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 Segments (CP) (which includes appliances, fan and consumer lighting products). The Company also deals in Engineering and projects (EPC) (which includes supply and erection of transmission line towers, telecommunication towers, high masts, poles, special projects including rural electrification projects and luminaires. The equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The financial statements are presented in Indian Rupee (₹).

The financial statements are approved for issue by the Company's Board of Directors on May 22, 2019.

1B SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

The 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 financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or 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 delivery 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). 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

Notes to Financial Statements for the year ended 31st March 2019

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. The Company then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

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.

(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 pays insurance and bank guarantee charges for each contract that they obtain for supply of materials and erection services. The Company amortizes the same over the period of the contract. 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.

(4) Change in accounting policy

Ind AS 115 – Revenue from contracts with customers

Ind AS 115 supersedes Ind AS 11 Construction contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five step model to account for revenue arising from contacts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial recognition of April 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial recognition or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at April 1, 2018. The cumulative effect of initially applying Ind AS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was no restated and continues to be reported under Ind AS 11 and Ind AS 18.

The application of Ind AS 115 did not have any significant impact on the financial statements and EPS for the year ended March 31, 2019.

3 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 rent, 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.

4 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.

Notes to Financial Statements for the year ended 31st March 2019

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.

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:

a) All additions to property, plant and equipment costing ₹ 5,000 or less and

b) Temporary structure cost at project site

iii) Where a significant component (in terms of cost) of an asset has an economic useful life different than that of it's corresponding asset, the component is depreciated over it's estimated useful life.

iv) The Company, based on internal technical assessments and management estimates, depreciates certain items of property, plant & equipment over the estimated useful lives and considering residual value which are different from the one prescribed in Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

v) Useful life of asset is as given below:

Asset block	Useful Lives (in years)
Leasehold Land	Over the period of the lease
Building - Office	5 to 70
Building - Factory	2 to 30
Ownership Premises	60
Plant & Machinery	1 to 22
Furniture & Fixtures	1 to 15
Electric Installations	2 to 10
Office Equipment	2 to 10
Vehicles	8 to 10
Dies & Jigs	1 to 10
Leasehold Improvements	2 to 10
Roads & Borewell	3 to 21
IT hardware	2 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.

5 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 softwares / licenses are carried at historical cost. They have an expected finite useful life of 3 years and are carried at cost less accumulated amortisation and impairment losses. Computer licenses which are purchased on annual subscription basis are expensed off in the year of purchase.

Trademarks are carried at historical cost. They have an registered finite useful life of 10 years and are carried at cost less accumulated amortisation and impairment losses.

6 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.

7 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

Notes to Financial Statements for the year ended 31st March 2019

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. 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.

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

Notes to Financial Statements for the year ended 31st March 2019

difference in net cash flows between the contractual payments under the debt instrument and the contractual payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

C) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the 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 subsidiary 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.

8. 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.

9. 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.

10. Inventories:

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

11. Foreign currency transactions:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in Indian Rupee (₹), 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.

12. 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.

Notes to Financial Statements for the year ended 31st March 2019

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 income 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.

13. Operating leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to the ownership to the Company are classified as a finance lease. Payments made under operating leases are charged to the Statement of Profit & Loss on a straight line basis over the period of the lease.

As a lessor

The Company has leased certain tangible assets and such leases where the Company has not substantially transferred all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit & Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which are they are incurred.

14. 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.

15. 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.

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.

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.

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.

16. 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.

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.

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

Notes to Financial Statements for the year ended 31st March 2019

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 accounted for as employee benefit expense when they are due. Defined contribution to superannuation fund is being made to Life Insurance Corporation of India (LIC) 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. Employee stock option scheme

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.

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 General Reserve in the reporting period in which the right expires.

17. 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

18. Dividends

Provision is made for the amount of any final dividend declared, being appropriately authorised in Annual General Meeting and no longer at the discretion of the Company. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

19. 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.

20. All amounts disclosed in the 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 ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

A) Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, prospectively. On the transition date, the Company will recognise a lease liability and a right-of-use asset measured at the present value of the remaining lease payments.

In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting

Notes to Financial Statements for the year ended 31st March 2019

and the reporting requirements of the standard in conjunction with review of lease agreements. The Company will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for the right- to use asset , and b) interest accrued on lease liability. Previously, the Company recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. On transition, for leases other than short-term leases and leases of low value assets, the Company will recognise a right-of-use asset and a corresponding lease liability. The Company is in the process of identifying the impact at transition date (April 1, 2019).

B) Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

C) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

D) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

E) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or

sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

1D SUMMARY OF CRITICAL ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of 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 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 assumptions made in relation to serviceable sales and related warranty provision estimation 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 of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using 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.

5 Employee benefits

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation 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.

6 For judgements relating to contingent liabilities, refer note 40(a).

Notes to Financial Statements for the year ended 31st March 2019

Note 2 : Property, plant and equipment

(₹ In lakh)

Particulars	Freehold Land	Lease hold 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 2017	**2,098.22**	**2,822.49**	**3,941.67**	**11,228.42**	**6,776.67**	**1,459.64**	**387.67**	**635.77**	**503.10**	**1,845.06**	**194.02**	**80.42**	**91.11**	**4,546.83**	**36,611.09**
Additions	-	-	246.02	-	846.20	246.87	183.37	576.11	235.81	275.81	-	25.83	16.93	1,070.37	3,723.32
Disposals	-	-	-	-	(62.71)	(0.64)	-	(0.81)	(116.58)	-	-	-	-	(79.03)	(259.77)
Adjustment *	-	-	(20.81)	-	-	(45.21)	-	50.29	-	-	-	-	15.73	-	-
Closing gross block as at 31st March 2018	**2,098.22**	**2,822.49**	**4,166.88**	**11,228.42**	**7,560.16**	**1,660.66**	**571.04**	**1,261.36**	**622.33**	**2,120.87**	**194.02**	**106.25**	**123.77**	**5,538.17**	**40,074.64**
Additions	1,629.84	-	12.22	-	351.44	142.08	25.24	311.73	384.62	610.22	-	14.41	2.89	1,577.35	5,062.04
Disposals	-	-	-	-	(6.78)	(54.70)	(1.51)	(14.26)	(83.59)	-	-	-	-	(56.82)	(217.66)
Closing gross block as at 31st March 2019	**3,728.06**	**2,822.49**	**4,179.10**	**11,228.42**	**7,904.82**	**1,748.04**	**594.77**	**1,558.83**	**923.36**	**2,731.09**	**194.02**	**120.66**	**126.66**	**7,058.70**	**44,919.02**
Opening accumulated depreciation as at 1st April 2017	**-**	**91.68**	**246.58**	**394.04**	**1,639.36**	**322.26**	**72.25**	**224.11**	**112.46**	**659.26**	**85.86**	**80.42**	**27.32**	**1,651.69**	**5,607.29**
Depreciation charge during the year	-	37.38	153.30	201.07	912.82	186.98	53.77	191.70	65.44	395.24	37.58	25.83	9.01	1,080.07	3,350.20
Disposals	-	-	-	-	(28.31)	(0.08)	-	(0.61)	(33.77)	-	-	-	-	(75.07)	(137.84)
Adjustment *	-	-	(46.02)	46.02	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at 31st March 2018	**-**	**129.06**	**353.86**	**641.13**	**2,523.87**	**509.16**	**126.02**	**415.20**	**144.13**	**1,054.50**	**123.44**	**106.25**	**36.33**	**2,656.70**	**8,819.65**
Depreciation charge during the year	-	37.38	156.12	201.07	914.54	210.87	59.31	219.02	81.19	505.06	17.54	14.41	9.57	1,230.27	3,656.35
Disposals	-	-	-	-	(1.94)	(20.66)	(0.33)	(5.03)	(7.94)	-	-	-	-	(51.70)	(87.60)
Closing accumulated depreciation as at 31st March 2019	**-**	**166.44**	**509.98**	**842.20**	**3,436.47**	**699.37**	**185.00**	**629.19**	**217.38**	**1,559.56**	**140.98**	**120.66**	**45.90**	**3,835.27**	**12,388.40**
Impairment allowance as on April 1, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment charge during the year (refer note v below)	-	-	-	-	729.36	-	-	-	-	-	-	-	-	-	729.36

Notes to Financial Statements for the year ended 31st March 2019

Note 2 : Property, plant and equipment (Contd..)

(₹ In lakh)

Particulars	Freehold Land	Lease hold Land	Building	Ownership Premises	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Vehicles	Dies & Jigs	Leasehold Improvements	Temporary Structures	Roads & Borewell	IT Hardware	Total
Impairment allowance as on March 31, 2019	-	-	-	-	729.36	-	-	-	-	-	-	-	-	-	729.36
Closing Net carrying amount as at 31st March 2018	2,098.22	2,693.43	3,813.02	10,587.29	5,036.29	1,151.50	445.02	846.16	478.20	1,066.37	70.58	-	87.44	2,881.47	31,254.99
Closing Net carrying amount as at 31st March 2019	3,728.06	2,656.05	3,669.12	10,386.22	3,738.99	1,048.67	409.77	929.64	705.98	1,171.53	53.04	-	80.76	3,223.43	31,801.26

* Adjustment represents transfer between block of assets as per fixed asset register.

(i) Leased assets

The Company has given the following assets on operating lease to third parties, the gross block, accumulated depreciation and net book value is as mentioned below:

(₹ In lakh)

Particulars	31-Mar-19	31-Mar-18
Plant and Machinery		
Cost / Deemed cost	718.52	637.91
Accumulated depreciation	220.40	159.81
Net carrying amount	498.12	478.10

(ii) Property, plant and equipment pledged as security

Refer to note 17 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 Furnitures & Fixtures and IT Hardware amounting to ₹ 441.44 lakh and ₹ 119.18 lakh respectively, pending for installation.

(v) Impairment

The operations at Kosi unit have been discontinued since 2016. The Company is evaluating potential use of the existing facilities and is also exploring selling opportunities. Accordingly, based on assessment performed, the plant and machinery amounting to ₹729.36 lakh has been impaired during the year.

Notes to Financial Statements for the year ended 31st March 2019

Note 3: Other Intangible Assets

(₹ In lakh)

Particulars	Trade Marks	Computer Software	Total
Opening gross block as at 1st April 2017	0.51	7.51	8.02
Additions	-	369.88	369.88
Closing gross block as at 31st March 2018	**0.51**	**377.39**	**377.90**
Additions	-	289.40	289.40
Disposals	-	-	-
Closing gross block as at 31st March 2019	**0.51**	**666.79**	**667.30**
Opening accumulated depreciation as at 1st April 2017	0.10	5.53	5.63
Amortisation charge for the year	0.05	44.24	44.29
Closing accumulated depreciation as at 31st March 2018	**0.15**	**49.77**	**49.92**
Amortisation charge for the year	0.05	189.91	189.96
Disposals	-	-	-
Closing accumulated depreciation as at 31st March 2019	**0.20**	**239.68**	**239.88**
Closing Net carrying amount as at 31st March 2018	**0.36**	**327.62**	**327.98**
Closing Net carrying amount as at 31st March 2019	**0.31**	**427.11**	**427.42**

Notes

(i) Intangible assets under development mainly comprises of IT softwares amounting to ₹239.31 lakh.

Note 4.1 : Investments in subsidiary, associates and joint venture

(₹ In lakh)

	31-Mar-19	31-Mar-18
Investment in equity instruments of subsidiary, associate & joint venture (fully paid up)		
Unquoted		
Non-current equity investments (unquoted) in Nirlep Appliance Pvt Ltd		
- 593,724 (March 31, 2018 - NIL) equity shares of ₹100 each	3,070.42	-
Fair Value of the call and put options on equity shares of Nirlep Appliance Private Ltd held by non-controlling shareholders ***	244.90	-
	3,315.32	**-**
Non-current equity investments (unquoted) in Hind Lamps Limited.		
- 1,140,000 (March 31, 2018 - 1,140,000) equity shares of ₹25 each **	1,684.53	1,684.53
Accumulated impairment allowance in value of investments in Hind Lamps Limited	(1,000.00)	(1,000.00)
	684.53	**684.53**
Non-current equity investments (unquoted) in Starlite Lighting Ltd.		
- 5,875,000 (March 31, 2018 - 5,875,000) equity shares of ₹10 each	1,637.19	1,637.19
Accumulated impairment allowance in value of investments in Starlite Lighting Ltd (refer note 42)	(1,637.19)	(1,637.19)
	-	**-**
Total investments in subsidiary, associate & joint venture	**3,999.85**	**684.53**

Note 4.2 : Financial assets (Investments)

4.2 (a) Investment in equity instruments

(₹ In lakh)

	31-Mar-19	31-Mar-18
Investment in equity shares		
Unquoted		
Measured at fair value through profit and loss		
Non-current equity investments (unquoted) in M. P. Lamps Limited *		
- 48,000 (March 31, 2018 - 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, 2018 - 95,997) equity shares of ₹ 10/- each; (Partly paid shares - ₹ 1.25 Per share paid up, Called up ₹ 5 per share).		
Non-current equity investments (unquoted) in Mayank Electro Ltd.		
- 100 (March 31, 2018 - 100) equity shares of ₹ 100/- each.	0.10	0.10
Total equity instruments	**0.10**	**0.10**

4.2 (b) Investment in debt instruments

(₹ In lakh)

	31-Mar-19	31-Mar-18
Investment in venture capital fund		
Unquoted		
Measured at fair value through profit and loss		
Units of Bharat Innovation Fund	229.10	-
Investment in preference shares (fully paid up)		
Unquoted		
Measured at fair value through profit and loss		
10,000,000 - 9% cumulative redeemable preference shares (unquoted) of ₹ 10/- each of Starlite Lighting Ltd, redeemable on June 30, 2024	950.83	950.83
Accumulated Impairment Allowance on Preference Shares (refer note 42)	(950.83)	(950.83)
	-	-
5,000,000 - 9% cumulative redeemable preference shares (unquoted) of ₹ 10/- each of Starlite Lighting Ltd, redeemable on June 30, 2025	406.79	406.79
Accumulated Impairment Allowance on Preference Shares (refer note 42)	(406.79)	(406.79)
	-	-
Measured at amortised cost		
2,800,000 - 0% redeemable preference shares (Unquoted) of ₹25/- each of Hind Lamps Ltd, redeemable at the end of term of 10 years, at a premium of ₹ 20/- per share (date of allotment December 26, 2012)**	845.13	764.82

Notes to Financial Statements for the year ended 31st March 2019

Note 4.2 : Financial assets (Investments)

4.2 (b) Investment in debt instruments

(₹ In lakh)

	31-Mar-19	31-Mar-18
30,000,000 - 0% redeemable preference shares (unquoted) of ₹ 10/- each of Starlite Lighting Ltd, redeemable in 3 equal tranches at an yield of 10% on June 30, 2026, 30 June, 2027 and June 30, 2028 respectively	4,294.18	4,294.18
Accumulated Impairment Allowance on Preference Shares (refer note 42)	(4,294.18)	(4,294.18)
	-	-
Total debt instruments	**1,074.23**	**764.82**
Total non-current investments	**1,074.33**	**764.92**

* 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 lakh 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.

** The board of directors of the Company on November 23, 2015 have approved the proposed scheme of demerger of the manufacturing business of Hind Lamps Limited (Demerged undertaking) into the Company. The scheme of arrangement is drawn up pursuant to the provisions of section 230-232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the Income Tax Act, 1961 as may be applicable. Pursuant to the order passed by National Company Law Tribunal, Bench at Mumbai dated November 2, 2018, the Company convened the meeting of the equity shareholders of the Company, operational creditors and financial creditors. The voting results were in favour of the Company.

Pursuant to the order passed by National Company Law Tribunal, Bench at Allahabad dated April 30, 2019, the Company will further convey the meeting of the equity shareholders of the demerged undertaking and its operational and financial creditors on June 15, 2019.

*** During the year, Company acquired 79.85% equity shares in Nirlep Appliances Private Limited, for a cash consideration of ₹30.70 crores. The Company has a call option to purchase another 20% equity shares or part thereof in the future at an option price. Further, the non controlling shareholders have a put option to sell balance 20% equity shares or part thereof anytime within 60 business days post expiry of 3 years of closing date i.e Aug 31, 2018 at an option price. The option price formula is the same for the call and the put option and is as mentioned in the agreement.

As the option does not give present access to the returns associated with the ownership interest, the call and put option over the shares in the acquired subsidiary has been initially recognised at its fair value, with subsequent changes in the fair value recognised in the statement of profit and loss.

For fair value measurement disclosures, refer note 34.

Note 5 : Trade receivables

(₹ In lakh)

	31-Mar-19	31-Mar-18
Current	262,294.08	174,875.13
Non-current	51,962.54	26,338.62
	314,256.62	**201,213.75**
Secured, considered good	-	-
Unsecured, considered good	314,256.62	201,213.75
Unsecured, with significant increase in credit risk	-	-
Unsecured, credit impaired	14,371.22	16,733.95
Total	**328,627.84**	**217,947.70**
Impairment allowance (allowance for bad and doubtful debts)	(14,371.22)	(16,733.95)
Total trade receivables (net of impairment allowance)	**314,256.62**	**201,213.76**

Note 5 : Trade receivables (Contd..)

Transferred receivables

The carrying amount of trade receivables, include receivables which are subject to factoring arrangements and channel financing facilities. Under this arrangement the 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 unsecured borrowings / other financial liabilities.

(₹ In lakh)

	31-Mar-19	31-Mar-18
Transferred receivables	37,503.83	30,510.61
Unsecured borrowing (Note 17)	5,411.14	4,952.78
Other financial liabilities (Note 18)	32,092.69	25,557.83

Trade receivable are non-interest bearing and are generally on term of 30-90 days from the time they are contractually due.

Note 6 : Loans

(Unsecured, considered good unless otherwise stated)

(₹ In lakh)

	31-Mar-19	31-Mar-18
Non Current		
Unsecured, considered good	1,606.76	6.17
Unsecured, credit impaired	280.00	280.00
Total	**1,886.76**	**286.17**
Impairment allowance (refer note 42)	(280.00)	(280.00)
Total Non-current loans	**1,606.76**	**6.17**

Unsecured, credit impaired loan is given to Starlite Lighting Limited (Joint Venture of the Company).

Unsecured, considered good loan is given to Nirlep Appliances Pvt Limited (Subsidiary of the Company) in the current year. The Loan carries an interest of 11%. The tenure of the loan is 5 years with repayment in 8 equal instalments of ₹2 crores each commencing from June 30, 2022 till March 31, 2024. This loan has been given to the subsidiary for meeting is working capital requirements.

(₹ In lakh)

	31-Mar-19	31-Mar-18
Current		
Secured, considered good (gross)	2.02	4.97
Total current loans	**2.02**	**4.97**

Notes to Financial Statements for the year ended 31st March 2019

Note 7 : Other financial assets

(Unsecured, considered good unless otherwise stated)

(₹ In lakh)

	31-Mar-19	31-Mar-18
Security deposits, considered good	2,201.52	1,881.04
Security deposits, credit impaired	642.95	692.28
Impairment allowance for credit impaired security deposits	(642.95)	(692.28)
	2,201.52	**1,881.04**
Fixed deposit under lien	12.93	22.25
Fair value of call option (Refer Note 4.1)	108.95	-
Interest accrued on fixed deposits	2.85	2.76
Total non-current other financial assets	**2,326.25**	**1,906.05**

For breakup of financial assets carried at amortised cost, refer note 34.

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. 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

Note 8 : Deferred tax assets (net)

(₹ In lakh)

Particulars	31-Mar-19	31-Mar-18
Deferred tax assets	9,710.09	10,508.55
Deferred tax liabilities	(3,333.43)	(3,155.37)
Total deferred tax assets	**6,376.66**	**7,353.18**

Deferred tax assets comprise of the following:

(₹ In lakh)

	31-Mar-19	31-Mar-18
Employee benefit obligations (gratuity)	206.65	-
Employee benefit obligations (leave obligations)	966.80	1,307.72
Impairment allowance (allowance for doubtful debts and advances)	6,295.07	7,133.18
Financial assets measured at amortised cost	143.60	267.94
Assets held for sale	466.76	485.10
Others	1,631.21	1,314.61
Total deferred tax assets	**9,710.09**	**10,508.55**

Note 8 : Deferred tax assets (net) (Contd..)

Movement in deferred tax assets

(₹ In lakh)

	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	Others	Total
At 31st March, 2017	**143.26**	**1,636.75**	**5,898.58**	**395.15**	**-**	**789.40**	**8,863.14**
(Charged) / Credited :							
to statement of profit and loss	(143.26)	(329.03)	1,234.59	(127.21)	485.09	514.15	1,634.33
to other comprehensive income	-	-	-	-	-	11.08	11.08
At 31st March, 2018	**-**	**1,307.72**	**7,133.17**	**267.94**	**485.09**	**1,314.63**	**10,508.55**
(Charged) / Credited :							
to statement of profit and loss	173.06	(340.92)	(838.10)	(124.34)	(18.33)	119.63	(1,029.00)
to other comprehensive income	33.59	-	-	-	-	196.95	230.54
At 31st March, 2019	**206.65**	**966.80**	**6,295.07**	**143.60**	**466.76**	**1,631.21**	**9,710.09**

Deferred tax liabilities comprise of the following:

(₹ In lakh)

	31-Mar-19	31-Mar-18
Property, plant and equipment	3,147.54	2,977.33
Financial assets measured at amortised cost	106.93	79.77
Financial liabilities measured at amortised cost	78.96	66.54
Employee benefit obligations (gratuity)	-	31.73
Total deferred tax liabilities	**3,333.43**	**3,155.37**

Movement in deferred tax liabilities

(₹ In lakh)

	Property, plant and equipment	Financial Assets measured at Amortised Cost	Financial Liabilities measured at Amortised Cost	Employee benefit obligations (gratuity)	Others	Total
At 31st March, 2017	**2,965.71**	**192.42**	**82.49**	**-**	**27.57**	**3,268.19**
Charged / (credited) :						
to Statement of Profit or Loss	11.64	(112.66)	(15.96)	(198.59)	(27.57)	(343.14)
to other comprehensive income	-	-	-	230.32	-	230.32
At 31st March, 2018	**2,977.35**	**79.76**	**66.53**	**31.73**	**-**	**3,155.37**
Charged / (credited) :						
to Statement of Profit or Loss	170.19	27.17	12.43	(31.73)	-	178.06
to other comprehensive income	-	-	-	-	-	-
At 31st March, 2019	**3,147.54**	**106.93**	**78.96**	**-**	**-**	**3,333.43**

Notes to Financial Statements for the year ended 31st March 2019

Note 9 : Other non-current assets

(₹ In lakh)

	31-Mar-19	31-Mar-18
Capital advances	344.93	295.81
Sales tax recoverables	5,235.07	4,590.58
Balances with government authorities	15.00	15.00
Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies)	2,795.98	3,282.82
Advance to Starlite Lighting Limited (joint venture)	2,200.00	2,200.00
Others *	4,276.04	1,853.18
	14,867.02	**12,237.39**
Impairment allowance for doubtful advances	(520.53)	(506.90)
Impairment allowance for advances to Starlite Lighting Limited (refer note 42)	(2,200.00)	(2,200.00)
Total other non-current assets	**12,146.49**	**9,530.49**

*Others include prepaid expenses of ₹ 68.09 lakh (31 March 2018 ₹ 663.97 lakh) and advances to suppliers of ₹ 4,207.95 lakh (31 March 2018 ₹ 1,189.98 lakh)

Note 10 : Inventories

(₹ In lakh)

	31-Mar-19	31-Mar-18
Raw material	11,949.33	9,447.80
Work-in-progress	1,764.60	1,195.61
Finished goods	2,951.14	7,006.62
Traded goods	61,889.92	38,165.81
Material in Transit (traded goods)	3,331.44	1,898.32
Stores and spares	216.41	201.90
Total Inventories	**82,102.84**	**57,916.06**

Amounts recognised in profit or loss

Write-downs of inventories to net realisable value amounted to ₹ 3,276.25 lakh (31 March 2018 - ₹711.75 lakh) was recognised as an expense during the year.

Note 11 : Cash and cash equivalents

(₹ In lakh)

	31-Mar-19	31-Mar-18
Balances with banks		
in current accounts	781.34	1,490.14
in cash credit accounts	29.40	280.73
Cheques in Hand	214.63	310.52
Cash on hand	94.37	100.58
Total cash and cash equivalents	**1,119.74**	**2,181.97**

Note 11 : Bank balances

(₹ In lakh)

	31-Mar-19	31-Mar-18
Unpaid Dividend Accounts	94.81	88.91
Deposits with maturity of more than three months & less than twelve months	387.71	303.29
Total other bank balances	**482.52**	**392.20**

Note 12 : Other current financial assets

(₹ In lakh)

	31-Mar-19	31-Mar-18
Interest accrued on fixed deposits	12.36	8.36
Security deposits	189.46	227.23
Receivable from Gratuity Fund	50.02	-
Derivative Asset	7.04	19.65
Total other current financial assets	**258.88**	**255.24**

Note 13 : Other current assets

(₹ In lakh)

	31-Mar-19	31-Mar-18
Amount due from customers for contract work (Refer Note 41(ii))	-	7,634.20
Advance to Hind Lamps Ltd (associate)	2,140.17	797.96
Advance to Starlite Lighting Limited (joint venture)	4,646.15	5,354.82
Advance to Nirlep Appliance Pvt Ltd (subsidiary)	500.00	-
Export benefits	283.83	88.45
Balances with government authorities	18,597.12	11,486.87
Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies)	1,366.59	1,383.51
Others*	5,025.39	5,050.70
Total other current assets	**32,559.25**	**31,796.51**

*Others mainly includes prepaid expenses of ₹1,989.86 lakh (31 March 2018 ₹1,604.90) and advances to suppliers of ₹1,742.17 lakh (31 March 2018 ₹2,465.74 lakh)

Notes to Financial Statements for the year ended 31st March 2019

Note 14 : Assets classified as held for sale

(₹ In lakh)

	31-Mar-19	31-Mar-18
Building	219.41	219.41
Total assets classified as held for sale	**219.41**	**219.41**

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 lakh from the purchaser in relation to this sale. The same is shown as a liability under other current liabilities.

Note 15 : Equity share capital

(₹ In lakh)

	31-Mar-19 Amount	31-Mar-18 Amount
Authorised		
Equity share 20,00,00,000 (March 31, 2018 - 20,00,00,000) of ₹ 2/- each.	**4,000.00**	**4,000.00**

i) Movement in Issued Equity Share Capital

Particulars	No of Shares	Amount
As at 31st March 2017	**101,290,176**	**2,025.80**
Exercise of Options under employee stock option scheme	747,325	14.95
As at 31st Mar 2018	**102,037,501**	**2,040.75**
Exercise of Options under employee stock option scheme	362,100	7.24
As at 31st Mar 2019	**102,399,601**	**2,047.99**

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.

Note 15 : Equity share capital (Contd..)

iii) The Details of Shareholders holding more than 5% Shares:

Name of the shareholders	As at 31st March 2019		As at 31st March 2018	
	Nos.	% Holding	Nos.	% Holding
Jamnalal Sons Private Limited	20,172,830	19.70	19,872,830	19.48
Bajaj Holdings & Investment Limited	16,697,840	16.31	16,697,840	16.36
Kiran Bajaj	5,252,819	5.13	5,252,819	5.15

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

Note 16 : Other Equity

(₹ In lakh)

	31-Mar-19	31-Mar-18
i) Securities premium reserve	25,461.14	24,139.09
ii) Debenture redemption reserve	4,625.00	-
iii) General reserve	43,163.78	47,725.16
iv) Share options outstanding account	913.77	958.15
v) Retained earnings	31,412.21	19,444.71
vi) Capital reserve	10.00	10.00
vii) Capital redemption reserve	135.71	135.71
Total reserves and surplus	**105,721.61**	**92,412.82**

i) Securities premium reserve

(₹ In lakh)

	31-Mar-19	31-Mar-18
Opening Balance	24,139.09	22,029.16
Exercise of options - proceeds received	951.99	1,650.33
Exercise of options - transferred from shares options outstanding account	370.06	459.60
Closing Balance	**25,461.14**	**24,139.09**

ii) Debenture redemption reserve

(₹ In lakh)

	31-Mar-19	31-Mar-18
Opening Balance	-	2,500.00
Add / (Less): Transferred from / to General Reserve	4,625.00	(2,500.00)
Closing Balance	**4,625.00**	**-**

Notes to Financial Statements for the year ended 31st March 2019

Note 16 : Other Equity (Contd..)

iii) General Reserve

(₹ In lakh)

	31-Mar-19	31-Mar-18
Opening Balance	47,725.16	45,158.03
Add : Transferred from debenture redemption reserve	(4,625.00)	2,500.00
Add : Transferred from stock options reserve for vested cancelled options	63.62	67.13
Closing Balance	**43,163.78**	**47,725.16**

iv) Shares options outstanding account

(₹ In lakh)

	31-Mar-19	31-Mar-18
Opening Balance	958.15	1,199.00
Add : Employee stock option expense	389.30	285.88
Less : Transferred to general reserve for vested cancelled options	(63.62)	(67.13)
Less : Transferred to securities premium for exercise of options	(370.06)	(459.60)
Closing Balance	**913.77**	**958.15**

v) Retained earnings

(₹ In lakh)

	31-Mar-19	31-Mar-18
Opening Balance	19,444.71	14,092.02
Net profit for the period	16,706.68	8,362.16
Other comprehensive income (net of tax)	(429.21)	408.15
Less: Dividend on equity shares	(3,574.96)	(2,839.50)
Less: Dividend distribution tax	(735.01)	(578.12)
Closing Balance	**31,412.21**	**19,444.71**

vi) Capital reserve

(₹ In lakh)

	31-Mar-19	31-Mar-18
Opening Balance	10.00	10.00
Closing Balance	**10.00**	**10.00**

vii) Capital redemption reserve

(₹ In lakh)

	31-Mar-19	31-Mar-18
Opening Balance	135.71	135.71
Closing Balance	**135.71**	**135.71**

Note 16 : Other Equity (Contd..)

Nature and purpose of reserves

Securities Premium

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve

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

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

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.

Dividends paid and proposed

(₹ In lakh)

Particulars	31-Mar-19	31-Mar-18
Cash dividends on equity shares declared and paid:		
Final dividend paid for the year ended 31 March 2018 of ₹ 3.5 per share (31 March 2017 - ₹ 2.8)	3,574.96	2,839.50
Dividend distribution tax on final dividend	735.01	578.12
Dividend not recognised at the end of the reporting period (*)		
Proposed dividend of ₹ 3.5 per share for the year ended 31 March 2019 (31 March 2018 - 3.50 per share).	3,583.99	3,571.31
Dividend distribution tax on proposed dividend	736.87	734.26

* The proposed dividend on equity shares is subject to the approval of shareholders in the ensuing annual general meeting and hence is not recognised as a liability (including DDT thereon) at the end of the reporting period.

Notes to Financial Statements for the year ended 31st March 2019

Note 17 : Borrowings

(₹ In lakh)

	Note No.	31-Mar-19	31-Mar-18
Non-current			
Unsecured			
Sales tax deferral liability	Note a	680.71	1,147.14
Non-convertible redeemable debentures	Note c	18,500.00	-
Foreign currency term loan	Note d	2,081.41	-
Total unsecured non-current borrowings		**21,262.12**	**1,147.14**
Total non-current borrowings		**21,262.12**	**1,147.14**
Current			
Secured			
Cash credits	Note b	9,361.43	2,923.31
Packing credit rupee loan	Note e	-	1,000.00
Supplier's credit (foreign currency loan)	Note f	1,517.67	-
Buyer's credit (foreign currency loan)		-	9,219.12
Working capital rupee loan	Note g	1,500.00	-
Total secured current borrowings		**12,379.10**	**13,142.43**
Unsecured			
Short term borrowings	Note h	29,000.00	2,500.00
Sales bills discounting	Note j	5,411.14	4,952.78
Commercial papers	Note i	22,202.50	7,398.16
Packing credit rupee loan	Note e	13,500.00	8,230.92
Packing Credit (foreign currency loan)		-	2,786.32
Buyer's credit (foreign currency loan)		-	2,531.44
Hundi acceptances	Note j	53,999.24	29,073.28
Total unsecured current borrowings		**124,112.88**	**57,472.90**
Total current borrowings		**136,491.98**	**70,615.33**

Refer Note K for security details. In respect of the non-convertible redeemable debentures, the Company has to comply with certain loan covenants as per the debenture trust deed. At the end of the reporting period, the Company is not in breach of these covenants.

The maturity dates of the loans and their interest rates are as given below:

Notes to Financial Statements for the year ended 31st March 2019

Note 17 : 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 lakh)

Particulars	31-Mar-18
Non-current	
FY 2020-21	327.93
FY 2021-22	228.51
FY 2022-23	107.63
FY 2023-24	16.65
	680.72
Current (note 18)	
FY 2019-20	466.42
	1,147.14

Note b:

Cash credits are secured, repayable on demand and bear interest in the range of 8.75% to 13%.

Note c: Unsecured NonConvertible Redeemable Debentures

Lending Bank	Maturity Date	Interest rate % *	Liability In ₹ lakh as on 31-Mar-19
HFDC Mutual Fund (face value of ₹10,00,000 per debenture)	₹ 7500 lakh - 18-02-2022 ₹ 7500 lakh - 20-08-2021 ₹ 3500 lakh - 19-02-2021	Redeemable at premium at ₹ 13,66,517 per debenture Redeemable at premium at ₹ 12,98,956 per debenture Redeemable at premium at ₹ 12,31,431 per debenture	18,500.00

* These are zero coupon debentures yielding 11%

Note d: Foreign currency term loans is as per the following terms

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ lakh as on 31-Mar-19
Kotak Mahindra Bank Ltd	9-Nov-20 9-May-21	6M LIBOR + 225 bps	2,081.41

The foreign currency term loan is to be repaid in two equal instalment of USD 15,04,884.10 each

Notes to Financial Statements for the year ended 31st March 2019

Note 17 : Borrowings (Contd..)

Note e: Packing credit (rupee loan) is as per the following terms

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ lakh as on 31-Mar-19
Deutsche Bank Ltd.	Repayable from May 2019 to Oct 2019	From 7.58% to 7.95%	13,500.00

Note f: Supplier's credit (foreign currency loan) is as per the following terms

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ lakh as on 31-Mar-19
ICICI	Repayable from April 2019 to June 2019	LIBOR + 30-35 bps	1,517.67

Note g: Working capital (rupee loan) is as per the following terms

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ lakh as on 31-Mar-19
Yes Bank Ltd	30-Apr-19	11%	1,500.00

Note h: Short term borrowings is as per the following terms

Name of the Subscriber	Date of Maturity	Interest rate %	Liability In ₹ lakh as on 31-Mar-19
Bank of Bahrain & Kuwait B.S.C.	26-Apr-19	8.45%	1,500.00
IDFC Bank Limited	30-Apr-19	9.10%	2,500.00
Qatar National Bank	9-May-19	7.70%	4,500.00
Abu Dhabi Commercial Bank Ltd.	16-May-19	9.40%	1,000.00
Abu Dhabi Commercial Bank Ltd.	21-May-19	9.40%	2,000.00
Abu Dhabi Commercial Bank Ltd.	23-May-19	9.40%	2,000.00
Axis Bank Ltd.	10-Jun-19	8.45%	2,500.00
Axis Bank Ltd.	13-Jun-19	8.45%	2,500.00

Note 17 : Borrowings (Contd..)

Name of the Subscriber	Date of Maturity	Interest rate %	Liability In ₹ lakh as on 31-Mar-19
Standard Chartered Bank	26-Jun-19	9.75%	3,500.00
Kotak Mahindra Bank Ltd.	16-Sep-19	9.70%	3,000.00
Kotak Mahindra Bank Ltd.	18-Sep-19	9.70%	2,000.00
Kotak Mahindra Bank Ltd.	20-Sep-19	9.70%	2,000.00
			29,000.00

Note i: Commercial Papers is as per the following terms

Name of the Subscriber	Date of Maturity	Interest rate %	Liability In ₹ lakh as on 31-Mar-19
BANK OF BAHRAIN & KUWAIT B.S.C.	19-Apr-19	8.55%	2,489.88
BNP PARIBAS	15-Apr-19	9.30%	2,491.45
BNP PARIBAS	22-Apr-19	9.30%	2,487.20
BNP PARIBAS	24-Apr-19	9.30%	2,983.19
BNP PARIBAS	2-Aug-19	9.00%	3,398.27
BNP PARIBAS	6-Aug-19	9.00%	3,395.06
Invesco Mutual Fund	7-May-19	8.77%	4,957.45
			22,202.50

Note j: Sales bill discounting and Hundi acceptances

The Company has arrangements with banks for sales bill discounting . These loans are unsecured and carry interest of 9.05% and for a period of 45 to 60 days.

The Company also has arrangement with various banks for purchase bill discounting. These are also unsecured and carry an interest rate in the range of 7.26% p.a. to 9.05% p.a. and are for a period of upto 150 days

Note k : Charge on secured borrowings is as given below

a First pari passu charge by way of hypothecation of inventories, book debts and all movable assets under the head 'property, plant and equipment'.

b First pari passu charge on the Company's immovable properties at

i) Wardha premises - Plot no. 36, Block no. 17, Mouza no. 225, Bacharaj road, Gandhi Chowk, Wardha

ii) Hari Kunj - Flat No. 103 and 104, 'B' wing, Sindhi Society, Chembur East, Mumbai - 400071

iii) Showroom on Ground floor and Office Premises on Second Floor at Bajaj Bhawan 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.

iv) Delhi Office : No. DSM-514 to DSM-521, DLF Tower, 5th Floor, 15 Shivaji Marg, Nazafgarh Road Industrial Area, Delhi - West, Delhi -110015

v) Office Premises No : 001, 502, 701 and 801, 'Rustomjee Aspiree', Bhanu Shankar Yagnik Marg, Off Eastern Highway, Sion (East), Mumbai - 400 022

vi) Kosi Factory Unit at Khasra No.647,648, NH 02, Km 109 Mile Stone, Village Dautana, Chhatta, Kosi Kallan, Mathura 281403.

Notes to Financial Statements for the year ended 31st March 2019

Note 17 : Borrowings (Contd..)

vii) R & D centre at Plot no. 27/ pt 2/ at Millennium Business Park, TTC Industrial area, Mahape, Navi Mumbai

c Second pari passu charge over present and future property, plant and equipment of the Company, situated at;

i) Ranjangaon Units : Village Dhoksanghvi, Taluka Shirur, Ranjangaon, Dist. Pune - 412210;

ii) Chakan Unit : Village Mahalunge, Chakan Talegaon Road, Khed, Pune - 410501;

iii Wind Farm : Village Vankusawade, Tal. Patan, Dist. Satara, Maharashtra 415206;

d These securities also extend to the various credit facilities including Bank Guarantees and Letters of Credit of ₹ 229,033.50 lakh (Previous year ₹155,799.05 lakh) executed on behalf of the Company in the normal course of business.

The Company has not defaulted on any loans which were due for repayment during the year.

Note 18 : Other Financial Liabilities

(₹ In lakh)

	31-Mar-19	31-Mar-18
Non Current		
Deposits received	6.05	6.05
Accrued premium on redemption of non convertible debenture but not due	217.44	-
Financial guarantee contracts	-	366.07
Fair value of put option (Note 4.1)	435.49	-
Total other non-current financial liabilities	**658.98**	**372.12**

(₹ In lakh)

	31-Mar-19	31-Mar-18
Current		
Current maturities of sales tax deferral liability (Note 17)	466.42	547.94
Capital creditors	427.53	624.60
Unpaid dividends	94.81	88.91
Trade deposits (dealers, vendors etc.)	951.35	937.08
Interest (payable) accrued and not due	407.57	75.51
Interest accrued and due on borrowings	188.42	68.93
Channel financing liability (Note 5)	32,092.69	25,557.83
Financial guarantee contracts	-	309.93
Derivative liability	146.93	18.79
Other payables	3,605.37	2,248.11
Total other current financial liabilities	**38,381.09**	**30,477.63**

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 19 : Provisions

(₹ In lakh)

	31-Mar-19			31-Mar-18		
	Current	NonCurrent	Total	Current	NonCurrent	Total
Service warranties*	5,393.86	1,644.33	7,038.19	4,592.96	1,130.24	5,723.20
Legal claims	542.92	-	542.92	525.17	-	525.17
Other matters**	3,027.00	-	3,027.00	1,350.00	-	1,350.00
Total Provisions	**8,963.78**	**1,644.33**	**10,608.11**	**6,468.13**	**1,130.24**	**7,598.37**

Movement in provisions is as given below:

Particulars	Service Warranties	Legal Claims	Other matters
Opening balance as on 1st April, 2017	**6,766.38**	**473.38**	**652.00**
Arising during the year	2,970.47	70.29	698.00
Unwinding of discount (finance cost)	97.94	-	-
Utilised during the year	(4,111.59)	(18.50)	-
Closing balance as on 31st March, 2018	**5,723.20**	**525.17**	**1,350.00**
Arising during the year	5,308.53	17.75	1,677.00
Unwinding of discount (finance cost)	92.09	-	-
Utilised during the year	(4,085.63)	-	-
Closing balance as on 31st March, 2019	**7,038.19**	**542.92**	**3,027.00**

*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.

Note 20 : Employee Benefit Obligations

(₹ In lakh)

Particulars	31-Mar-19			31-Mar-18		
	Current	NonCurrent	Total	Current	NonCurrent	Total
Leave obligations	586.80	2,179.92	2,766.72	1,087.46	2,654.86	3,742.32
Interest rate guarantee on provident fund	-	230.08	230.08	-	204.49	204.49
Gratuity	1,043.79	3,710.16	4,753.95	1,062.37	3,513.15	4,575.52
Employee benefit liabilities	4,439.32	12.86	4,452.18	5,962.03	-	5,962.03
Total employee benefit obligations	**6,069.91**	**6,133.02**	**12,202.93**	**8,111.86**	**6,372.50**	**14,484.36**

Notes to Financial Statements for the year ended 31st March 2019

Note 20 : Employee Benefit Obligations (Contd..)

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.

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	₹ 2,000,000

(ii) The Company's gratuity scheme :

Benefits as per the Company's Gratuity Scheme for HO Employees (Category S - Staff)

Salary for calculation of Gratuity (GS)	Basic Salary + Special Pay + Personal Pay + Variable Dearness Allowance + Fixed Dearness Allowance
Gratuity Service (SER)	Completed years of Continuous Service with part thereof in excess of six months
Vesting period	5 Years #
Benefit on normal retirement	21/26 * GS * SER
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	No Limit

Note 20 : Employee Benefit Obligations (Contd..)

Benefits as per the Company's Gratuity Scheme for HO (Category E - Executives, Category PSG - Project Services Group and Category Factory Staff - Chakan & Ranjangaon Employees)

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 :

Particulars	**For the year ending**	
	31-Mar-19	**31-Mar-18**
Present Value of Obligation as at the beginning	**489,564,944**	**508,365,669**
Current Service Cost	61,005,839	65,694,967
Interest Cost	37,180,525	34,036,423
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(720,276)	1,834,288
- change in financial assumptions	8,483,622	(56,393,379)
- experience adjustments (i.e. Actual experience vs assumptions)	416,226	(11,015,587)
Benefits Paid	(88,488,812)	(52,957,437)
Present Value of Obligation as at the end	**507,442,068**	**489,564,944**

Notes to Financial Statements for the year ended 31st March 2019

Note 20 : Employee Benefit Obligations (Contd..)

Changes in the Fair Value of Plan Assets is as given below :

Particulars	For the year ending 31-Mar-19	31-Mar-18
Fair Value of Plan Assets as at the beginning	**32,114,822**	**34,051,747**
Investment Income	2,438,993	2,279,854
Employer's Contribution	219,245	3,132,567
Benefits Paid	(1,664,365)	(7,571,382)
Return on plan assets , excluding amount recognised in interest (expense)/income	(828,478)	222,036
Fair Value of Plan Assets as at the end	**32,280,217**	**32,114,822**

Changes in the Fair Value of Reimbursement Right is as given below * :

Particulars	For the year ending 31-Mar-19	31-Mar-18
Fair Value of Reimbursement Right as at the beginning	**466,633,252**	**432,920,189**
Investment Income	35,438,954	28,985,149
Employer's Contribution	1,614,032	50,000,000
Benefits Paid	(86,824,447)	(45,386,055)
Return on plan assets , excluding amount recognised in interest (expense)/income	(604,895)	113,969
Fair Value of Reimbursement Right as at the end	**416,256,896**	**466,633,252**

* 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 9 and Note 13 of the financials statements

Amount recognised in balance sheet is as given below:

Particulars	As on 31-Mar-19	31-Mar-18
Present Value of Obligation	507,442,068	489,564,944
Fair Value of Plan Assets	32,280,217	32,114,822
Surplus / (Deficit)	**(475,161,851)**	**(457,450,122)**
Effects of Asset Ceiling, if any	-	-
Net Actuarially Valued Asset / (Liability)	**(475,161,851)**	**(457,450,122)**
Liability on an actual basis for employees at foreign branches	**(233,575)**	**(101,856)**
Total Net Asset / (Liability)	**(475,395,426)**	**(457,551,978)**

Note 20 : Employee Benefit Obligations (Contd..)

Amount recognised in statement of profit and loss and other comprehensive income is as given below:

Particulars	For the year ending 31-Mar-19	31-Mar-18
Costs charged to statement of profit and loss :		
Current Service Cost	61,005,839	65,694,967
Interest Expense or Cost	37,180,525	34,036,423
Investment Income	(37,877,947)	(31,265,003)
Expense recognised in statement of profit and loss	**60,308,417**	**68,466,387**
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in demographic assumptions	(720,276)	1,834,288
Change in financial assumptions	8,483,622	(56,393,379)
Experience adjustments (i.e. Actual experience vs assumptions)	416,226	(11,015,587)
Return on plan assets , excluding amount recognised in interest expense/ (income)	1,433,372	(336,005)
(Income) / Expense recognised in Other Comprehensive Income	**9,612,944**	**(65,910,683)**
Total Expense Recognised during the year	**69,921,361**	**2,555,704**

Major categories of Plan Assets & Reimbursement Right (as percentage of Total Assets)

Particulars	As on 31-Mar-19	31-Mar-18
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-19	31-Mar-18
Discount rate (per annum)	7.25%	7.60%
Salary growth rate (per annum)	8.50%	8.50%

Demographic Assumptions

Particulars	As on 31-Mar-19	31-Mar-18
Mortality Rate	% of IALM 06-08	
Withdrawal rates, based on age: (per annum) :		
Up to 30 years	21.00%	16.00%
31 - 44 years	14.00%	14.00%
Above 44 years	12.00%	12.00%

Notes to Financial Statements for the year ended 31st March 2019

Note 20 : Employee Benefit Obligations (Contd..)

Summary of Membership Status

Particulars	As on 31-Mar-19	31-Mar-18
Number of employees	3,206	3,047
Total monthly salary (₹)	83,044,768	77,488,075
Average past service (years)	5.29	5.29
Average age (years)	35.32	35.20
Average remaining working life (years)	22.69	22.80
Number of completed years valued	16,966	16,127
Decrement adjusted remaining working life (years)	6.01	6.16
Normal retirement age	58 years *	58 years *

* 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.

Particulars	31-Mar-19	31-Mar-18
Defined Benefit Obligation (Base)	507,442,069	489,564,944

Particulars	31-Mar-19		31-Mar-18	
	Result of decrease	Result of increase	Result of decrease	Result of increase
Discount Rate (- / + 1%)	533,493,122	484,144,765	513,538,080	468,102,725
(% change compared to base due to sensitivity)	5.1%	-4.6%	4.9%	-4.4%
Salary Growth Rate (- / + 1%)	485,748,484	531,172,830	469,554,223	511,442,138
(% change compared to base due to sensitivity)	-4.3%	4.7%	-4.1%	4.5%
Attrition Rate (- / + 50% of attrition rates)	554,390,615	482,011,371	529,205,058	467,759,189
(% change compared to base due to sensitivity)	9.3%	-5.0%	8.1%	-4.5%
Mortality Rate (- / + 10% of mortality rates)	507,297,596	507,586,021	489,418,953	489,710,420
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

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.

Note 20 : Employee Benefit Obligations (Contd..)

b) *Expected Contribution during the next annual reporting period*

Particulars	31-Mar-19	31-Mar-18
The Company's best estimate of Contribution during the next year	114,335,594	42,299,064

c) *Maturity Profile of Defined Benefit Obligation*

Particulars	31-Mar-19	31-Mar-18
Weighted average duration (based on discounted cashflows)	5 years	5 years

Expected cashflow over the next (valued on undiscounted basis):	31-Mar-19	31-Mar-18
1 year	136,659,338	138,351,451
More than 1 and upto 2 years	53,335,138	57,454,545
More than 2 and upto 5 years	147,833,730	145,079,275
More than 5 and upto 10 years	191,222,320	177,708,215
More than 10 years	266,992,883	255,997,803

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 Financial Statements for the year ended 31st March 2019

Note 20 : 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 :

Particulars	For the year ending	
	31-Mar-19	31-Mar-18
Present Value of Obligation as at the beginning	**1,254,066,329**	**1,107,106,009**
Interest Cost	102,653,602	90,550,479
Current Service Cost	63,439,084	58,644,008
Employee's Contributions	135,903,838	127,547,774
Transfer In / (out) of the liability	34,455,692	40,173,708
Benefits Paid	(236,529,317)	(173,126,987)
Re-measurement (or Actuarial) (gain) / loss arising from:		
- experience variance (i.e. Actual experience vs assumptions), loss if positive	2,564,505	3,171,338
Present Value of Obligation as at the end	**1,356,553,733**	**1,254,066,329**

Changes in the Fair Value of Plan Assets of Trusts are as given below :

Particulars	For the year ending	
	31-Mar-19	31-Mar-18
Fair Value of Plan Assets as at the beginning	**1,283,207,575**	**1,131,585,274**
Investment Income	97,523,776	75,816,213
Employer's Contributions	63,439,084	58,644,008
Employee's Contributions	135,903,838	127,547,774
Transfers In	37,532,807	40,173,708
Benefits Paid	(236,529,317)	(173,126,987)
Return on plan assets , excluding amount recognised in interest (expense)/ income	(65,139,584)	22,567,585
Fair Value of Plan Assets as at the end	**1,315,938,179**	**1,283,207,575**

Note 20 : Employee Benefit Obligations (Contd..)

A deterministic approach is considered to estimate the value of Interest Rate Guarantee on the Exempt Provident Fund. The per annum cost of guarantee at which Interest Rate Guarantee Liability has been valued is mentioned below

Amount recognised in balance sheet of Trusts is as given below:

Matchwel Electricals (India) Ltd Employees' Provident Fund Trust (for Chakan unit employees) :

Particulars	As on 31-Mar-19	As on 31-Mar-18
Present Value of Obligation	28,545,685	24,031,032
Fair Value of Plan Assets	64,286,938	56,787,575
Surplus / (Deficit)	**35,741,253**	**32,756,543**
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**35,741,253**	**32,756,543**

The present value of obligation of Matchwel Electricals (India) Ltd Employees' Provident Fund Trust represents the aggregate of accumulated fund value of ₹ 28,061,523 (As on March 31, 2018 - ₹ 23,639,275) and interest rate guarantee ₹ 484,162 (As on March 31, 2018 - ₹ 391,757). 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) :

Particulars	As on 31-Mar-19	As on 31-Mar-18
Present Value of Obligation	1,328,008,048	1,230,035,297
Fair Value of Plan Assets	1,251,651,241	1,226,420,000
Surplus / (Deficit)	**(76,356,807)**	**(3,615,297)**
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**(76,356,807)**	**(3,615,297)**

The present value of obligation of Bajaj Electricals Limited Employees' Provident Fund Trust represents the aggregate of accumulated fund value of ₹ 1,305,483,761 (As on March 31, 2018 - ₹ 1,209,983,110) and interest rate guarantee ₹ 22,524,287 (As on March 31, 2018 - ₹ 20,052,187). 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 ₹ 53,832,520 which is Accumulated Fund Value of ₹ 1,305,483,761 in excess of Fair Value of Plan Assets of ₹ 1,251,651,241 is accounted by BEL as payable to Trust on shortfall of plan assets. This liability has arisen mainly on account of negative return on plan assets contributed by negative return on Trust's investment in IL&FS and the same is recognised as actuarial loss in the Other Comprehensive Income of BEL.

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

Notes to Financial Statements for the year ended 31st March 2019

Note 20 : Employee Benefit Obligations (Contd..)

(for H.O. employees) are independent trusts. Accordingly, surplus assets of trust for Chakan employees cannot be offset against liability relating to trust for H.O. employees

Amount recognised in statement of profit and loss and other comprehensive income of Trusts is as given below:

Particulars	For the year ending 31-Mar-19	For the year ending 31-Mar-18
Costs charged to statement of profit and loss :		
Current Service Cost	63,439,084	58,644,008
Interest Cost	102,653,602	90,550,479
Investment Income	(97,523,776)	(75,816,213)
Expense recognised in statement of profit and loss	**68,568,910**	**73,378,274**
Re-measurement (or Actuarial) (gain) / loss arising from:		
Experience variance (i.e. Actual experience vs assumptions) *	2,564,505	3,171,338
Return on plan assets , excluding amount recognised in interest expense/ (income)	65,139,584	(22,567,585)
Expense recognised in Other Comprehensive Income	**67,704,089**	**(19,396,247)**
Total Expense Recognised during the year	**136,272,999**	**53,982,027**

* included in other comprehensive income in the statement of profit and loss

The significant actuarial assumptions are as follows :

Financial and Demographic Assumptions

Particulars	As on 31-Mar-19 HO Unit	31-Mar-19 Chakan Unit	31-Mar-18 HO Unit	31-Mar-18 Chakan Unit
Discount rate (per annum)	7.63%	7.63%	7.60%	7.60%
Interest rate guarantee (per annum)	8.65%	8.65%	8.55%	8.55%
Discount Rate for the Remaining Term to Maturity of the Investment (p.a.)	7.63%	7.63%	7.60%	7.60%
Average Historic Yield on the Investment (p.a.)	8.62%	8.62%	8.45%	8.45%
Effective short fall in the interest earnings on the fund (per annum)	0.40%	0.40%	0.40%	0.40%
Mortality Rate	(% of IALM 2006-08)			

Note 20 : Employee Benefit Obligations (Contd..)

Particulars	As on 31-Mar-19 Live Employees	31-Mar-18 Live Employees
Attrition Rate, based on ages:		
- Upto 30 years	3.33%	8.17%
- 31 to 44 years	4.21%	10.51%
- 45 to 57 years	3.69%	7.94%
- Above 57 years	0.73%	8.53%

Summary of Membership Status :

Particulars	As on 31-Mar-19	31-Mar-18
Dormant/Inoperative Employees	3,192	3,105
Live Number of employees	2,096	1,989
Total Number of employees	**5,288**	**5,094**
Average age (years)	37.36	37.08

Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As on 31-Mar-19	31-Mar-18
Government of India securities	3.6%	4.8%
State Government securities	36.8%	29.1%
High quality corporate bonds	40.0%	46.1%
Equity shares of listed companies	0.0%	0.0%
Public Sector Bonds	0.0%	0.0%
Special Deposit Scheme	11.6%	13.5%
Funds managed by Insurer	0.0%	0.0%
Bank balance	0.2%	0.5%
Other Investments	7.7%	6.1%
Total	**100%**	**100%**

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.

Particulars	31-Mar-19	31-Mar-18
Defined Benefit Obligation (Base)	1,356,553,733	1,254,066,329

Notes to Financial Statements for the year ended 31st March 2019

Note 20 : Employee Benefit Obligations (Contd..)

Particulars	31-Mar-19		31-Mar-18	
	Result of decrease	Result of increase	Result of decrease	Result of increase
Discount Rate (- / + 1%)	1,374,962,805	1,337,124,861	1,275,039,906	1,237,201,962
(% change compared to base due to sensitivity)	1.4%	-1.4%	1.7%	-1.3%
Interest rate guarantee (- / + 1%)	1,329,870,110	1,292,815,528	1,229,947,211	1,192,892,629
(% change compared to base due to sensitivity)	-2.0%	-4.7%	-1.9%	-4.9%

The description of plans ability to affect the amount, timing and uncertainty of the entity's future cash flows

a) *Funding arrangements and Funding Policy*

The scheme is managed on funded basis. Payment for present liability of future payment of PF is made by the Company towards shortfall of Bajaj Electricals Limited Employees' Provident Fund Trust and Matchwel Electricals (India) Ltd Employees' Provident Fund Trust. The investments for the same are managed by Trustees as per advice and recommendations of a professional consultant and in compliance of obligatory pattern of investments as per government notification in official gazette for the pattern of investment for EPF exempted establishments. Any deficit in the assets of PF Trusts is funded by the Company. The provident fund for certain employees is a defined contribution plans covered under RPFC Contributions

b) *Expected contribution during the next annual reporting period*

Particulars	31-Mar-19	31-Mar-18
The Trusts' best estimate of Contribution during the next year	66,611,038	61,576,208

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 No.	Category / Sub-Category	Percentage of amount to be invested
(i)	Government Securities and Related Investments	Minimum 45% and upto 50%
(ii)	Debt Instruments and Related Investments	Minimum 35% and upto 45%
(iii)	Short-Term Debt Instruments and Related Investments	Upto 5%
(iv)	Equity and Related Investments	Minimum 5% and upto 15%
(v)	Asset Backed, Trust Structured and Miscellaneous Investments	Upto 5%

Note 20 : Employee Benefit Obligations (Contd..)

C. Expenses Recognised during the year (Defined Contribution Plan) :

Particulars	Provident Fund		Superannuation		Pension	
	For the year ended		For the year ended		For the year ended	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Expense recognised in the statement of Profit & Loss	13,937,515	10,315,339	24,414,964	28,129,974	56,267,971	51,703,252

The leave encashment schemes, superannuation and pension schemes are managed on unfunded basis, hence Asset Liability Matching Strategies are not applicable

Note 21 : Trade Payables

(₹ In lakh)

	31-Mar-19	31-Mar-18
Current		
Trade payable	101,409.04	81,432.42
Dues to micro, small and medium enterprises (Refer note below)	2,241.67	2,689.49
Acceptances	5,352.10	1,111.09
Trade payable to related parties	210.23	209.36
Total current trade payables	**109,213.04**	**85,442.36**
Non-Current		
Retention payable to contractor	-	14.47
Total non-current trade payables	**-**	**14.47**

Trade payables are non-interest bearing and are normally settled within 60 days from the time they are contractually due.

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.

Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:

(₹ In lakh)

		31-Mar-19	31-Mar-18
	Principal	2,209.36	2,667.51
	Interest	32.31	21.98
i)	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.	21.98	40.88
iii)	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.	-	-

Notes to Financial Statements for the year ended 31st March 2019

Note 21 : Trade Payables (Contd..)

(₹ In lakh)

		31-Mar-19	31-Mar-18
iii)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	32.31	21.98
iv)	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.	-	0.44

Note 22 : Other Current Liabilities

(₹ In lakh)

	31-Mar-19	31-Mar-18
Gross amount due to customer for contract work (Refer Note 41(ii))	-	20,678.13
Statutory liabilities payable	5,034.27	3,740.13
Deferred revenue *	8,155.15	3,241.20
Advance received from customer (Refer Note 41(ii))	-	11,245.50
Others	2,159.15	1,445.60
Total other current liabilities	**15,348.57**	**40,350.56**

* Deferred revenue principally pertains to accrual of points under the Retailer Bonding Program.

Note 23 : Revenue from operations

(₹ In lakh)

	31-Mar-19	31-Mar-18
Sale of products (including excise duty) *	327,979.53	281,776.85
Contract Revenue	335,389.38	187,819.42
Other operating revenue **	3,945.28	2,042.72
Total revenue from operations (Refer Note 41(i))	**667,314.19**	**471,638.99**

* Revenue from operations for periods upto June 30, 2017 includes excise duty collected from customers of ₹894.05 lakh. From July 1, 2017 onwards, the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations.

** Other operating revenue mainly comprises of scrap sales and insurance claims amounting to ₹ 1,962.88 lakh (March 31, 2018 - ₹1,097.77 lakh) and ₹ 1,157.89 lakh (March 31, 2018 - ₹466.56 lakh) respectively.

Notes to Financial Statements for the year ended 31st March 2019

Note 24 : Other income

(₹ In lakh)

	31-Mar-19	31-Mar-18
Interest income on bank deposits and others	1,224.20	1,518.24
Interest income from financial assets at amortised cost	1,161.03	1,744.03
Interest on income tax refund	-	947.31
Income on financial guarantees issued	676.01	239.42
Rental income	235.37	182.59
Net gain / (losses) on disposal of property, plant & equipment	(31.37)	135.74
Others *	3,277.61	552.06
Total other income	**6,542.85**	**5,319.38**

* Others mainly includes excess debtors provision written back and sundry balance appropriated of ₹2,809.20 lakh (March 31, 2018 - 0.34 lakh) and ₹289.87 lakh (March 31, 2018 - 515.56 lakh) respectively.

Note 25 : Cost of raw materials consumed

(₹ In lakh)

	31-Mar-19	31-Mar-18
Raw materials at the beginning of the year	9,447.80	8,533.71
Add : Purchases	49,422.56	33,626.93
Less : Raw materials at the end of the year	11,949.33	9,447.80
Total cost of raw material consumed	**46,921.03**	**32,712.84**

Note 25 : Changes in inventories of work-in-progress, finished goods, traded goods

(₹ In lakh)

	31-Mar-19	31-Mar-18
Opening balance		
Work in progress	1,195.61	726.54
Finished Goods	7,006.62	5,445.94
Traded goods	40,064.13	42,104.77
Total opening balance	**48,266.36**	**48,277.25**
Closing balance		
Work in progress	1,764.60	1,195.61
Finished Goods	2,951.14	7,006.62
Traded goods	65,221.37	40,064.13
Total Closing balance	**69,937.11**	**48,266.36**
Total Changes in inventories of work in progress, traded goods and finished goods	**(21,670.75)**	**10.89**

Notes to Financial Statements for the year ended 31st March 2019

Note 26 : Erection & subcontracting expenses

(₹ In lakh)

	31-Mar-19	31-Mar-18
Erection and subcontracting expense	44,375.75	31,042.67
Total Erection & subcontracting expense	**44,375.75**	**31,042.67**

Note 27 : Excise duty

(₹ In lakh)

	31-Mar-19	31-Mar-18
Excise Duty	-	894.05
Total Excise Duty	**-**	**894.05**

Note 28 : Employee benefit expenses

(₹ In lakh)

	31-Mar-19	31-Mar-18
Salaries, wages and bonus	32,543.12	28,893.12
Contribution to provident and other funds	1,637.84	1,531.88
Employees share based payment expense	389.30	285.88
Gratuity (Note 20)	604.35	686.73
Staff welfare expenses	491.12	390.29
Total employee benefit expense	**35,665.73**	**31,787.90**

Note 29 : Depreciation and amortisation expense

(₹ In lakh)

	31-Mar-19	31-Mar-18
Depreciation of property, plant and equipment	3,656.35	3,350.20
Amortisation of intangible assets	189.96	44.29
Total depreciation and amortisation expense	**3,846.31**	**3,394.49**

Note 30 : Other expenses

(₹ In lakh)

	31-Mar-19	31-Mar-18
Consumption of stores & spares	1,110.20	1,046.52
Packing material consumed	982.30	864.83
Excise duty on increase/(Decrease) in stocks of finished goods	-	-
Power and fuel	1,300.21	1,068.25
Rent	4,899.95	4,377.81
Repairs and maintenance		
Plant and machinery	865.80	895.12
Buildings	9.21	12.95
Others	267.02	324.13
Telephone and communication charges	991.39	1,117.45
Rates and taxes	103.81	90.27
Lease rent	191.89	211.86
Travel and conveyance	8,541.98	7,049.35
Insurance	2,213.71	1,172.21
Printing and stationery	342.65	271.33
Directors fees & travelling expenses	91.71	63.04
Non executive directors commission	67.00	42.23
Advertisement & publicity	9,935.60	10,455.92
Freight & forwarding	9,879.44	7,396.01
Product promotion & service charges	8,791.63	8,038.89
Sales commission	2,298.91	2,509.52
Provisions		
Service warranties	1,222.90	(1,139.51)
Impairment allowance for doubtful debts and advances	403.70	1,889.17
Bad debts and other irrecoverable debit balances written off	1,606.63	2,492.78
Payments to auditors (refer note 30(a))	145.67	130.04
Corporate social responsibility expenditure (refer note 30(b))	239.84	195.40
Impairment allowance of financial assets at amortized cost (Note 42)	-	301.16
Fair value loss on financial instruments at fair value through profit and loss	28.54	771.05
Impairment of property, plant and equipment (Note 2(v))	729.36	-
Legal and Professional Fees	4,679.96	4,304.45
Site support charges	5,187.71	2,421.60
Sales tax expenses	1,685.74	1,091.35
Security service charges	2,158.19	1,426.39
Miscellaneous expenses	10,080.12	7,231.45
Total other expenses	**81,052.77**	**68,123.02**

Notes to Financial Statements for the year ended 31st March 2019

Note 30(a) : Details of payment to auditors

(₹ In lakh)

	31-Mar-19	31-Mar-18
Payment to Auditors		
As Auditor		
Audit Fee	94.00	85.50
Tax Audit Fee	5.00	5.00
Limited Review Fees	34.00	26.50
In other capacities		
Certification fees	6.40	8.03
Re-imbursement of expenses	6.27	5.01
Total payment to auditors	**145.67**	**130.04**

Note 30(b) : Corporate social responsibility expenditure

(₹ In lakh)

	31-Mar-19	31-Mar-18
Amount required to be spent as per Section 135 of Companies Act, 2013	448.44	156.87

	31-Mar-19		31-Mar-18	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
Amount spent during the year on				
(i) Construction/Acquisition of an Asset	-	-		-
(ii) on Purposes other than (i) above (Note 43)	239.84	-	195.40	-

Note 31 : Finance cost

(₹ In lakh)

	31-Mar-19	31-Mar-18
Interest expense on borrowings	9,420.88	4,583.45
Interest expense on mobilization advances	1,606.51	783.60
Unwinding of discount on provisions	100.21	182.96
Exchange differences regarded as an adjustment to borrowing costs	284.04	127.51
Other borrowing costs	176.02	208.95
Total	**11,587.66**	**5,886.47**

Note 32 : Income Tax Expense

(a) Income Tax Expense

(₹ In lakh)

	31-Mar-19	31-Mar-18
Current Tax		
Current income tax charge	8,030.00	10,060.00
Adjustments of tax relating to earlier periods	-	1.98
Total Current tax expense	**8,030.00**	**10,061.98**
Deferred Tax (refer note 8)		
Decrease / (increase) in deferred tax assets	1,029.00	(1,634.33)
(Decrease) / increase in deferred tax liabilities	178.06	(343.14)
Total deferred tax expense / (benefit)	**1,207.06**	**(1,977.47)**
Income tax expense in the statement of profit and loss	**9,237.06**	**8,084.51**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

(₹ In lakh)

	31-Mar-19	31-Mar-18
Profit / (Loss) from continuing operations before income tax expense	**25,943.99**	**16,446.67**
Income Tax @ standard tax rate of 34.944% (March 31, 2018 - 34.608%)	9,065.87	5,691.86
Tax effect of amounts which are not deductible in calculating taxable income :		
- Corporate Social responsibility Expenditure	71.32	98.87
- Estimated expenditure to earn tax exempt Income	71.46	3.46
- Employee Share based payment expense	136.04	98.94
- Impairment Allowance / Fair Value Loss on Financial Asset and Investment of Starlite Lighting Limited*	-	2,501.25
Other items affecting effective tax rate:		
- Reversal of Deferred Tax Asset on Impairment allowance on Investment in Hind Lamps Limited	-	346.08
- Effects of changes in statutory tax rate	-	(66.18)
- Deferred Tax Asset recognised on Asset held for Sale	18.34	(485.10)
- Others	(125.97)	(104.67)
Income Tax Expense reported in statement of profit and loss	**9,237.06**	**8,084.51**

* The Company in the previous year did not recognise deferred tax assets since it is not probable that long term capital gains will be available against which such deferred tax assets can be utilised.

Notes to Financial Statements for the year ended 31st March 2019

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 happens 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 and SEBI (Share Based Employee Benefits) (Amendment) Regulations, 2015, there is a minimum period of one year between the grant of options and vesting of option observed by the Company. 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	Nil
9	Equity shares reserved for issue under Employee Stock Option Scheme and Outstanding as at March 31, 2019	The Company had reserved for issuance of 10,830,633 Equity Shares of ₹2/- each to eligible employees of the Company under Employees Stock Option Pool, of which number of stock options not yet granted are 602,292, number of stock options vested & exercisable are 303,675, number of stock options unvested are 947,750, number of stock options cancelled under ESOP 2015 Scheme are 323,250 and number of stock options lapsed under ESOP 2015 Scheme are Nil. Thus, total equity shares reserved for issuance under ESOP Scheme outstanding as at March 31, 2019 are 2,176,967.		

Note 33 : Employee stock options : (Contd..)

II. Option Movement during the year ended March 31, 2019 :

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	-	-	603,325	274.41	787,250	332.72
2	Options Granted during the year	-	-	-	-	467,500	599.74
3	Options Forfeited / Surrendered during the year	-	-	48,750	281.51	159,750	368.85
4	Options Expired (Lapsed) during the year	-	-	36,050	261.04	-	-
5	Options Exercised during the year	-	-	280,550	268.74	81,550	251.74
6	Number of options outstanding at the end of the year	-	-	237,975	281.66	1,013,450	456.71
7	Number of options exercisable at the end of the year	-	-	170,475	290.02	133,200	328.31

Option Movement during the year ended March 31, 2018 :

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	120,000	313.95	1,399,550	245.37	569,000	244.89
2	Options Granted during the year	-	-	-	-	377,500	423.48
3	Options Forfeited / Surrendered during the year	4,000	313.95	130,000	278.39	108,500	233.86
4	Options Expired (Lapsed) during the year	57,500	313.95	28,150	192.03	-	-
5	Options Exercised during the year	58,500	313.95	638,075	213.55	50,750	234.50
6	Number of options outstanding at the end of the year	-	-	603,325	274.41	787,250	332.72
7	Number of Options exercisable at the end of the year	-	-	348,325	268.87	60,750	237.87

Notes to Financial Statements for the year ended 31st March 2019

Note 33 : Employee stock options : (Contd..)

III. Weighted Average remaining contractual life

	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
Range of Exercise Price	**Weighted average contractual life (years) as on March 31, 2019**		
0 to 100	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
101 to 200	Nil	1.18	3.30
No. of Options Outstanding	Nil	16,625	20,375
201 to 300	Nil	2.43	3.54
No. of Options Outstanding	Nil	139,300	221,875
301 to 400	Nil	1.56	4.05
No. of Options Outstanding	Nil	82,050	141,200
401 to 500	Nil	Nil	4.90
No. of Options Outstanding	Nil	Nil	187,500
501 to 600	Nil	Nil	5.41
No. of Options Outstanding	Nil	Nil	102,500
601 to 700	Nil	Nil	5.01
No. of Options Outstanding	Nil	Nil	340,000
Range of Exercise Price	**Weighted average contractual life (years) as on March 31, 2018**		
0 to 100	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
101 to 200	Nil	1.33	3.85
No. of Options Outstanding	Nil	89,375	50,000
201 to 300	Nil	3.05	4.32
No. of Options Outstanding	Nil	310,150	337,250
301 to 400	Nil	2.02	4.95
No. of Options Outstanding	Nil	203,800	177,500
401 to 500	Nil	Nil	5.90
No. of Options Outstanding	Nil	Nil	222,500
501 to 600	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
601 to 700	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil

IV Weighted Average Fair Value of Options Granted during the year ended March 31, 2019 whose,

		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	238.53
(b)	Exercise price is greater than market price			None
(c)	Exercise price is less than market price			None

Note 33 : Employee stock options : (Contd..)

Weighted Average Fair Value of Options Granted during the year ended March 31, 2018 whose,

		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	159.71
(b)	Exercise price is greater than market price			None
(c)	Exercise price is less than market price			None

V The weighted average market price of options exercised :

	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
During the year ended March 31, 2019	Nil	544.76	544.17
During the year ended March 31, 2018	360.32	405.77	436.58

VI Method and Assumptions used to estimate the Fair Value of Options Granted during the year ended March 31, 2019 :

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	ESOP 2011	ESOP 2015
1. Risk Free Interest Rate	No options granted during the year	No options granted during the year	7.62%
2. Expected Life (in years)			4.15
3. Expected Volatility			38.77%
4. Dividend Yield			0.59%
5. Exercise Price (₹)			599.74
6. Price of the underlying share in market at the time of the option grant. (₹)			599.74

Notes to Financial Statements for the year ended 31st March 2019

Note 33 : Employee stock options : (Contd..)

Method and Assumptions used to estimate the Fair Value of Options Granted during the year ended March 31, 2018 :

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	ESOP 2011	ESOP 2015
1. Risk Free Interest Rate	No options granted during the year	No options granted during the year	6.89%
2. Expected Life (in years)			4.15
3. Expected Volatility			37.22%
4. Dividend Yield			0.68%
5. Exercise Price (₹)			423.48
6. Price of the underlying share in market at the time of the option grant. (₹)			423.48

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 publically available information. The volatility is calculated considering the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE), over a period prior to the date of grant corresponding with the expected life of the options.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

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 lakh)

Particulars	31-Mar-19	31-Mar-18
1 Employee Stock Option Plan Expense	389.30	285.88
2 Total ESOP Reserve at the end of the year	913.77	958.15

Note 34 : Fair value measurements

(i) Financial instruments by category

The carrying amounts of financial instruments by class are as follows

(₹ In lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Financial assets		
I. Measured at amortized cost		
Investments	845.14	764.82
Trade Receivables	314,256.62	201,213.75
Loans	1,608.78	11.14
Cash and Cash Equivalents	1,119.74	2,181.97
Bank Balances other than above	482.52	392.20
Other Financial Assets	2,469.13	2,141.64
II. Measured at fair value through profit and loss (FVTPL)		
Other Financial Assets		
- Forward contracts	7.04	19.65
- Fair value of call option	108.95	-
Investments	229.20	0.10
	321,127.12	**206,725.27**
B. Financial liabilities		
I. Measured at amortized cost		
Borrowings	157,754.10	71,762.47
Trade Payables	109,213.04	85,456.83
Other Financial Liabilities	38,457.65	30,830.96
II. Measured at fair value through profit and loss (FVTPL)		
Other Financial Liabilities		
- Forward contracts	146.93	18.79
- Fair value of put option	435.49	-
	306,007.21	**188,069.05**

(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:

Particulars	Valuation Techniques	Carrying values	Fair Values	Fair Values Measurement using		
				Level 1	Level 2	Level 3
As at March 31, 2019						
Other Financial Assets						
- Forward contracts	Mark to Market	7.04	7.04		7.04	
- Fair value of call option	Valuation Report	108.95	108.95			108.95
Investments*	Discounted Cash Flow / Net Asset Value	229.20	1,586.82			1,586.82

Notes to Financial Statements for the year ended 31st March 2019

Note 34 : Fair value measurements (Contd..)

Particulars	Valuation Techniques	Carrying values	Fair Values	Fair Values Measurement using		
				Level 1	Level 2	Level 3
Other Financial Liabilities						
- Forward contracts	Mark to Market	146.93	146.93		146.93	
- Fair value of put option	Valuation Report	435.49	435.49			435.49
		927.61	**2,285.23**	**-**	**153.97**	**2,131.26**
As at March 31, 2018						
Other Financial Assets (Derivative Assets)	Mark to Market	19.65	19.65		19.65	
Investments*	Discounted Cash Flow	0.10	1,357.62			1,357.62
Other Financial Liabilities (Derivative Liability)	Mark to Market	18.79	18.79		18.79	
		38.54	**1,396.06**	**-**	**38.44**	**1,357.62**

There have been no transfers between Level 1 and Level 2 during the period.

The call and put option has been valued by applying the Black & Scholes Model considering risk free rate of 8%, time to maturity of 3 years and annualised volatility of 44.9%

* Based on independent valuation performed by an external valuer, the equity value (enterprise value minus external debt) is marginally positive. Accordingly, the investment has been fully impaired. Refer below for assumptions used

Significant unobservable inputs used in Level 3 fair values as at March 31, 2019

Particulars	Significant Unobservable Inputs	Sensitivity
Investments (Equity and Preference shares of Starlite Lighting Limited)	Discount rate – 16.77% Terminal value growth rate – 3%	The preference shares and equity instruments in Starlite Lighting Limited are fully impaired in the books 1% increase in discount rate will decrease fair value by ₹ 171.37 lakh. 1% decrease in discount rate will increase the fair value by ₹ 196.37 lakh 1% increase in terminal value growth rate will increase fair value by ₹ 55.12 lakh. 1% decrease in terminal value growth rate will decrease the fair value by ₹ 47.66 lakh

All other current financial assets and current financial liabilities have fair values that approximate to their carrying amounts due to their short term nature. Further all other non-current financial assets and non-current financial liabilities have fair values that approximates to their carrying amounts as it is based on the net present value of the anticipated future cash flows.

Note 35: Financial risk management objectives and policies

The Company's principal financial liabilities comprise of borrowings, trade and other payables and channel financing liability. The main purpose of these financial liabilities is to finance the entity's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds investments (measured at FVTPL and amortised cost) and enters into derivative transactions (other than for speculative purposes).

The risk management committee of 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 investment in preference shares 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

The company sells the consumer products mainly through three channels i.e. dealers and distributors, institutions and e-commerce and through government sector. The appointment of dealers, distributors, institutions is strictly driven as per the standard operating procedures and credit policy followed by the 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 Financial Statements for the year ended 31st March 2019

Note 35: Financial risk management objectives and policies (Contd..)

The maximum exposure to credit risk as at 31 March 2019 and 31 March 2018 is the carrying value of such trade and other receivables as shown in note 5, 7 and 12 of the financials.

Reconciliation of impairment allowance on trade and other receivables

(₹ In lakh)

Particulars	31-Mar-18
Impairment allowance on 31 March 2018	**17,933.13**
Created during the year	403.70
Reversed during the year	(2,802.13)
Impairment allowance on 31 March 2019	**15,534.70**

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 31 March 2019 and 31 March 2018 is the carrying value of such cash and cash equivalents and deposits with banks as shown in note 11 of the financials.

Loans, advances and investments in preference shares with affiliate companies

The Company has given loans and advances to its affiliate companies (Nirlep Appliances Pvt Ltd, Starlite Lighting Limited and Hind Lamps Limited). Further, the Company also has made strategic investments (equity and preference investments) in these entities. 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.

As on the date of reporting, the Company does not have any expected credit loss on its loans / advances / investments in Hind Lamps Limited except for those provided in the books, based on the asset valuation done by the external valuer. In respect of Starlite Lighting Limited, the Company has fully impaired its exposure in its financial statements (Refer Note 42).

(B) Liquidity risk

The 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.

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 lakh)

	31-Mar-19	31-Mar-18
Floating / Fixed Rate		
- Expiring within One year (Bank overdraft and other facilities)	104,684	237,581

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 lakh)

Particulars	Carrying value as at March 31, 2019	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	157,754.09	136,491.98	4,637.94	22,425.24	-	163,555.16
Trade payables	109,213.04	109,213.04	-	-	-	109,213.04
Other financial liabilities	39,040.08	38,381.09	47.19	611.80	-	39,040.08
Total	**306,007.21**	**284,086.11**	**4,685.13**	**23,037.04**	**-**	**311,808.28**

(₹ In lakh)

Particulars	Carrying value as at March 31, 2018	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	71,762.47	70,615.33	466.42	664.06	16.65	71,762.47
Trade payables	85,456.82	85,476.12	14.47	-	-	85,490.59
Other financial liabilities	30,849.75	30,766.05	141.60	159.30	-	31,066.95
Total	**188,069.04**	**186,857.51**	**622.49**	**823.36**	**16.65**	**188,320.01**

(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 Financial Statements for the year ended 31st March 2019

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'). Apart from exports receivables and Imports payables arising out of trade in the normal course of business, the company also has foreign exchange exposures in terms of buyer's credit, packing credit, foreign currency term loans, etc. As these commercial transactions are recorded in currency other than the functional currency (₹), 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 has a forex policy, which is duly approved by the Board of Directors. All forex hedging is done as per the said approved forex policy. The company has also taken Board approval for authorizing certain company officials for entering into hedge transactions. The forex policy is flexible in terms of the hedging the overall forex exposure, as also the instrument to be used for hedging. 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 ₹, are as follows :

	31-Mar-19								31-Mar-18			
	USD	EUR	CAD	GBP	RMB	KES	ZMW	AED	USD	EUR	CAD	AED
Financial assets	92.48	-	-	3.19	52.70	74.45	11.44	22.69	990.66	-	-	-
Financial liabilities	5,367.62	47.20	10.97	2.21	-	-	-	0.39	16,703.28	46.24	28.47	(1.47)

Further, the Company has open foreign exchange forward contracts amounting to USD 80.03 lakh (March 31, 2018 - USD 123.64 lakh)

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 lakh)

Particulars	Impact on profit after tax & Equity	
	31-Mar-19	31-Mar-18
USD sensitivity		
₹ appreciates by 4%(31 March 2018 - 4%)	211.01	668.11
₹ depreciated by 4%(31 March 2018 - 4%)	(211.01)	(668.11)

In respect of exposure in other currencies, the impact of sensitivity of which is very negligible.

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. The Company has foreign currency Term Loan and interest on the same is linked to LIBOR rate. However the amount of interest thereon is not significant and hence the interest rate risk is negligible. The Company also has Non-Convertible Debentures outstanding, but these are Zero Coupon corresponding to 11% p.a. and fixed in nature. Sales tax deferral loan is interest free. Also in case of short term borrowings, the interest rate is fixed in a large number of cases and linked to the LIBOR in a few cases. Hence, interest rate risk is assessed to be low. Accordingly, the sensitivity / exposure to change in interest rate is insignificant

(iii) Price risk

In case of the consumer product business, the company manufactures LED bulbs and Tubes and small quantity of ceiling fans. All other products are procured from the vendors. The terms of payment with vendors is on cost plus basis. Hence, the price risk is assessed to be low.

The Company is also into EPC segment, wherein it takes turnkey contracts for transmission line towers, rural electrification, high masts and poles, street lighting, etc. This exposes the Company to commodity price risk for products such as copper, aluminium, plastic, steel, zinc etc. The company has contractual right to pass the commodity price risk to the customer, hence the price risk is assessed to be low.

Note 36: Capital Management

For the purpose of capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity shareholders.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. Management considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders (buy-back) or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders.

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) divided by total equity (as shown in the balance sheet excluding debenture redemption reserve, capital reserve and capital redemption reserve)

The Company's strategy is to maintain a gearing ratio within 2 times. The Debt Equity ratio is as follows:

	31-Mar-19	31-Mar-18
Total debt	158,220.52	72,310.41
Total equity	103,006.73	94,329.31
Total debt to equity ratio	1.54	0.77

Notes to Financial Statements for the year ended 31st March 2019

NOTE 37: Segment reporting

The Company has, pursuant to the provisions of Ind AS 108, identified its business segments as its primary reportable segments, which comprises of Consumer Products; Engineering & Projects and Others. "Consumer Products" includes Appliances, Fans and Consumer Lighting Products; "Engineering & Projects" includes Transmission Line Towers, Telecommunication Towers, High Masts, Poles, Special Projects including Rural Electrification Projects and Luminaires; and "Others" includes Wind Energy.

1) Segment Results

(₹ In lakh)

Particulars	31-Mar-19	31-Mar-18
a) Consumer Products	18,007.09	10,868.45
b) EPC	19,530.98	19,460.09
c) Others	(34.26)	(45.15)
Operating Segment Profit	**37,503.81**	**30,283.39**
Unallocated income / (expenses)		
Depreciation & amortisation expenses	(159.14)	(128.82)
Finance Cost	(11,587.66)	(5,886.47)
Interest income on financial assets measured at amortised cost	80.31	373.83
Impairment / Fair value loss of financial assets	-	(771.05)
Profit / (Loss) on sale of Property, plant & equipment	(34.86)	152.22
Impairment allowance on property, plant and equipment (Note 2(v))	(729.36)	-
Rent received	230.12	182.59
Employee share based payment expenses	(389.30)	(285.88)
Interest on Income Tax refund	-	947.31
Exceptional items	-	(8,936.26)
Others	1,029.82	515.81
Profit before income tax	**25,943.74**	**16,446.67**

The operating segment results includes depreciation and amortization of ₹1,677.79 (March 31, 2018 – ₹1,551.16) for consumer products, ₹1,971.12 (March 31, 2018 – ₹1,676.25) for EPC and ₹38.26 (March 31, 2018 – ₹38.26) for others.

2) Segment Revenue:

(₹ In lakh)

Particulars	31-Mar-19	31-Mar-18
a) Consumer Products	274,075.79	222,845.89
b) EPC	393,188.47	248,756.15
c) Others	49.93	36.95
Sub-total	**667,314.19**	471,638.99
Less: Inter Segment Revenue	-	-
Net Sales / Income from Operations	**667,314.19**	**471,638.99**

In the EPC segment, there is a single customer which accounts for revenue of ₹98,466.71 lakh 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:

NOTE 37: Segment reporting (Contd..)

(₹ In lakh)

Particulars	31-Mar-19	31-Mar-18
India	658,144.56	466,102.24
Outside India	9,169.63	5,536.75
Total	**667,314.19**	**471,638.99**

3) Segment Assets

Segment assets are measured on the same principles as they have been for the purpose of these financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

(₹ In lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Consumer Products	132,542.74	93,378.72
b) EPC	337,480.14	211,803.31
c) Others	247.00	301.07
Total Segment Assets	**470,269.88**	**305,483.10**
Unallocated		
Deferred tax assets	6,376.66	7,353.18
Income tax assets (net)	5,349.84	828.12
Investments	5,074.18	1,449.45
Property, Plant & Equipments	23,993.78	22,490.06
Cash & cash equivalents	1,602.26	2,574.17
Others	3,363.47	7,092.18
Total assets as per balancesheet	**516,030.07**	**347,270.26**

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 lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
India	31,799.33	31,250.40
Outside India	1.93	4.59
Total	**31,801.26**	**31,254.99**

The capital expenditure incurred for consumer products is ₹754.74 lakh (March 31, 2018 – ₹330.74), for EPC is ₹2,561.46 (March 31, 2018 – ₹1,103.64) and for others is ₹2,035.24 (March 31, 2018 – ₹2,659.22).

Notes to Financial Statements for the year ended 31st March 2019

NOTE 37: Segment reporting (Contd..)

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 lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Consumer Products	88,166.49	73,238.84
b) EPC	156,641.77	100,620.76
c) Others	-	-
Total Segment Liabilities	**244,808.26**	**173,859.60**
Unallocated		
Borrowings	158,220.52	72,310.41
Others	5,223.85	6,625.23
Total liabilities as per balancesheet	**408,252.63**	**252,795.24**

Note 38: Disclosure of transactions with related parties

(₹ In lakh)

Name of Related Party and Nature of relationship	Nature of Transaction	2018-19		2017-18	
		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					
	Purchases	2,532.33	(214.90)	-	-
	Deposit Given	2.00	-	-	-
	Trade Advance Given	1,450.00	500.00	-	-
	Loan given	1,600.00	1,600.00	-	-
	Interest Received	52.54	11.99	-	-
	Sales	1.10	-	-	-
	Royalty Paid	25.32	(8.20)	-	-
(C) Associate - Hind Lamps Limited					
	Purchases	5,806.60	(128.64)	2,872.46	(87.42)
	Trade Advance Given	3,107.00	2,140.17	2,952.74	797.96
	Sales	1,184.65	36.29	159.24	13.05
	Rent Received	6.20	6.09	-	-
	Interest on loan / advance	142.53	25.47	111.41	-
	0% Non Convertible Redeemable Preference Shares	-	845.13	-	764.82

Note 38: Disclosure of transactions with related parties (Contd..)

(₹ In lakh)

Name of Related Party and Nature of relationship	Nature of Transaction	2018-19		2017-18	
		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
	Finance Income of preference shares (financial asset at amortised cost)	80.31	-	72.68	-
(D) Joint Venture - Starlite Lighting Limited					
	Purchases	11,141.02	(757.28)	8,179.86	(216.14)
	Contribution to Equity	-	-	3.50	-
	Contribution to Equity on A/c of valuation of Corporate Guarantee	-	-	566.36	-
	Finance income on Corporate Guarantee given	676.01	-	239.42	-
	Sales of Components	3,279.67	0.95	3,883.12	-
	Finance Income of preference shares (financial asset at amortised cost)	-	-	301.16	-
	Impairment and fair value loss of financial assets and equity	-	-	10,008.46	-
	Trade Advance Given *	-	4,646.15	650.00	5,354.82
	Interest Paid on delayed payment	25.78	(23.20)	-	-
	Interest on loan and advance given	790.43	73.10	882.90	-
(E) Key Mangement Personnel #					
	Short-term employee benefits	1,562.25	(657.30)	1,645.80	(942.82)
	Gratuity settlement	647.00	-	-	-
	Post- employment benefits (contribution to super annunation fund)	51.63	-	53.95	-
	Long-term employee benefits (contribution to provident fund)	39.22	-	43.16	-
	Perquisite value of ESOPs excercised during the year	7.34	-	25.01	-
	Total Compensation	**2,307.43**	**(657.30)**	**1,767.92**	**(942.82)**
(F) 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	407.00	(76.81)	602.97	(43.61)
	Services Received	160.20	(16.31)	194.64	(41.27)
	Rent Paid	54.00	-	54.00	-
	Deposits given	-	27.00	-	27.00
	Sales	673.49	299.46	962.99	306.33
	Purchases	879.03	(171.51)	-	(0.05)

Notes to Financial Statements for the year ended 31st March 2019

Note 38: Disclosure of transactions with related parties (Contd..)

(₹ In lakh)

Name of Related Party and Nature of relationship	Nature of Transaction	2018-19		2017-18	
		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
(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					
	Advance for Insurance premium	-	647.78	-	474.07
	Claims Received	157.31	-	76.39	-
	Insurance Premium paid	754.21	-	664.30	(0.13)
	Other Expenses	3.49	(3.43)	-	-
	Contribution to Gratuity Fund	16.14	4,115.88	500.00	4,623.34
	Sales	64.00	32.83	88.05	38.77
	Advance for Capital Asset	291.76	14.06	86.92	-
	Reimbursement of Expenses	7.26	(6.77)	10.07	(4.76)
	Rent Deposit Advanced	50.00	150.00	-	100.00
	Rent Paid	33.04	(2.70)	28.14	-
	Fixed Assets Purchase	17.17	(17.17)	-	-
	Services Received	9.44	(0.32)	11.62	-
(H) 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	1,959.98	(162.46)	1,833.71	(156.20)
	Matchwel Electrical India Limited Employees Provident Fund Trust	33.62	(2.97)	28.21	(2.54)
(I) Transactions with the persons identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures					
	Rent Deposit Given / (Refunded)	-	-	(400.00)	-
	Rent Paid	-	-	8.25	-
	Refund of Advance Rent	242.15	(15.00)	-	-
	Sales Of Furniture	17.15	-	-	-
	Reimbursement of Expenses received (net)	-	-	49.53	-

* Outstanding balance Is net of impairment allowance created in the books.

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.

** Transactions with related parties have been made on an arm length basis and are in the ordinary course of the business of the Company. All outstanding balances are unsecured and are repayable in cash.

Note 39. Earnings per share:

Particulars	31-Mar-19	31-Mar-18
Profit for the year after tax but before exceptional items and tax on exceptional items (A) (₹ In lakh)	16,706.68	16,431.80
Profit for the year after exceptional items and tax on exceptional items (B) (₹ In lakh)	16,706.68	8,362.16
Weighted average number of equity shares for basic EPS (C)	102,245,950	101,617,351
Add: Effect of dilution (employee stock options - Refer Note 33)	266,442	501,553
Weighted average number of equity shares for diluted EPS (D)	102,512,392	102,118,904
Earnings Per Share in ₹ :-		
(a) Basic before exceptional items (A/C)	16.34	16.17
(b) Diluted before exceptional items (A/D)	16.30	16.09
Earnings Per Share in ₹ :-		
(a) Basic after exceptional items (B/C)	16.34	8.23
(b) Diluted after exceptional items (B/D)	16.30	8.19

Note 40. Commitments and contingencies

a. Contingent liabilities

Particulars	31-Mar-19	31-Mar-18
Contingent Liabilities not provided for :		
i) Claims against the Company not acknowledged as debts (Refer Note x below)	799.64	668.49
ii) Guarantees / Letter of Comfort given on behalf of Companies ₹ 24,200.00 lakh (Previous Year ₹ 23,700.00 lakh) (refer note ix below)	23,316.48	17,640.43
iii) Excise and Customs duty matters under dispute	15.49	-
iv) Service Tax matters under dispute	149.40	0.00
v) Income Tax matters under dispute	536.54	322.18
vi) Sales Tax matters under dispute	4,127.03	5,068.27
vii) Uncalled liability in respect of partly paid Shares held as investments	7.20	7.20

viii. 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 contention in the said Writ Petition.

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.

Notes to Financial Statements for the year ended 31st March 2019

Note 40. Commitments and contingencies (Contd..)

ix. The Company has given guarantees / letter of comfort for all borrowings (long term / short term) taken by its joint venture, Starlite Lighting Limited (SLL). As at March 31, 2019, SLL is in breach of its loan covenants as per the terms of the loan agreements, resulting in the loans becoming payable on demand. However, as at the date of approval of these financial statements, the lenders of SLL have not called for the loan repayment. Management has determined the enterprise value of SLL based on the discounted cash flow projections for a period of 10 years, assuming a perpetual growth rate of 3% and a discounting factor of 16.77%. The enterprise value is greater than the value of the external debt of SLL and considering the sensitivity around the assumptions used, the exposure in this regard is considered to be 'possible' and disclosed as contingent liability.

x. 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.

xi. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

b. Commitments

i. Estimated amounts of contracts remaining to be executed in capital account (net of capital advances) is ₹513.49 lakh (March 31, 2018, ₹501.95 lakh).

ii. During the year the Company has entered into an agreement with Bharat Innovation Fund (Category 1 Alternative Investment Fund – Venture Capital Fund) amongst IDBI Trusteeship Services Limited (the trustee) and CIIE Advisors Private Limited (the fund manager), for a contribution of ₹13 crores. As on March 31, 2019, only ₹257.64 lakh has been drawn down by Bharat Innovation Fund. '

c. Leases

The Company has entered into operating leases for certain warehouses / premises / vehicles, with lease term between 1 to 10 years. Some of the leases have the option to extend the lease for additional terms as per the agreements.

Lease rent recognised in statement of profit and loss is ₹ 5,091.84 lakh (March 31, 2018 – ₹4,589.67 lakh). The total minimum lease rentals payable over the lease term are as below.

(₹ In lakh)

Particulars	March 31, 2019	March 31, 2018
For a period not later than 1 year	3,195.51	3,614.94
For a period later than 1 year but not later than 5 years	5,498.02	6,400.59
Later than 5 years	316.97	1,059.74

Note 41: Disclosures of revenue from contracts with customers

Ind AS 115 – Revenue from contract with customers is applicable for accounting periods commencing on or after April 1, 2019. The Company has applied the modified retrospective approach. The annual disclosures as required under the Standard 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 lakh)

Particulars	31-Mar-19
A. Revenue from contracts with customers	
Consumer products (includes appliances, lighting and fans)	273,019.09
Engineering, procurement and construction (EPC) (includes power distribution, transmission line towers and illumination)	392,685.88
Others	49.93
Total	**665,754.90**
B. Reconciliation of contracted price with (A) above	
Revenue at contracted price	662,491.04
Unbilled on account of work under certification	11,353.23
Billing in excess of contract revenue	4,646.22
Revenue deferred on customer loyalty program	(4,913.95)
Discounts	(7,035.71)
Others	(785.93)
Revenue from contracts with customers (a)	**665,754.90**
Add: Other revenue (b)	
Claims received, export incentives, etc	1,559.29
Revenue from operations (a+b)	**667,314.19**

(ii) Contract balances

The details of the contract assets, contract liabilities and receivables are as under

(₹ In lakh)

Particulars	31-Mar-19
Contract assets	18,987.43
Contract liabilities	63,123.25
Accounts receivables	314,256.62
Revenue recognised in the period from:	
Amounts included in contract liability at the beginning of the period	24,622.11

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 Financial Statements for the year ended 31st March 2019

Note 41: Disclosures of revenue from contracts with customers (Contd..)

Contract liabilities are related 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.

On adoption of Ind AS 115, amount due from customers for contract work are shown as contract assets. Further, amount due to customers for contract work and advance from customers are shown as contract liabilities. As Ind AS 115 applies from April 1, 2019, the corresponding numbers for the previous year have been disclosed in the financial statements under the same captions as they were disclosed in the financial statements for year ended March 31, 2018.

(iii) Performance obligations

Information about the Company's performance obligations under CP and EPC segment are summarised below:

Consumer Product Segment:

a) Delivery of goods:

The Company sells fans, appliances and lighting products to the dealers and distributors. The performance obligation is satisfied and revenue is recognised on delivery of the goods to the dealer and distributor. 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 dealers and distributors.

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.

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 .

(iv) Unsatisfied performance obligations

The transaction price allocated to the unsatisfied performance obligations are as below:

(₹ In lakh)

Particulars	31-Mar-19
Consumer products	8,155.15
EPC	2,62,057.10
Total	**270,212.25**

Note 41: Disclosures of revenue from contracts with customers (Contd..)

(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 lakh)

Particulars	31-Mar-19
Unamortised portion of cost to obtain a contract	434.92
Amount recognised in the profit and loss account	4,298.93

(vi) Transition disclosures

The Company has adopted the modified retrospective method for transitioning to Ind AS 115 accounting standard. The Company did not have any significant adjustments to be made to the opening balance of the retained earnings (April 1, 2018).

Note 42: Exceptional Items:

In the previous year, pursuant to continuous reduction in the CFL business and future outlook, Company has re-assessed the recoverability of its investments and loans provided to Starlite Lighting Limited (Joint Venture) and consequently impaired it fully in standalone financial statements.

The details of the investments and loans and advances which are impaired are as below:

(₹ In lakh)

Particulars	Impairment Amount
Non-current equity investments (unquoted)	
5,875,000 (March 31, 2017 - 2,375,000) equity shares of ₹10 each of Starlite Lighting Ltd	1,637.19
Non-current debt instruments (preference shares)	
At fair value through profit and loss	
10,000,000 - 9% cumulative redeemable preference shares (unquoted) of ₹ 10/- each of Starlite Lighting Ltd, redeemable on June 30, 2024	950.83
5,000,000 - 9% cumulative redeemable preference shares (unquoted) of ₹ 10/- each of Starlite Lighting Ltd, redeemable on June 30, 2025	406.79
At amortised cost	
30,000,000 - 0% redeemable preference shares (unquoted) of ₹ 10/- each of Starlite Lighting Ltd, redeemable in 3 equal tranches at an yield of 10% on June 30, 2026, June 30, 2027 and June 30, 2028 respectively	3,762.61
Non-current loans and advances	
Loan	280.00
Advances	2,200.00
Total	**9,237.42**
- disclosed under 'other expenses' (Note 30) *	**301.16**
- disclosed as exceptional item	**8,936.26**

* This pertains to impairment allowance on interest income accreted during the year ended March 31, 2018.

The valuation has been performed by an independent external valuer and all investments and loans have been fully impaired. For assumption used in valuation refer Note 34.

Notes to Financial Statements for the year ended 31st March 2019

Note 43: Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, the gross amount to be spent by the Company during FY 2018-19 is 448.44 lakh (Previous year 266.70 lakh). The Company has spent 239.84 lakh (Previous year 195.30 lakh) on various CSR initiatives as below.

(₹ In lakh)

Particulars	March 31, 2019	March 31, 2018
Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	50.81	61.37
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water	112.79	89.25
protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	58.45	17.77
Enabling access to, or improving the delivery of, public health systems be considered under the head "preventive healthcare" or "measures for reducing inequalities faced by socially & economically backward groups"	2.90	5.91
Contribution to the Prime Ministers relief fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes and other backward classes, minorities and women	-	21.00
Total Spent on CSR	**224.95**	**195.30**
Amount unspent by Bajaj Electricals Foundation (BEF) to be carried forward to the next Financial year	14.89	-
Total	**239.84**	**195.30**

Note 44: Previous year's figures have been regrouped / reclassed wherever necessary to correspond with the current year's classification / disclosure.

Signature to note 1 to note 44
As per our report attached of even date

For S R B C & CO LLP
Firm Registration No. 324982E/E300003
Chartered Accountants

per Vikram Mehta
Partner
Membership No.105938

For and on behalf of the Board of directors

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

Mangesh Patil
Executive Vice President
Legal & Company Secretary

Anant Purandare
President &
Chief Financial Officer

Dr. Indu Shahani
Chairman - Audit Committee
DIN: 00112289

Mumbai, May 22, 2019