.85 |
| iii) Other current financial liabilities | 45,906.62 | 426.68 | (293.41) | – | 46,039.88 |
| Provisions | 7,758.24 | 95.51 | – | – | 7,853.75 |
| Employee benefit obligations | 899.31 | 14.48 | – | – | 913.80 |
| Current tax liabilities (net) | 1,701.23 | – | – | – | 1,701.21 |
| Contract liabilities | 9,117.44 | – | – | – | 9,117.44 |
| Other current liabilities | 20,991.62 | 53.29 | – | – | 21,044.91 |
| **Total Current Liabilities** | **2,10,441.72** | **41,594.69** | **(39,017.29)** | **–** | **2,13,019.12** |
| **Total Liabilities** | **2,22,878.58** | **41,822.96** | **(39,017.29)** | **–** | **2,25,684.25** |
| **Total Equity & Liabilities** | **4,01,339.46** | **37,831.30** | **(39,017.29)** | **–** | **4,00,153.47** |

* 19 equity shares were issued pursuant to the scheme of merger of Starlite Lighting Limited into Bajaj Electricals Limited



# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 44: Business combination on merger of Starlite Lighting Limited (SLL) into the Company (Contd..)

**Below is the reconciliation of the reported numbers of Profit & Loss Account of March 31, 2022 with the restated numbers of March 31, 2022**

(₹ in Lakhs)

| Profit & Loss account for the period ended March 31,2022 | Reported | Merger Impact on March 31, 2022 | | Restated |
|---|---|---|---|---|
| Particulars | BEL Standalone as on March 31, 2022 | Profit & Loss of SLL | InterCo Elims | BEL Restated Standalone as on March 31, 2022 |
| **Income:** | | | | |
| **Revenue from operations** | 4,77,034.57 | 19,192.76 | (17,408.07) | 4,78,819.26 |
| Other income | 10,125.01 | 86.72 | (2,970.17) | 7,241.56 |
| **Total Income** | **4,87,159.58** | **19,279.48** | **(20,378.24)** | **4,86,060.82** |
| **Expenses:** | | | | |
| Cost of raw materials consumed | 39,319.65 | 14,252.40 | (3,425.54) | 50,146.51 |
| Purchases of traded goods | 2,89,805.51 | (178.82) | (14,069.61) | 2,75,557.08 |
| Changes in inventories of work-in-progress, finished goods, traded goods | 2,154.77 | – | 87.08 | 2,241.85 |
| Erection & subcontracting expenses | 13,388.60 | – | – | 13,388.60 |
| Employee benefits expenses | 38,435.59 | 1,108.76 | – | 39,544.35 |
| Depreciation and amortisation expense | 5,674.90 | 629.26 | – | 6,304.16 |
| Other expenses | 71,217.70 | 1,609.26 | – | 72,826.96 |
| Finance costs | 5,292.58 | 4,544.75 | (2,970.17) | 6,867.16 |
| **Total Expenses** | **4,65,289.30** | **21,965.61** | **(20,378.24)** | **4,66,876.67** |
| **Profit before exceptional items and tax** | **21,870.28** | **(2,686.13)** | **(0.00)** | **19,184.15** |
| Exceptional Items | 1,322.69 | – | – | 1,322.69 |
| **Profit before tax** | **20,547.59** | **(2,686.13)** | **(0.00)** | **17,861.46** |
| **Tax expense / (credit):** | | | | |
| Current tax | 5,045.56 | 276.30 | – | 5,321.86 |
| Deferred tax | 641.55 | (1,291.28) | – | (649.73) |
| Adjustment of tax relating to earlier periods | (489.34) | – | – | (489.34) |
| **Total tax expenses** | **5,197.77** | **(1,014.98)** | **–** | **4,182.79** |
| **Profit / (loss) for the year** | **15,349.82** | **(1,671.15)** | **(0.00)** | **13,678.67** |
| **Other comprehensive (income) / loss** | | | | |
| Items that will be reclassified to profit and loss in subsequent periods | | | | |
| Cash flow hedge reserve | (51.20) | – | – | (51.20) |
| Tax impacts on above | 12.89 | – | – | 12.89 |
| Items that will not be reclassified to profit and loss in subsequent periods | | | | |
| Remeasurement (gains)/losses on defined benefit plans | (720.80) | (8.62) | – | (729.42) |
| Tax impacts on above | 181.41 | 2.17 | – | 183.58 |
| **Other comprehensive income / (loss) net of tax** | **(577.70)** | **(6.45)** | **–** | **(584.15)** |
| **Total Comprehensive Income / (loss) net of tax** | **15,927.52** | **(1,664.70)** | **(0.00)** | **14,262.82** |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

### Note 44: Business combination on merger of Starlite Lighting Limited (SLL) into the Company (Contd..)

**Below is the reconciliation of the reported numbers of Statement of Changes in equity of March 31, 2022 with the restated numbers of March 31, 2022**

| Particulars | Reported | Merger Impact | Restated |
|---|---|---|---|
| | BEL Standalone as on March 31, 2022 | Merger Impact | BEL Restated Standalone as on March 31, 2022 |
| Share Application Money Pending Allotment | – | 0.19 | 0.19 |
| Amalgamation Adjustment Reserve | – | (2,327.15) | (2,327.15) |
| Effective Portion of Cashflow Hedges | 88.29 | – | 88.29 |
| Securities premium reserve | 65,356.13 | – | 65,356.13 |
| Debenture Redemption Reserve | – | – | – |
| Shares Option Outstanding | 1,198.56 | – | 1,198.56 |
| General Reserve | 45,967.75 | – | 45,967.75 |
| Retained earnings | 63,241.78 | (1,664.70) | 61,577.08 |
| Capital Redemption Reserve | 135.71 | – | 135.71 |
| Capital Reserve | 175.18 | – | 175.18 |
| **Total** | **1,76,163.40** | **(3,991.66)** | **1,72,171.74** |

### Note 45: Exceptional Items

During the previous year, the Company has paid ₹ 1,322.69 lakhs as voluntary retirement scheme to the employees of the Shikhohabad factory.





# Notes to Standalone Financial Statements for the year ended 31st March 2023

### Note 46: Ratios

| Ratio | Numerator | Denominator | 31-Mar-23 | 31-Mar-22 (Restated) | % Change | Reasons for variance |
|---|---|---|---|---|---|---|
| **Current ratio (in times)** | Total current assets | Total current liabilities | 1.32 | 1.23 | 7.75% | – |
| **Debt equity ratio (in times)** | Total borrowings (including current maturities of long term borrowings & excluding lease liabilities) | Total equity | 0.00 | 0.02 | (99.59%) | The Company has adopted a focused approach towards EPC Business, which has resulted in pullback of capital and receivables in EPC Business. Further, this has resulted in a positive cash flow from operations, which has been used to repay debt. |
| **Debt service coverage ratio (in times)** | (Net Profit / (Loss) for the period + Exceptional Items + Finance Costs + Depreciation and amortisation expense + Non-cash operating expenses | Finance Costs + Long term borrowings scheduled principal repayments during the period, excluding lease liabilities | 5.84 | 1.02 | 473.07% | Overall debt levels has reduced, which has further reduced the finance cost on borrowings. Hence there has been a significant increase in the coverage ratio |
| **Return on equity ratio (%)** | Profit / (loss) for the year | Average total equity | 12.44% | 8.17% | 52.31% | There has been a substantial rise of 68% in the PAT mainly due to breakeven profitability in EPC division which has given a profit of ₹ 734.44 lakhs vs a loss of ₹ 3,961.44 lakhs in the previous year. Further finance cost has also reduced by ₹ 2,096.84 lakhs, which has helped to increase the overall profitaiblity of the Company, there by increasing the return on networth |
| **Inventory turnover ratio (in times)** | Cost of raw materials consumed + Purchases of traded goods + Changes in inventories of work-in-progress, finished goods, traded goods + Erection & subcontracting expenses | Average inventory | 3.72 | 3.51 | 6.12% | – |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

| Ratio | Numerator | Denominator | 31-Mar-23 | 31-Mar-22 (Restated) | % Change | Reasons for variance |
|---|---|---|---|---|---|---|
| **Trade receivables turnover ratio (in times)** | Revenue from operations (including other operating income) | Average receivables | 3.71 | 2.93 | 26.74% | There has been a substantial increase in receivables in the Consumer Products division, mainly due to change in channel mix towards alternate channels which includes Ecom and Instiution. Further, there has been weaker collection in March 2023, due to subdued market conditions, which will reverse out in first half of FY24 |
| **Trade payables turnover ratio (in times)** | Cost of raw materials consumed + Purchases of traded goods + Changes in inventories of work-in-progress, finished goods, traded goods + Erection & subcontracting expenses | Average payables | 2.71 | 3.15 | (14.03%) | – |
| **Net capital turnover ratio (in times)** | Revenue from operations (including other operating income) | Net capital (current assets - current liabilities) | 6.49 | 9.96 | (34.81%) | There has been a substantial increase in the net working capital due to increase in debtors as highlighted above. As a result of which there has been a reduction in the ratio |
| **Net profit ratio (%)** | Profit for the year | Revenue from operations | 4.25% | 2.86% | 48.94% | There has been a substantial rise of 68% in the PAT mainly due to breakeven profitability in EPC division which has given a profit of ₹ 734.44 lakhs vs a loss of ₹ 3,961.44 lakhs in the previous year. Further finance cost has also reduced by ₹ 2,096.84 lakhs, which has helped to increase the overall profitaiblity of the Company, there by increasing the return on networth |
| **Return on capital employed (%)** | Finance cost + Exceptional items + Profit before tax | Average capital employed | 19.53% | 13.54% | 44.29% | There has been an increase in overall EBIT of the Company, mainly due to breakeven profitability achieved in EPC division of 734.44 lakhs vs a loss of rs. 3.961.44 lakhs in the previous year |
| **Return on investment (%)** | Interest on bank deposits | Average bank deposits | 4.26% | 1.96% | 117.00% | There has been an overall increase in the interest rates, which has helped to achieve higher returns |





# Notes to Standalone Financial Statements for the year ended 31st March 2023

## Note 47: Other statutory information

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

2. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period,

3. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

4. 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

5. 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,

6. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

7. The Company has not granted any loans or advances in nature of loans to promoters, directors and KMPs either severally or jointly with any other person during the year ended March 31, 2023 and March 31, 2022.

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

9. The Company has not revalued its property, plant and equipment (including right-to-use assets) or intangible assets during the year ended March 31, 2023 and March 31, 2022."

10. Transactions with the companies which are struck off are as under

(₹ in Lakhs)

| Nature of Transaction | Count (FY23) | Count (FY22) | As on March 31, 2023 | As on March 31, 2022 |
|---|---|---|---|---|
| Receivables from customers | – | 2 | – | 33.6 |
| Receivables / (Payable) from /(to) vendors | 59 | 32 | 71.43 | 6.92 |

# Notes to Standalone Financial Statements for the year ended 31st March 2023

**Note 48: Subsequent events**

The Company has evaluated subsequent events from the balance sheet date through May 23, 2023, the date at which the standalone financial statements were available to be issued, and determined that there are no material items to disclose.

**Note 49:** Previous year's figures have been regrouped / reclassed wherever necessary to correspond with the current year's classification / disclosure.

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.105938

Mumbai, May 23, 2023

For and on behalf of the Board of directors
of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

**Anuj Poddar**
Managing Director & Chief Executive Officer
DIN: 01908009

**Ajay Nagle**
Company Secretary

**EC Prasad**
Chief Financial Officer

**Shailesh Haribhakti**
Chairman - Audit Committee
DIN: 00007347



# Consolidated Financial Statements

# Independent Auditor's Report

To the Members of **Bajaj Electricals Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Bajaj Electricals Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| **A. Cost to complete estimates in the EPC business segment (Refer Note 1D(3) of the consolidated financial statements)** | |
| Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of related contract risks and their financial estimation; scope of deliveries and services required for fulfilling the contractually defined obligations and expected delays, if any.<br><br>Accordingly, cost to complete estimates have been considered as a key audit matter. | Our audit procedures included the following:<br>• Performed procedures to test the design and operating effectiveness of controls relating to cost estimation;<br>• Selected projects by applying audit sampling techniques and examined whether the cost estimates for these projects are in line with the supplier quotations obtained by the management and other internal estimates where latest supplier quotations are not available.<br>• Examined whether the future supply quantities in the selected projects are in line with the contractual Bill of Quantities (BOQ) / survey conducted by the management. Further, also performed audit tests in respect of erection and other overhead costs considered in the selected projects.<br>• Examined the contingencies identified by the management in these selected projects and corroborated the same with internal / external evidence available with the management.<br>• Examined project contractual terms and customer correspondences for the selected projects, to determine any adjustments to be considered to the project margins. |
| **B. Impairment allowance on trade receivables pertaining to operationally closed projects in Power Distribution (PD) and Transmission Line Tower (TLT) business (Refer Note 1D(2) and Note 6 of the consolidated financial statements)** | |
| As at March 31, 2023, trade receivables of ₹ 15,688.56 lakhs (net of impairment allowance of ₹ 3,362.88 lakhs) related to amounts collectible in respect of operationally closed projects in the PD and TLT business.<br><br>In determining whether an impairment allowance is required, the management takes into consideration the ageing status and likelihood of collection based on contractual terms, past experience, customer correspondences etc. Based on such assessment, specific allowances are made for receivables that are unlikely to be collected.<br><br>Due to the involvement of management's judgement and materiality of the amounts involved, we have considered the same as a key audit matter. | Our audit procedures included the following<br>• Obtained management's assessment of recoverability of receivables from operationally closed projects.<br>• Discussed with the business heads in the PD and TLT business on the steps taken by them for recovery of the amounts, including discussions with customers during the period under audit.<br>• For samples, assessed whether the rationale behind the management's judgment in determining the impairment provisions are in line with the customer correspondences (including any disputes), material reconciliations (where done during the year) and post year end payments. |
| **C. Timing of revenue recognition for Consumer Product business (Refer Notes 1B(3)(1) and 24 of the consolidated Ind financial statements)** | |
| Revenue from contracts with customers is recognised upon transfer of control of promised goods and is measured at the fair value of the consideration received or receivable, net of returns, schemes and rebates, based on contractually defined terms. | Audit procedures included the following:<br>• Assessed the Holding Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.<br>• Assessed the design and tested the operating effectiveness of internal financial controls related to timing of revenue recognition. |

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| The timing of transfer of control in case of sales to distributors is basis the arrangements including delivery specifications and incoterms, payment terms and ability of customers to return the goods if unsold in the market which create complexity and judgment in determining the timing of recognition of revenues.<br>The risk is, therefore, that revenue is not recognized in the correct period and accordingly, it was determined to be a key audit matter in our audit of the consolidated financial statements. | • For sample customers, obtained and assessed the arrangements with the Company and impact on revenue recognition including their payment terms and right to returns<br>• Performed sample tests of individual sales transaction based on sales invoices and other related documents. In respect of the samples selected, tested the timing of revenue recognition in accordance with Ind AS 115.<br>• Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents and the terms of sale.<br>• Performed analytical procedures on sales and sales return trend.<br>• For sample customer balances, obtained direct confirmation and tested the reconciliations if any. |
| **D. Impairment testing of Goodwill (Refer Note 1B(2) and 45 of the consolidated financial statements)** | |
| As at March 31, 2023, the Company has carrying amount of Goodwill of ₹ 19,001.10 lakhs pertaining to Starlite Lighting Limited and Nirlep Appliances Private Limited<br>In accordance with the requirements of Ind AS 36 Impairment of Assets, the Company performs an annual impairment assessment of Goodwill and the corresponding cash generating units to determine whether the recoverable value is below the carrying amount as at March 31, 2023.<br>For this purpose, the recoverable value of the cash generating unit is based on the value in use model, which has been derived from the discounted cash flow model. The model requires the Company to make significant assumptions such as discount rate, near and long-term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook.<br>Changes in certain methodologies and assumptions can lead to significant changes in the assessment of the recoverable value.<br>Due to the level of judgments involved and its significance to the Company's financial position, this is considered to be a key audit matter. | Our audit procedures included the following:<br>• Obtained an understanding of the process followed by the management to determine the recoverable amounts of cash generating units determined by the Company.<br>• Evaluated the design and implementation and tested the operating effectiveness of key internal controls related to the Company's process relating to review of the annual impairment analysis.<br>• Assessed Company's valuation methodology applied in determining recoverable value including the reasonableness of identification of cash generating units around the key drivers (cash flow forecasts, discount rates, expected growth rates, forecasted margins and terminal growth rates) based on our knowledge of the Company and Industry. Compared the historical accuracy by comparing past forecasts to actual results achieved.<br>• Assessed the recoverable value headroom by performing sensitivity testing of key assumptions used.<br>• Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units<br>• Assessed the disclosures made in the consolidated financial statements |

We have determined that there are no other key audit matters to communicate in our report.

**Information Other than the Financial Statements and Auditor's Report Thereon**

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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



**Responsibilities of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary whose financial statements and other financial information reflect total assets of ₹ 48.25 lakhs as at March 31, 2023, and total revenues of ₹ 0.00 lakhs and net cash inflows of ₹ 40.03 for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of ₹ 0.00 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of one associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary and associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statements and other financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate company incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

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

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

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate company, none of the directors of the Group's companies, its associate, incorporated in India, 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 adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies and associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries and associate incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and an associate, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 40 to the consolidated financial statements;

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 40 to the consolidated financial statements in respect of such items as it relates to the Group and its associate;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, and associate, incorporated in India during the year ended March 31, 2023.

iv. a) The respective managements of the Holding Company and its subsidiaries and an associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and an associate respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate 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 respective Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and an associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and an associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries and an associate companies incorporated in India, hence reporting under this clause is not applicable.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**
Partner
Membership No.: 105938
UDIN: 23105938BGXGHA4399

Mumbai, May 23, 2023

# Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

## Re: Bajaj Electricals Limited ("the Holding Company")

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

| Sr no | Name | CIN | Holding company/ subsidiary/ associate/ joint venture | Clause number of the CARO report which is qualified or is adverse |
|---|---|---|---|---|
| 1 | Bajaj Electricals Limited | L31500MH1938PLC009887 | Holding Company | Paragraph 3(i)(c) |
| 2 | Nirlep Appliances Private Limited | U27200MH1979PTC021470 | Subsidiary | Paragraph 3(xvii) |

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**
Partner
Membership No.: 105938
UDIN: 23105938BGXGHA4399

Mumbai, May 23, 2023

# Annexure '2' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

**Re: Bajaj Electricals Limited ("the Holding Company")**

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

In conjunction with our audit of the consolidated financial statements of Bajaj Electricals Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

## Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Consolidated Financial Statements

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

## Opinion

In our opinion, the Group and its associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these two subsidiaries and an associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries associate incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**
Partner
Membership No.: 105938
UDIN: 23105938BGXGGZ9835

Mumbai, May 23, 2023

# Consolidated Balance Sheet as at 31st March 2023

(₹ in Lakhs)

| Particulars | Notes | As at 31-Mar-23 | As at 31-Mar-22 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 2 | 35,548.52 | 35,769.89 |
| Capital work in progress | 2 | 4,100.11 | 2,820.12 |
| Investment properties | 4.1 | 12,947.65 | 13,077.04 |
| Goodwill | 45 | 19,001.10 | 19,001.10 |
| Right-of-use assets | 3 | 12,298.88 | 6,855.68 |
| Intangible assets | 4 | 1,923.21 | 665.88 |
| Intangible assets under development | 4 | 145.91 | 1,546.59 |
| Investments in associate | 5.1 | – | – |
| **Financial Assets** | | | |
| i) Investments | 5.3 | 600.58 | 489.73 |
| ii) Trade receivables | 6 | 8,436.72 | 22,109.94 |
| iii) Loans | 7 | – | 22.35 |
| iv) Other financial assets | 8 | 3,080.13 | 3,783.59 |
| Deferred tax assets (net) | 9 | – | 8,143.54 |
| Income tax assets (net) | | 12,802.45 | 10,405.17 |
| Other non-current assets | 10 | 15,583.72 | 13,358.61 |
| **Total Non-Current Assets** | | **1,26,468.98** | **1,38,049.23** |
| **Current Assets** | | | |
| Inventories | 11 | 1,07,207.48 | 99,788.02 |
| **Financial Assets** | | | |
| i) Investments | 5.2 | 4,078.23 | – |
| ii) Trade receivables | 6 | 1,48,062.32 | 1,13,951.23 |
| iii) Cash and cash equivalents | 12 | 34,175.92 | 11,881.50 |
| iv) Bank balances other than (ii) above | 12 | 2,871.68 | 2,372.26 |
| v) Loans | 7 | 35.21 | 0.84 |
| vi) Other current financial assets | 13 | 1,260.04 | 776.39 |
| Other current assets | 14 | 38,685.86 | 25,273.97 |
| Contract assets | 41 | 4,650.98 | 5,344.34 |
| | | **3,41,027.72** | **2,59,388.55** |
| Assets classified as held for sale | 15 | 219.40 | 1,719.41 |
| **Total Current Assets** | | **3,41,247.12** | **2,61,107.96** |
| **Total Assets** | | **4,67,716.10** | **3,99,157.19** |
| **EQUITY & LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 16 | 2,301.51 | 2,297.48 |
| Other Equity | 17 | 1,88,420.07 | 1,70,857.92 |
| Non-controlling interest | 46 | – | (2,633.98) |
| **Total Equity** | | **1,90,721.58** | **1,70,521.42** |
| **LIABILITIES** | | | |
| **Non-Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| i) Borrowings | 18 | – | 1,183.32 |
| ia) Lease liabilities | 3 | 7,183.97 | 3,035.04 |
| ii) Other financial liabilities | 19 | 16.52 | 34.48 |
| Provisions | 20 | 1,689.40 | 2,309.11 |
| Employee benefit obligations | 21 | 5,897.81 | 6,314.56 |
| Deferred tax liabilities (net) | 9 | 539.73 | – |
| **Total Non-Current Liabilities** | | **15,327.43** | **12,876.51** |
| **Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| i) Borrowings | 18 | 16.65 | 3,307.68 |
| ia) Lease liabilities | 3 | 2,939.67 | 1,552.76 |
| ii) Trade payables | 22 | | |
| Total Outstanding dues of micro enterprises & small enterprises | | 5,498.99 | 7,905.23 |
| Total Outstanding dues of other than micro enterprises & small enterprises | | 1,51,402.77 | 1,15,641.46 |
| iii) Other current financial liabilities | 19 | 69,928.95 | 46,157.91 |
| Provisions | 20 | 4,876.02 | 7,854.79 |
| Employee benefit obligations | 21 | 1,569.60 | 918.77 |
| Current tax liabilities (net) | | 1,915.14 | 1,701.21 |
| Contract liabilities | 41 | 15,764.36 | 9,117.44 |
| Other current liabilities | 23 | 7,754.94 | 21,602.01 |
| **Total Current Liabilities** | | **2,61,667.09** | **2,15,759.26** |
| **Total Liabilities** | | **2,76,994.52** | **2,28,635.77** |
| **Total Equity & Liabilities** | | **4,67,716.10** | **3,99,157.19** |
| **Summary of significant accounting policies** | 1B | | |
| **The accompanying notes are an integral part of the Consolidated Financial Statements** | | | |

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.105938

Mumbai, May 23, 2023

For and on behalf of the Board of directors
of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

**Anuj Poddar**
Managing Director & Chief Executive Officer
DIN: 01908009

**Ajay Nagle**
Company Secretary

**EC Prasad**
Chief Financial Officer

**Shailesh Haribhakti**
Chairman - Audit Committee
DIN: 00007347



# Statement of Consolidated Profit and Loss for the year ended 31st March 2023

(₹ in Lakhs)

| Particulars | Notes | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 |
|---|---|---|---|
| **Income:** | | | |
| Revenue from operations | 24 | 5,42,926.48 | 4,81,301.45 |
| Other income | 25 | 7,584.93 | 6,833.64 |
| **Total Income** | | **5,50,511.41** | **4,88,135.09** |
| **Expenses:** | | | |
| Cost of raw materials consumed | 26 | 57,113.80 | 59,814.65 |
| Purchases of traded goods | | 3,18,666.10 | 2,67,605.16 |
| Changes in inventories of work-in-progress, finished goods, traded goods | 26 | (4,592.82) | 1,711.05 |
| Erection & subcontracting expenses | 27 | 5,419.48 | 13,395.21 |
| Employee benefits expenses | 28 | 42,629.36 | 40,140.08 |
| Depreciation and amortisation expense | 29 | 8,173.30 | 6,923.44 |
| Other expenses | 30 | 87,921.35 | 73,620.19 |
| Finance costs | 31 | 4,839.03 | 6,974.36 |
| **Total Expenses** | | **5,20,169.60** | **4,70,184.14** |
| **Profit before share of profit / (loss) of an associate and a joint venture, exceptional items and tax** | | **30,341.81** | **17,950.95** |
| Exceptional Items | 48 | – | 1,322.69 |
| **Profit before share of profit / (loss) of an associate and a joint venture and tax** | | **30,341.81** | **16,628.26** |
| Share of profit / (loss) of associate and joint venture | | – | – |
| **Profit before tax** | | **30,341.81** | **16,628.26** |
| **Tax expense / (credit) :** | | | |
| Current tax | 32 | 5,178.79 | 5,321.86 |
| Deferred tax | 9 | 3,544.49 | (644.92) |
| Adjustment of tax relating to earlier periods | | – | (489.34) |
| **Total tax expenses** | | **8,723.28** | **4,187.60** |
| **Profit for the year** | | **21,618.53** | **12,440.66** |
| **Other comprehensive (income) / loss** | | | |
| Items that will be reclassified to profit and loss in subsequent periods | | | |
| Cash flow hedge reserve | 35c | 41.72 | (51.20) |
| Tax impacts on above | | (10.50) | 12.89 |
| Items that will not be reclassified to profit and loss in subsequent periods | | | |
| Remeasurement (gains)/losses on defined benefit plans | 21 | (272.07) | (710.34) |
| Tax impacts on above | 9 | 68.47 | 178.78 |
| **Other comprehensive income net of tax** | | **(172.38)** | **(569.87)** |
| **Total Comprehensive Income net of tax** | | **21,790.91** | **13,010.53** |
| **Profit for the year attributable to** | | | |
| Equity holders of the parent | | 21,618.53 | 12,851.65 |
| Non-controlling interest | | – | (410.99) |
| **Other comprehensive (income) / loss for the year attributable to** | | | |
| Equity holders of the parent | | (172.38) | (571.97) |
| Non-controlling interest | | – | 2.10 |
| **Total comprehensive income / (loss) for the year attributable to** | | | |
| Equity holders of the parent | | 21,790.91 | 13,423.62 |
| Non-controlling interest | | – | (413.09) |
| **Earnings per equity share before exceptional items (face value per share ₹ 2)** | 39 | | |
| Basic | | 18.80 | 11.71 |
| Diluted | | 18.77 | 11.67 |
| **Earnings per equity share after exceptional items (face value per share ₹ 2)** | 39 | | |
| Basic | | 18.80 | 10.85 |
| Diluted | | 18.77 | 10.81 |
| Summary of significant accounting policies | 1B | | |
| **The accompanying notes are an integral part of the Consolidated Financial Statements** | | | |

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.105938

Mumbai, May 23, 2023

For and on behalf of the Board of directors
of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

**Anuj Poddar**
Managing Director & Chief Executive Officer
DIN: 01908009

**Ajay Nagle**
Company Secretary

**EC Prasad**
Chief Financial Officer

**Shailesh Haribhakti**
Chairman - Audit Committee
DIN: 00007347

# Consolidated Statement of Changes in Equity for the year ended 31st March 2023

## A. Equity share capital (Note 16)

(₹ in Lakhs)

| Particulars | Year Ended 31st March 2023 | Year Ended 31st March 2022 |
|---|---|---|
| Equity shares of ₹ 2 each issued, subscribed and fully paid-up | | |
| **At the beginning of the year** | **2,297.48** | **2,290.73** |
| Changes in Equity Share Capital due to prior period errors | – | – |
| **Restated balance at the beginning of the year** | **2,297.48** | **2,290.73** |
| Issue of equity share capital during the year | 4.03 | 6.75 |
| **At the end of the year** | **2,301.51** | **2,297.48** |

## B. Other equity (Note 17)

(₹ in Lakhs)

| Particulars | Share Application Money Pending Allotment | Reserves and surplus | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Amalgamation Adjustment Reserve | Effective Portion of Cashflow Hedges | Securities premium reserve | Debenture Redemption Reserve | Shares Option Outstanding | General Reserve | Retained earnings * | Capital Redemption Reserve | Capital Reserve | |
| Balance as at 31st March 2022 | – | – | 88.29 | 65,356.13 | – | 1,198.56 | 45,967.75 | 57,936.30 | 135.71 | 175.18 | 1,70,857.92 |
| Profit for the year | – | – | – | – | – | – | – | 21,618.53 | – | – | 21,618.53 |
| Other comprehensive income | – | – | (31.22) | – | – | – | – | 203.60 | – | – | 172.38 |
| **Total** | **–** | **–** | **57.07** | **65,356.13** | **–** | **1,198.56** | **45,967.75** | **79,758.43** | **135.71** | **175.18** | **1,92,648.83** |
| Exercise of share options | – | – | – | 893.24 | – | – | – | – | – | – | 893.24 |
| Exercise of share options - transferred from shares options outstanding account | – | – | – | 344.84 | – | (344.84) | – | – | – | – | – |
| Employee stock option expense for the year | – | – | – | – | – | 1,084.00 | – | – | – | – | 1,084.00 |
| Transferred from share options outstanding account on lapse of vested options | – | – | – | – | – | (63.66) | – | 63.66 | – | – | – |
| Dividend on equity shares | – | – | | – | – | – | – | (3,447.13) | – | – | (3,447.13) |
| Issue of share capital | (0.19) | – | – | 0.19 | – | – | – | | – | – | (0.00) |
| Transfer from minority interest on account of business combination (refer note 46) | 0.19 | (2,327.15) | – | – | – | – | – | (305.93) | – | – | (2,632.90) |
| Charge for the year | – | – | (125.98) | – | – | – | – | – | – | – | (125.98) |
| **Balance as at 31st March 2023** | **–** | **(2,327.15)** | **(68.91)** | **66,594.40** | **–** | **1,874.06** | **45,967.75** | **76,069.03** | **135.71** | **175.18** | **1,88,420.07** |

* Retained earnings includes revaluation reserve of ₹ 808.60 lakhs subsumed during transition to Ind AS

# Consolidated Statement of Changes in Equity for the year ended 31st March 2023

## B. Other equity (Note 17)

(₹ in Lakhs)

| Particulars | Share Application Money Pending Allotment | Reserves and surplus | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Amalgamation Adjustment Reserve | Effective Portion of Cashflow Hedges | Securities premium reserve | Debenture Redemption Reserve | Shares Option Outstanding | General Reserve | Retained earnings * | Capital Redemption Reserve | Capital Reserve | |
| **Balance as at 31st March 2021** | **12.51** | **–** | **–** | **63,391.97** | **3,750.00** | **1,181.39** | **45,967.75** | **40,917.38** | **135.71** | **175.18** | **1,55,531.89** |
| Profit for the year | – | – | – | – | – | – | – | 12,851.65 | – | – | 12,851.65 |
| Other comprehensive income | – | – | 38.31 | – | – | – | – | 533.66 | – | – | 571.97 |
| **Total** | **12.51** | | **38.31** | **63,391.97** | **3,750.00** | **1,181.39** | **45,967.75** | **54,302.69** | **135.71** | **175.18** | **1,68,955.51** |
| Exercise of share options | – | – | – | 1,435.02 | – | – | – | – | – | – | 1,435.02 |
| Exercise of share options - transferred from shares options outstanding account | – | – | – | 529.14 | – | (529.14) | – | – | – | – | – |
| Employee stock option expense for the year | – | – | – | – | – | 580.85 | – | – | – | – | 580.85 |
| Transferred from share options outstanding account on lapse of vested options | – | – | – | – | – | (34.54) | – | 34.54 | – | – | – |
| Transfer from Debenture redemption reserve to general reserve | – | – | – | – | (3,750.00) | – | – | 3,750.00 | – | – | – |
| Application money received | (12.51) | – | – | – | – | – | – | – | – | – | (12.51) |
| Charge for the year | – | – | 49.98 | – | – | – | – | – | – | – | 49.98 |
| Fair value of non-controlling interest put option | – | – | – | – | – | – | – | (150.93) | – | – | (150.93) |
| **Balance as at 31st March 2022** | **–** | **–** | **88.29** | **65,356.13** | **–** | **1,198.56** | **45,967.75** | **57,936.30** | **135.71** | **175.18** | **1,70,857.92** |

* Retained earnings includes revaluation reserve of ₹ 808.60 lakhs subsumed during transition to Ind AS

**Summary of significant accounting policies (Note 1B).**

**The accompanying notes are an integral part of the Consolidated Financial Statements**

As per our report attached of even date

For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.105938

Mumbai, May 23, 2023

For and on behalf of the Board of directors
of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

**Anuj Poddar**
Managing Director & Chief Executive Officer
DIN: 01908009

**Ajay Nagle**
Company Secretary

**EC Prasad**
Chief Financial Officer

**Shailesh Haribhakti**
Chairman - Audit Committee
DIN: 00007347

# Consolidated Cash Flow Statement for the year ended 31st March 2023

(₹ in Lakhs)

| Particulars | Year ended 31-Mar-23 | Year ended 31-Mar-22 |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Profit before income tax** | 30,341.81 | 16,628.26 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 8,173.30 | 6,923.44 |
| Employee share-based payment expense | 1,084.00 | 580.85 |
| Gain on disposal of property, plant and equipment (net) | (279.91) | (490.97) |
| Measurement of financial assets held at fair value through Profit or Loss | (110.85) | (19.99) |
| Measurement of financial assets and liabilities held at amortised cost | (57.79) | (59.05) |
| Measurement of provisions at fair value | – | (354.49) |
| Impairment of property, plant and equipment | – | 845.00 |
| Finance costs | 4,839.03 | 6,974.36 |
| Interest income | (927.25) | (694.81) |
| Impairment allowance for doubtful debts & advances (net of write back) | 462.85 | (2,303.18) |
| Bad debts and other irrecoverable debit balances written off | (570.90) | 1,374.00 |
| | **42,954.29** | **29,403.42** |
| **Change in operating assets and liabilities:** | | |
| (Increase)/decrease in trade receivables (current & non-current) | (20,476.12) | 57,213.09 |
| (Increase)/decrease in financial and other assets (current & non-current) | (14,420.62) | 3,051.67 |
| (Increase)/decrease in inventories | (7,419.46) | 2,047.45 |
| Increase/(decrease) in trade payables , provisions, employee benefit obligations, other financial liabilities and other liabilities (current & non-current) | 46,609.09 | 4,159.64 |
| **Cash generated from operations** | **47,247.18** | **95,875.27** |
| Income taxes paid (net of refunds) | (2,281.33) | (4,461.45) |
| **Net cash inflow from operating activities** | **44,965.85** | **91,413.82** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment including capital work in progress and capital advances | (7,587.67) | (6,768.33) |
| Purchase of intangible assets including intangible assets under development | (974.15) | (796.44) |
| Proceeds from sale of property, plant and equipment including advances received | 968.93 | 3,272.12 |
| Proceeds from sale of assets held for sale | 1,500.00 | – |
| Proceeds from sale of investment properties | 16.52 | – |
| Loans and advances given by associate and joint venture (net) | 10.00 | (10.00) |
| Purchase of financial instrument | (36,578.23) | (2,508.14) |
| Proceeds from sale of financial instruments | 32,500.00 | – |
| Investment in bank deposits | 533.73 | (792.75) |
| Interest received | 807.12 | 551.25 |
| **Net cash used in investing activities** | **(8,803.75)** | **(7,052.29)** |



# Consolidated Cash Flow Statement for the year ended 31st March 2023

(₹ in Lakhs)

| Particulars | Year ended 31-Mar-23 | Year ended 31-Mar-22 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Proceeds from issues of shares | 897.27 | 1,429.26 |
| Proceeds from borrowings | – | 1,263.67 |
| Repayment of borrowings | (4,474.35) | (65,297.92) |
| Payment of principal portion of lease liabilities | (2,217.96) | (1,781.85) |
| Interest paid on lease liabilities | (544.44) | (545.00) |
| Interest paid on borrowings | (4,081.07) | (12,187.99) |
| Dividend paid to equity shareholders | (3,447.13) | – |
| **Net cash used in financing activities** | **(13,867.68)** | **(77,119.83)** |
| **Net increase in cash and cash equivalents** | **22,294.42** | **7,241.70** |
| Cash and cash equivalents at the beginning of the year | 11,881.50 | 4,563.58 |
| Acquired on business combinations | – | 76.22 |
| **Cash and cash equivalents at the end of the year** | **34,175.92** | **11,881.50** |

(₹ in Lakhs)

| Change in liability arising from financing activities | Year ended 31-Mar-23 | Year ended 31-Mar-22 |
|---|---|---|
| **Borrowings as on the beginning of the year** | 4,491.00 | 47,062.89 |
| Proceeds from borrowings * | – | 1,263.67 |
| Repayment of borrowings | (4,474.35) | (65,297.92) |
| Acquired on business combinations | – | 21,462.36 |
| **Borrowings as on the end of the year** | **16.65** | **4,491.00** |

* Proceeds from borrowings includes ₹ NIL towards borrowings.

Summary of significant accounting policies (Note 1B)

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.105938

Mumbai, May 23, 2023

For and on behalf of the Board of directors
of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

**Anuj Poddar**
Managing Director & Chief Executive Officer
DIN: 01908009

**Ajay Nagle**
Company Secretary

**EC Prasad**
Chief Financial Officer

**Shailesh Haribhakti**
Chairman - Audit Committee
DIN: 00007347

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 1

### 1A GENERAL INFORMATION.

Bajaj Electricals Limited ('the Company') is an existing public limited company incorporated on 14th July 1938 under the provisions of the Indian Companies Act, 1913 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at 45/47, Veer Nariman Road, Mumbai-400 001.

The Group deals in Consumer Products (CP) (which includes domestic appliances, kitchen appliances, and electric Fans). The Group deals in Lighting Solutions (which includes consumer and professional lighting). The Group also deals in Engineering and projects (EPC) (which includes transmission line towers and power distribution). The equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The consolidated financial statements are presented in Indian Rupee (INR).

The consolidated financial statements have been recommended for approval by the audit committee and is approved and adopted by the Board of the Parent Company, in their meeting held in Mumbai on 23rd May, 2023.

### 1B SIGNIFICANT ACCOUNTING POLICIES

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

#### 1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

The consolidated financial statements are prepared under the historical cost convention except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- assets held for sale which are measured at lower of carrying value and fair value less cost to sell;
- defined benefit plans where plan assets are measured at fair value; and
- share-based payments at fair value as on the grant date of options given to employees.

Estimates, judgements and assumptions used in the preparation of the consolidated financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements, which may differ from the actual results at a subsequent date. The critical estimates, judgements and assumptions are presented in Note no. 1D.

The Group presents assets and liabilities in the balance sheet based on current and non-current classification. Deferred tax assets and liabilities are classified as non-current.

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities as classified as non-current.

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

#### Basis of consolidation

The consolidated financial statements includes financial statements of Bajaj Electricals Limited and its subsidiaries (together referred as a Group), an associate and results of a joint venture, consolidated in accordance with Ind AS 28 - Investments in associate and joint venture, Ind AS 111 – Joint Arrangements and Ind AS 110 – Consolidated financial statements as given below:

| Name of the Company | Country of Incorpo-ration | % share holding of the Company | Consolidated / Equity accounted as |
|---|---|---|---|
| Hind Lamps Limited | India | 19.00% | Associate |
| Nirlep Appliances Private Ltd | India | 100.00% | Subsidiary |
| Bajel Projects Limited | India | 100.00% | Subsidiary |

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting polices other than those adopted in the consolidated financial statements for like transactions and other events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statement of all entities used for the purpose of consolidation are drawn upto same reporting date as that of the parent company i.e., year ended 31st March .

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

### Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Put options held by non-controlling interests in the Group's subsidiaries entitle the non-controlling interest to sell its interest in the subsidiary to the Group at pre-determined values and on contracted dates. In such cases, the Group consolidates the non-controlling interest's share of the equity in the subsidiary and recognises the fair value of the non-controlling interest's put option, being the present value of the estimated future purchase price, as a financial liability in the statement of financial position. In raising this liability, the non-controlling interest is derecognised and any excess or shortfall is charged or realised directly in retained earnings in the statement of changes in equity.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Interest in associate and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition the consolidated financial statements include the groups share of profit and loss and OCI of equity accounted investee until the date on which significant influence or joint control ceases

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Notes to Consolidated Financial Statements for the year ended 31st March 2023

### 2 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values (including related deferred tax). For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

**3 Revenue from contract with customers:**

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

The recognition criteria for sale of products and construction contracts is described below

**(1) Sale of products**

Revenue from sale of products is recognized at the point in time when control of the asset is transferred to the customer, generally on dispatch of the product to the customer's destination. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., customer loyalty points and warranties). In determining the transaction price for the sale of product, the Group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

The Group provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group has a loyalty points program, "Retailer Bonding Program", which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as deferred revenue until the points are redeemed. Revenue is recognized upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the deferred revenue are charged against revenue.

The Group provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are bundled together with the sale of products. Contracts for bundled sales of products and a service-type warranty comprise two performance obligations because the product and service-type warranty are both sold on a stand-alone basis and are distinct within the context of contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as deferred revenue. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

**(2) Construction contracts**

Performance obligation in case of construction contracts is satisfied over a period of time, as the Group creates an asset that the customer control and the Group has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of technical, political, regulatory and other related contract risks and their financial estimation; scope of deliveries and services required for fulfilling the contractually defined obligations and expected delays, if any. Provision for foreseeable losses/ construction contingencies on said contracts is made based on technical assessments of costs to be incurred and revenue to be accounted for. The Group has long-term receivables from customers. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component

**(3) Contract balances**

**Contract asset**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable represents the Group right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

**4 Leases:**

**As a lessee:**

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test.

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

The Group has determined leasehold lands also as, right of use assets and hence the same has been classified from property, plant and equipment to right of use assets.

Leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Consolidate Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases that are considered of low value (i.e., below ₹ 5,00,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## 5 Other income:

(1) Interest income on financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instruments.

(2) Others:

The Group recognises other income (including income from sale of power generated, income from scrap sales, income from claims received, etc.) on accrual basis. However, where the ultimate collection of the same is uncertain, revenue recognition is postponed to the extent of uncertainty. Rental income arising from operating leases is accounted for on a straight line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and is included in the Consolidate Statement of profit or loss due to its operating nature.

## 6 Property, plant and equipment :

**A) Asset class:**

i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.

ii) All other items of property, plant and equipment (including capital work in progress) are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

iii) Capital goods manufactured by the Group for its own use are carried at their cost of production (including duties and other levies, if any) less accumulated depreciation and impairment losses if any.

iv) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit and loss. during the year in which they are incurred.

v) Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipments which are carried at cost are recognised in the consolidated statement of profit and loss.

vi) Capital work-in-progress, property, plant and equipment is stated at cost, net of accumulated depreciation. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing cost for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred. Capital work-in-progress comprises cost of property, plant and equipment (including related expenses), that are not yet ready for their intended use at the reporting date.

**B) Depreciation:**

i) Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Premium of Leasehold land and leasehold improvements cost are amortised over the primary period of lease.

ii) 100% depreciation is provided in the month of addition for temporary structure cost at project site

iii) Where a significant component (in terms of cost) of an asset has an economic useful life different than that of it's corresponding asset, the component is depreciated over it's estimated useful life.

iv) The Group, based on internal technical assessments and management estimates, depreciates certain items of property, plant & equipment over the estimated useful lives and considering residual value which are different from the one prescribed in Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

v) Useful life of asset is as given below:

| Asset block | Useful Lives (in years) |
|---|---|
| Leasehold Land | Over the period of the lease |
| Building - Office | 5 to 70 |
| Building - Factory | 2 to 30 |
| Ownership Premises | 60 |
| Plant & Machinery | 1 to 22 |
| Furniture & Fixtures | 1 to 24 |
| Electric Installations | 1 to 25 |
| Office Equipment | 2 to 10 |
| Vehicles | 8 to 10 |
| Dies & Jigs | 1 to 10 |
| Leasehold Improvements | 5 to 10 |
| Roads & Borewell | 3 to 21 |
| IT hardware | 1 to 10 |
| Laboratory Equipment | 1 to 10 |

vi ) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

financial year and adjusted prospectively, if appropriate.

## 7 Intangible assets:

An intangible asset shall be recognised if, and only if:

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group; and

(b) the cost of the asset can be measured reliably.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

**Asset class & depreciation:**

Computer softwares / licenses are carried at historical cost. They have an expected finite useful life of 3 years and are carried at cost less accumulated amortisation and impairment losses. Computer licenses which are purchased on annual subscription basis are expensed off in the year of purchase .

Trademarks are carried at historical cost. They have an registered finite useful life of 10 years and are carried at cost less accumulated amortisation and impairment losses.

Brand (Nirlep) is recognised on business combination and is amortised over a period of 5 years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidate statement of profit and loss unless such expenditure forms part of carrying value of another asset.

**Research and development costs**

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the consolidate statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

## 8 Investment properties:

Investment properties that are not intended to be occupied substantially for use by, or in the operations of the Group have been considered as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Group does not charge depreciation to investment property land which is held for future undetermined use. Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. The Group depreciates its investment properties over the useful life which is similar to that of property, plant and equipment.

## 9 Impairment of non-financial assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment loss is charged to the Statement of Profit & Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in the prior accounting periods is reversed if there has been change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

Impairment losses are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidate statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## 10 Financial instruments:

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

### I. Financial Assets

#### A) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

**B) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the consolidated statement of profit and loss.. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- Debt instruments at fair value through other comprehensive income (FVTOCI)

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

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

- Debt instruments at fair value through profit or loss (FVTPL)

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

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**C) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**D) Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**II. Financial Liabilities**

**A) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

**B) Subsequent measurement**

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

- Financial liabilities at fair value through profit or loss

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss.

- Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

- Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the contractual payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

### C) De-recognition

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

### III. Reclassification of financial assets / liabilities

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations.

### IV. Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the consolidated 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 Group or the counterparty.

### V. Derivatives and hedging activities

The Group enters derivatives like forwards contracts to hedge its foreign currency risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently marked to market at the end of each reporting period with profit/loss being recognised in consolidated statement of profit and loss. Derivative assets/liabilities are classified under "other financial assets/ other financial liabilities". Profits and losses arising from cancellation of contracts are recognised in the consolidated statement of profit and loss.

The Group designates certain hedging instruments, which includes derivatives, embedded derivatives and non-derivatives in respect of foreign currency and commodity risk, as either cash flow hedge, fair value hedge or hedges or net investment in foreign operations. Hedges of foreign currency risk on firm commitments are accounted for cash flow hedges.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedge is when hedging the exposure to change in fair value of a recognised asset or liability or an unrecognised song commitment
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to particular risk associated with a recognised asset or liability or highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of hedge relationship, the Group formally designates and keeps the hedge relationship to which the Group wishes to apply hedge accounting and risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk by hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting exposure to changes in the hedge item fair value or cash flow attributable to the hedge risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cashflows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Hedge that meet the strict criteria for hedge accounting accounted for as described below

#### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to commodity contracts is recognised in other income or expenses.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

## 11. Fair value measurements:

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets.

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



Notes to Consolidated Financial Statements for the year ended 31st March 2023

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

## 12. Cash and cash equivalents:

Cash and cash equivalents in the consolidated balance sheet and for the purpose of the consolidated statement of cash flows, include cash on hand, other short-term, highly liquid investments 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.

## 13. Inventories:

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## 14. Foreign currency transactions:

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

a) On initial recognition, all foreign currency transactions are recorded at the functional currency spot rate at the date the transaction first qualifies for recognition.

b) Monetary assets and liabilities in foreign currency outstanding at the close of reporting date are translated at the functional currency spot rates of exchange at the reporting date.

c) Exchange differences arising on settlement of translation of monetary items are recognised in the Consolidated statement of profit and loss.

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

## 15. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and unabsorbed depreciation.

Current and deferred tax is recognized in the consolidated statement of profit and loss. except to the extent, it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

A. **Current income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Group establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

B. **Deferred tax**

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

## 16. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs also include exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

## 17. Provisions, contingent liabilities and contingent assets

A. **Provisions**

A provision is recognised if

- the Group has present legal or constructive obligation as a result of an event in the past;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation has been reliably estimated.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Group provides for general repairs of defects that existed at the time of sale, as required by the law. Provision for warranty related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The estimate of warranty related costs is revised annually.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

B. **Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

C. **Contingent assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognised but disclosed where an inflow of economic benefit is probable.

## 18. Employee benefits

A. **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in the same period in which the employees renders the related service and are measured at the amounts expected to be paid when the liabilities are settled.

Retirement benefit in the form of provident fund is a defined contribution plan. The Group has no obligation , other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related services. If the Contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payment or a cash refund.

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

**B. Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the consolidated statement of profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**C. Post-employment obligations**

The Group operates the following post-employment schemes

(a) defined benefit plans - gratuity and obligation towards shortfall of Provident Fund Trusts

(b) defined contribution plans - Provident fund (RPFC Contributions), superannuation and pension

**Defined benefit plans :**

The liability or asset recognised in the consolidated balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets excluding non-qualifying asset (reimbursement right). The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the balance sheet.

Insurance policy held by the Group from insurers who are related parties are not qualifying insurance policies and hence the right to reimbursement is recognised as a separate assets under other non-current and/or current assets as the case may be.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in consolidated profit or loss as past service cost.

**Defined contribution plans :**

In respect of certain employees, the Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group y has no further payment obligations once the contributions have been paid. Such contributions are accounted for as employee benefit expense when they are due. Defined contribution to superannuation fund is being made as per the scheme of the Group. Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority whereas the contributions for National Pension Scheme is made to Stock Holding Corporation of India Limited



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

**D. Share based payments**

The Parent Company operates a number of equity settled, employee share based compensation plans, under which the Parent Company receives services from employees as consideration for equity shares of the Parent Company. Equity settled share based payment to employees and other providing similar services are measured at fair value of the equity instrument at grant date.

The fair value of the employee services received in exchange for the grant of the options is determined by reference to the fair value of the options as at the Grant Date and is recognised as an 'employee benefits expense' with a corresponding increase in equity. The total expense is recognised over the vesting period which is the period over which the applicable vesting condition is to be satisfied. The total amount to be expensed is determined by reference to the fair value of the options granted excluding the impact of any service vesting conditions.

At the end of each year, the entity revises its estimates of the number of options that are expected to vest based on the service vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated profit or loss, with a corresponding adjustment to equity.

If at any point of time after the vesting of the share options, the right to the same expires (either by virtue of lapse of the exercise period or the employee leaving the Parent Company), the fair value of the options accruing in favour of the said employee are written back to the retained earnings in the reporting period in which the right expires.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share

## 19. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. Two or more operating segments are aggregated by the Group into a single operating segment if aggregation is consistent with the core principle of Ind AS 108, the segments have similar economic characteristics, and the segments are similar in aspects as defined by Ind AS.

The Group reports separately, information about an operating segment that meets any of quantitative thresholds as defined by Ind AS. Operating segments that do not meet any of the quantitative thresholds, are considered reportable and separately disclosed, only if management of the Group believes that information about the segment would be useful to users of the consolidated financial statements

Information about other business activities and operating segments that are not reportable separately are combined and disclosed in an 'all other segments' category

## 20. Dividends

The Parent Company recognises a liability to pay dividend to equity holders when the distribution is authorised and is no longer at the discretion of the Parent Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Parent Company's Board of Directors.

## 21. Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification. For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned.

The Group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

### 22. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group 's earnings per share is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit of loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**23.** All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakh (upto two decimals) as per the requirement of Schedule III, unless otherwise stated.

## 1C NEW AND AMENDED STANDARDS

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022. The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

### (i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period. There is no material impact on other comprehensive income or the basic and diluted earnings per share.

### (ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

### (iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

### (iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

2022 but do not apply to the Group as it is not a first-time adopter.

**(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

**(vi) Ind AS 41 Agriculture – Taxation in fair value measurements**

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments had no impact on the consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

**STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

**(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the consolidated financial statements.

**(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The amendments are not expected to have a material impact on the consolidated financial statements.

**1D SUMMARY OF CRITICAL ESTIMATES, JUDGEMENTS AND ASSUMPTIONS**

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgment in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included below.

**1 Warranty provision**

The Group generally offers 1 to 2 year warranties for its consumer products. Based on the evaluation of the past warranty trends, management has estimated that warranty costs for 25% of sales arises in the year of sale itself, warranty costs for 50% of the sales in Year 1 and the balance 25% in Year 2. Based on the same, the related provision for future warranty claims has been determined.

The Group also sells lighting fitting to its customers. In few lighting fittings products, the drivers are an essential part and are expected to last for a longer period. In such cases, the Group provides warranties beyond fixing defects that existed at the time of sale. Basis this, the Group recognises this as a separate performance obligation and recognises revenue only in the period in which such service is provided based on time elapsed. The assumptions made in relation to serviceable sales and related standard or serviceable warranty provision for the current period are consistent with those in the prior years.

**2 Impairment allowance for trade receivables**

The Group makes allowances for doubtful accounts receivable using a simplified approach which is a dual policy of an ageing based provision and historical / anticipated customer experience. Management believes that this simplified model closely represents the expected credit loss model to be applied on financial assets as per Ind AS 109. Further, in case of operationally closed projects, Group makes specific assessment of the overdue balances by considering the customer's historical payment patterns, latest correspondences with the customers for recovery of the amounts outstanding and credit status of the significant counterparties where available. Accordingly, a best judgment estimate is made to record the impairment allowance in respect of operationally closed projects

**3 Project revenue and costs**

Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. The percentage-of-completion method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Group re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

**4 Fair value measurement**

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. Refer Note 34 of consolidated financial statements for the fair value disclosures and related sensitivity.

**5 Employee benefits**

The cost of the defined benefit gratuity plan and other post-employment leave benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates. Refer note 21

**6 Leases**

Estimates are required to determine the appropriate discount rate used to measure lease liabilities. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates, bank rates to the Group for a loan of a similar tenure, etc). The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

**7 Impairment of non-financial assets and goodwill**

In case of non-financial assets, the Group estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase

**8 Retailer Bonding Program**

The Parent Company has a loyalty points program, "Retailer Bonding Program", which allows customers to accumulate points that can be redeemed for free products upto a limited time period. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as deferred revenue until the points are redeemed. Revenue is recognized upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Parent Company considers the likelihood that the customer will redeem the points. The Parent Company considers various judgement and estimates like determination of fair value, redeemed points, expiry, etc. The Parent Company updates its estimates on a quarterly basis and any adjustments to the deferred revenue are charged against revenue.

**9 Share based payments**

The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

**10 Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

11 For judgements relating to contingent liabilities, refer note 40(a).

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 2 : Property, plant and equipment

(₹ in Lakhs)

| Particulars | Freehold Land | Building | Ownership Premises | Plant & Machinery | Furniture & Fixtures | Electrical Installations | Office Equipment | Vehicles | Dies & Jigs | Leasehold Improvements | Temporary Structures | Roads & Borewell | IT Hardware | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Opening gross block as at 1st April 2021 | 4,268.06 | 6,315.97 | 10,987.85 | 10,096.36 | 2,371.64 | 962.64 | 1,739.52 | 953.68 | 4,317.29 | 378.81 | 126.59 | 130.07 | 8,068.10 | 50,716.58 |
| Additions | – | 131.35 | – | 1,695.46 | 196.31 | 390.51 | 139.74 | 0.81 | 2,094.54 | 72.76 | – | – | 705.86 | 5,427.34 |
| Asset classified as held for sale | (1,900.98) | (618.50) | 78.00 | – | – | – | – | – | – | – | – | (30.89) | – | (2,472.37) |
| Disposals | – | (377.26) | (1,978.30) | (1,354.38) | (146.94) | (38.44) | (77.11) | (146.24) | (34.90) | (75.48) | – | – | (317.05) | (4,546.10) |
| Acquired on business combinations | 1,355.20 | 4,971.22 | – | 2,610.80 | 197.28 | – | 143.20 | – | – | – | – | – | – | 9,277.70 |
| Asset classified to investment property | – | (446.35) | (259.12) | – | – | – | – | – | – | – | – | (103.59) | – | (809.06) |
| Adjustment * | – | (219.81) | 259.12 | (258.45) | (11.83) | 107.11 | (108.05) | 0.48 | 123.33 | – | – | 103.59 | 4.51 | – |
| **Closing gross block as at 31st March 2022** | **3,722.28** | **9,756.62** | **9,087.55** | **12,789.79** | **2,606.46** | **1,421.82** | **1,837.30** | **808.73** | **6,500.26** | **376.09** | **126.59** | **99.18** | **8,461.42** | **57,594.09** |
| Additions | – | 258.22 | 5.21 | 1,460.04 | 131.93 | 287.62 | 106.21 | 260.67 | 1,637.88 | 7.83 | – | 97.38 | 693.34 | 4,946.35 |
| Disposals | – | (6.14) | (398.46) | (316.00) | (85.26) | (1.34) | (84.29) | (90.55) | – | – | – | (0.94) | (117.13) | (1,100.11) |
| **Closing gross block as at 31st March 2023** | **3,722.28** | **10,008.70** | **8,694.30** | **13,933.82** | **2,653.13** | **1,708.11** | **1,859.22** | **978.86** | **8,138.14** | **383.92** | **126.59** | **195.62** | **9,037.64** | **61,440.33** |
| Opening accumulated depreciation as at 1st April 2021 | – | 1,027.95 | 1,208.94 | 5,107.80 | 1,168.32 | 334.21 | 1,055.79 | 375.60 | 2,639.14 | 202.58 | 126.59 | 64.31 | 6,120.74 | 19,431.97 |
| Depreciation charge during the year | – | 481.25 | 220.01 | 1,094.99 | 363.85 | 83.98 | 258.13 | 84.03 | 951.72 | 26.42 | – | 8.47 | 981.64 | 4,554.49 |
| Disposals | – | (147.23) | (210.25) | (596.23) | (95.56) | (29.14) | (71.55) | (65.27) | (34.90) | (75.48) | – | – | (315.31) | (1,640.92) |
| Asset classified to investment property | – | (241.29) | (90.73) | – | – | – | – | – | – | – | – | – | – | (332.02) |
| Reclassification * | – | 100.84 | 38.91 | -133.88 | -10.84 | 19.20 | -22.79 | 0.57 | 4.93 | – | – | – | 3.07 | – |
| Asset classified as held for sale | – | (183.35) | 10.39 | – | – | – | – | – | – | – | – | (16.36) | – | (189.32) |
| **Closing accumulated depreciation as at 31st March 2022** | **–** | **1,038.16** | **1,177.27** | **5,472.68** | **1,425.77** | **408.25** | **1,219.58** | **394.93** | **3,560.89** | **153.52** | **126.59** | **56.42** | **6,790.14** | **21,824.20** |
| Disposal | – | 45.88 | (100.60) | (66.13) | (82.25) | (0.60) | (73.29) | (53.32) | 6.76 | – | – | – | (104.04) | (427.62) |
| Depreciation charge during the year | – | 334.08 | 168.70 | 1,096.59 | 326.43 | 154.71 | 203.46 | 90.40 | 1,250.09 | 33.86 | – | 5.51 | 831.40 | 4,495.23 |
| **Closing accumulated depreciation as at 31st March 2023** | **–** | **1,418.11** | **1,245.37** | **6,503.14** | **1,669.94** | **562.36** | **1,349.75** | **432.01** | **4,817.74** | **187.38** | **126.59** | **61.93** | **7,517.49** | **25,891.81** |
| Impairment allowance as at March 31, 2021 | – | – | – | 704.76 | – | – | – | – | – | – | – | – | – | 704.76 |
| Impairment charge / (reversal) during the year | – | – | – | (704.76) | – | – | – | – | – | – | – | – | – | (704.76) |
| Impairment allowance as at March 31, 2022 | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Impairment reversal during the year | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Impairment allowance as at March 31, 2023 | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Closing Net carrying amount as at 31st March 2022** | **3,722.28** | **8,718.46** | **7,910.28** | **7,317.11** | **1,180.69** | **1,013.57** | **617.72** | **413.80** | **2,939.37** | **222.57** | **–** | **42.76** | **1,671.28** | **35,769.89** |
| **Closing Net carrying amount as at 31st March 2023** | **3,722.28** | **8,590.59** | **7,448.93** | **7,430.68** | **983.19** | **1,145.75** | **509.47** | **546.85** | **3,320.40** | **196.54** | **–** | **133.69** | **1,520.15** | **35,548.52** |

* Adjustment includes few assets which have been moved within various block of property, plant and equipment on accounts of business combination and system migration





# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 2 : Property, plant and equipment (Contd..)

### (i) Leased assets

The Group has given following assets on operating lease to third parties, the gross block, accumulated depreciation and net book value is as mentioned below:

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Plant and Machinery** | | |
| Cost / Deemed cost | 637.91 | 637.91 |
| Accumulated depreciation | 426.15 | 372.88 |
| **Net carrying amount** | **211.76** | **265.03** |

### (ii) Property, plant and equipment pledged as security

Refer to note 18 for information on property, plant and equipment pledged as security by the Group.

### (iii) Contractual obligations

Refer to note 40(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

### (iv) Capital work-in-progress

Capital work-in-progress mainly comprises of dies & jigs, plant and machineries and factory building amounting to ₹ 3,228.22 lakhs (March 31, 2022 - ₹ 2,363.76 lakhs), ₹ 376.72 lakhs (March 31, 2022 - ₹ 25.22 lakhs) and ₹ 236.14 lakhs (March 31, 2022 - ₹ NIL lakhs) respectively, pending to be put to use.

**Movement of capital work-in-progress**

(₹ in Lakhs)

| Particulars | Year ended 31-Mar-23 | Year ended 31-Mar-22 |
|---|---|---|
| **Opening at the start of the year** | **2,820.12** | **1,002.01** |
| Additions during the year | 2,631.39 | 2,525.07 |
| Capitalised during the year | (1,351.40) | (706.96) |
| **Closing at the end of the year** | **4,100.11** | **2,820.12** |

### (v) Title deeds

The title deeds of immovable properties are held in the name of the Group, except for certain title deeds of the immovable properties, in the nature of freehold land and building, which were acquired pursuant to a Scheme of Amalgamation approved by National Company Law Tribunal's (NCLT) Order dated May 21, 2020, are not individually held in the name of the Group. However the deed of merger has been registered by the Group on March 31, 2023.

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 2 : Property, plant and equipment (Contd..)

**(vi) Ageing schedule**

**CWIP aging schedule as at March 31, 2023**

(₹ in Lakhs)

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | Total |
| Projects in progress | 2,662.77 | 1,415.75 | 14.24 | 7.35 | 4,100.11 |
| Projects temporarily suspended | – | – | – | – | – |
| **TOTAL** | **2,662.77** | **1,415.75** | **14.24** | **7.35** | **4,100.11** |

**CWIP aging schedule as at March 31, 2022**

(₹ in Lakhs)

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | Total |
| Projects in progress | 2,525.07 | 83.59 | 211.46 | – | 2,820.12 |
| Projects temporarily suspended | – | – | – | – | – |
| **TOTAL** | **2,525.07** | **83.59** | **211.46** | **–** | **2,820.12** |

All the upcoming projects of the Group are within the timelines as estimated during the original plan and the actual cost of projects are within the total cost as estimated by the management of the Group as at the Balance Sheet date.

## Note 3 : Right of use assets and Lease liabilities

The details of the right-of-use asset held by the Group is as follows:

**Right-of-use assets**

(₹ in Lakhs)

| Particulars | Buildings | Equipments | Leasehold land | Total |
|---|---|---|---|---|
| **Gross block as on March 31, 2021** | **6,234.64** | **22.72** | **2,805.69** | **9,063.05** |
| Additions for the year | 2,806.99 | – | – | 2,806.99 |
| Acquired on business combination | – | – | 670.00 | 670.00 |
| Deletions for the year | (1,764.12) | – | (670.00) | (2,434.12) |
| **Gross block as on March 31, 2022** | **7,277.51** | **22.72** | **2,805.69** | **10,105.92** |
| Additions for the year | 8,875.87 | – | 12.93 | 8,888.80 |
| Deletions for the year | (2,323.22) | – | – | (2,323.22) |
| **Closing gross block as on March 31, 2023** | **13,830.16** | **22.72** | **2,818.62** | **16,671.50** |
| **Accumulated depreciation as on March 31, 2021** | **2,706.27** | **9.33** | **224.40** | **2,940.00** |
| Depreciation for the year | 1,786.94 | 11.94 | 49.50 | 1,848.38 |
| Deletions for the year | (1,526.02) | – | (12.12) | (1,538.14) |
| **Accumulated depreciation as on March 31, 2022** | **2,967.19** | **21.27** | **261.78** | **3,250.24** |
| Depreciation for the year | 2,409.88 | 0.45 | 37.37 | 2,447.70 |
| Deletions for the year | (1,338.26) | – | 12.94 | (1,325.32) |
| **Closing accumulated depreciation as on March 31, 2023** | **4,038.81** | **21.72** | **312.09** | **4,372.62** |
| **Net carrying value of right of use assets as on March 31, 2022** | **4,310.32** | **1.45** | **2,543.91** | **6,855.68** |
| **Net carrying value of right of use assets as on March 31, 2023** | **9,791.35** | **1.00** | **2,506.53** | **12,298.88** |

* Adjustments includes changes in the value of the right of use assets due to system migration



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 3 : Right of use assets and Lease liabilities (Contd..)

The details of the lease liabilities held by the Group is as follows:

**Lease liabilities**

(₹ in Lakhs)

| Particulars | Year ended 31-Mar-23 | Year ended 31-Mar-22 |
|---|---|---|
| **Opening lease liabilities** | **4,587.80** | **3,863.29** |
| Additions for the year | 8,766.02 | 2,594.20 |
| Deletions / Modifications for the year | (1,012.22) | (254.83) |
| Finance cost for the year | 544.44 | 544.65 |
| Lease instalments paid for the year | (2,762.40) | (2,159.51) |
| **Closing lease liabilities** | **10,123.64** | **4,587.80** |
| - classified as current | 2,939.67 | 1,552.76 |
| - classified as non-current | 7,183.97 | 3,035.04 |

For maturity profile of lease liabilities, refer Note 35 (B)(ii)

## Note 4: Intangible Assets

(₹ in Lakhs)

| Particulars | Trade Marks | Computer Software | Brand | Distributor / Dealer Network | Customer relation-ships | Total |
|---|---|---|---|---|---|---|
| **Opening gross block as at 1st April 2021** | **0.51** | **963.54** | **1,952.33** | **195.57** | **26.10** | **3,138.05** |
| Additions | – | 31.36 | – | – | – | 31.36 |
| **Closing gross block as at 31st March 2022** | **0.51** | **994.90** | **1,952.33** | **195.57** | **26.10** | **3,169.41** |
| Additions | – | 2,374.29 | – | – | – | 2,374.29 |
| Adjustment * | – | 0.50 | – | – | – | 0.50 |
| **Closing gross block as at 31st March 2023** | **0.51** | **3,369.69** | **1,952.33** | **195.57** | **26.10** | **5,544.20** |
| **Opening accumulated amortization as at 1st April 2021** | **0.30** | **750.11** | **1,010.88** | **195.57** | **26.10** | **1,982.96** |
| Amortisation charge for the year | 0.05 | 130.05 | 390.47 | – | – | 520.57 |
| **Closing accumulated amortization as at 31st March 2022** | **0.35** | **880.16** | **1,401.35** | **195.57** | **26.10** | **2,503.53** |
| Amortisation charge for the year | 0.05 | 726.98 | 390.47 | – | – | 1,117.50 |
| Adjustment * | – | (0.03) | – | – | – | (0.03) |
| **Closing accumulated amortization as at 31st March 2023** | **0.40** | **1,607.10** | **1,791.82** | **195.57** | **26.10** | **3,620.99** |
| **Closing Net carrying amount as at 31st March 2022** | **0.16** | **114.74** | **550.98** | **–** | **–** | **665.88** |
| **Closing Net carrying amount as at 31st March 2023** | **0.11** | **1,762.59** | **160.51** | **–** | **–** | **1,923.21** |

* Adjustments includes changes in the value of the intangible assets due to system migration

**(i) Note**

Intangible assets under development mainly comprises of IT softwares license and implementation cost amounting to ₹ 145.91 lakhs (March 31, 2022 - ₹ 1,546.59 lakhs).

**(ii) Ageing schedule**

**Intangible asset under development aging schedule as at March 31, 2023**

(₹ in Lakhs)

| Particulars | Amount in IAUD for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | Total |
| Projects in progress | 145.91 | – | – | – | 145.91 |
| Projects temporarily suspended | – | – | – | – | – |
| **TOTAL** | **145.91** | **–** | **–** | **–** | **145.91** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 4: Intangible Assets (Contd..)

**Intangible asset under development aging schedule as at March 31, 2022**

(₹ in Lakhs)

| Particulars | Amount in IAUD for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | Total |
| Projects in progress | 796.04 | 750.55 | – | – | 1,546.59 |
| Projects temporarily suspended | – | – | – | – | – |
| **TOTAL** | **796.04** | **750.55** | **–** | **–** | **1,546.59** |

All the upcoming projects of the Group are within the timelines as estimated during the original plan and the actual cost of projects are within the total cost as estimated by the management of the Group as at the Balance Sheet date.

**(iii) Movement in intangible assets under development**

(₹ in Lakhs)

| Particulars | Year ended 31-Mar-23 | Year ended 31-Mar-22 |
|---|---|---|
| **Opening at the start of the year** | **1,546.59** | **781.50** |
| Additions during the year | 145.91 | 765.09 |
| Capitalised during the year | (1,546.59) | – |
| **Closing at the end of the year** | **145.91** | **1,546.59** |

## Note 4.1: Investment properties

(₹ in Lakhs)

| Particulars | Building & Ownership Premises | Land | Total |
|---|---|---|---|
| **Gross block as at 1st April 2021** | **–** | **12,600.00** | **12,600.00** |
| Transferred from property, plant and equipment (refer note 2) | 809.06 | – | 809.06 |
| **Gross block as at 31st March 2022** | **809.06** | **12,600.00** | **13,409.06** |
| Addition | – | – | – |
| Deletion | (58.59) | | (58.59) |
| **Gross block as at 31st March 2023** | **750.47** | **12,600.00** | **13,350.47** |
| **Accumulated depreciation as at 1st March 2021** | **–** | **–** | **–** |
| Transferred from property, plant and equipment (refer note 2) | 332.02 | – | 332.02 |
| **Accumulated depreciation as at 31st March 2022** | **332.02** | **–** | **332.02** |
| Depreciation | 112.87 | – | 112.87 |
| Deletion | (42.07) | – | (42.07) |
| **Accumulated depreciation as at 31st March 2023** | **402.82** | **–** | **402.82** |
| **Net carrying amount as at 31st March 2022** | **477.04** | **12,600.00** | **13,077.04** |
| **Net carrying amount as at 31st March 2023** | **347.65** | **12,600.00** | **12,947.65** |

The amounts recorded above for freehold land are fair values on acquisition date based on valuation performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The Group has no restrictions on the realisability of its investment property. Fair value as at 31st March 2023 is ₹ 12,600 lakhs (₹ 12,600 lakhs as at 31st March 2022). The fair valuation is based on current prices in the active market for similar lands. The main inputs used are quantum, area, location, demand, etc.



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 5.1 : Investments in associate

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Investment in equity instruments of associate (fully paid up)** | | |
| **Measured at cost** | | |
| **Unquoted** | | |
| **Investment in an associate** | | |
| Non-current equity investments (unquoted) in Hind Lamps Limited. – 1,140,000 (March 31, 2022 - 1,140,000) equity shares of ₹ 25 each | – | – |
| Accumulated impairment allowance in value of investments in Hind Lamps Limited | – | – |
| | **–** | **–** |
| **Total investments in an associate** | **–** | **–** |

## Note 5.2 : Financial assets (Investments)

**5.2 (a) Investment in equity instruments**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Measured at fair value through profit and loss** | | |
| **Unquoted** | | |
| **Investment in mutual funds** | | |
| Investment in equity/debt mutual funds | 4,078.23 | – |
| | **4,078.23** | **–** |

(₹ in Lakhs)

| AMC | No. of Units as on March 31, 2023 | No. of Units as on March 31, 2022 | Value as on March 31, 2023 | Value as on March 31, 2022 |
|---|---|---|---|---|
| ICICI Prudential - Money Market Fund | 1,58,830.98 | – | 515.10 | – |
| ICICI Prudential - Overnight Fund | 24,860.12 | – | 300.43 | – |
| HDFC Mutual Fund - Money Market Fund | 10,469.98 | – | 515.30 | – |
| HDFC Mutual Fund - Overnight Fund | 9,025.93 | – | 300.42 | – |
| LIC Mutual Fund - Liquid Fund | 1.28 | – | 0.05 | – |
| DSP Mutual Fund - Money Market Fund | 11,20,166.24 | – | 515.14 | – |
| DSP Mutual Fund - Overnight Fund | 25,022.25 | – | 300.43 | – |
| SBI Mutual Fund - Money Market Fund | 13,71,425.20 | – | 515.26 | – |
| SBI Mutual Fund - Overnight Fund | 8,232.51 | – | 300.42 | – |
| Kotak Mutual Fund - Money Market Fund | 13,455.57 | – | 515.12 | – |
| Kotak Mutual Fund - Overnight Fund | 25,123.67 | – | 300.54 | – |
| **Total** | | | **4,078.23** | **–** |
| Aggregate value of quoted investments | | | 4,078.23 | – |
| Aggregate value of impairment in value of investment | | | – | – |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 5.3 : Financial assets (Investments - Non-Current)

### 5.3 (a) Investment in equity instruments

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Measured at fair value through profit and loss** | | |
| **Unquoted** | | |
| **Investment in equity shares** | | |
| Non-current equity investments (unquoted) in M. P. Lamps Limited * | 2.40 | 2.40 |
| – 48,000 (March 31, 2022 - 48,000) equity shares of ₹ 10/- each; (Partly paid shares - ₹ 2.50/- Per share paid up, Called up ₹ 5.00/- per share) | | |
| – 95,997 (March 31, 2022 - 95,997) equity shares of ₹ 10/- each; (Partly paid shares - ₹ 1.25 Per share paid up, Called up ₹ 5 per share) | | |
| Accumulated Fair value loss recorded in value of investments M. P. Lamps Limited. | (2.40) | (2.40) |
| | – | – |
| Non-current equity investments (unquoted) in Mayank Electro Ltd. | 0.10 | 0.10 |
| – 100 (March 31, 2022 - 100) equity shares of ₹ 100/- each. | | |
| **Total equity instruments** | **0.10** | **0.10** |

### 5.3 (b) Investment in debt instruments

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Measured at fair value through profit and loss** | | |
| **Unquoted** | | |
| **Investment in venture capital fund** | | |
| Units of Bharat Innovation Fund - 4,189.470 Units as on 31st March 2023 (4,189.470 Units as on 31st March 2022) | 600.11 | 489.26 |
| **Investment in other securities** | | |
| Gold coins | 0.37 | 0.37 |
| **Total debt instruments** | **600.48** | **489.63** |
| **Total non-current investments** | **600.58** | **489.73** |
| Aggregate value of quoted investments | – | – |
| **Aggregate value of unquoted investments** | **600.58** | **489.73** |

* In respect of Investments made in M. P. Lamps Ltd., calls of ₹ 2.50 per share on 48,000 equity shares and ₹ 3.75 per share on 95,997 Equity Shares aggregating to ₹ 4.80 Lakhs have not been paid by the Parent Company. On principles of prudence the entire investment in M.P. Lamps Ltd. is considered as impaired and accordingly carried at ₹ NIL.

## Note 6 : Trade receivables

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Current | 1,48,062.32 | 1,13,951.23 |
| Non-current | 8,436.72 | 22,109.94 |
| | **1,56,499.04** | **1,36,061.17** |
| Unsecured, considered good | 1,56,499.04 | 1,36,061.17 |
| Unsecured, credit impaired | 10,436.04 | 10,571.98 |
| **Total** | **1,66,935.08** | **1,46,633.15** |
| Impairment allowance, credit impaired (allowance for bad and doubtful debts) | (10,436.04) | (10,571.98) |
| **Total trade receivables (net of impairment allowance)** | **1,56,499.04** | **1,36,061.17** |

The above includes receivables from related parties. Refer note 38 for more details.





Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 6 : Trade receivables (Contd..)

**Transferred receivables**

The carrying amount of trade receivables, include receivables which are subject to factoring arrangements and channel financing facilities. Under this arrangement the Group has transferred the relevant receivables to the factor in exchange for cash. The said facilities are with recourse to Group. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as other financial liabilities.

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Other financial liabilities (Note 19) | 57,967.35 | 30,395.32 |
| **Total Transferred receivables** | **57,967.35** | **30,395.32** |

Trade receivable are non-interest bearing and are generally received within the credit period. For trade and other receivables due from firms or private companies in which any director is a partner, a director or a member, refer note 38.

**Trade Receivables ageing schedule as at 31st March 2023**

(₹ in Lakhs)

| Particulars | Outstanding for following periods from * | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables — considered good | 69,918.15 | 67,158.78 | 5,824.81 | 1,013.87 | 1,560.76 | 11,022.67 | 1,56,499.04 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | – | – | – | – | – | – | – |
| (iii) Undisputed Trade Receivables — credit impaired | – | – | 253.97 | 653.50 | 57.50 | 6,824.95 | 7,789.92 |
| (iv) Disputed Trade Receivables — considered good | – | – | – | – | – | – | – |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | – | – | – | – | – | – | – |
| (vi) Disputed Trade Receivables — credit impaired | – | – | 0.48 | 1,964.35 | – | 681.29 | 2,646.12 |
| **TOTAL** | **69,918.15** | **67,158.78** | **6,079.26** | **3,631.72** | **1,618.26** | **18,528.91** | **1,66,935.08** |

**Trade Receivables ageing schedule as at 31st March 2022**

(₹ in Lakhs)

| Particulars | Outstanding for following periods from * | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 60,513.65 | 26,579.90 | 12,945.20 | 26,758.23 | 7,769.17 | 1,495.02 | 1,36,061.17 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | – | – | – | – | – | – | – |
| (iii) Undisputed Trade Receivables — credit impaired | – | 190.76 | 93.75 | 349.23 | 306.53 | 7,436.47 | 8,376.74 |
| (iv) Disputed Trade Receivables — considered good | – | – | – | – | – | – | – |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | – | – | – | – | – | – | – |
| (vi) Disputed Trade Receivables — credit impaired | – | – | 20.37 | 10.21 | 201.38 | 1,963.28 | 2,195.24 |
| **TOTAL** | **60,513.65** | **26,770.66** | **13,059.32** | **27,117.67** | **8,277.08** | **10,894.77** | **1,46,633.15** |

* Outstanding from the transaction date for FY23, and from the due-date for EPC and transaction date for CP for FY22

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 7 : Loans

**(Unsecured, considered good unless otherwise stated)**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Non Current** | | |
| Unsecured, considered good | – | 22.35 |
| Unsecured, credit impaired | – | – |
| **Total** | **–** | **22.35** |
| Impairment allowance, credit impaired | – | – |
| **Total Non-current loans** | **–** | **22.35** |

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Current** | | |
| Secured, considered good | 35.21 | 0.84 |
| **Total current loans** | **35.21** | **0.84** |

## Note 8 : Other financial assets

**(Unsecured, considered good unless otherwise stated)**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Security deposits, considered good | 2,979.60 | 2,595.26 |
| Security deposits, credit impaired | 140.45 | 128.56 |
| Impairment allowance for credit impaired security deposits | (140.45) | (128.56) |
| | **2,979.60** | **2,595.26** |
| Deposits with maturity more than 12 months | – | 109.91 |
| Fixed deposit under lien | 92.96 | 1,023.14 |
| Interest accrued on fixed deposits | 7.57 | 55.28 |
| **Total non-current other financial assets** | **3,080.13** | **3,783.59** |

For breakup of financial assets carried at amortised cost, refer note 34.

## Note 9 : Deferred tax assets (net)

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Deferred tax assets | 6,767.53 | 15,240.14 |
| Deferred tax liabilities | (7,307.26) | (7,096.60) |
| **Total deferred tax assets (net)** | **(539.73)** | **8,143.54** |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 9 : Deferred tax assets (net) (Contd..)

**Breakup and movement in deferred tax assets**

(₹ in Lakhs)

| Particulars | Employee benefit obligations (gratuity) | Employee benefit obligations (leave obligations) | Impairment allowance (allowance for doubtful debts and advances) | Financial assets measured at amortised cost | Assets held for sale | Carried forward losses | Right of use assets and Others | Total |
|---|---|---|---|---|---|---|---|---|
| **As at 31st March, 2021** | **173.90** | **391.07** | **4,020.50** | **0.62** | **501.77** | **2,895.19** | **4,277.43** | **12,260.48** |
| (Charged) / Credited : | | | | | | | | |
| to statement of profit and loss | (47.28) | (383.69) | (573.57) | 0.78 | 26.67 | 5,591.49 | (3,884.03) | 730.37 |
| to other comprehensive income | (177.63) | – | – | – | – | (1.15) | – | (178.78) |
| On account of business combination | – | – | – | – | – | – | 6,308.78 | 6,308.78 |
| transferred to income tax asstes | – | – | – | – | – | – | (3,880.71) | (3,880.71) |
| **As at 31st March, 2022** | **(51.01)** | **7.38** | **3,446.93** | **1.40** | **528.44** | **8,485.53** | **2,821.47** | **15,240.14** |
| (Charged) / Credited : | | | | | | | | |
| to statement of profit and loss | 89.02 | 140.07 | (666.01) | (0.55) | 23.34 | (3,415.22) | 495.52 | (3,333.83) |
| to other comprehensive income | – | – | – | – | – | – | (68.47) | (68.47) |
| transferred to income tax assets | – | – | – | – | – | (5,070.31) | – | (5,070.31) |
| **As at 31st March, 2023** | **38.01** | **147.45** | **2,780.92** | **0.85** | **551.78** | **–** | **3,248.52** | **6,767.53** |

**Breakup and movement in deferred tax liabilities**

(₹ in Lakhs)

| Particulars | Property, plant and equipment | Intan-gible Assets | Financial Assets measured at Amortised Cost | Financial Liabilities measured at Amortised Cost | Employee benefit obligations (gratuity) | Invest-ment property | Others | Total |
|---|---|---|---|---|---|---|---|---|
| **As at 31st March, 2021** | **2,758.00** | **236.95** | **77.12** | **120.43** | **–** | **2,473.20** | **1,345.43** | **7,011.13** |
| Charged / (credited) : | | | | | | | | |
| to Statement of Profit or Loss | (361.21) | (98.28) | 27.30 | 42.61 | – | 95.50 | 379.55 | 85.47 |
| **As at 31st March, 2022** | **2,396.79** | **138.67** | **104.42** | **163.04** | **–** | **2,568.70** | **1,724.98** | **7,096.60** |
| Charged / (credited) : | | | | | | | | |
| to Statement of Profit or Loss | (33.74) | (85.21) | 3.20 | (163.04) | 2,528.52 | (789.42) | (1,249.65) | 210.66 |
| **As at 31st March, 2023** | **2,363.05** | **53.46** | **107.62** | **–** | **2,528.52** | **1,779.28** | **475.33** | **7,307.26** |

## Note 10 : Other non-current assets

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Capital advances | 1,966.58 | 468.29 |
| Impairment allowance for credit impaired capital advances | (24.94) | (21.56) |
| | **1,941.64** | **446.73** |
| Sales tax recoverables | 2,795.82 | 3,984.51 |
| Balances with government authorities | 60.77 | 60.77 |
| Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies) | 4,101.21 | 5,077.08 |
| Others | 7,087.34 | 4,285.62 |
| | **15,986.78** | **13,854.71** |
| Impairment allowance for doubtful advances | (403.06) | (496.10) |
| **Total other non-current assets** | **15,583.72** | **13,358.61** |

*Others mainly include prepaid expenses of ₹ 3,767.88 lakhs (March 31, 2022 ₹ 868.27 lakhs) and advances to suppliers of ₹ 1,492.51 lakhs (March 31, 2022 ₹ 3,377.41 lakhs).

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 11 : Inventories

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Raw material | 14,183.20 | 12,633.72 |
| Work-in-progress | 5,665.93 | 2,168.06 |
| Finished goods | 2,292.76 | 2,285.97 |
| Traded goods | 78,546.34 | 80,746.13 |
| Material in Transit (traded goods) | 4,738.79 | 1,450.84 |
| Stores and spares | 1,780.46 | 503.30 |
| **Total Inventories** | **1,07,207.48** | **99,788.02** |

## Note 12 : Cash and cash equivalents

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Balances with banks | | |
| in current accounts | 2,651.52 | 1,859.33 |
| in cash credit accounts | 5,490.40 | 3,285.38 |
| Deposits with maturity of less than three months | 26,003.44 | 6,700.00 |
| Cash on hand | 30.56 | 36.79 |
| **Total cash and cash equivalents** | **34,175.92** | **11,881.50** |

There are no restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior period.

## Note 12 : Bank balances

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Unpaid Dividend Accounts * | 60.32 | 67.26 |
| Fixed deposit under lien | 144.75 | – |
| Deposits with maturity of more than three months & less than twelve months | 2,545.67 | 2,138.03 |
| Others | 120.94 | 166.97 |
| **Total other bank balances** | **2,871.68** | **2,372.26** |

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2023 and March 31, 2022.

## Note 13 : Other current financial assets

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Interest accrued on fixed deposits | 201.41 | 33.57 |
| Security deposits | 590.11 | 411.06 |
| Receivable from Gratuity Fund | 356.67 | 2.33 |
| Derivative Asset | 111.85 | 329.43 |
| **Total other current financial assets** | **1,260.04** | **776.39** |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 14 : Other current assets

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Export benefits | 789.73 | 809.32 |
| Balances with government authorities | 16,109.08 | 16,097.55 |
| Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies) | 2,106.21 | 1,753.82 |
| Others | 19,565.97 | 6,497.05 |
| Sales tax recoverables | 114.87 | 116.23 |
| **Total other current assets** | **38,685.86** | **25,273.97** |

*Others mainly includes prepaid expenses of ₹ 679.38 lakhs (March 31, 2022 ₹ 1,575.42) and advances to suppliers of ₹ 18,428.18 lakhs (March 31, 2022 ₹ 4,159.73 lakhs)

## Note 15 : Assets classified as held for sale

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Land and Buildings * | 219.40 | 1,719.41 |
| **Total assets classified as held for sale** | **219.40** | **1,719.41** |

* Upon relocation of Parent Company's employees to new office premises in Mumbai, the erstwhile leasehold immovable property together with buildings and structure standing thereon was lying vacant. Therefore, the Board of Directors of the Parent Company approved the sale and transfer of leasehold rights therein in favour of the purchaser vide Resolution dated March 23, 2015 subject to the permissions from the appropriate authorities and accordingly the said transaction of sale and transfer of leasehold rights was to be completed within one (1) year. However, on account of delay in getting the requisite permissions from the appropriate local / municipal authorities the transaction execution is pending. The purchaser and the Parent Company are committed for the transaction to sail through. The asset held for sale are not attached to any reported business segment but part of other unallocable assets. The Parent Company has received an advance of ₹ 800 lakhs from the purchaser in relation to this sale and is expected to be completed in FY 2023-24. The same is shown as a liability under other current liabilities.

## Note 16 : Equity share capital

(₹ in Lakhs)

| Particulars | 31-Mar-23 Amount | 31-Mar-22 Amount |
|---|---|---|
| **Authorised** | | |
| 71,25,00,000 equity shares (March 31, 2022 - 20,00,00,000) of ₹ 2/- each. | 14,250.00 | 4,000.00 |

**i) Movement in Issued, Subscribed and Paid up Equity Share Capital**

**Issued capital**

(₹ in Lakhs)

| Particulars | No of Shares | Amount |
|---|---|---|
| **As at 31st Mar 2021** | **11,45,36,619** | **2,290.73** |
| Exercise of Options under employee stock option scheme (refer note iv below) | 3,37,495 | 6.75 |
| **As at 31st March 2022** | **11,48,74,114** | **2,297.48** |
| Exercise of Options under employee stock option scheme (refer note iv below) | 2,01,505 | 4.03 |
| Issue pursuant to merger of Starlite Lighting Limited | 19 | 0.00 |
| **As at 31st March 2023** | **11,50,75,638** | **2,301.51** |
| **Paid-up capital** | | |
| Calls in arrears @ ₹ 2 per share, under rights issue (refer note iii below) | (55) | (0.00) |
| **As at 31st March 2023** | **11,50,75,583** | **2,301.51** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 16 : Equity share capital (Contd..)

**ii) Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**iii) The Details of Shareholders holding more than 5% Shares:**

(₹ in Lakhs)

| Name of the Shareholder | As at 31st March 2023 | | As at 31st March 2022 | |
|---|---|---|---|---|
| | Nos. | % Holding | Nos. | % Holding |
| Jamnalal Sons Private Limited | 2,25,48,276 | 19.59 | 2,24,43,275 | 19.54 |
| Bajaj Holdings & Investment Limited | 1,91,36,840 | 16.63 | 1,87,93,840 | 16.36 |
| Kiran Bajaj | 75,45,224 | 6.56 | 75,45,224 | 6.57 |
| HDFC Small Cap Fund | 64,75,269 | 5.63 | 65,18,743 | 5.67 |
| Smallcap World Fund, Inc | 60,98,271 | 5.30 | 65,15,607 | 5.67 |

**iv) Share reserved for issue under employee stock option scheme**

For details of shares reserved for issue under the employee share based payment plan of the Parent Company, please refer Note 33.

**v) Change in promoter shareholding**

| Promoter Name | As at 31st March 2023 | | As at 31st March 2022 | | % change during the year |
|---|---|---|---|---|---|
| | No of shares | % of total shares | No of shares | % of total shares | |
| **Promoters** | | | | | |
| Mr. Shekhar Bajaj | 18,14,639 | 1.58% | 18,14,639 | 1.58% | 0.00% |
| Mr. Madhur Bajaj | 2,00,000 | 0.17% | 2,00,000 | 0.17% | 0.00% |
| Mr. Niraj Bajaj | 11,30,882 | 0.98% | 11,30,882 | 0.98% | 0.00% |
| Mr. Sanjivnayan Bajaj * | 4,28,749 | 0.37% | 4,28,749 | 0.37% | 0.00% |
| Mr. Rahulkumar Bajaj ** | NA | NA | NA | NA | 0.00% |
| **Promoter Group** | | | | | |
| **Individuals :** | | | | | |
| Mrs. Kiran Bajaj | 75,45,224 | 6.56% | 75,45,224 | 6.57% | –0.01% |
| Ms. Neelima Bajaj Swamy | 2,00,000 | 0.17% | 2,00,000 | 0.17% | 0.00% |
| Ms. Minal Bajaj | 6,94,674 | 0.60% | 6,94,674 | 0.60% | 0.00% |
| Ms. Geetika Bajaj | 21,60,084 | 1.88% | 21,60,084 | 1.88% | 0.00% |
| Ms. Nimisha Jaipuria | NA | NA | NA | NA | 0.00% |
| Ms. Sunaina Kejriwal | 12,40,730 | 1.08% | 12,40,730 | 1.08% | 0.00% |
| Mr. Niravnayan Bajaj | 2,82,507 | 0.25% | 2,82,507 | 0.25% | 0.00% |
| Ms. Kumud Bajaj | 2,00,000 | 0.17% | 2,00,000 | 0.17% | 0.00% |
| Ms. Pooja Bajaj | 15,41,875 | 1.34% | 19,89,875 | 1.73% | –0.39% |
| Ms. Suman Jain | 1,10,700 | 0.10% | 1,10,700 | 0.10% | 0.00% |
| Ms. Kriti Bajaj | 1,01,297 | 0.09% | 1,01,297 | 0.09% | 0.00% |
| Ms. Shefali Bajaj | 33,767 | 0.03% | 33,767 | 0.03% | 0.00% |
| Ms. Deepa Bajaj | 1,126 | 0.00% | 1,126 | 0.00% | 0.00% |
| Master Vanraj Bajaj | 18,43,556 | 1.60% | 18,43,556 | 1.60% | 0.00% |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 16 : Equity share capital (Contd..)

| Promoter Name | As at 31st March 2023 | | As at 31st March 2022 | | % change during the year |
|---|---|---|---|---|---|
| | No of shares | % of total shares | No of shares | % of total shares | |
| **Bodies Corporate** | | | | | |
| Jamnalal Sons Private Limited | 2,25,48,276 | 19.59% | 2,24,43,275 | 19.54% | 0.06% |
| Bajaj Holdings And Investment Limited | 1,91,36,840 | 16.63% | 1,87,93,840 | 16.36% | 0.27% |
| Hind Musafir Agency Limited | 12,88,000 | 1.12% | 12,88,000 | 1.12% | 0.00% |
| Baroda Industries Private Limited | 14,12,738 | 1.23% | 14,12,738 | 1.23% | 0.00% |
| Bajaj International Private Limited | 9,17,881 | 0.80% | 9,17,881 | 0.80% | 0.00% |
| Hercules Hoists Limited | 6,24,596 | 0.54% | 6,24,596 | 0.54% | 0.00% |
| Shekhar Holdings Private Limited | 5,40,253 | 0.47% | 5,40,253 | 0.47% | 0.00% |
| Rahul Securities Private Limited | 4,67,093 | 0.41% | 4,67,093 | 0.41% | 0.00% |
| Bachhraj Factories Private Limited | 1,05,466 | 0.09% | 1,05,466 | 0.09% | 0.00% |
| Bajaj Sevashram Private Limited | 5,550 | 0.00% | 5,550 | 0.00% | 0.00% |
| Bachhraj And Company Private Limited | 66,585 | 0.06% | 66,585 | 0.06% | 0.00% |
| Kamalnayan Investment & Trading Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Madhur Securities Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Niraj Holdings Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Rupa Equities Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Sanraj Nayan Investments Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| **Trusts** | | | | | |
| Geetika Trust No.2 (Kiran Bajaj as a Trustee) | NA | NA | NA | NA | 0.00% |
| Niravnayan Trust (Niraj Bajaj as a Trustee) | 5,24,721 | 0.46% | 5,24,721 | 0.46% | 0.00% |
| Neelima Bajaj Swamy Family Trust (Neelima Bajaj Swamy as a Trustee) | 8,12,973 | 0.71% | 8,12,973 | 0.71% | 0.00% |
| Nimisha Jaipuria Family Trust (Nimisha Jaipuria as a Trustee) | 6,28,043 | 0.55% | 6,28,043 | 0.55% | 0.00% |
| Kriti Bajaj Family Trust (Minal Niraj Bajaj as a Trustee) | 5,00,000 | 0.43% | 5,00,000 | 0.44% | 0.00% |
| Niravnayan Bajaj Family Trust (Niraj Bajaj as a Trustee) | 5,00,000 | 0.43% | 5,00,000 | 0.44% | 0.00% |
| Rishab Family Trust | 4,71,052 | 0.41% | 4,71,052 | 0.41% | 0.00% |
| Sanjali Family Trust | 2,62,717 | 0.23% | 2,62,717 | 0.23% | 0.00% |
| Siddhant Family Trust | 2,62,717 | 0.23% | 2,62,717 | 0.23% | 0.00% |
| Nimisha Bajaj Family Trust (Madhur Bajaj as a Trustee) | 2,06,575 | 0.18% | 2,06,575 | 0.18% | 0.00% |
| Neelima Bajaj Family Trust (Kumud Bajaj as a Trustee) | 21,644 | 0.02% | 21,644 | 0.02% | 0.00% |
| Vanraj Bajaj Trust (Kiran Bajaj as a Trustee) | 10,00,000 | 0.87% | 10,00,000 | 0.87% | 0.00% |
| Kumud Neelima Family Trust (Madhur Bajaj as a Trustee) | 1,25,800 | 0.11% | 1,25,800 | 0.11% | 0.00% |
| Kumud Nimisha Family Trust (Madhur Bajaj as a Trustee) | 1,25,800 | 0.11% | 1,25,800 | 0.11% | 0.00% |
| Madhur Neelima Family Trust (Kumud Bajaj as a Trustee) | 1,25,800 | 0.11% | 1,25,800 | 0.11% | 0.00% |
| Madhur Nimisha Family Trust (Kumud Bajaj as a Trustee) | 1,25,799 | 0.11% | 1,25,799 | 0.11% | 0.00% |
| **Total** | **7,23,42,279** | **62.86%** | **7,23,42,278** | **62.98%** | **–0.11%** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 16 : Equity share capital (Contd..)

| Promoter Name | As at 31st March 2022 | | As at 31st March 2021 | | % change during the year |
|---|---|---|---|---|---|
| | No of shares | % of total shares | No of shares | % of total shares | |
| **Promoters** | | | | | |
| Mr. Shekhar Bajaj | 18,14,639 | 1.58% | 28,14,639 | 2.46% | –0.88% |
| Mr. Madhur Bajaj | 2,00,000 | 0.17% | 7,03,199 | 0.61% | –0.44% |
| Mr. Niraj Bajaj | 11,30,882 | 0.98% | 11,30,882 | 0.99% | 0.00% |
| Mr. Sanjivnayan Bajaj * | 4,28,749 | 0.37% | 4,28,749 | 0.37% | 0.00% |
| Mr. Rahulkumar Bajaj ** | – | 0.00% | – | 0.00% | 0.00% |
| **Promoter Group** | | | | | |
| **Individuals :** | | | | | |
| Mrs. Kiran Bajaj | 75,45,224 | 6.57% | 75,45,224 | 6.59% | –0.02% |
| Ms. Neelima Bajaj Swamy | 2,00,000 | 0.17% | 2,00,000 | 0.17% | 0.00% |
| Ms. Minal Bajaj | 6,94,674 | 0.60% | 6,94,674 | 0.61% | 0.00% |
| Ms. Geetika Bajaj | 21,60,084 | 1.88% | 7,98,199 | 0.70% | 1.18% |
| Ms. Nimisha Jaipuria | – | 0.00% | – | 0.00% | 0.00% |
| Ms. Sunaina Kejriwal | 12,40,730 | 1.08% | 12,40,730 | 1.08% | 0.00% |
| Mr. Niravnayan Bajaj | 2,82,507 | 0.25% | 2,82,507 | 0.25% | 0.00% |
| Ms. Kumud Bajaj | 2,00,000 | 0.17% | 2,00,000 | 0.17% | 0.00% |
| Ms. Pooja Bajaj | 19,89,875 | 1.73% | 19,89,875 | 1.74% | –0.01% |
| Ms. Suman Jain | 1,10,700 | 0.10% | 1,10,700 | 0.10% | 0.00% |
| Ms. Kriti Bajaj | 1,01,297 | 0.09% | 1,01,297 | 0.09% | 0.00% |
| Ms. Shefali Bajaj | 33,767 | 0.03% | 33,767 | 0.03% | 0.00% |
| Ms. Deepa Bajaj | 1,126 | 0.00% | 1,126 | 0.00% | 0.00% |
| Master Vanraj Bajaj | 18,43,556 | 1.60% | 18,43,556 | 1.61% | 0.00% |
| **Bodies Corporate** | | | | | |
| Jamnalal Sons Private Limited | 2,24,43,275 | 19.54% | 2,24,43,275 | 19.59% | –0.06% |
| Bajaj Holdings And Investment Limited | 1,87,93,840 | 16.36% | 1,87,93,840 | 16.41% | –0.05% |
| Hind Musafir Agency Limited | 12,88,000 | 1.12% | 12,88,000 | 1.12% | 0.00% |
| Baroda Industries Private Limited | 14,12,738 | 1.23% | 14,12,738 | 1.23% | 0.00% |
| Bajaj International Private Limited | 9,17,881 | 0.80% | 9,17,881 | 0.80% | 0.00% |
| Hercules Hoists Limited | 6,24,596 | 0.54% | 6,24,596 | 0.55% | 0.00% |
| Shekhar Holdings Private Limited | 5,40,253 | 0.47% | 5,40,253 | 0.47% | 0.00% |
| Rahul Securities Private Limited | 4,67,093 | 0.41% | 4,67,093 | 0.41% | 0.00% |
| Bachhraj Factories Private Limited | 1,05,466 | 0.09% | 1,05,466 | 0.09% | 0.00% |
| Bajaj Sevashram Private Limited | 5,550 | 0.00% | 5,550 | 0.00% | 0.00% |
| Bachhraj And Company Private Limited | 66,585 | 0.06% | 66,585 | 0.06% | 0.00% |
| Kamalnayan Investment & Trading Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Madhur Securities Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Niraj Holdings Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Rupa Equities Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| Sanraj Nayan Investments Private Limited | 1,110 | 0.00% | 1,110 | 0.00% | 0.00% |
| **Trusts** | | | | | |
| Geetika Trust No.2 (Kiran Bajaj as a Trustee) | – | 0.00% | 13,61,885 | 1.19% | –1.19% |
| Niravnayan Trust (Niraj Bajaj as a Trustee) | 5,24,721 | 0.46% | 5,24,721 | 0.46% | 0.00% |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 16 : Equity share capital (Contd..)

| Promoter Name | As at 31st March 2022 | | As at 31st March 2021 | | % change during the year |
|---|---|---|---|---|---|
| | No of shares | % of total shares | No of shares | % of total shares | |
| Neelima Bajaj Swamy Family Trust (Neelima Bajaj Swamy as a Trustee) | 8,12,973 | 0.71% | 8,12,973 | 0.71% | 0.00% |
| Nimisha Jaipuria Family Trust (Nimisha Jaipuria as a Trustee) | 6,28,043 | 0.55% | 6,28,043 | 0.55% | 0.00% |
| Kriti Bajaj Family Trust (Minal Niraj Bajaj as a Trustee) | 5,00,000 | 0.44% | 5,00,000 | 0.44% | 0.00% |
| Niravnayan Bajaj Family Trust (Niraj Bajaj as a Trustee) | 5,00,000 | 0.44% | 5,00,000 | 0.44% | 0.00% |
| Rishab Family Trust | 4,71,052 | 0.41% | 4,71,052 | 0.41% | 0.00% |
| Sanjali Family Trust | 2,62,717 | 0.23% | 2,62,717 | 0.23% | 0.00% |
| Siddhant Family Trust | 2,62,717 | 0.23% | 2,62,717 | 0.23% | 0.00% |
| Nimisha Bajaj Family Trust (Madhur Bajaj as a Trustee) | 2,06,575 | 0.18% | 2,06,575 | 0.18% | 0.00% |
| Neelima Bajaj Family Trust (Kumud Bajaj as a Trustee) | 21,644 | 0.02% | 21,644 | 0.02% | 0.00% |
| Vanraj Bajaj Trust (Kiran Bajaj as a Trustee) | 10,00,000 | 0.87% | – | 0.00% | 0.87% |
| Kumud Neelima Family Trust (Madhur Bajaj as a Trustee) | 1,25,800 | 0.11% | – | 0.00% | 0.11% |
| Kumud Nimisha Family Trust (Madhur Bajaj as a Trustee) | 1,25,800 | 0.11% | – | 0.00% | 0.11% |
| Madhur Neelima Family Trust (Kumud Bajaj as a Trustee) | 1,25,800 | 0.11% | – | 0.00% | 0.11% |
| Madhur Nimisha Family Trust (Kumud Bajaj as a Trustee) | 1,25,799 | 0.11% | – | 0.00% | 0.11% |
| **Total** | **7,23,42,278** | **62.98%** | **7,23,42,278** | **63.16%** | **–0.19%** |

* Considered as a Promoter post demise of Mr. Rahulkumar Bajaj on February 12, 2022

** Ceased to be a promoter post sad demise on February 12, 2022

## Note 17 : Other Equity

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| i) Securities premium reserve | 66,594.40 | 65,356.13 |
| ii) Debenture redemption reserve | – | – |
| iii) General reserve | 45,967.75 | 45,967.75 |
| iv) Share options outstanding account | 1,874.06 | 1,198.56 |
| v) Retained earnings | 76,069.03 | 57,936.30 |
| vi) Capital reserve | 175.18 | 175.18 |
| vii) Capital redemption reserve | 135.71 | 135.71 |
| viii) Efective portion of cash flow hedges | (68.91) | 88.29 |
| ix) Share application money pending allotment | – | – |
| x) Amalgamation adjustment reserve | (2,327.15) | – |
| **Total reserves and surplus** | **1,88,420.07** | **1,70,857.92** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 17 : Other Equity (Contd..)

i) Securities premium reserve

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Opening Balance | 65,356.13 | 63,391.97 |
| Add: Exercise of share options | 893.24 | 1,435.02 |
| Add: Exercise of share options - transferred from shares options outstanding account | 344.84 | 529.14 |
| Add: Issue of share capital | 0.19 | |
| **Closing Balance** | **66,594.40** | **65,356.13** |

ii) Debenture redemption reserve

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Opening Balance | – | 3,750.00 |
| Less: Transfer to retained earnings | – | (3,750.00) |
| **Closing Balance** | **–** | **–** |

iii) General Reserve

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Opening Balance | 45,967.75 | 45,967.75 |
| **Closing Balance** | **45,967.75** | **45,967.75** |

iv) Shares options outstanding account

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Opening Balance | 1,198.56 | 1,181.39 |
| Add : Employee stock option expense for the year | 1,084.00 | 580.85 |
| Less : Transferred from share options outstanding account on lapse of vested options | (63.66) | (34.54) |
| Less : Exercise of options - transferred from shares options outstanding account | (344.84) | (529.14) |
| **Closing Balance** | **1,874.06** | **1,198.56** |

v) Retained earnings

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Opening Balance | 57,936.30 | 40,917.38 |
| Add: Net profit for the year | 21,618.53 | 12,851.65 |
| Add: Other comprehensive income (net of tax) | 203.60 | 533.66 |
| Add: Transferred from share options outstanding account on lapse of vested options | 63.66 | 34.54 |
| Less: Dividend on equity shares | (3,447.13) | – |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 17 : Other Equity (Contd..)

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Less: Fair value of non-controlling interest put option | – | (150.93) |
| Add : Transfer from Debenture redemption reserve to retained earnings | – | 3,750.00 |
| Less: Transfer from minority interest on account of business combination | (305.93) | – |
| **Closing Balance** | **76,069.03** | **57,936.30** |

vi) Capital reserve

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Opening Balance | 175.18 | 175.18 |
| **Closing Balance** | **175.18** | **175.18** |

vii) Capital redemption reserve

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Opening Balance | 135.71 | 135.71 |
| **Closing Balance** | **135.71** | **135.71** |

viii) Effective Portion of Cashflow Hedges

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Opening Balance | 88.29 | – |
| Add: Charge for the year | (125.98) | 49.98 |
| Add: Other comprehensive income (net of tax) | (31.22) | 38.31 |
| **Closing Balance** | **(68.91)** | **88.29** |

ix) Share application money pending allotment

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Opening Balance | – | 12.51 |
| Add /(less): Issue of share capital | (0.19) | (12.51) |
| Less: Transfer from minority interest on accuont of business combination | 0.19 | – |
| **Closing Balance** | **–** | **–** |

x) Amalgamation adjustment reserve

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Opening Balance | – | – |
| Less: Transfer from minority interest on account of business combination | (2,327.15) | – |
| **Closing Balance** | **(2,327.15)** | **–** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 17 : Other Equity (Contd..)

**Nature and purpose of reserves**

### Securities Premium

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

### Debenture Redemption Reserve (DRR)

The Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the Group creates DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the Group. The amounts credited to the debenture redemption reserve will not be utilised except to redeem debentures.

### General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

### Share options outstanding account

The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

### Effective Portion of Cashflow Hedges

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Group uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss.

### Amalgamation adjustment reserve

The Group creates amalgamation adjustment reserve on account of business combination pursuant to any schemes for merger/demerger, etc.

### Distribution paid

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Cash dividends on equity shares declared and paid:** | | |
| Final dividend paid for the year ended March 31, 2022 of 3/- per share | 3,447.13 | – |

* The proposed dividend on equity shares is subject to the approval of shareholders in the annual general meeting and hence is not recognised as a liability as at the Balance Sheet date.

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 18 : Borrowings

(₹ in Lakhs)

| Particulars | Note No. | 31-Mar-23 | 31-Mar-22 |
|---|---|---|---|
| **Non-current** | | | |
| **Unsecured** | | | |
| Sales tax deferral liability | Note a | – | 16.65 |
| Rupee Loans | Note b | – | 1,166.67 |
| **Total non-current borrowings** | | **–** | **1,183.32** |
| **Current** | | | |
| **Secured** | | | |
| Cash credits | Note c | – | 2,033.39 |
| **Total secured current borrowings** | | **–** | **2,033.39** |
| **Unsecured** | | | |
| Current maturities of sales tax deferral liability | Note a | 16.65 | 107.62 |
| Current maturities of long term rupee loans | Note b | – | 1,166.67 |
| **Total unsecured current borrowings** | | **16.65** | **1,274.29** |
| **Total current borrowings** | | **16.65** | **3,307.68** |

**Note a:**

Sales tax deferral liability is interest free and repayable over predefined instalments from the initial date of deferment of liability, as per the respective schemes as given below:

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Non-current** | | |
| FY 2023-24 (June 2023) | – | 16.65 |
| | **–** | **16.65** |
| **Current** | | |
| FY 2022-23 (June 2022) | – | 107.62 |
| FY 2023-24 (June 2023) | 16.65 | – |
| | **16.65** | **107.62** |

**Note b: Rupee term loan is as per the following terms**

| Lending Bank | Maturity Date | Interest rate % | Liability In ₹ Lakhs as on 31-Mar-22 |
|---|---|---|---|
| Bank of Bahrain & Kuwait B.S.C. | 17-Aug-22 | 7.05% | 1,166.67 |
| Bank of Bahrain & Kuwait B.S.C. | 17-Aug-23 | 7.05% | 1,166.67 |
| **Total** | | | **2,333.34** |

**Note c:** Cash credits are secured, repayable on demand and bear interest in the range of 7.90% to 13.00%.

**Note d : Charge on secured borrowings is as given below**

First pari passu charge by way of hypothecation of inventories, book debts and all movable assets under the head 'property, plant and equipment

First pari passu charge on the Parent Company's immovable properties at

- Wardha premises - Plot no. 36, Block no. 17, Mouza no. 225, Bacharaj road, Gandhi Chowk, Wardha
- Hari Kunj - Flat No. 103 and 104, 'B' wing, Sindhi Society, Chembur East, Mumbai - 400071

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 18 : Borrowings (Contd..)

Second pari passu charge over present and future property, plant and equipment of the Parent Company, situated at

- Ranjangaon Units : Village Dhoksanghvi, Taluka Shirur, Ranjangaon, Dist. Pune - 412210;
- Chakan Unit : Village Mahalunge, Chakan Talegaon Road, Khed, Pune - 410501;
- Showroom on Ground floor and Office Premises on Second Floor at Bajaj Bhawan 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.
- Office Premises No : 001, 502, 701 and 801, 'Rustomjee Aspiree', Bhanu Shankar Yagnik Marg, Off Eastern Highway, Sion (East), Mumbai - 400 022
- R & D centre at Plot no. 27/ pt 2/ at Millennium Business Park, TTC Industrial area, Mahape, Navi Mumbai"

The below assets of the subsidiary have been kept on charge for the secured borrowings.

- First and exclusive charge by way of mortgage of land & building at Gut No. 16 Naigavhan, Khandewadi, Tq. Paithan, Paithan Road, Aurangabad.
- First and exclusive charge by way of mortgage of land at Gut No 09, situated at Naighavan Khandewadi, Tq. Paithan, Paithan Road, Aurangabad.
- First and exclusive charge by way of hypothecation of plant and machinery at Gut No 16, Naigavhan, Khandewadi, Tq. Paithan, Paithan Road, Aurangabad.
- First and exclusive charge by way of hypothecation of inventory and receivables of the subsidiary."

The Group has not defaulted on any loans which were due for repayment during the year.

**Note e :** The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken. Further, the Group has borrowings from banks or financial institutions on the basis of security of current assets and has filed quarterly returns / statement of current assets with banks or financial institutions which are in agreement with the books of accounts.

## Note 19 : Other Financial Liabilities

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Non Current** | | |
| Employee benefit liabilities | 16.52 | 34.48 |
| **Total other non-current financial liabilities** | **16.52** | **34.48** |
| **Current** | 31-Mar-23 | 31-Mar-22 |
| Capital creditors | 379.10 | 404.94 |
| Unpaid dividends | 60.32 | 67.26 |
| Trade deposits (dealers, vendors etc.) | 809.60 | 908.70 |
| Interest accrued and due on borrowings | – | 0.59 |
| Channel financing liability (Note 6) | 57,967.35 | 30,395.32 |
| Derivative liability | 12.62 | 8.97 |
| Other payables | 3,879.18 | 8,657.72 |
| Liability towards corporate social responsibility (shortfall) | 175.29 | 296.10 |
| Employee benefit liabilities | 6,645.49 | 5,418.31 |
| **Total other current financial liabilities** | **69,928.95** | **46,157.91** |

All the above financial liabilities are carried at amortised cost except for derivative liabilities (forward exchange contracts) which are fair valued through profit and loss and financial guarantee contracts which are initially recognised at fair value.





# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 20 : Provisions

(₹ in Lakhs)

| Particulars | 31-Mar-23 | | | 31-Mar-22 | | |
|---|---|---|---|---|---|---|
| | Current | Non Current | Total | Current | Non Current | Total |
| Service warranties* | 4,173.48 | 1,689.40 | 5,862.88 | 5,837.91 | 2,309.11 | 8,147.02 |
| Legal claims | 302.41 | – | 302.41 | 373.42 | – | 373.42 |
| Other matters** | 400.13 | – | 400.13 | 1,643.46 | – | 1,643.46 |
| E-Waste Management | – | – | – | – | – | – |
| **Total Provisions** | **4,876.02** | **1,689.40** | **6,565.42** | **7,854.79** | **2,309.11** | **10,163.90** |

**Movement in provisions is as given below:**

(₹ in Lakhs)

| Particulars | Service Warranties | Legal Claims | Other matters |
|---|---|---|---|
| **Opening balance as on 1st April, 2021** | **9,167.60** | **543.80** | **1,465.01** |
| Arising during the year | 5,284.86 | – | 178.45 |
| Unwinding of discount (finance cost) | 197.09 | – | – |
| Utilised during the year | (6,502.53) | (170.38) | – |
| **Closing balance as on 31st March, 2022** | **8,147.02** | **373.42** | **1,643.46** |
| Arising during the year | 1,005.39 | – | – |
| Unwinding of discount (finance cost) | 208.02 | – | – |
| Utilised during the year | (3,497.55) | (71.01) | (1,243.33) |
| **Closing balance as on 31st March, 2023** | **5,862.88** | **302.41** | **400.13** |

*Refer note 1D(1)

**The Group has made provisions for litigation cases and pending assessments in respect of taxes, the outflow of which would depend on the cessation of the respective events.

## Note 21 : Employee Benefit Obligations

(₹ in Lakhs)

| Particulars | 31-Mar-23 | | | 31-Mar-22 | | |
|---|---|---|---|---|---|---|
| | Current | Non Current | Total | Current | Non Current | Total |
| Leave obligations | 467.43 | 1,449.50 | 1,916.93 | 292.71 | 1,345.06 | 1,637.77 |
| Interest rate guarantee on provident fund | – | 352.82 | 352.82 | – | 351.18 | 351.18 |
| Gratuity (refer note a below) | 1,102.17 | 4,095.49 | 5,197.66 | 626.06 | 4,618.32 | 5,244.38 |
| **Total employee benefit obligations** | **1,569.60** | **5,897.81** | **7,467.41** | **918.77** | **6,314.56** | **7,233.33** |

**Disclosure of defined benefit plans are as given below :**

### A. Gratuity :

The Company has a defined benefit gratuity plan in India (Funded) for its employees, which requires contribution to be made to a separately administered fund. Company had an unfunded Gratuity Liability towards employees of erstwhile HLL Demerged Undertaking, which has been completely paid off during FY. 2021-22 on account of their VRS from the Company. During the FY. 2022-23, the company also passed a resolution to fund the liability pertaining to employees of entities joining-in under the schemes of business combinations.

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

The gratuity benefit payable to the employees of the Company is greater of the two : (i) The provisions of the Payment of Gratuity Act, 1972 or (ii) The Company's gratuity scheme as described below.

**(i) The provisions of the Payment of Gratuity Act, 1972 :**

| **Benefits as per the Payment of Gratuity Act, 1972** | |
|---|---|
| Salary for calculation of Gratuity (GS) | Last drawn basic salary including dearness allowance (if any) |
| Gratuity Service (SER) | Completed years of Continuous Service with part thereof in excess of six months |
| Vesting period | 5 Years # |
| Benefit on normal retirement | 15/26 * GS * SER |
| Benefit on early retirement / termination / resignation / withdrawal | Same as normal retirement benefit based on the service upto the date of exit. |
| Benefit on death in service | Same as normal retirement benefit and no vesting period condition applies. |
| Limit | ₹ 20 lakhs |

**(ii) The Company's gratuity scheme :**

| **Benefits as per the Company's Gratuity Scheme for HO Employees ( Category S - Staff )** | |
|---|---|
| Salary for calculation of Gratuity (GS) | Basic Salary + Special Pay + Personal Pay + Variable Dearness Allowance + Fixed Dearness Allowance |
| Gratuity Service (SER) | Completed years of Continuous Service with part thereof in excess of six months |
| Vesting period | 5 Years # |
| Benefit on normal retirement | 21/26 * GS * SER |
| Benefit on early retirement / termination / resignation / withdrawal | Same as normal retirement benefit based on the service upto the date of exit. |
| Benefit on death in service | Same as normal retirement benefit and no vesting period condition applies. |
| Limit | No Limit |

| **Benefits as per the Company's Gratuity Scheme for HO (Category E - Executives, Category PSG - Project Services Group and Category Factory Staff - Chakan & Ranjangaon Employees)** | | |
|---|---|---|
| Salary for calculation of Gratuity (GS) | HO Category E & PSG: Basic Salary<br>Factory Staff : Basic Salary + DA, if any | |
| Gratuity Service (SER) | Completed years of Continuous Service with part thereof in excess of six months | |
| Vesting period | 5 Years # | |
| Benefit on normal retirement | **Service** | **Benefits** |
| | Between 5 & 9 years | 60% x GS x SER |
| | Between 10 & 14 years | 70% x GS x SER |
| | Between 15 & 24 years | 80% x GS x SER |
| | 25 years & Above | GS x SER |
| Benefit on early retirement / termination / resignation / withdrawal | **Service** | **Benefits** |
| | Between 5 & 9 years | 60% x GS x SER |
| | Between 10 & 14 years | 70% x GS x SER |
| | Between 15 & 24 years | 80% x GS x SER |
| | 25 years & Above | 90% x GS x SER |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

| **Benefits as per the Company's Gratuity Scheme for HO (Category E - Executives, Category PSG - Project Services Group and Category Factory Staff - Chakan & Ranjangaon Employees)** | |
|---|---|
| Benefit on death in service | HO Category E & PSG: GS x SER<br>Factory Staff : Same as normal retirement benefit based on the service upto the date of exit. |
| Limit | No Limit |

# Completion of 240 days during the 5th year can be treated as completion of 1 year of continuous service.

In case of employees with age above the retirement age, the retirement is assumed to happen immediately and valuation is done accordingly.

**Changes in the Present Value of Obligation are as given below :**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 |
|---|---|---|
| Present Value of Obligation as at the beginning | 6,159.07 | 6,854.80 |
| Current Service Cost | 592.74 | 568.87 |
| Interest Cost | 402.10 | 425.56 |
| Re-measurement (gain) / loss arising from: | | |
| – change in demographic assumptions | (232.65) | – |
| – change in financial assumptions | (146.59) | (124.94) |
| – experience adjustments (i.e. Actual experience vs assumptions) | (44.71) | (287.16) |
| Benefits Paid | (812.50) | (1,440.90) |
| Acquisition Adjustment ( SLL Mfg absorbed in Merger ) | (3.51) | 162.84 |
| **Present Value of Obligation as at the end** | **5,913.95** | **6,159.07** |

**Changes in the Fair Value of Plan Assets is as given below :**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 |
|---|---|---|
| Fair Value of Plan Assets as at the beginning | 914.70 | 830.35 |
| Investment Income | 60.33 | 51.45 |
| Employer's Contribution | – | 2.09 |
| Benefits Paid | (265.71) | – |
| Return on plan assets , excluding amount recognised in interest (expense)/income | 6.98 | 30.81 |
| **Fair Value of Plan Assets as at the end** | **716.30** | **914.70** |

**Changes in the Fair Value of Reimbursement Right is as given below * :**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 |
|---|---|---|
| Fair Value of Reimbursement Right as at the beginning | 5,306.40 | 5,360.58 |
| Investment Income | 349.97 | 332.12 |
| Employer's Contribution | – | – |
| Benefits Paid | (531.21) | (630.10) |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 |
|---|---|---|
| Return on plan assets , excluding amount recognised in interest (expense)/income | (226.23) | 243.80 |
| **Fair Value of Reimbursement Right as at the end** | **4,898.93** | **5,306.40** |

* Reimbursement right is a non-qualifying insurance policy under Ind AS 19 as it is with Bajaj Allianz Life Insurance Co. Ltd (a related party of Bajaj Electricals Limited). The same has been disclosed in Note 10 and Note 14 of the standalone financials statements

**Amount recognised in balance sheet is as given below :**

(₹ in Lakhs)

| Particulars | As on 31-Mar-23 | As on 31-Mar-22 |
|---|---|---|
| Present Value of Obligation | 5,913.95 | 6,159.07 |
| Fair Value of Plan Assets | 716.30 | 914.70 |
| Surplus / (Deficit) | (5,197.65) | (5,244.37) |
| Effects of Asset Ceiling, if any | – | – |
| Net Actuarially Valued Asset / (Liability) | (5,197.65) | (5,244.37) |
| Liability on an actual basis for employees at foreign branches | – | – |
| **Total Net Asset / (Liability)** | **(5,197.65)** | **(5,244.37)** |

**Amount recognised in statement of profit and loss and other comprehensive income is as given below :**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 |
|---|---|---|
| **Costs charged to statement of profit and loss :** | | |
| Current Service Cost | 592.74 | 591.26 |
| Interest Expense or Cost | 402.10 | 425.56 |
| Investment Income | (410.30) | (383.57) |
| **Expense recognised in statement of profit and loss** | **584.53** | **633.26** |
| **Re-measurement (gain) / loss arising from:** | | |
| Change in demographic assumptions | (232.65) | – |
| Change in financial assumptions | (146.59) | (124.94) |
| Experience adjustments (i.e. Actual experience vs assumptions) | (44.71) | (287.16) |
| Return on plan assets , excluding amount recognised in interest expense/(income) | 219.25 | (274.61) |
| **(Income) / Expense recognised in Other Comprehensive Income** | **(204.69)** | **(686.71)** |
| **Total Expense Recognised during the year** | **379.84** | **(53.45)** |

**Major categories of Plan Assets & Reimbursement Right (as percentage of Total Assets)**

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 |
|---|---|---|
| Funds managed by Insurer | 100% | 100% |
| **Total** | **100%** | **100%** |

As the funds are managed wholly by the insurance company, the break-up of the plan assets is unavailable



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

**The significant actuarial assumptions are as follows:**

### Financial Assumptions

| Particulars | As on 31-Mar-23 | As on 31-Mar-22 |
|---|---|---|
| Discount rate (per annum) - Range | 6.60% - 7.45% | 6.60% - 7.25% |
| Salary growth rate (per annum) - Range | 5.00% - 8.50% | 5.00% - 8.50% |

### Demographic Assumptions

| Particulars | As on 31-Mar-23 | As on 31-Mar-22 |
|---|---|---|
| Mortality Rate | 100% of IALM 12-14 | 100% of IALM 12-14 |
| **Withdrawal rates, based on age: (per annum) :** | | |
| Up to 30 years | 27.00% | For HLL- 4.00%<br>For Others- 21.00% |
| 31 - 44 years | 18.00% | For HLL- 4.00%<br>For Others- 14.00% |
| Above 44 years | 18.00% | For HLL- 4.00%<br>For Others- 12.00% |

*For the subsidiary Nirlep, it is 1.6% across all the categories

**Summary of Membership Status**

(₹ in Lakhs)

| Particulars | As on 31-Mar-23 | As on 31-Mar-22 |
|---|---|---|
| Number of employees | 2,552 | 2,406 |
| Total monthly salary (₹ In Lakhs) | **979.94** | **839.26** |
| Average past service (years) - Range | **6.72 - 10.42** | **7.09 - 9.44** |
| Average age (years) - Range | **37.39 - 40.62** | **37.24 - 39.30** |
| Average remaining working life (years) | **17.38 - 20.62** | **18.70 - 20.77** |
| Number of completed years valued | 17,678 | 17,405 |
| Decrement adjusted remaining working life (years) - Range | 4.58 - 13.99 | 6.12 - 14.96 |
| Normal retirement age | 58.00 | 58.00 |

The standard retirement date for executive employees is June 30 and the April 1st for the staff employees. In case of employees with age above the normal retirement age indicated above, the retirement is assumed to happen immediately and valuation is done accordingly. The retirement date for Nirlep employee is the 58th date of birth of the employee

**Sensitivity Analysis**

The sensitivity analysis is determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Defined Benefit Obligation (Base) | 5,913.95 | 6,159.07 |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

(₹ in Lakhs)

| Particulars | 31-Mar-23 | | 31-Mar-22 | |
|---|---|---|---|---|
| | Result of decrease | Result of increase | Result of decrease | Result of increase |
| Discount Rate (- / + 1%) | 6,141.29 | 5,706.42 | 6,318.10 | 5,708.57 |
| (% change compared to base due to sensitivity) | 3.84% | (3.51%) | 2.58% | (7.31%) |
| Salary Growth Rate (- / + 1%) | 5,722.78 | 6,119.01 | 5,727.97 | 6,289.75 |
| (% change compared to base due to sensitivity) | (3.23%) | 3.47% | (7.00%) | 2.12% |
| Attrition Rate (- / + 50% of attrition rates) | 6,360.53 | 5,698.31 | 6,574.01 | 5,687.14 |
| (% change compared to base due to sensitivity) | 7.55% | (3.65%) | 6.74% | (7.66%) |
| Mortality Rate (- / + 10% of mortality rates) | 5,912.25 | 5,915.64 | 5,994.97 | 5,997.48 |
| (% change compared to base due to sensitivity) | (0.03%) | 0.03% | (2.66%) | (2.62%) |

**The description of plans ability to affect the amount, timing and uncertainty of the entity's future cash flows**

### a) Funding arrangements and Funding Policy

The scheme is managed on funded basis. Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which fully covers the same under Cash Accumulation Policies of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

### b) Expected Contribution during the next annual reporting period

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| The Company's best estimate of Contribution during the next year | 650.03 | 186.16 |

### c) Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Weighted average duration (based on discounted cashflows) | 4 Years for BEL and 8 Years for Nirlep | 5 Years for BEL and 8 Years for Nirlep |

(₹ in Lakhs)

| Expected cash flows over the next (valued on undiscounted basis): | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| 1 year | 1,814.44 | 1,533.68 |
| More than 1 and upto 2 years | 779.95 | 620.53 |
| More than 2 and upto 5 years | 1,987.39 | 1,694.74 |
| More than 5 and upto 10 years | 2,059.47 | 2,241.16 |
| More than 10 years | 1,590.26 | 3,013.33 |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

### d) Asset liability matching strategies

For gratuity, the Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy terms, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)

### B. Provident Fund (Defined Benefit Plan) :

Bajaj Electricals Limited operates in two schemes for the compliance of provident fund statute - (i) Bajaj Electricals Limited Employees' Provident Fund Trust & Matchwel Electricals (India) Ltd Employees' Provident Fund Trust (defined benefit plan) and (ii) RPFC Contributions for provident fund (defined contribution plan).

For exempt provident fund, the defined benefit obligation of the Company arises from the possibility that during anytime in the future, the scheme may earn insufficient investment income to meet the guaranteed interest rate declared by government / EPFO / relevant authorities as well as for fund assets shortfall as against the liabilities of the Trusts

The net defined benefit obligation as at the valuation date represents the excess of accumulated fund value (determined on actuarial basis) plus interest rate guaranteed liability over the fair value of plan assets or vice-a-versa

**The benefit valued under PF obligation are summarised below:**

| | |
|---|---|
| Normal Retirement Age | 58 Years * |
| Benefit on normal retirement | Accrued Account Value |
| Benefit on early retirement / termination / resignation / withdrawal | Accrued Account Value |
| Benefit on death in service | Accrued Account Value |

* The standard retirement date for executive employees is June 30th of every year and the same is April 1st of every year for the staff employees.

The company's compliances for provident fund is governed by Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Responsibility for governance of the plans, including investment decisions and contribution schedules lies jointly with the company and the board of trustees. The board of trustees are composed of representatives of the company and plan participants in accordance with the plan's regulations

**Changes in the Present Value of Obligation of Trusts are as given below :**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 |
|---|---|---|
| Present Value of Obligation as at the beginning | 18,154.10 | 17,128.89 |
| Interest Cost | **1,288.11** | **1,112.74** |
| Current Service Cost | **906.03** | **752.63** |
| Employee's Contributions | **1,516.25** | **1,392.61** |
| Transfer In / (out) of the liability | **749.03** | **149.76** |
| Benefits Paid | **(2,343.73)** | **(2,402.91)** |
| Re-measurement (gain) / loss arising from: | | |
| – experience variance (i.e. Actual experience vs assumptions), loss if positive | 116.85 | 503.78 |
| – change in financial assumptions | (57.87) | (483.40) |
| **Present Value of Obligation as at the end** | **20,328.78** | **18,154.10** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

### Changes in the Fair Value of Plan Assets of Trusts are as given below :

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 |
|---|---|---|
| Fair Value of Plan Assets as at the beginning | 18,146.23 | 16,256.04 |
| Investment Income | 1,285.57 | 1,054.05 |
| Employer's Contributions | 848.57 | 697.24 |
| Employee's Contributions | 1,516.25 | 1,392.61 |
| Transfers In | 749.03 | 149.76 |
| Benefits Paid | (2,343.73) | (2,402.91) |
| Return on plan assets , excluding amount recognised in interest (expense)/income | 216.62 | 999.44 |
| **Fair Value of Plan Assets as at the end** | **20,418.55** | **18,146.23** |

A deterministic approach is considered to estimate the value of Interest Rate Guarantee on the Exempt Provident Fund. The per annum cost of guarantee at which Interest Rate Guarantee Liability has been valued is mentioned below

### Amount recognised in balance sheet of Trusts is as given below:

**Matchwel Electricals (India) Ltd Employees' Provident Fund Trust (for Chakan unit employees) :**

(₹ in Lakhs)

| Particulars | As on 31-Mar-23 | As on 31-Mar-22 |
|---|---|---|
| Present Value of Obligation | 448.81 | 441.36 |
| Fair Value of Plan Assets | **966.73** | **918.30** |
| Surplus / (Deficit) | **517.92** | **476.94** |
| Effects of Asset Ceiling, if any | – | – |
| **Net Asset / (Liability)** | **517.92** | **476.94** |

The present value of obligation of Matchwel Electricals (India) Ltd Employees' Provident Fund Trust represents the aggregate of accumulated fund value of ₹ 441.90 lakhs (As on March 31, 2022 - ₹ 433.36 lakhs) and interest rate guarantee ₹ 6.91 lakhs (As on March 31, 2022 - ₹ 8.00 lakhs). Of the above, the interest rate guarantee is recognised as provision in the Company's books, while the accumulated fund value is recognised by the Trust. The interest rate guarantee so recognised in the Company's books is considered as non-current liability

**Bajaj Electricals Limited Employees' Provident Fund Trust (for H.O. employees) :**

(₹ in Lakhs)

| Particulars | As on 31-Mar-23 | As on 31-Mar-22 |
|---|---|---|
| Present Value of Obligation | 19,879.97 | 17,712.74 |
| Fair Value of Plan Assets | **19,451.82** | **17,227.94** |
| Surplus / (Deficit) | **(428.15)** | **(484.80)** |
| Effects of Asset Ceiling, if any | – | – |
| **Net Asset / (Liability)** | **(428.15)** | **(484.80)** |

The present value of obligation of Bajaj Electricals Limited Employees' Provident Fund Trust represents the



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

aggregate of accumulated fund value of ₹ 19,574.05 lakhs (As on March 31, 2022 - ₹ 17,391.82 lakhs) and interest rate guarantee ₹ 305.92 lakhs (As on March 31, 2022 - ₹ 320.92 lakhs). Of the above, the interest rate guarantee is recognised as provision in the Company's books, while the accumulated fund value is recognised by the Trust. The interest rate guarantee so recognised in the Company's books is considered as non-current liability.

Since interest rate guarantee is already accounted in BEL's books, the liability of ₹ 19,574.05 lakhs which is Accumulated Fund Value of ₹ 122.23 lakhs in excess of Fair Value of Plan Assets of ₹ 19,451.82 lakhs is accounted by BEL as payable to Trust on shortfall of plan assets. During the financial year 2021-22, out of the liability which had arisen mainly on account of negative return on plan assets contributed by negative return on Trust's investment in IL&FS as well as DHFL in past years; the partial recovery in the form of fresh debt security units and cash has happened from DHFL and the differential value is funded by BEL to the Trust. BEL has also recorded full liability towards IL&FS which is to be paid by BEL to the Trust to the extent of unrecovered balances from IL&FS

Bajaj Electricals Limited can offset an asset relating to one plan against a liability relating to another plan when, and only when, Bajaj Electricals Limited has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and intends either to settle the obligations on a net basis, or to realize the surplus in one plan and settle its obligation under the other plan simultaneously. However the two trusts namely Matchwel Electricals (India) Ltd Employees' Provident Fund Trust (for Chakan employees) and Bajaj Electricals Limited Employees' Provident Fund Trust (for H.O. employees) are independent trusts. Accordingly, surplus assets of trust for Chakan employees cannot be offset against liability relating to trust for H.O. employees

**Amount recognised in statement of profit and loss and other comprehensive income of Trusts is as given below :**

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 |
|---|---|---|
| **Costs charged to statement of profit and loss :** | | |
| Current Service Cost | **906.03** | **752.63** |
| Interest Cost | **1,288.11** | **1,112.74** |
| Investment Income | **(1,285.57)** | **(1,054.05)** |
| **Expense recognised in statement of profit and loss** | **908.57** | **811.32** |
| **Re-measurement (gain) / loss arising from:** | | |
| – Experience variance (i.e. Actual experience vs assumptions) * | **116.85** | **503.78** |
| – change in financial assumptions | **(57.87)** | **(483.40)** |
| Return on plan assets , excluding amount recognised in interest expense/(income) | **(216.62)** | **(999.44)** |
| **Expense recognised in Other Comprehensive Income** | **(157.64)** | **(979.08)** |
| **Total Expense Recognised during the year** | **750.93** | **(167.76)** |

* included in other comprehensive income in the statement of profit and loss

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

### The significant actuarial assumptions are as follows :

**Financial and Demographic Assumptions**

(₹ in Lakhs)

| Particulars | As on 31-Mar-23 HO Unit | As on 31-Mar-23 Chakan Unit | As on 31-Mar-22 HO Unit | As on 31-Mar-22 Chakan Unit |
|---|---|---|---|---|
| Discount rate (per annum) | 6.94% | 6.94% | 7.46% | 7.46% |
| Interest rate guarantee (per annum) | 8.10% | 8.10% | 8.15% | 8.15% |
| Discount Rate for the Remaining Term to Maturity of the Investment (p.a.) | 6.94% | 6.94% | 7.46% | 7.46% |
| Average Historic Yield on the Investment (p.a.) | 7.82% | 7.82% | 7.93% | 7.93% |
| Mortality Rate | 100.00% | 100.00% | 100.00% | 100.00% |

| | As on 31-Mar-23 Live Employees | As on 31-Mar-22 Live Employees |
|---|---|---|
| Attrition Rate, based on ages: | | |
| – Upto 30 years | 4.99% | 4.99% |
| – 31 to 44 years | 3.63% | 3.63% |
| – 45 to 57 years | 3.62% | 3.62% |
| – Above 57 years | 0.38% | 0.38% |

**Summary of Membership Status :**

| | As on 31-Mar-23 | As on 31-Mar-22 |
|---|---|---|
| Dormant/Inoperative Employees | 3,871 | 3,523 |
| Live Number of employees | 1,852 | 1,705 |
| **Total Number of employees** | **5,723** | **5,228** |

**Major categories of Plan Assets (as percentage of Total Plan Assets)**

| | As on 31-Mar-23 | As on 31-Mar-22 |
|---|---|---|
| Government of India securities | 3.70% | 4.40% |
| State Government securities | 38.60% | 38.50% |
| High quality corporate bonds | 33.60% | 31.30% |
| Equity shares of listed companies | 0.00% | 0.00% |
| Special Deposit Scheme | 7.50% | 8.40% |
| Funds managed by Insurer | 0.00% | 0.00% |
| Bank balance | 0.50% | 0.30% |
| Other Investments | 16.10% | 17.10% |
| **Total** | **100.00%** | **100.00%** |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

### Sensitivity Analysis

**The sensitivity analysis is determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.**

(₹ in Lakhs)

| | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Defined Benefit Obligation (Base) | 20,328.78 | 18,154.10 |

(₹ in Lakhs)

| Particulars | As on 31-Mar-23 Result of decrease | As on 31-Mar-23 Result of increase | As on 31-Mar-22 Result of decrease | As on 31-Mar-22 Result of increase |
|---|---|---|---|---|
| Discount Rate (- / + 1%) | 20,342.38 | 20,316.02 | 18,292.09 | 18,016.94 |
| (% change compared to base due to sensitivity) | 0.07% | (0.06%) | 0.76% | (0.76%) |
| Interest rate guarantee (- / + 1%) | 20,015.95 | 21,761.17 | 17,825.18 | 19,349.12 |
| (% change compared to base due to sensitivity) | (1.54%) | 7.05% | (1.81%) | 6.58% |

**The description of plans ability to affect the amount, timing and uncertainty of the entity's future cash flows**

### a) Funding arrangements and Funding Policy

The scheme is managed on funded basis. Payment for present liability of future payment of PF is made by the Company towards shortfall of Bajaj Electricals Limited Employees' Provident Fund Trust and Matchwel Electricals (India) Ltd Employees' Provident Fund Trust. The investments for the same are managed by Trustees as per advice and recommendations of a professional consultant and in compliance of obligatory pattern of investments as per government notification in official gazette for the pattern of investment for EPF exempted establishments. Any deficit in the assets of PF Trusts is funded by the Company. The provident fund for certain employees is a defined contribution plans covered under RPFC Contributions

### b) Expected contribution during the next annual reporting period

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| The Trusts' best estimate of Contribution during the next year | 889.17 | 790.26 |

This has been calculated assuming that the employer's contribution next year shall increase by 5%.

### c) Asset liability matching strategies

For PF Trust Investments, the same are managed by Trustees as per advice and recommendations of a professional consultant. The Employees' Provident Fund Organisation, Ministry of Labour, Government of India, vide its notification in official gazette notified the pattern of investment for EPF exempted establishments, which depicts the obligatory pattern of investments of PF contributions and interests. The pattern mandates to invest as below :

| Category / Sub-Category | Percentage of amount to be invested |
|---|---|
| Government Securities and Related Investments | Minimum 45% and upto 50% |
| Debt Instruments and Related Investments | Minimum 35% and upto 45% |
| Short-Term Debt Instruments and Related Investments | Upto 5% |
| Equity and Related Investments | Minimum 5% and upto 15% |
| Asset Backed, Trust Structured and Miscellaneous Investments | Upto 5% |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 21 : Employee Benefit Obligations (Contd..)

**C. Expenses Recognised during the year (Defined Contribution Plan) :**

(₹ in Lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | 31-Mar-23 | 31-Mar-22 |
| Provident Fund | 225.43 | 139.00 |
| Superannuation | 226.11 | 238.04 |
| Pension | 560.53 | 542.13 |

## Note 22 : Trade Payables

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Current** | | |
| Trade payable due to others | 1,51,402.77 | 1,15,641.46 |
| Dues to micro, small and medium enterprises * | 5,498.99 | 7,905.23 |
| **Total current trade payables** | **1,56,901.76** | **1,23,546.69** |

* Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

**Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Principal | 4,942.80 | 7,535.91 |
| Interest | 556.20 | 369.32 |
| The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | 369.32 | 328.05 |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006. | – | – |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | 556.20 | 369.32 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | – | – |

**Trade Payables aging schedule as at March 31, 2023**

(₹ in Lakhs)

| Particulars | Outstanding for following periods from transaction date | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) MSME | 720.78 | 3,145.62 | 50.58 | 2.65 | 49.11 | 3,968.74 |
| (ii) Others | 55,191.88 | 42,353.22 | 41,850.46 | 2,421.22 | 9,582.61 | 1,51,399.39 |
| (iii) Disputed Dues - MSME | 279.59 | – | – | – | 1,250.66 | 1,530.25 |
| (iv) Disputed Dues – Others | – | 0.13 | 0.07 | 0.42 | 2.76 | 3.38 |
| **TOTAL** | **56,192.25** | **45,498.97** | **41,901.11** | **2,424.29** | **10,885.14** | **1,56,901.76** |





# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 22 : Trade Payables (Contd..)

**Trade Payables aging schedule as at March 31, 2022**

(₹ in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | Total |
| (i) MSME | 4,641.24 | 1,939.57 | 29.35 | 209.61 | 0.01 | 6,819.78 |
| (ii) Others | 71,521.95 | 25,049.20 | 5,133.06 | 3,186.80 | 10,728.74 | 1,15,619.75 |
| (iii) Disputed Dues - MSME | – | – | – | – | 1,085.45 | 1,085.45 |
| (iv) Disputed Dues – Others | – | 7.84 | – | 1.83 | 12.04 | 21.71 |
| **TOTAL** | **76,163.19** | **26,996.61** | **5,162.41** | **3,398.24** | **11,826.24** | **1,23,546.69** |

## Note 23 : Other Current Liabilities

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Statutory liabilities payable** | 3,655.69 | 3,404.49 |
| Deferred revenue * | 3,123.44 | 17,087.79 |
| Others | 975.81 | 1,109.73 |
| **Total other current liabilities** | **7,754.94** | **21,602.01** |

* Deferred revenue includes ₹ 2,773.74 lakhs (March 31, 2022 - ₹ 16,738.10 lakhs) for accrual of points under the Retailer Bonding Program and ₹ 349.70 lakhs (March 31, 2022 - ₹ 349.70) for warranty provision considered as a separate performance obligation. The reduction in deferred revenue of ₹ 10,493.85 lakhs towards retailer bonding program has been accounted in revenue from operations.

## Note 24 : Revenue from operations

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Sale of products | 4,32,468.04 | 4,27,231.47 |
| Contract Revenue | 1,01,500.77 | 45,537.77 |
| Other operating revenue | | |
| Scrap sales | 2,436.62 | 6,686.34 |
| Insurance claims | 79.28 | 364.85 |
| Writeback of provisions | – | 463.64 |
| Others | 6,441.77 | 1,017.38 |
| **Total revenue from operations (Refer Note 41(i))** | **5,42,926.48** | **4,81,301.45** |

## Note 25 : Other income

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Interest income on bank deposits and others | 866.93 | 217.95 |
| Interest income from financial assets at amortised cost | 60.32 | 71.36 |
| Interest on income tax refund | – | 476.30 |
| Rental income | 251.57 | 254.70 |
| Net gain on disposal of property, plant & equipment | 279.91 | 1,070.09 |
| Net gain from sale of investment | 310.56 | – |
| Others | | |
| Impairment allowance on trade receivables and others written back | 1,015.12 | 2,716.69 |
| Credit balance written back | 3,493.97 | 1,760.51 |
| Gain on termination of right-of-use assets | 27.24 | 16.79 |
| Others | 1,279.31 | 249.25 |
| **Total other income** | **7,584.93** | **6,833.64** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 26 : Cost of raw materials consumed

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Raw materials at the beginning of the year | 12,633.72 | 10,007.74 |
| Add : Purchases | 58,663.28 | 62,440.63 |
| Less : Raw materials at the end of the year | 14,183.20 | 12,633.72 |
| **Total cost of raw material consumed** | **57,113.80** | **59,814.65** |

## Note 26 : Changes in inventories of work-in-progress, finished goods, traded goods

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Opening balance** | | |
| Work in progress | 2,168.06 | 1,666.70 |
| Finished Goods | 2,285.97 | 2,124.07 |
| Traded goods | 82,196.97 | 84,571.28 |
| **Total opening balance** | **86,651.00** | **88,362.05** |
| **Closing balance** | | |
| Work in progress | 5,665.93 | 2,168.06 |
| Finished Goods | 2,292.76 | 2,285.97 |
| Traded goods | 83,285.13 | 82,196.97 |
| **Total Closing balance** | **91,243.82** | **86,651.00** |
| **Total Changes in inventories of work in progress, traded goods and finished goods** | **(4,592.82)** | **1,711.05** |

## Note 27 : Erection & subcontracting expenses

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Erection and subcontracting expense | 5,419.48 | 13,395.21 |
| **Total Erection and subcontracting expense** | **5,419.48** | **13,395.21** |

## Note 28 : Employee benefits expenses

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Salaries, wages and bonus | 37,893.04 | 36,120.84 |
| Contribution to provident and other funds (Note 21) | 1,941.53 | 1,787.63 |
| Employees share based payment expense (Note 33) | 1,084.00 | 580.85 |
| Gratuity (Note 21) | 584.53 | 633.26 |
| Staff welfare expenses | 1,126.26 | 1,017.50 |
| **Total employee benefit expense** | **42,629.36** | **40,140.08** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 29 : Depreciation and amortisation expense

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Depreciation of property, plant and equipment and investment property (Note 2 & 4.1) | 4,608.10 | 4,554.49 |
| Amortisation of intangible assets (Note 4) | 1,117.50 | 520.57 |
| Depreciation of Right of Use assets (Note 3) | 2,447.70 | 1,848.38 |
| **Total depreciation and amortisation expense** | **8,173.30** | **6,923.44** |

## Note 30 : Other expenses

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Consumption of stores & spares | 1,908.61 | 1,007.98 |
| Packing material consumed | 3,056.07 | 1,437.02 |
| Power and fuel | 1,314.14 | 1,742.24 |
| Rent (refer note 42) | 977.83 | 2,313.58 |
| Repairs and maintenance | | |
| Plant and machinery | 761.34 | 1,236.79 |
| Buildings | 35.69 | 13.74 |
| Others | 361.06 | 464.19 |
| Telephone and communication charges | 823.25 | 806.02 |
| Rates and taxes | 105.88 | 199.52 |
| Travel and conveyance | 4,467.61 | 2,972.06 |
| Insurance | 2,103.84 | 1,082.98 |
| Printing and stationery | 123.52 | 127.64 |
| Directors fees | 77.00 | 117.68 |
| Non executive directors commission | 57.00 | 85.00 |
| Advertisement & publicity | 13,481.05 | 11,772.84 |
| Freight & forwarding | 13,264.95 | 9,439.04 |
| Product promotion & service charges (net) | 21,796.93 | 11,495.59 |
| Sales commission | 1,126.20 | 1,168.26 |
| Provision for Service warranties (net) | (2,491.91) | – |
| Impairment allowance for doubtful debts and advances (net of reversals) | 1,477.97 | 877.16 |
| Bad debts and other irrecoverable debit balances written off | 570.90 | 1,570.71 |
| Payments to auditors | 234.57 | 240.25 |
| Corporate social responsibility expenditure (refer note 49) | 300.93 | 329.58 |
| Impairment of property, plant and equipment | – | 845.00 |
| Legal and Professional Fees | 3,089.66 | 2,595.28 |
| Site support charges | 520.76 | 1,849.22 |
| Sales tax expenses | (28.34) | 237.40 |
| Security service charges | 949.32 | 1,324.01 |
| Software expenses (AMC) | 2,897.25 | 2,442.27 |
| Warehouse Management Services | 5,493.75 | 4,255.14 |
| Miscellaneous expenses | 9,064.52 | 9,572.00 |
| **Total other expenses** | **87,921.35** | **73,620.19** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 31 : Finance costs

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Interest expense on borrowings and financing activities | 2,218.22 | 5,108.69 |
| Interest expense on mobilization advances | 1,706.55 | 939.26 |
| Interest expense on lease liability (refer note 3) | 544.44 | 544.65 |
| Unwinding of discount on provisions | 214.11 | 187.74 |
| Exchange differences regarded as an adjustment to borrowing costs | – | 2.18 |
| Other borrowing costs | 155.71 | 203.27 |
| **Total** | **4,839.03** | **6,985.79** |
| Finance cost capitalised | – | (11.43) |
| **Finance cost expensed in profit and loss** | **4,839.03** | **6,974.36** |

## Note 32 : Income Tax Expense

**(a) Income Tax Expense**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Current Tax** | | |
| Current income tax charge | 5,178.79 | 5,321.86 |
| Adjustments of tax relating to earlier periods | – | (489.34) |
| **Total Current tax expense** | **5,178.79** | **4,832.52** |
| Total deferred tax expense / (benefit) | 3,544.49 | (644.92) |
| **Income tax expense in the statement of profit and loss** | **8,723.28** | **4,187.60** |

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Profit from continuing operations before income tax expense | 30,341.81 | 16,628.26 |
| Income Tax @ standard tax rate of 25.168% (March 31, 2022 - 25.168%) | 7,636.43 | 4,185.00 |
| Permanent differences due to: | | |
| Corporate social responsibility | 67.21 | 132.71 |
| Interest on micro, small & medium enterprises | 128.29 | 92.96 |
| Donation expenses | 6.48 | 19.89 |
| Adjustment of tax relating to earlier periods | – | (489.34) |
| Deferred tax written off on account of utilisation of business losses | 393.95 | – |
| Loss on impairment of capital assets | 214.09 | – |
| Deferred tax not created on subsidiary's losses | 356.05 | – |
| **Others** | **(79.22)** | **246.38** |
| **Income Tax Expense reported in statement of profit and loss** | **8,723.28** | **4,187.60** |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 33 : Employee stock options :

**A. Summary of Status of ESOPs Granted :**

**The position of the existing schemes is summarized as under :**

| Sr. No. | Particulars | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|---|
| **I.** | **Details of the ESOS :** | | | |
| 1 | Date of Shareholder's Approval | Originally approved in AGM held on 26 Jul 2007 and revised in AGM held on 28 Jul 2010 | | As per the Postal Ballot dated 21 Jan 2016 |
| 2 | Total Number of Options approved | Bajaj Growth 2007 Scheme approved 4,321,440 shares of face value ₹2 each (erstwhile 864,288 shares of ₹10 each prior to share-split) equivalent to 5% of paid up equity shares i.e. 86,428,800 shares as at the date of the announcement of scheme. The ESOP 2011 being the modified ESOP 2007 Scheme approved aggregate of 78,03,560 shares of face value ₹2 each equivalent to 8% of paid up equity shares i.e. 97,544,495 as at the date of the announcement of scheme. | | 30,27,073 shares of face value ₹2 each equivalent to 3% of paid up equity i.e. 100,902,426 shares as at the date of the announcement of scheme. |
| 3 | Vesting Requirements & Exercise Period | Options' vesting happen only on continuation of employment being the vesting requirement. The options are granted to employees with grade Assistant General Manager and above. As per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, SEBI (Share Based Employee Benefits) (Amendment) Regulations, 2015 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, there is a minimum period of one year between the grant of options and vesting of option observed by the Company. As per the Company Policy, the vested options can be exercised anytime upto 3 years from date of vesting. Options granted under the plan carry no dividend or voting rights till the options are excercised and duly allotted to the employees. When exercisable, each option is convertible into one equity share. | | |
| 4 | The Pricing Formula | Closing price on the stock exchange where there is highest traded volume on working day prior to the date of grant. | | |
| 5 | Maximum term of Options granted (years) | 7 Years | 7 Years | 7 Years |
| 6 | Method of Settlement | Equity settled | Equity settled | Equity settled |
| 7 | Source of shares | Fresh Issue | Fresh Issue | Fresh Issue |
| 8 | Variation in terms of ESOP | Nil | Nil | The Nomination & Remuneration Committee of the Company at its meeting held on 12 November 2021 amended the Scheme to align it with the requirements of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 33 : Employee stock options : (Contd..)

| Sr. No. | Particulars | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|---|
| 9 | Equity Shares reserved for issue under Employee Stock Options outstanding as at March 31, 2023 | The Company has 10,830,633 Equity Shares of ₹2/- each available to issue as Employees Stock Options as its Total Pool Size as of March 31, 2023, of which number of stock options not yet granted under ESOP 2015 scheme are 85,913, number of stock options vested & exercisable under ESOP 2011 & ESOP 2015 schemes are 296,790 and number of stock options unvested under ESOP 2015 scheme are 850,750. Thus, total equity shares reserved for issuance under ESOP Scheme outstanding as at March 31, 2023 are 1,233,453. | | |

### II. Option Movement during the year ended March 31, 2023

(₹ in Lakhs)

| Sr. No. | Particulars | BAJAJ GROWTH 2007 | | ESOP 2011 | | ESOP 2015 | |
|---|---|---|---|---|---|---|---|
| | | No. of options | Wt. avg exercise price | No. of options | Wt. avg exercise price | No. of options | Wt. avg exercise price |
| 1 | No. of Options Outstanding at the beginning of the year | – | – | 1,900 | 257.81 | 11,72,520 | 752.14 |
| 2 | Options Granted during the year | – | – | – | – | 3,27,500 | 1,138.71 |
| 3 | Options Forfeited / Surrendered during the year | – | – | – | – | 1,48,750 | 806.79 |
| 4 | Options Expired (Lapsed) during the year | – | – | 1,250 | 257.81 | 2,875 | 361.28 |
| 5 | Options Exercised during the year | – | – | 650 | 257.81 | 2,00,855 | 445.97 |
| 6 | Number of options outstanding at the end of the year | – | – | – | – | 11,47,540 | 909.95 |
| 7 | Number of options exercisable at the end of the year | – | – | – | – | 2,96,790 | 688.66 |

### Option Movement during the year ended March 31, 2022

(₹ in Lakhs)

| Sr. No. | Particulars | BAJAJ GROWTH 2007 | | ESOP 2011 | | ESOP 2015 | |
|---|---|---|---|---|---|---|---|
| | | No. of options | Wt. avg exercise price | No. of options | Wt. avg exercise price | No. of options | Wt. avg exercise price |
| 1 | No. of Options Outstanding at the beginning of the year | – | – | 28,400 | 290.26 | 11,03,140 | 466.01 |
| 2 | Options Granted during the year | – | – | – | – | 5,17,500 | 1,116.35 |
| 3 | Options Forfeited / Surrendered during the year | – | – | 2,750 | 257.81 | 1,24,625 | 558.84 |
| 4 | Options Expired (Lapsed) during the year | – | – | 3,250 | 261.44 | 6,500 | 347.76 |
| 5 | Options Exercised during the year | – | – | 20,500 | 302.19 | 3,16,995 | 435.28 |
| 6 | Number of options outstanding at the end of the year | – | – | 1,900 | 257.81 | 11,72,520 | 752.14 |
| 7 | Number of Options exercisable at the end of the year | – | – | 1,900 | 257.81 | 2,32,895 | 464.43 |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 33 : Employee stock options : (Contd..)

### III. Weighted Average remaining contractual life

(₹ in Lakhs)

| Range of Exercise Price | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|
| | Weighted average contractual life (years) as on March 31, 2023 | | |
| 0 to 100 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 101 to 200 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 201 to 300 | Nil | Nil | 0.40 |
| No. of Options Outstanding | Nil | Nil | 5,250 |
| 301 to 400 | Nil | Nil | 2.93 |
| No. of Options Outstanding | Nil | Nil | 1,40,725 |
| 401 to 500 | Nil | Nil | 3.18 |
| No. of Options Outstanding | Nil | Nil | 77,750 |
| 501 to 600 | Nil | Nil | 1.89 |
| No. of Options Outstanding | Nil | Nil | 42,250 |
| 601 to 700 | Nil | Nil | 1.78 |
| No. of Options Outstanding | Nil | Nil | 48,815 |
| 701 to 800 | Nil | Nil | 3.67 |
| No. of Options Outstanding | Nil | Nil | 83,450 |
| 801 to 900 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 901 to 1000 | Nil | Nil | 5 |
| No. of Options Outstanding | Nil | Nil | 25,000 |
| 1001 to 1100 | Nil | Nil | 4.02 |
| No. of Options Outstanding | Nil | Nil | 55,000 |
| 1101 to 1200 | Nil | Nil | 4.67 |
| No. of Options Outstanding | Nil | Nil | 6,31,800 |
| 1201 to 1300 | Nil | Nil | 4.51 |
| No. of Options Outstanding | Nil | Nil | 37,500 |

(₹ in Lakhs)

| Range of Exercise Price | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|
| | Weighted average contractual life (years) as on March 31, 2022 | | |
| 0 to 100 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 101 to 200 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 201 to 300 | Nil | 0.35 | 0.99 |
| No. of Options Outstanding | Nil | 1,900 | 13,125 |
| 301 to 400 | Nil | Nil | 3.42 |
| No. of Options Outstanding | Nil | Nil | 2,85,900 |
| 401 to 500 | Nil | Nil | 3.76 |
| No. of Options Outstanding | Nil | Nil | 1,20,500 |
| 501 to 600 | Nil | Nil | 2.58 |
| No. of Options Outstanding | Nil | Nil | 58,750 |
| 601 to 700 | Nil | Nil | 2.69 |
| No. of Options Outstanding | Nil | Nil | 92,795 |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 33 : Employee stock options : (Contd..)

(₹ in Lakhs)

| Range of Exercise Price | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|
| | Weighted average contractual life (years) as on March 31, 2022 | | |
| 701 to 800 | Nil | Nil | 4.60 |
| No. of Options Outstanding | Nil | Nil | 98,950 |
| 801 to 900 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 901 to 1000 | Nil | Nil | Nil |
| No. of Options Outstanding | Nil | Nil | Nil |
| 1001 to 1100 | Nil | Nil | 5.02 |
| No. of Options Outstanding | Nil | Nil | 65,000 |
| 1101 to 1200 | Nil | Nil | 5.27 |
| No. of Options Outstanding | Nil | Nil | 3,97,500 |
| 1201 to 1300 | Nil | Nil | 5.51 |
| No. of Options Outstanding | Nil | Nil | 40,000 |

**IV Weighted average Fair Value of Options Granted during the year ended March 31, 2023 whose**

(₹ in Lakhs)

| | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|
| (a) Exercise price equals market price | No options were granted during the year | No options were granted during the year | 481.74 |
| (b) Exercise price is greater than market price | | | None |
| (c) Exercise price is less than market price | | | None |

**Weighted average Fair Value of Options Granted during the year ended March 31, 2022 whose**

(₹ in Lakhs)

| | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|
| (a) Exercise price equals market price | No options were granted during the year | No options were granted during the year | 458.10 |
| (b) Exercise price is greater than market price | | | None |
| (c) Exercise price is less than market price | | | None |

**V The weighted average market price of options exercised :**

(₹ in Lakhs)

| | BAJAJ GROWTH 2007 | ESOP 2011 | ESOP 2015 |
|---|---|---|---|
| During the year ended March 31, 2023 | NIL | 989.70 | 1,135.93 |
| During the year ended March 31, 2022 | Nil | 1,088.36 | 1,094.25 |

**VI Method and Assumptions used to estimate the fair value of options granted during the year ended March 31, 2023:**

The fair value has been calculated using the Black Scholes Option Pricing model



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 33 : Employee stock options : (Contd..)

The Assumptions used in the model are as follows:

| Variables | BAJAJ GROWTH 2007 Weighted Average | ESOP 2011 Weighted Average | ESOP 2015 Weighted Average |
|---|---|---|---|
| 1. Risk Free Interest Rate | No options granted during the year | No options granted during the year | 6.98% |
| 2. Expected Life (in years) | | | 4.15 |
| 3. Expected Volatility | | | 42.99% |
| 4. Dividend Yield | | | 26.53% |
| 5. Exercise Price (₹) | | | 1138.71 |
| 6. Price of the underlying share in market at the time of the option grant. (₹) | | | 1138.71 |

**Method and Assumptions used to estimate the fair value of options granted during the year ended March 31, 2022:**

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

| Variables | BAJAJ GROWTH 2007 Weighted Average | ESOP 2011 Weighted Average | ESOP 2015 Weighted Average |
|---|---|---|---|
| 1. Risk Free Interest Rate | No options granted during the year | No options granted during the year | 5.44% |
| 2. Expected Life (in years) | | | 4.15 |
| 3. Expected Volatility | | | 42.92% |
| 4. Dividend Yield | | | 0.00% |
| 5. Exercise Price (₹) | | | 1116.35 |
| 6. Price of the underlying share in market at the time of the option grant. (₹) | | | 1116.35 |

**Assumptions:**

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered

Volatility: The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information. The volatility is calculated considering the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE), over a period prior to the date of grant corresponding with the expected life of the options.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 33 : Employee stock options : (Contd..)

Expected divided yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant

**VII Effect of Share-Based Payment Transactions on the Entity's Profit or Loss for the year :**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| 1 Employee Stock Option Plan Expense | 1,084.00 | 580.85 |
| 2 Total ESOP Reserve at the end of the year | 1,874.06 | 1,198.56 |

## Note 34 : Fair value measurements

**(i) Financial instruments by category**

The carrying amounts of financial instruments by class are as follows

(₹ in Lakhs)

| Particulars | As at 31-Mar-23 | As at 31-Mar-22 |
|---|---|---|
| **A. Financial assets** | | |
| **I. Measured at amortized cost** | | |
| Trade Receivables | 1,56,499.04 | 1,36,061.17 |
| Loans | 35.21 | 23.19 |
| Cash and Cash Equivalents | 34,175.92 | 11,881.50 |
| Bank Balances other than above | 2,871.68 | 2,372.26 |
| Other Financial Assets | 4,228.32 | 4,230.55 |
| **II. Measured at fair value through profit and loss (FVTPL)** | | |
| Other Financial Assets | | |
| - Forward contracts | 111.85 | 329.43 |
| Investments | 4,678.81 | 489.73 |
| | **2,02,600.83** | **1,55,387.83** |
| **B. Financial liabilities** | | |
| **I. Measured at amortized cost** | | |
| Borrowings | 16.65 | 4,491.00 |
| Trade Payables | 1,56,901.76 | 1,23,546.69 |
| Other Financial Liabilities | 69,932.85 | 46,183.42 |
| Lease Liabilities | 10,123.64 | 4,587.80 |
| **II. Measured at fair value through profit and loss (FVTPL)** | | |
| Other Financial Liabilities | | |
| - Forward contracts | 12.62 | 8.97 |
| | **2,36,987.52** | **1,78,817.88** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 34 : Fair value measurements (Contd..)

**(ii) Set out below, is a fair value measurement hierarchy and comparison by class of carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts which are reasonable approximations of their fair values:**

(₹ in Lakhs)

| Particulars | Valuation Techniques | Carrying values | Fair Values | Fair Values Measurement using | | |
|---|---|---|---|---|---|---|
| | | | | Level 1 | Level 2 | Level 3 |
| **As at March 31, 2023** | | | | | | |
| **Other Financial Assets** | | | | | | |
| - Forward contracts | Mark to Market | 111.85 | 111.85 | – | 111.85 | – |
| Investments | Net Asset Value (note a) | 4,678.81 | 4,678.81 | – | – | 4,678.81 |
| **Other Financial Liabilities** | | | | | | |
| - Forward contracts | Mark to Market | (12.62) | (12.62) | – | (12.62) | – |
| | | **4,778.04** | **4,778.04** | **–** | **99.23** | **4,678.81** |
| **As at March 31, 2022** | | | | | | |
| **Other Financial Assets** | | | | | | |
| - Forward contracts | Mark to Market | 329.43 | 329.43 | – | 329.43 | – |
| Investments | Net Asset Value (note a) | 489.73 | 489.73 | – | – | 489.73 |
| **Other Financial Liabilities** | | | | | | |
| - Forward contracts | Mark to Market | (8.97) | (8.97) | – | (8.97) | – |
| | | **810.19** | **810.19** | **–** | **320.46** | **489.73** |

There have been no transfers between Level 1 and Level 2 during the period.

**Note a**

In case of Bharat Innovation Fund, the fair value has been determined based on the NAV (net asset value) as per the statement issued by Bharat Innovation Fund.

**(iii) Reconciliation of level 3 fair value measurement**

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| **Balance as on 31st March 2021** | **1,444.47** |
| Change during the year | (974.73) |
| Loss recognised in statement of profit and loss | 19.99 |
| **Balance as on 31st March 2022** | **489.73** |
| Change during the year | 4,610.49 |
| Profit recognised in statement of profit and loss | (421.41) |
| **Balance as on 31st March 2023** | **4,678.81** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 35: Financial risk management objectives and policies

The Group's principal financial liabilities comprise of trade payables, borrowings, lease liabilities and other financial liabilities. The main purpose of these financial liabilities is to finance the entity's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade receivables, cash and cash equivalents and bank balances and other financial assets, that derive directly from its operations.

The risk management committee of the Parent Company lays down appropriate policies and procedures to ensure that financial risks are identified, measured and managed in accordance with the entity's policies and risk objectives.

The Group is exposed to credit risk, liquidity risk and market risk, which are explained in detail below:

**A) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risk from its operating activities mainly in relation to trade and other receivables and bank deposits. Further, the Group is also exposed to credit risk arising from its loans, advances and investment in preference shares of its affiliate companies.

**Trade and other receivables**

Trade and other receivables of the Group are typically unsecured and credit risk is managed through credit approvals and periodical monitoring of the creditworthiness of customers to which the Group grants credit terms.

In respect of trade receivables, the Group typically operates in two segments:

**Consumer products and Lighting Solutions**

The Group sells the products mainly through three channels i.e. dealers and distributors, institutions and e-commerce and through government sector. The appointment of dealers, distributors, institutions is strictly driven as per the standard operating procedures and credit policy followed by the Group. In case of government sector, the credit risk is low.

**Engineering and projects**

The Group undertake projects for government institutions (including local bodies) and private institutional customers. The credit concentration is more towards government institutions. These projects are normally of long term duration of two to three years. Such projects normally are regular tender business with the terms and conditions agreed as per the tender. These projects are fully funded by the government of India through Rural Electrification Corporation, Power Finance Corporation, and Asian Development Bank etc. The Group enters into such projects after careful consideration of strategy, terms of payment, past experience etc.

In case of private institutional customers, before tendering for the projects Group evaluate the creditworthiness, general feedback about the customer in the market, past experience, if any with customer, and B1accordingly negotiates the terms and conditions with the customer.

The Group assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from such trade and other receivables. In respect of trade receivables the Group has a provisioning policy that is commensurate to the expected losses. The provisioning policy is based on past experience, customer creditability, and also on the nature and specifics of business especially in the engineering and projects division. In case of engineering projects, the Group also provides on more case-to-case basis, since they are large projects in individuality.



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 35: Financial risk management objectives and policies (Contd..)

The maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 is the carrying value of such trade and other receivables as shown in note 6, 8 and 13 of the consolidated financials statements.

**Reconciliation of impairment allowance on trade and other receivables**

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| **Impairment allowance on March 31, 2021** | **13,493.30** |
| Additions during the year | 4,774.19 |
| Reversals during the year since amounts are written off | (3,838.23) |
| Reversal during the year since provision no longer required | (3,211.05) |
| **Impairment allowance on March 31, 2022** | **11,218.21** |
| Additions during the year | 2,049.51 |
| Reversals during the year since amounts are written off | (688.56) |
| Reversal during the year since provision no longer required | (1,574.67) |
| **Impairment allowance on March 31, 2023** | **11,004.49** |

**Bank deposits**

The Group maintains its cash and bank balances with credit worthy banks and financial institutions and reviews it on an on-going basis. Moreover, the interest-bearing deposits are with banks and financial institutions of reputation, good past track record and high-quality credit rating. Hence, the credit risk is assessed to be low. The maximum exposure to credit risk as at 31 March 2023 and 31 March 2022 is the carrying value of such cash and cash equivalents and deposits with banks as shown in note 8 and 12 of the financials.

**B) Liquidity risk**

The Group has a central treasury department, which is responsible for maintaining adequate liquidity in the system to fund business growth, capital expenditures, as also ensure the repayment of financial liabilities. The department obtains business plans from business units including the capex budget, which is then consolidated and borrowing requirements are ascertained in terms of Long term funds and short-term funds. Considering the peculiar nature of EPC business, which is very working capital intensive, treasury maintains flexibility in funding by maintaining availability under committed credit lines in the form of fund based and non-fund based (LC and BG) limits.

The limits sanctioned and utilised are then monitored monthly, fortnightly and daily basis to ensure that mismatches in cash flows are taken care of, all operational and financial commitments are honoured on time and there is proper movement of funds between the banks from cashflow and interest arbitrage perspective.

**(i) Financing arrangements**

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

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Floating / Fixed Rate** | | |
| - Expiring within One year (Bank overdraft and other facilities) | 1,31,751.33 | 2,72,054.61 |

Bank overdraft facilities are sanctioned for a period of one year which are then enhanced / renewed from time to time. Though the Bank overdrafts are repayable on demand as per the terms of sanction, these are usually renewed by all banks in normal circumstances. Hence Bank overdraft facilities are available for use throughout the year.

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 35: Financial risk management objectives and policies (Contd..)

### (ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

| Particulars | Carrying value as at March 31, 2023 | upto 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings (refer note 18) | 16.65 | 16.65 | – | – | – | 16.65 |
| Trade payables | 1,56,901.76 | 1,56,901.76 | – | – | – | 1,56,901.76 |
| Lease liabilities (including expected interest payable) | 10,123.64 | 3,694.68 | 2,808.28 | 4,780.07 | 868.08 | 12,151.11 |
| Other financial liabilities | 69,945.47 | 69,928.95 | 16.52 | – | – | 69,945.47 |
| **Total** | **2,36,987.52** | **2,30,542.04** | **2,824.80** | **4,780.07** | **868.08** | **2,39,014.99** |

(₹ in Lakhs)

| Particulars | Carrying value as at March 31, 2022 | upto 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings (refer note 18) | 4,491.00 | 3,307.68 | 1,183.32 | – | – | 4,491.00 |
| Trade payables | 1,23,546.69 | 1,23,546.69 | – | – | – | 1,23,546.69 |
| Lease liabilities (including expected interest payable) | 4,587.80 | 1,898.60 | 1,575.84 | 1,393.06 | 582.30 | 5,449.80 |
| Other financial liabilities | 46,192.39 | 46,157.91 | 34.48 | – | – | 46,192.39 |
| **Total** | **1,78,817.88** | **1,74,910.88** | **2,793.64** | **1,393.06** | **582.30** | **1,79,679.88** |

### (C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as commodity risk.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group operates in the global market and is therefore exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar ('USD'), Euro ('EUR'), Great Britain Pound ('GBP'), Chinese Yuan Renminbi ('RMB'), United Arab Emirates Dirham ('AED'), Kenyan Shillings ('KES'), Zambian Kwacha ('ZMW') and Canadian Dollar ('CAD'). Exposure is largely in exports receivables and Imports payables arising out of trade in the normal course of business. As these commercial transactions are recorded in currency other than the functional currency (INR), the Group is exposed to Foreign Exchange risk arising from future commercial transactions and recognised assets and liabilities. The Group is a net importer as its imports and other forex liabilities exceeds the exports. It ascertains its forex exposure and bifurcates the same into forex receivables and payables. These exposures are covered by taking appropriate forward cover from the banks.

The Group takes a forward cover for the period which matches the maturity date of the forex liability which is proposed to be hedged. On maturity date, the forward contracts are utilized for settlement of the underlying transactions.



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 35: Financial risk management objectives and policies (Contd..)

**(a) Foreign currency risk exposure:**

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows :

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Financial assets | Financial liabilities | Financial assets | Financial liabilities |
| USD | 304.63 | 2,841.08 | 1,150.95 | 664.80 |
| EUR | – | 13.82 | 1.81 | 11.33 |
| CFA | 63.55 | 9.33 | 68.34 | 188.05 |
| GBP | – | 1.29 | 61.57 | – |
| RMB | 67.82 | 41.68 | 114.76 | 170.21 |
| KES | 253.18 | 71.00 | 1,138.50 | 261.28 |
| ZMW | – | 95.01 | 146.49 | 167.91 |
| SGD | – | 0.41 | – | 0.41 |
| AED | 9.46 | 2.62 | 17.49 | 17.37 |

Further, the Company has open foreign exchange forward contracts amounting to USD 37.01 lakhs (March 31, 2022 - USD 24.48 lakhs)

**b) Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments is given below

(₹ in Lakhs)

| Particulars | Impact on profit after tax & Equity | |
|---|---|---|
| | 31-Mar-23 | 31-Mar-22 |
| **USD sensitivity** | | |
| INR appreciates by 5% (31 March 2022 - 5%) | 126.82 | (24.31) |
| INR depreciated by 5%(31 March 2022 - 5%) | (126.82) | 24.31 |

In respect of exposure in other currencies, the impact of sensitivity of which is very negligible.

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Incase of short term borrowings, the interest rates is fixed in a large number of cases, hence the interest rate risk is negligible.

#### (iii) Commodity Price risk

The Parent Company's revenue is exposed to market risk of price fluctuations related to the sales of its products. Market forces generally determine the prices for the products sold by the Parent Company. This prices may be influenced by the factors such as supply, demand, production cost (including the cost of raw materials) , regional and global economic conditions and growth. Adverse changes in any of the factors may reduce the revenue that Parent Company earns from sale of its products. The Parent Company is therefore subject to fluctuations in prices for the purpose of raw materials like Aluminium, Copper and other raw material inputs.

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 35: Financial risk management objectives and policies (Contd..)

Commodity hedging is used primarily as a risk management tool to secure the future cash flow in case of volatility by entering into commodity forward contracts. The Parent Company has entered into commodity forward contracts for aluminium and Copper. Hedging the price volatility of forecast aluminium and copper purchases is in accordance with the risk management strategy outlined by the Board of Directors. Hedging commodity is based on procurement schedule and price risk. Commodity is undertaken as a risk offsetting exercise and depending upon market conditions, hedges may extend beyond the financial year.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Parent Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Parent Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments"

**A. The Parent Company is holding the following commodity future contracts**

(₹ in Lakhs)

| Particulars | Maturity | | | | | |
|---|---|---|---|---|---|---|
| | Less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 9 months | 9 to 12 months | Total |
| **As at 31st March 2023** | | | | | | |
| **Aluminium** | | | | | | |
| Notional Qty (in MT) | 140.00 | | | | | 140.00 |
| Notional amount (in ₹ Lacs) | 287.03 | | | | | 287.03 |
| Average hedged rates (per MT) | 2.05 | | | | | 2.05 |
| **Copper** | | | | | | |
| Notional Qty (in MT) | 25.00 | | | | | 25.00 |
| Notional amount (in ₹ Lacs) | 192.53 | | | | | 192.53 |
| Average hedged rates (per MT) | 7.70 | | | | | 7.70 |
| **As at 31st March 2022** | | | | | | |
| **Aluminium** | | | | | | |
| Notional Qty (in MT) | 195.00 | – | – | – | – | 195.00 |
| Notional amount (in ₹ Lacs) | 546.86 | – | – | – | – | 546.86 |
| Average hedged rates (per MT) | 2.80 | – | – | – | – | 2.80 |
| **Copper** | | | | | | |
| Notional Qty (in MT) | 22.50 | – | – | – | – | 22.50 |
| Notional amount (in ₹ Lacs) | 183.32 | – | – | – | – | 183.32 |
| Average hedged rates (per MT) | 8.15 | – | – | – | – | 8.15 |





# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 35: Financial risk management objectives and policies (Contd..)

**B. The impact of hedged items on the balance sheet is, as follows**

| Particulars | Change in fair value used for measuring ineffectiveness | Effective portion of cash flow hedges | cost of cash flow hedges |
|---|---|---|---|
| **As at 31st March 2023** | | | |
| Commodity future contracts | 9.47 | 9.47 | 6.87 |
| **As at 31st March 2022** | | | |
| Commodity future contracts | 51.20 | 51.20 | 2.88 |

**C. The effect of the cash flow hedge in the statement of profit and loss is, as follows**

| Particulars | Total hedging gain/(loss) recognised in OCI* | Ineffectiveness recognised in profit or loss | Line item in statement of profit and loss | Cost of hedging recognised in OCI | Amount reclassified from OCI to profit or loss | Line item in statement of profit and loss |
|---|---|---|---|---|---|---|
| **As at 31st March 2023** | | | | | | |
| Commodity future contracts | 9.47 | – | Other comprehensive (income) / loss | 6.87 | 8.35 | 1.40 |
| **As at 31st March 2022** | | | | | | |
| Commodity future contracts | 51.20 | – | Other comprehensive (income) / loss | | | 2.88 |

*This represents total unrealised gain/(loss) net of charges and net of taxes

## Note 36: Capital Management

For the purposes of Group's capital management, Capital includes equity attributable to the equity holders of the Group's and all other equity reserves.

The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio

Total debt (total borrowings including current maturities of long term borrowings and excluding lease liabilities) divided by total equity (as shown in the balance sheet)"

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Total debt | 16.65 | 4,491.00 |
| Total equity | 1,90,721.58 | 1,70,521.42 |
| Total debt to equity ratio (in times) | 0.00 | 0.03 |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## NOTE 37: Segment reporting

The Group w.e.f. July 1, 2022, pursuant to the provisions of Ind AS 108, identified its business segments as its primary reportable segments, which comprises of Consumer Products, Lighting Solutions and EPC. "Consumer Products" includes Appliances, Fans and Morphy Richards. "Lighting Solutions" includes Professional Lighting (B2B) and Consumer Lighting (B2C) and "EPC" includes Power Transmission and Power Distribution.

### 1) Segment Results

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| a) Consumer Products | 24,714.94 | 22,638.00 |
| b) Lighting | 8,703.64 | 5,884.00 |
| c) EPC | 713.83 | (3,971.00) |
| **Operating Segment Profit** | **34,132.41** | **24,551.00** |
| **Unallocated income / (expenses)** | | |
| Finance Cost | (4,839.04) | (6,974.36) |
| Interest income on financial assets measured at amortised cost | 413.97 | 502.93 |
| Profit / (Loss) on sale of Property, plant & equipment | 120.11 | 455.86 |
| Rent received | 4.91 | 244.08 |
| Impairment on property, plant & equipment | – | (850.65) |
| Others | 509.45 | 22.09 |
| **Profit before income tax and exceptional items** | **30,341.81** | **17,950.95** |
| Exceptional items | – | 1,322.69 |
| **Profit before income tax** | **30,341.81** | **16,628.26** |

The operating segment results includes depreciation and amortization of ₹ 6,329.70 lakhs (March 31, 2022 – ₹ 4,717.86 lakhs) for consumer products, ₹ 1,183.14 lakhs (March 31, 2022 – ₹ 896.39 lakhs) for lighting solutions and ₹ 660.46 lakhs (March 31, 2022 – ₹ 689.91 lakhs) for EPC.

### 2) Segment Revenue:

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| a) Consumer Products | 3,76,424.18 | 3,31,525.18 |
| b) Lighting | 1,12,500.34 | 1,08,071.55 |
| c) EPC | 54,001.96 | 41,704.72 |
| **Sub-total** | **5,42,926.48** | **4,81,301.45** |
| Less: Inter Segment Revenue | – | – |
| **Net Sales / Income from Operations** | **5,42,926.48** | **4,81,301.45** |

There is no single customer which is more than 10% of the entity's revenues. The amount of revenue from external customers broken down by location of the customers is shown in table below:

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| India | 5,36,303.66 | 4,69,100.06 |
| Outside India | 6,622.82 | 12,201.39 |
| **Total** | **5,42,926.48** | **4,81,301.45** |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## NOTE 37: Segment reporting (Contd..)

### 3) Segment Assets:

Segment assets are measured on the same principles as they have been for the purpose of these consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| a) Consumer Products | 2,47,257.84 | 1,83,062.00 |
| b) Lighting | 55,734.09 | 45,602.00 |
| c) EPC | 71,866.19 | 99,452.00 |
| **Total Segment Assets** | **3,74,858.12** | **3,28,116.00** |
| **Unallocated** | | |
| Deferred tax assets | – | 8,143.54 |
| Income tax assets (net) | 12,802.45 | 10,405.17 |
| Investments | 4,678.81 | 489.73 |
| Investment properties | 12,600.00 | 12,600.00 |
| Property, Plant & Equipments, Capital work in progress, Intangible assets and Intangible assets under development | 15,122.36 | 15,385.93 |
| Cash & cash equivalents and other bank balances | 37,047.60 | 14,253.76 |
| Others | 10,606.76 | 9,763.06 |
| **Total assets as per balance sheet** | **4,67,716.10** | **3,99,157.19** |

The total of non-current assets other than financial instruments, investments and deferred tax assets, broken down by location of the assets, is shown below:

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| India | 1,01,471.23 | 93,060.64 |
| Outside India | 77.87 | 27.23 |
| **Total** | **1,01,549.10** | **93,087.87** |

The capital expenditure incurred for consumer products is ₹ 3,217.05 lakhs (March 31, 2022 – ₹ 2,118.57 lakhs), for lighting solutions is ₹ 177.07 lakhs (March 31, 2022 - ₹ 191.74 lakhs), for EPC is ₹ 178.95 lakhs (March 31, 2022 – ₹ 93.01 lakhs) and for Unallocable is ₹ 3,747.57 lakhs (March 31, 2022 – ₹ 1,066.64 lakhs).

### 4) Segment Liabilities:

Segment liabilities are measured on the same principles as they have been for the purpose of these financial statements. The Group's borrowings and derivative financial instruments are not considered to be segment liabilities but are managed by the treasury function

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| a) Consumer Products | 1,77,133.37 | 1,43,622.26 |
| b) Lighting | 44,611.58 | 28,066.04 |
| c) EPC | 50,067.41 | 44,659.39 |
| **Total Segment Liabilities** | **2,71,812.36** | **2,16,347.69** |
| **Unallocated** | | |
| Borrowings | 16.65 | 4,491.00 |
| Others | 5,165.51 | 7,797.08 |
| **Total liabilities as per balance sheet** | **2,76,994.52** | **2,28,635.77** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 38: Disclosure of transactions with related parties

(₹ in Lakhs)

| Name of Related Party and Nature of relationship | Nature of Transaction | 2022-23 Transaction Value for the year | 2022-23 Outstanding receivable / (payable) carried in the Balance Sheet | 2021-22 Transaction Value for the year | 2021-22 Outstanding receivable / (payable) carried in the Balance Sheet |
|---|---|---|---|---|---|
| **(A) Parent Entities** | | | | | |
| | Not Applicable | | | | |
| **(B) Associate - Hind Lamps Limited** | | | | | |
| | Loan given | – | – | 10.00 | 10.00 |
| | Interest on loan and advance | – | – | 0.17 | – |
| | Sales | 300.59 | 34.77 | 264.98 | 32.34 |
| | Rent Received | 2.77 | – | 1.80 | 3.15 |
| **(C) Key Management Personnel #** | | | | | |
| | Short-term employee benefits | 2,529.08 | (1,199.07) | 1,979.20 | (648.39) |
| | Post- employment benefits (contribution to super annuation fund) | 55.99 | – | 55.99 | – |
| | Long-term employee benefits (contribution to provident fund) | 60.01 | – | 58.63 | – |
| | Perquisite value of ESOPs excercised during the year | 31.41 | – | 95.48 | – |
| | **Total Compensation** | **2,676.49** | **(1,199.07)** | **2,189.30** | **(648.39)** |
| | Sale of car proceeds | 17.20 | – | – | |
| | Sales | – | – | 0.03 | |
| | Purchase Of TV | 7.30 | – | – | |
| | Purchase of Car | 186.91 | – | – | |
| | Sale of car proceeds | 12.50 | – | – | |
| **(D) Transactions with the Entities which is Controlled or Jointly Controlled by a person identified in para 9 (a) of Ind AS 24 - Related Party Disclosures** | | | | | |
| | Reimbursement of Expenses | 177.70 | (3.27) | 91.57 | (8.14) |
| | Services Received | 205.93 | (18.97) | 5.85 | (0.22) |
| | Interest Received | 0.23 | 3.68 | 0.72 | 3.68 |
| | Rent Paid (net) | 57.30 | – | 44.10 | – |
| | Deposits given | – | 27.00 | – | 28.24 |
| | Donations Given | 25.00 | – | 50.00 | – |
| | Deposits Refund | 1.24 | – | – | – |
| | Sales | 68.52 | 3.38 | 45.66 | 20.03 |
| | Purchases | 90.17 | (7.58) | 135.65 | (37.15) |
| **(E) Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures is a member of the KMP of the entity** | | | | | |
| | Other Expenses | – | – | 7.97 | (0.63) |
| | Employee Benefit Obligations and/ or Retiremental Benefits | – | – | – | – |
| | CSR Contribution | 408.33 | – | 233.49 | – |
| | Sales | 0.33 | 1.38 | 3.75 | 2.35 |
| | Advance Insurance Premium (Deposit) | – | – | – | – |
| | Reimbursement of Expenses | 4.79 | – | 4.79 | – |
| | Rent Deposit Advanced | – | 200.00 | 50.00 | 200.00 |
| | Rent Paid | 49.56 | – | 44.84 | (6.30) |
| | Advance given | – | – | 2.00 | – |
| | Purchase of asset | 6.11 | – | – | – |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 38: Disclosure of transactions with related parties (Contd..)

(₹ in Lakhs)

| Name of Related Party and Nature of relationship | Nature of Transaction | 2022-23 Transaction Value for the year | 2022-23 Outstanding receivable / (payable) carried in the Balance Sheet | 2021-22 Transaction Value for the year | 2021-22 Outstanding receivable / (payable) carried in the Balance Sheet |
|---|---|---|---|---|---|
| | Services Received | 40.91 | (0.59) | 13.65 | 0.00 |
| | Rent Received | 1.64 | 0.11 | 1.62 | 0.11 |
| **(F) Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures has significant influence over the entities** | | | | | |
| | Services Received | 50.30 | (3.52) | 40.44 | (2.79) |
| | Deposits Given/Refund | 0.42 | 3.36 | (0.42) | 3.78 |
| | Sales | 3.86 | 2.67 | 3.23 | 0.52 |
| **(G) Transactions with the entities which are the post employment benefit plans as identified in para 9 (b) (v) of Ind AS 24 - Related Party Disclosures** | | | | | |
| | Trustees Bajaj Electricals Ltd Employees Provident Fund | 2,380.12 | (200.48) | 2,351.60 | (173.35) |
| | Matchwel Electrical India Limited Employees Provident Fund Trust | 57.57 | (6.21) | 45.42 | (3.97) |
| **(H) Transactions with the persons identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures** | | | | | |
| | Refund of Advance Rent | – | (15.00) | – | (15.00) |
| | Sales | 4.40 | 0.08 | – | (0.81) |
| | Purchase of Capital Asset | 3.90 | (0.52) | | |
| | Services Recd | 0.07 | – | – | – |
| **(I) Dividend to Related Parties** | | | | | |
| | Dividend Paid | 2,203.14 | – | – | – |
| **(J) Material transactions with related parties** | | | | | |
| | **Spencer Retail Limited** | | | | |
| | Sales | 633.38 | 268.72 | 498.22 | 230.03 |
| | Services Received | 25.56 | (49.10) | 30.80 | (44.08) |
| | **Bajaj Allianz General Insurance Company Limited** | | | | |
| | Insurance Premium paid | 5,527.63 | (32.02) | 636.27 | – |
| | Advance Insurance Premium (Deposit) | 680.54 | 680.54 | 749.63 | 749.63 |
| | Claims Received | 1,169.81 | 408.08 | 19.28 | – |
| | **Bajaj Allianz Life Insurance Co Ltd.** | | | | |
| | Insurance Premium paid | 249.47 | – | 44.79 | – |
| | Advance Insurance Premium for next year | 132.61 | 132.61 | 215.49 | 215.49 |
| | Employee Benefit Obligations and/ or Retiremental Benefits | – | 6,207.41 | 1,500.00 | 6,830.91 |
| | **Bajaj Finance Ltd** | | | | |
| | Sales | 19.92 | (2.87) | – | 3.91 |
| | Services Received | 17.16 | (5.42) | 6.25 | (0.46) |
| | Fixed Deposit Placed | 7,000.00 | 7,000.00 | – | – |
| | Interest Received on Fixed Deposit | 53.58 | 48.22 | – | – |

"# As the future liability for defined benefit obligations and other long term employment benefits is provided on an actuarial basis for the Group as a whole, the amounts pertaining to key managerial personnel is not ascertainable and hence not included above.

There are no loans or advances granted to promoters, directors, KMPs and the related parties) that are repayable on demand or without any terms or period of repayment.

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 39. Earnings per share:

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Profit for the year (A) (₹ In Lakhs) - before exceptional items | 21,618.53 | 13,431.16 |
| Profit for the year (A) (₹ In Lakhs) - after exceptional items | 21,618.53 | 12,440.66 |
| Weighted average number of equity shares for basic EPS ( B ) | 11,49,62,035 | 11,47,02,038 |
| Add: Effect of dilution (employee stock options - Refer Note 33) | 2,38,771 | 4,19,325 |
| Weighted average number of equity shares for diluted EPS ( C ) | 11,52,00,806 | 11,51,21,363 |
| **Earnings Per Share in ₹ :- - after exceptional items** | | |
| (a) Basic EPS (A/B) | 18.80 | 10.85 |
| (b) Diluted EPS (A/C) | 18.77 | 10.81 |
| **Earnings Per Share in ₹ :- before exceptional items** | | |
| (a) Basic EPS (A/B) | 18.80 | 11.71 |
| (b) Diluted EPS (A/C) | 18.77 | 11.67 |

## Note 40. Commitments and contingencies

**a. Contingent liabilities**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Contingent Liabilities not provided for : | | |
| i) Claims against the Group not acknowledged as debts (Refer Note x, xi below) | 1,753.31 | 1,582.71 |
| ii) Guarantees on behalf of Subsidiaries ₹ 2,000 Lakhs (Previous Year ₹ 7,200 Lakhs) | – | – |
| iii) Excise and Customs duty matters under dispute | 73.55 | 15.49 |
| iv) Service Tax matters under dispute | 149.40 | 178.89 |
| v) Income Tax matters under dispute | 625.73 | 4,266.70 |
| vi) Sales Tax matters under dispute | 5,020.21 | 5,150.43 |
| vii) Uncalled liability in respect of partly paid Shares held as investments | 7.20 | 7.2 |
| viii) Others | 1,062.60 | 1,359.42 |

ix) The Parent Company's fluorescent and mercury containing lamps (CFL/FTL) fall within the purview of the E-waste (Management) Rules, 2016 (the "E-waste Rules") which has come in force with effect from October 01, 2016. Under the E-waste Rules the parent Company is responsible for collection and safe disposal of end of life CFL/FTL in terms of Extended Producer Responsibility (EPR) obligation set out therein. In the 57th meeting of Technical Review Committee of Central Pollution Control Board ("CPCB"), the compliances and implementation of EPR Authorisation conditions including targets under the E-waste Rules for the existing producers of CFL/ FTL were deferred till May 01, 2017. Electric Lamp and Component Manufacturers Association of India (ELCOMA), on behalf of all its members, has filed the Writ Petition (C) 5461 of 2016 ("Writ Petition") in the Hon'ble Delhi High Court challenging the inclusion of 'fluorescent and mercury containing lamps' under E-waste Rules. The Hon'ble Delhi High Court by its order dated September 28, 2016, directed the producers of CFL/FTL, to apply for EPR Authorisation without prejudice to their rights and contentions in the said Writ Petition. Subsequently, vide a later order (dated August 5, 2019) the Hon'ble Delhi High Court directed that the said interim order (dated September 28, 2016) shall continue to be operative during the pendency of the Writ.



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 40. Commitments and contingencies (Contd..)

There is no further update on this matter in the current year.

The Parent Company has been granted EPR authorization under E-Waste (Management) Rules, 2016 by Central Pollution Control Board for Electricals and Electronic Equipment with a collection target of 986.67 MT for FY 2019-20. The Parent Company has entered into agreements with Trans Thane Creek Waste Management Association and GATI Logistics for collection and disposal of E-waste"

x. These represent legal claims filed against the Group by various parties and these matters are in litigation. Management has assessed that in all these cases the outflow of resources embodying economic benefits is not probable.

xi. The Parent Company had in earlier years terminated employment agreements of few die casting workmen at the Chakan plant. On 3rd July, 2018, the Honourable Hight Court of Bombay had awarded the appeal in favour of the Parent Company. On 27th June, 2019, the appeal on the matter has been admitted in the Honourable Supreme Court. Management has assessed that the outflow of resources embodying economic benefits is not probable and has accordingly considered the claim of ₹ 323.22 lakhs as contingent liability.

**b. Commitments**

i. Estimated amounts of contracts remaining to be executed in capital account (net of capital advances) is ₹ 2,876.60 lakhs (March 31, 2022, ₹ 787.45 lakhs).

ii. During the previous year the Parent Company has successfully won bidding for the Transmission line package of Ghatampur, Hapur and Indirapuram with Substation at Mohanlalganj. The cost estimated to complete the project has significant exceeded the cost expected at the time of bidding on account of

- Delay in awarding the project;
- increase in metal prices,

Considering the foreseeable loss on the project basis March 31, 2022 rates, the parent Company had recorded a loss of ₹ 2,213 lakhs in the year ended March 31, 2022. During the current year, the Parent Company has reversed the loss if ₹ 2,034.65 lakhs towards the same project"

## Note 41: Disclosures of revenue from contracts with customers

The disclosures as required for revenue from contracts with customers are as given below

**(i) Disaggregation of revenue**

Disaggregation of the Group's revenue from contracts with customers and reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price is as given below.

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **A. Revenue from contracts with customers** | | |
| Consumer products (includes appliances, lighting and fans) | 3,76,267.33 | 3,30,613.40 |
| Lighting solutions (includes professional and consumer lighting) | 1,12,464.25 | 1,08,025.69 |
| Engineering, procurement and construction (EPC) (includes power distribution, transmission line towers and illumination) | 53,872.00 | 41,336.72 |
| | **5,42,603.58** | **4,79,975.81** |

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 41: Disclosures of revenue from contracts with customers (Contd..)

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **B. Reconciliation of contracted price with (A) above** | | |
| Revenue at contracted price | 5,51,198.42 | 4,86,087.64 |
| Unbilled on account of work under certification | (693.35) | (1,516.96) |
| Billing in excess of contract revenue | 10,493.85 | 1,523.54 |
| Revenue deferred on customer loyalty program | 1,636.31 | 10,634.21 |
| Discounts | (22,405.15) | (13,131.02) |
| Others | 2,373.50 | (3,621.60) |
| **Revenue from contracts with customers (a)** | **5,42,603.58** | **4,79,975.81** |
| **Add: Other operating income (b)** | | |
| Claims received, export incentives, etc | 322.90 | 1,325.64 |
| **Revenue from operations (a+b)** | **5,42,926.48** | **4,81,301.45** |

(₹ in Lakhs)

| Particulars | For the year ended 31-Mar-23 | For the year ended 31-Mar-22 |
|---|---|---|
| **Timing of revenue recognition** | | |
| At a point in time | 4,88,924.52 | 4,39,596.73 |
| Over a period of time | 54,001.96 | 41,704.72 |
| **Revenue from operations** | **5,42,926.48** | **4,81,301.45** |

**(ii) Contract balances**

The details of the contract assets, contract liabilities and receivables are as under

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Contract assets | 4,650.98 | 5,344.34 |
| Contract liabilities | 15,764.36 | 9,117.44 |
| Accounts receivables | 1,56,499.04 | 1,36,061.17 |
| Revenue recognised in the period from: | | |
| Amounts included in contract liability at the beginning of the period | 7,752.74 | 11,826.15 |

The contract assets and contract liabilities balances mentioned above pertain to the EPC segment of the Group. The Group executes the work as per the terms and agreements mentioned in the contracts. The Group receives payments from the customers based on the milestone achievement and billing schedule as established in the contracts.

Contract assets are initially recognised for revenue earned from supply of materials and erection services provided when the performance obligation is met. Upon achievement and acceptance of milestones mentioned by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities are relates to payments received in advance of performance under the contract and billing in excess of contract revenue recognised. Contract liabilities are recognised as revenue when the Group satisfies the performance obligation under the contract."

**iii) Performance obligations**

Information about the Group's performance obligations under CP and EPC segment are summarised below:



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 41: Disclosures of revenue from contracts with customers (Contd..)

### Consumer Product & Lighting Solutions Segment:

**a) Delivery of goods:**

The Group sells fans, appliances and lighting products to the customers. The performance obligation is satisfied and revenue is recognised on dispatch of the goods to the customers. The stand alone selling price of the performance obligation is determined after taking the variable consideration and right to return. The contracts do not have a significant financing component. The Group offers standard warranty on selected products. The Group makes provision for same as per the principles laid down under Ind AS 37. The payment is generally due within 30 to 60 days across various streams of customers.

**b) Loyalty program:**

The Group operates a customer loyalty program (for retailers), where the customer is awarded certain points on purchase of selected products from the Group. The customer (retailer) can redeem these points in future. The Group treats the redemption of customer loyalty points as a separate performance obligation. Accordingly, the revenue is recognised by allocating the total transaction price on the stand alone selling prices of sale of goods and loyalty points.

**c) Extended warranties:**

The Group provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are bundled together with the sale of products. Contracts for bundled sales of products and a service-type warranty comprise two performance obligations because the product and service-type warranty are both sold on a stand-alone basis and are distinct within the context of contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as deferred revenue. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

### Engineering, procurement and construction:

The performance obligations in EPC segment is the supply of materials and erection services. The supply of materials and erection services are promised goods and services which are not individually distinct. Hence both of them are counted as a single performance obligation under the contract. The satisfaction of this performance obligation happens over time, as the performance or enhancement of the obligation is controlled by the customer. Also, the performance of the obligation creates an asset without any alternative use to the customer. The Group uses the input method to determine the progress of the satisfaction of the performance obligation and accordingly recognises revenue.

The standalone selling price of the performance obligation is determined after taking the variable consideration and significant financing component .

**iv) Unsatisfied performance obligations**

The transaction price allocated to the unsatisfied performance obligations are as below:

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Consumer products | 2,773.74 | 16,738.10 |
| EPC | 1,61,476.99 | 77,994.94 |
| **Total** | **1,64,250.73** | **94,733.04** |

**v) Assets recognised from the costs to obtain or fulfil a contract**

The incremental costs of obtaining a contract with a customer are recognised as an asset if the Group expects to recover them. The Group incurs costs such as bank guarantee charges and insurance charges. The Group

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

### Note 41: Disclosures of revenue from contracts with customers (Contd..)

amortizes the same over the period of the contract. The total unamortised balances towards such cost is as below.

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Unamortised portion of cost to obtain a contract | – | 17.21 |
| Amount recognised in the profit and loss account | 1,209.28 | 1,578.86 |

### Note 42: Leases:

The Group for the consumer products segment, generally takes godowns on lease to store the goods at various locations. These godowns generally have a term of 1 year to 3 years. There are few godowns with a longer lease period of 5 years or more also. Similarly, the Group also takes on lease, storage places at various EPC sites to store the inventories which are used for construction. These leases are generally short term in nature, with very few contracts having a tenure of 1-2 years. Further, the Group has few guest houses, residential premises and office premises also on leases which generally for a longer period ranging from 2-5 years.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, on the commencement of the lease. There are several lease contracts that include extension and termination options. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The leases which the Group enters, does not have any variable payments. The lease rents are fixed in nature with gradual escalation in lease rent.

Apart from the above, the Group also has various leases which are either short term in nature or the assets which are taken on the leases are generally low value assets (e.g. printers). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group has determined leasehold lands also as, right of use assets and hence the same has been classified from property, plant and equipment to right of use assets.

**Disclosures under Ind AS 116**

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| Amortization charge for right of use assets | 2,447.70 | 1,848.38 |
| Interest expense on lease liabilities | 544.44 | 544.65 |
| Lease rent expenses for short term leases | 977.83 | 2,313.58 |
| Cash outflow towards lease liabilities | 2,762.40 | 2,326.85 |
| - as principal | 2,217.96 | 1,781.85 |
| - as interest | 544.44 | 545.00 |
| Carrying amount of right of use assets | 12,298.88 | 6,855.68 |
| Carrying amount of lease liabilities | 10,123.64 | 4,587.80 |

For movement of right of use assets, refer note 3

For movement of lease liability, refer note 3. For maturity profile of lease liabilities, refer note 35 (liquidity risk)

For significant judgements used for accounting right of use assets and lease liabilities, refer note 1D(6)



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

### Note 43: Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, the gross amount to be spent by the Parent Company during financial year 22-23 is ₹ 300.63 lakhs (Previous year ₹ 329.58 Lakhs). The Parent Company has spent ₹ 246.24 lakhs (Previous year ₹ 200.40 Lakhs) on various CSR initiatives as below:

(₹ in Lakhs)

| Particulars | 31-Mar-23 | 31-Mar-22 |
|---|---|---|
| **Two percent of average net profit of the Parent Company as per section 135(5)** | **300.63** | **329.58** |
| Spent on ongoing projects | 231.21 | 175.22 |
| Spent on other than ongoing projects | – | 19.98 |
| Administrative expenses | 15.03 | 5.20 |
| **Total Amount Spent for the Financial Year. (in ₹) (a) *** | **246.24** | **200.40** |
| **Total Amount transferred to Unspent CSR Account as per section 135(6) (b)** | **54.39** | **129.18** |
| **Total (a + b)** | **300.63** | **329.58** |

* The amount has been spent on purposes other than construction / acquisition of asset and no amounts are yet to be paid in cash

Out of the above unspent amount for FY21 and FY22, of ₹ 204.58 lakhs, and ₹ 129.18 lakhs, the Parent Company has already spent ₹ 131.27 lakhs and ₹ 81.59 lakhs so far on various ongoing projects.

### Note 44: Business combination on acquisition and subsequent merger of Starlite Lighting Limited into the Group

During the previous year, the Parent Company at its meeting held on April 30, 2021, executed the Control Transfer Agreement ("CTA") with (i) Shri Ravindra Bharati and Shri Arvind Bharati (collectively, the "Outgoing Promoters"), who, along with the Company, were promoters / joint promoters of Starlite Lighting Limited ("SLL"), (ii) some other shareholders of SLL (related to the outgoing promoters or belonging to their business group), and (iii) SLL

- to terminate the Shareholders Agreement dated February 22, 2007 by and between the outgoing promoters, company and SLL; and
- to record the agreed terms and conditions for the relinquishment and transfer of the joint control and management rights of SLL by the outgoing promoters in favour of the Company such that the Company shall have the sole control and management rights of SLL from the start of the business hours on the Effective Date.

In consideration of the said relinquishment and transfer of joint control and management rights of SLL by outgoing promoters in favour of the Company, the Company has paid an aggregate control premium of ₹1,480 lakhs, plus GST as applicable, to the outgoing promoters, subject to the terms and conditions of the said CTA. Subsequently, SLL was consolidated as a subsidiary from April 1, 2021.

Further with the approval granted by the Board of Directors at its meeting, the Share Subscription Agreement ("SSA") has been executed on April 30, 2021 (after the execution of CTA) by and amongst: (i) the Company, (ii) SLL, (iii) Shri Ravindra Bharati, and (iv) Shri Arvind Bharati, for subscribing to the 4,50,00,000 Equity Shares of SLL ("Subscription Shares") by the Parent Company and/or by its identified purchaser(s) at a price of ₹10/- per Equity Share, which are issued on a private placement / preferential allotment basis.

Subsequently, in the current financial year, the Mumbai Bench of the Hon'ble National Company Law Tribunal has passed an order dated August 25, 2022 ("Order"), approving the Scheme of Merger by Absorption of Starlite Lighting Limited ("Transferor Company") with Bajaj Electricals Limited ("Company" /"Transferee Company") and their respective shareholders ("Scheme").

Accordingly, the Group has accounted for the merger under the pooling of interest method retrospectively for all periods presented as prescribed in IND AS 103 Business Combinations of entities under common control. This combination has no impact on the consolidated financial statements."

# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 45: Goodwill

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| Goodwill on acquisition of Nirlep Appliances Private Limited | 2,644.36 |
| Goodwill on acquisition of Business | 16,356.74 |
| **TOTAL** | **19,001.10** |

During the year ended March 31, 2023, the Group has performed its annual impairment test and determined that there is no impairment. The recoverable amounts of the CGU's have been determined on the basis of the value in use calculations. The calculation uses cash flow projections based on budgets approved by the management, discounting rate and terminal growth rate. Management believes that any reasonably possible change in the key assumptions on which the specific CGU's recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

## Note 46: Non-Controlling Interest

**Starlite Lighting Limited**

Movement in non-controlling interest is as given below:

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| **Non-controlling interest as at April 1, 2021 (date of acquisition)** | **(2,326.97)** |
| Share in profit / loss attributable to NCI as per the statement of profit and loss for the year | (308.00) |
| Share in other comprehensive income attributable to NCI for the year | 0.99 |
| **Non-controlling interest as at March 31, 2022** | **(2,633.98)** |
| Transferred to amalgamation adjustment reserve on merger | 2327.15 |
| Transferred to equity share capital (19 shares @ ₹ 2 per share) | (0.00) |
| Transferred to securities premium | (0.19) |
| Transferred to retained earnings on merger | 307.01 |
| **Non-controlling interest as at March 31, 2023** | **0.00** |

## Note 47: Disclosure of interest in entities

**Disclosure in terms of Schedule III of the Companies Act, 2013 as at and for the year ended March 31, 2023.**

(₹ in Lakhs)

| Particulars | Net Assets (i.e. Total assets minus total liabilities) | | Share in Profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| **1. Parent** Bajaj Electricals Limited | 102.82% | 1,96,104.67 | 106.62% | 23,050.54 | 101.91% | 175.67 | 106.59% | 23,226.21 |
| **2. Subsidiaries** | | | | | | | | |
| Nirlep Appliances Private Limited | -2.31% | (4,411.90) | -4.63% | (1,000.10) | -1.91% | (3.29) | -4.60% | (1,003.39) |
| Bajel Projects Limited | 0.01% | 19.89 | -0.10% | (20.61) | 0.00% | – | -0.09% | (20.61) |
| **3. Associate** | | | | | | | | |
| Hind Lamps Limited | 0.00% | – | 0.00% | - | 0.00% | – | 0.00% | - |
| **4. Intercompany eliminations and consolidation adjustments** | -0.52% | (991.08) | -1.90% | (411.30) | 0.00% | – | -1.89% | (411.30) |
| **Total** | **100.00%** | **1,90,721.58** | **100.00%** | **21,618.53** | **100.00%** | **172.38** | **100.00%** | **21,790.91** |



# Notes to Consolidated Financial Statements for the year ended 31st March 2023

## Note 47: Disclosure of interest in entities(Contd..)

**Disclosure in terms of Schedule III of the Companies Act, 2013 as at and for the year ended March 31, 2022.**

(₹ in Lakhs)

| Particulars | Net Assets (i.e. Total assets minus total liabilities) | | Share in Profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| **1. Parent** | | | | | | | | |
| Bajaj Electricals Limited | 104.66% | 1,78,460.84 | 123.38% | 15,349.80 | 101.37% | (577.70) | 122.42% | 15,927.50 |
| **2. Subsidiaries** | | | | | | | | |
| Nirlep Appliances Private Limited | –2.00% | (3,408.47) | –5.64% | (701.75) | –2.51% | 14.28 | –5.50% | (716.03) |
| Starlite Lighting Limited | –20.33% | (34,659.94) | –32.02% | (3,983.23) | 1.51% | (8.62) | –30.55% | (3,974.61) |
| Bajel Projects Limited | 0.02% | 40.50 | –0.08% | (9.50) | 0.00% | – | –0.07% | (9.50) |
| **3. Associate** | | | | | | | | |
| Hind Lamps Limited | – | – | 0.00% | – | 0.00% | – | 0.00% | – |
| **4. Intercompany eliminations and consolidation adjustments** | 17.64% | 30,088.49 | 14.35% | 1,785.34 | –0.38% | 2.17 | 13.71% | 1,783.17 |
| **Total** | **100.00%** | **1,70,521.42** | **100.00%** | **12,440.66** | **100.00%** | **(569.87)** | **100.00%** | **13,010.53** |

## Note 48: Exceptional Items

During the previous year, the Group has paid ₹ 1,322.69 lakhs as voluntary retirement scheme to the employees of the Shikohabad factory.

## Note 49: Other statutory information

1. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

2. The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period,

3. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

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

   b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

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

   b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

6. The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

7. The Group has not granted any loans or advances in nature of loans to promoters, directors and KMPs either severally or jointly with any other person during the year ended March 31, 2023 and March 31, 2022.

## Note 49: Other statutory information (Contd..)

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

9. The Group has not revalued its property, plant and equipment (including right-to-use assets) or intangible assets during the year ended March 31, 2023."

10. Transactions with the companies which are struck off are as under

(₹ in Lakhs)

| Nature of Transaction | Count (FY23) | Count (FY22) | As on March 31, 2023 | As on March 31, 2022 |
|---|---|---|---|---|
| Receivables from customers | – | 2 | – | 33.60 |
| Receivables / (Payable) from /(to) vendors | 59 | 32 | 71.43 | 6.92 |

## Note 50: Subsequent events

The Group has evaluated subsequent events from the balance sheet date through May 23, 2023, the date at which the consolidated financial statements were available to be issued, and determined that there are no material items to disclose.

## Note 51:

Previous year's figures have been regrouped / reclassed wherever necessary to correspond with the current year's classification / disclosure.

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.105938

Mumbai, May 23, 2023

For and on behalf of the Board of directors
of **Bajaj Electricals Limited**

**Shekhar Bajaj**
Chairman
DIN: 00089358

**Anuj Poddar**
Managing Director & Chief Executive Officer
DIN: 01908009

**Ajay Nagle**
Company Secretary

**EC Prasad**
Chief Financial Officer

**Shailesh Haribhakti**
Chairman - Audit Committee
DIN: 00007347

BAJAJ Electricals

45/47, Veer Nariman Road, Mumbai – 400 001 | CIN: L31500MH1938PLC009887
www.bajajelectricals.com