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
- 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

Notes to Standalone Financial Statements for the year ended 31st March 2023

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.

Notes to Standalone Financial Statements for the year ended 31st March 2023

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

Notes to Standalone Financial Statements for the year ended 31st March 2023

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:

- 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

Notes to Standalone Financial Statements for the year ended 31st March 2023

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

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 - 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	(Restated) 31-Mar-22
	Amount	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			31-Mar-22 (Restated)		
	Current	Non Current	Total	Current	Non Current	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 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 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	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 financials 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% 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% For Others- 21.00%
31 - 44 years	18.00%	For HLL- 4.00% For Others- 14.00%
Above 44 years	18.00%	For HLL- 4.00% 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	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	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	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	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.		
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 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

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 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 Discount rate – 16.60% Terminal value growth rate – 3% Nirlep Appliances Private Limited Discount rate – 15.50% Terminal value growth rate – 3%"	**BEL Nashik Unit** 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 0.25% increase in discount rate will decrease fair value by ₹ 536.71 lakhs. 0.25% decrease in discount rate will increase the fair value by ₹ 555.90 lakhs 0.25% increase in terminal value growth rate will increase fair value by ₹ 343.11 lakhs. 0.25% decrease in terminal value growth rate will decrease the fair value by ₹ 330.73 lakhs **Nirlep Appliances Private Limited** 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 0.25% increase in discount rate will decrease the fair value by ₹ 194.35 lakhs. 0.25% decrease in discount rate will increase the fair value by ₹ 202.05 lakhs 0.25% increase in terminal value growth rate will increase fair value by ₹ 161.32 lakhs. 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 annunation 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 Transaction Value for the year	2022-23 Outstanding receivable / (payable) carried in the Balance Sheet	2021-22 (Restated) Transaction Value for the year	2021-22 (Restated) 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	For the year ended 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 Particulars	Reported BEL Standalone as on April 1, 2021	Merger Impact on April 1, 2021 Further Investment in SLL	Assets and Liabilities of SLL	InterCo Elims	Issue of Shares *	Restated 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 Particulars	Reported BEL Standalone as on March 31, 2022	Merger Impact Impact of SLL Merger	InterCo Elims	Issue of Shares *	Restated 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 Particulars	Reported BEL Standalone as on March 31, 2022	Merger Impact Impact of SLL Merger	InterCo Elims	Issue of Shares *	Restated 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 Particulars	Reported BEL Standalone as on March 31, 2022	Merger Impact on March 31, 2022 Profit & Loss of SLL	InterCo Elims	Restated 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

	Reported	Merger Impact	Restated
Particulars	**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

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