



Bajaj Electricals Ltd.  
*Inspiring Trust*

**BUILDING  
THE FUTURE.  
PRESERVING  
LEGACY.**

**80<sup>th</sup> Annual Report 2018-19**

**Bajaj Electricals Limited**



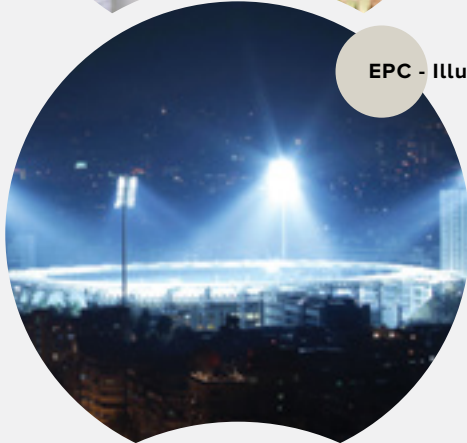
**BAJAJ**

Bajaj Electricals Ltd.

*Inspiring Trust*



Consumer Products



EPC - Illumination



EPC - Power Transmission & Distribution

# BUILDING THE FUTURE. PRESERVING LEGACY.

80<sup>th</sup> Annual Report 2018-19

Bajaj Electricals Limited



# Corporate Information

## Board of Directors

### Shekhar Bajaj

Chairman & Managing Director

### Anuj Poddar

Executive Director

### Harsh Vardhan Goenka

### Madhur Bajaj

### Dr. Indu Shahani

### Dr. Rajendra Prasad Singh

### Siddharth Mehta

### Pooja Bajaj

(w.e.f. 1<sup>st</sup> November, 2018)

### Munish Khetrpal

(w.e.f. 1<sup>st</sup> November, 2018)

### Rajiv Bajaj

(w.e.f. 22<sup>nd</sup> May, 2019)

## Company Secretary

Mangesh Patil

## Auditors

S R B C & Co. LLP,  
Chartered Accountants

## Secretarial Auditor

Anant B. Khamankar & Co.,  
Practicing Company Secretaries

## Cost Auditor

R. Nanabhoy & Co., Cost Accountants

## Bankers

State Bank of India, Bank of India,  
Union Bank of India, Yes Bank Ltd.,  
IDBI Bank Ltd., HDFC Bank Ltd.,  
ICICI Bank Ltd., IndusInd Bank Ltd.

## Debenture Trustee

Axis Trustee Services Ltd.

## Registered Office

45/47, Veer Nariman Road,  
Mumbai - 400 001  
CIN: L31500MH1938PLC009887

## Corporate Office

- i. 001, 502, 701 & 801, Rustomjee  
Aspiree, Off Eastern Express  
Highway, Bhanu Shankar Yagnik  
Marg, Sion (E), Mumbai - 400 022
- ii. 51, Mulla House, M. G. Road, Fort,  
Mumbai 400 001

## Factories

Chakan Unit, Ranjangaon Unit  
& Wind Farm Unit

## Branches

Ahmedabad, Bengaluru,  
Bhubaneshwar, Chandigarh, Chennai,  
Kochi, Delhi, Guwahati, Hyderabad,  
Indore, Jaipur, Kolkata, Lucknow,  
Mumbai, Nagpur, Noida, Patna,  
Puducherry, Pune, Raipur

## Depots

Dehradun, Goa, Kundli, Parwanoo,  
Ranchi, Vijayawada & Zirakhpur

## Central Warehouses

Banur, Daman, Mumbai & Vapi

## Regional Distribution Centres

Bengaluru, Delhi & Kolkata

## Overseas Representative / Liaison Offices

China, Dubai, Zambia, Kenya & Togo


## Contents

<b>Corporate Overview</b>	
About Bajaj Group	4
About Bajaj Electricals	6
Our Business Model	8
Review of Our Businesses	10
Chairman's Communique	12
Financial Review	15
Board of Directors	16
Touching Lives	18
New Product Launches	20
Awards & Accolades	23
<b>Statutory Reports</b>	
Notice	25
Directors' Report	49
Report on Corporate Governance	85
Management Discussion and Analysis	118
Statutory Reports (Hindi)	138
<b>Financial Statements</b>	
<b>Standalone</b>	
Independent Auditors' Report	173
Standalone Financial Statements	182
<b>Consolidated</b>	
Independent Auditors' Report	264
Consolidated Financial Statements	272

## Annual General Meeting

On Wednesday, 7th August, 2019 at 12.30 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400 021, Maharashtra.

**Members are requested to bring their copy of the Annual Report to the meeting.**



**Eight glorious decades! That's how long Bajaj Electricals has been dedicatedly working towards innovations that simplify human life, while staying true to its core values.**

We are the oldest company in our industry and the secret to our stability and consistent growth is our unwavering commitment to preserve our legacy and ethics while consistently evolving ourselves to stay relevant with changing times. We cater to several segments and our biggest asset has always been the years of trust that our consumers repose in us.

Peeking into the cosmos of Bajaj Electricals, one can witness the genesis of a monumental and evolutionary journey on which, we have embarked as an organisation that works for today and tomorrow. And as we build the future driven by innovation, we remain committed to preserving our legacy and values that continue to inspire us.



# About Bajaj Group

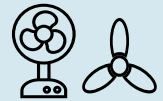


One of the oldest business groups in the country, with over nine decades of experience, Bajaj group has emerged as a diversified conglomerate with business operations spread across various sectors including Automobiles (2 and 3 wheelers), Home Appliances, Fans, Lighting, Illumination, Power Transmission, Power Distribution, Iron & Steel, Insurance, Financial Services and Travel. Founded by late Shri Jamnalal Bajaj with a motive to cater to the diverse needs of people and contribute towards upliftment of the society, Bajaj today has emerged as a recognised name in every household.

Present across various industries, namely:



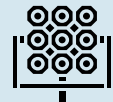
Home Appliances



Fans



Lighting



EPC -  
Illumination



EPC - Power  
Transmission &  
Distribution



Automobiles  
(2 & 3 Wheelers)



Insurance



Financial  
Services



Iron and  
Steel



Travel

33

Group Companies

₹ 650 billion

Group turnover as of March 2018\*

(\*Source: Article of Business Today dated 27th Jan, 2019)



# About Bajaj Electricals

An integral part of the Bajaj Group, Bajaj Electricals is amongst the most trusted and respected companies in India with a legacy spanning across eight decades.

Bajaj Electricals is one of the leading Consumer Products and EPC companies in India. With a business portfolio that spans across myriad verticals – right from Consumer Products (Appliances, Fans, Lighting) to EPC (Illumination, Power Transmission and Power Distribution), we also have a strong presence in premium home appliance and cookware segments, with brands like Morphy Richards and Nirllep.

We have an expansive network of 20 branch offices, 478 distributors and more than 200000 retail outlets fortifying our dominant presence in consumer product segment. Our employee strength of over 3000 people and a dedicated consumer care team spread across more than 500 consumer care centres in India showcases the Company's ethos of putting customer first and thereby strengthening brand loyalty quotient.

Our EPC segment gained momentum with a strong order book and expanding presence across international countries with offices in Africa, the Middle East and China.



## Vision:

Enhancing quality of life and bringing happiness with sustainability.



## Values :



### Integrity

Having complete integrity alignment in what we feel, what we speak and what we do, thereby demonstrating honesty and having strong moral principles.



### Empowerment

Creating conditions and enabling people to take responsibility for enhanced contribution towards personal and organisational objectives.



### Innovation

To continuously explore, develop, create and implement new technology, processes, ideas and products.



### Team Work

Believing in 'One for all and all for One' thereby working together to exceed our expectations in achieving organisational objectives.



### Customer Delight

Proactively anticipating internal and external customer needs and relentlessly working towards exceeding their expectations.



### Trust

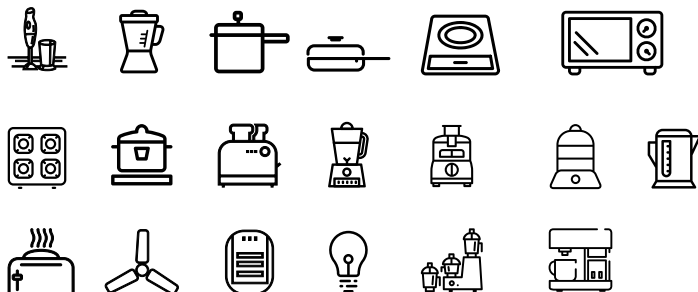
Having firm belief in the reliability, truth and ability of all associates and company processes.

## Our business segments in FY 2018-19

### Consumer Products

₹ **2,740.76** crore  
Revenue

Appliances, Fans,  
Consumer Lighting



### EPC

₹ **3,931.88** crore  
Revenue

Illumination, Power Transmission and  
Power Distribution



### Exports

₹ **91.70** crore  
Revenue

## Bajaj Electricals in numbers

₹ **6,673.14** crore  
Revenue (up by **41.49%** from FY 2017-18)

₹ **413.78** crore  
EBIDTA (up by **19.37%** from FY 2017-18)

₹ **167.07** crore  
PAT (up by **99.79%** from FY 2017-18)

**15.50%**  
RoE (up by **75.13%** from FY 2017-18)

₹ **5,714.92** crore  
Market Capitalisation (down by **0.71%** from March 31, 2018)  
as on March 31, 2019

**62.71%**  
Promoter holding  
as on March 31, 2019

**3,217**  
Number of employees  
as on March 31, 2019

# Our Business Model

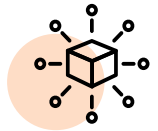
– the basis of our operational efficiency



## Research and Development

We strive to develop innovative and effective solutions for our customers.

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## Product Portfolio

In order to cater to the diverse needs of our consumers, we offer a wide range of quality consumer products. Our EPC business provides a wide range of end-to-end solutions across Illumination, Power Transmission and Power Distribution for our clients.

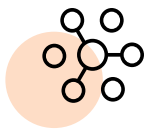
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## Manufacturing Capabilities

Our manufacturing value chain strives to support our business with high quality and efficient products.

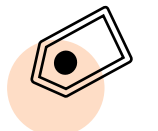
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## Distribution

Our vast distribution network of distributors and retailers enables us to make our products available to consumers across the country.

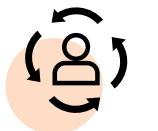
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## Brand

We strive to build a brand that is known to offer innovative and quality products that meets the requirement of the consumers in domestic as well as international markets.

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## Human Resource

We employ the best and passionate people to achieve our vision.

## Key Resources



## Consumer Products

Wide range of electrical appliances, fans and lighting designed to meet ever growing consumer needs.

## EPC

Through this segment we cater to everything under the spectrum of Illumination projects, Power Transmission and Power Distribution.

## Exports

Bajaj Electricals continues to diversify its geographical footprints in the Consumer Products & EPC segments.

## Value created

### Return on Investment

Leveraging our business strategies to generate highest possible return on Investment.

### Community Development

We work towards upliftment of the society in which we operate through our various corporate social responsibility initiatives.

### Resource Optimisation

We continuously try to reduce our footprints on the environment by using alternate sources of energy and maintaining the quality of soil, air and water.

### Safety Culture

Safety, at Bajaj, has always been a key priority. We provide our employees with a safe working place in all parts of our operations.

### Shareholder Value

We create value for our shareholders by efficient utilisation of capital resources.

# Review of Our Businesses



## **Consumer Products**

---

**72**

Products launched in different markets across the country

---

**478**

Exclusive distributor network

---

**675**

Districts covered out of 723 districts in India

---

**200000+**

Retail outlets

---

## **Consumer Care**

---

**500+**

Service Centres across the country

---

**376**

Cities covered by our consumer care executives

---

**17000+**

Pincodes covered by our consumer care services out of 19100 pincodes in India



**32** Countries  
of market presence across  
all business segments

**EPC**

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**Illumination**

**1629**

Projects executed  
in FY 2018-19

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**Power Distribution**

**8**

Projects executed  
in FY 2018-19

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**Power Transmission**

**12**

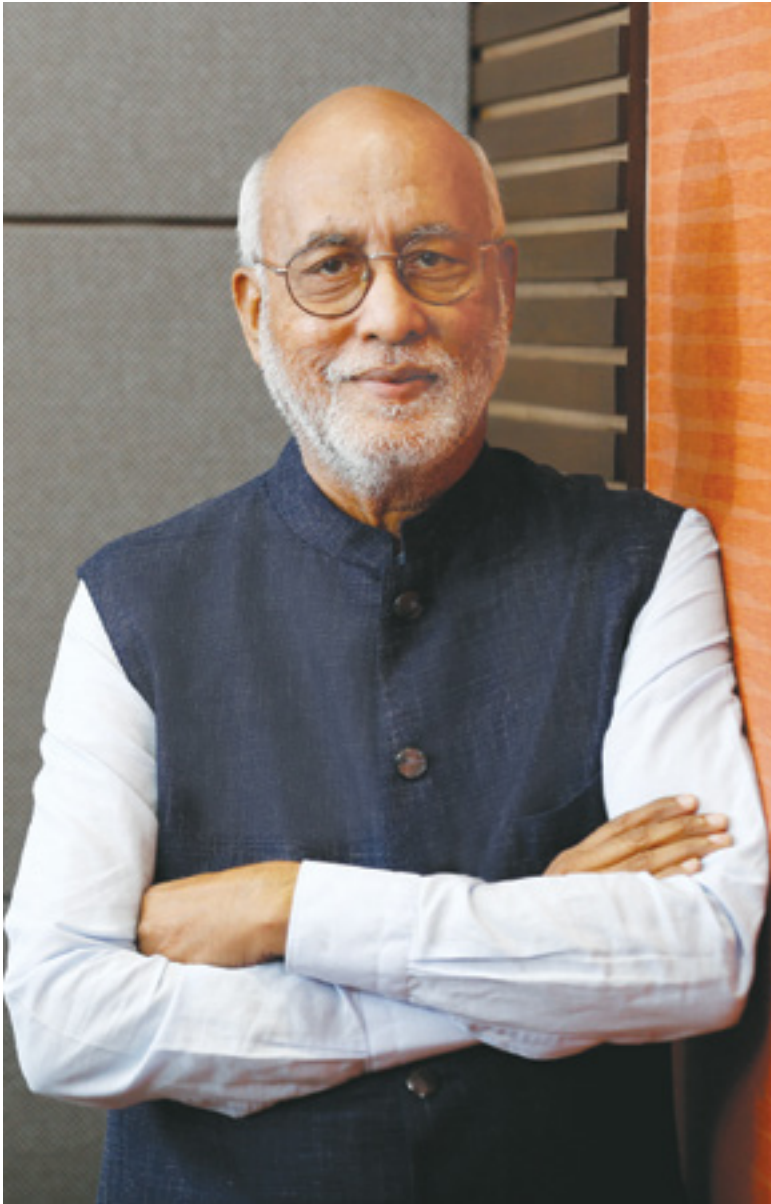
Projects executed  
in FY 2018-19



**Cities we are present in :**

- |              |            |
|--------------|------------|
| Ahmedabad    | Kochi      |
| Bengaluru    | Kolkata    |
| Bhubaneshwar | Lucknow    |
| Chandigarh   | Mumbai     |
| Chennai      | Nagpur     |
| Delhi        | Noida      |
| Guwahati     | Patna      |
| Hyderabad    | Puducherry |
| Indore       | Pune       |
| Jaipur       | Raipur     |

# Chairman's Communique



**Shekhar Bajaj**  
Chairman & Managing Director



**In the year under review, we saw a growth of 41.49% in revenue from operations to ₹ 6,673.14 crore from ₹ 4,716.39 crore in the previous fiscal year. We recorded a healthy EBIDTA of ₹ 413.78 crore in 2018-19, registering a growth of 19.37% YoY from ₹ 346.64 crore in 2017-18.**



## **Dear Shareholders,**

It gives me great pleasure to share with you all, your Company's performance for the year 2018-19. However, before moving on to a discussion regarding the same, I would like to remember Anant Bajaj, our Managing Director who passed away on 10th August, 2018, a day after the last Annual General Meeting.

He always had his vision set firmly on the future and over his two decades of service to the Company, introduced many transformative changes that helped grow your Company.

The fiscal 2018-19 posed a challenging operating environment for the Indian economy, marked by rising inflation, interest rate hike, muted investments, slower growth in agricultural sector and weak consumption in rural areas. While these factors might have dampened the overall growth, but your Company presented a strong set of financial and operational performance. This evidences the robustness of our strategy and the soundness of our business model.

In the year under review, we saw a growth of 41.49% in revenue from operations to ₹ 6,673.14 crore from ₹ 4,716.39 crore in the previous fiscal year. We recorded a healthy EBIDTA of ₹ 413.78 crore in 2018-19, registering a growth of 19.37% YoY from ₹ 346.64 crore in 2017-18. However, our EBIDTA margins reduced by 115 bps to 6.20% from 7.35%. PAT grew by 99.79% from ₹ 83.62 crore (PAT margin of 1.77%) in 2017-18 to ₹ 167.07 crore (PAT margin of 2.50%) in 2018-19. Earnings per share for 2018-19 increased to ₹ 16.34 from ₹ 8.23 a year ago

We consistently delivered industry-beating growth in our Consumer Products business, despite the challenging business environment. The growth was achieved through our consistent focus on growing our distribution reach through

RREP (Range & Reach Expansion Programme).

Our EPC segment, including illumination, accounted for 58.92% share in the total revenue. The key driver of this segment was the execution of power distribution projects received from the Government of Uttar Pradesh (UP), which enabled us to increase our topline by 41.49% over the previous year's. Through this project, we were able to provide electricity across households in many villages that had never received electricity. This has been an extremely ambitious project with very aggressive timelines.

I am confident that this electrification across erstwhile dark pockets of our country will provide a boost to rural demand for our lighting, fans and other products. But, more importantly for me, this project is truly transformative as it is literally lighting up the lives of a large section of our countrymen who have lived without access to electricity. I personally visited some of the villages and it was extremely touching to see the joy on the faces of people experiencing electricity for the first time.

During the year under review, we undertook organisational consolidation in the illumination

business, wherein we merged the erstwhile businesses of luminaires and illumination to bring in greater synergies. The same is expected to stabilise in the ensuing fiscal and continue its growth trajectory.

It was a milestone year for the exports segment where we recorded a turnover of ₹ 91.70 crore in 2018-19 and we received our first ever international order for the EPC business in Africa. We also opened new offices in Zambia and Kenya, which are expected to augment the revenue from exports further. We have been successful in establishing our presence in 17 new countries and as of 31st March 2019 we are exporting our products to over 40 countries. Our key exporting markets include Sri Lanka, Middle East and Africa. This year, we started exporting Morphy Richards products to SAARC countries.

To deepen our product portfolio, we acquired majority stake in Nirlep Appliances Private Limited, a well-known leader in non-stick cookware. This acquisition adds a strong brand to our portfolio, provides complementary product additions to our offerings and also a robust manufacturing facility.

Through sustainable operations, we strive to fulfill our long-term economic goals without neglecting



## Chairman's Communique



**In the consumer products segment, the focus will be on innovating new and value added products by leveraging the strength of our R&D facility, continuing to enhance the distribution reach of our products, sharpening our brand positioning and increasing our share of voice and ensuring best in industry consumer care network and services.**



the environmental and social factors. We focus on improving the quality of life of the community in which we operate through our various Corporate Social Responsibility (CSR) activities. We take pride in our reputation as a responsible group and as corporate citizens. All our employees are encouraged to play a strong role in furthering our various CSR initiatives.

As we enter into 2019-20, we are confident that we will continue to drive strong and healthy growth. In the consumer products segment, the focus will be on innovating new and value added products by leveraging the strength of our R&D facility, continuing to enhance the distribution reach of our products, sharpening our brand positioning and increasing our share of voice and ensuring best in industry consumer care network and services.

In the EPC segment, our approach going forward encompasses a strong focus on tightened and improved execution of the projects and building smarter processes and control systems. We are committed to establishing a clear margin-driven and benchmarked business model that optimises our risk-rewards.

On the organisational front, as you may be aware, post the demise of our Managing Director, Anant Bajaj, we have inducted new leadership – our erstwhile Independent Director, Anuj Poddar, came aboard in full-time capacity as the Executive Director

effective 1st November, 2018. I am happy to inform you that your Company has undergone a seamless transition to ensure stability and continued growth.

I would also like to take the opportunity to express my deepest gratitude to our entire management team, employees, and business associates for their commitment and contribution towards the Company in the past year, without which your Company's continued growth would not have been possible. Further, I would like to thank my colleagues on the Board for their guidance in helping to position the Company for long-term progress. Last but not the least, I would like to extend my gratitude to our loyal shareholders for their support.

At Bajaj Electricals, we remain committed to driving our growth trajectory positively, enhancing our margins and institutionalising our organisation for a sustainable future.

Yours sincerely,

**Shekhar Bajaj**

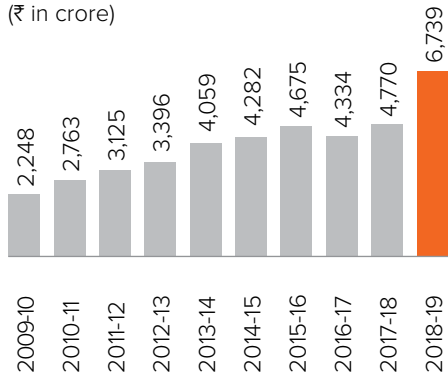
Chairman & Managing Director

# Financial Review

## – Analysing Bajaj Electricals Growth

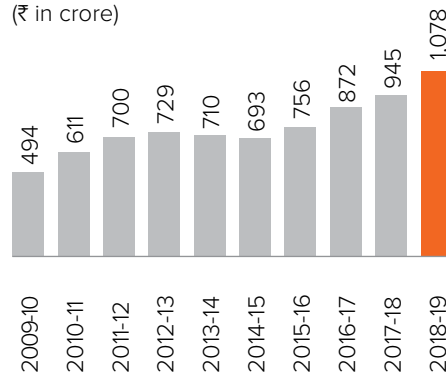
### Gross Revenue

(₹ in crore)



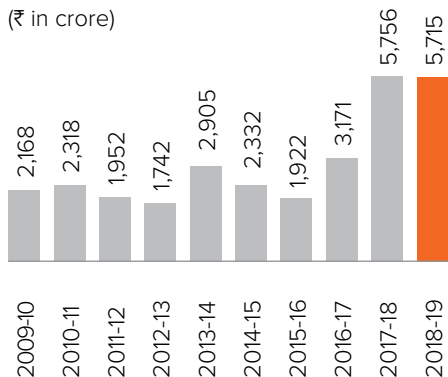
### Networth

(₹ in crore)



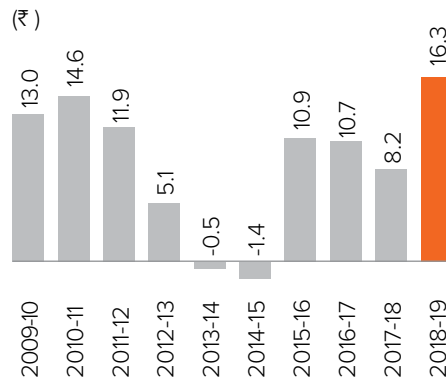
### Market Capitalisation

(₹ in crore)



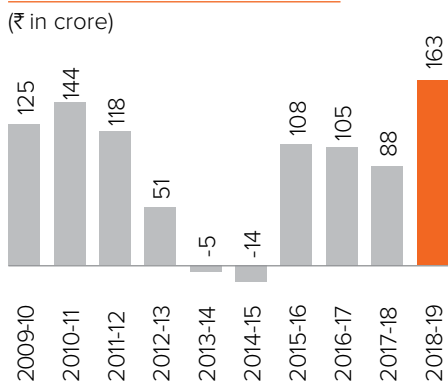
### Basic EPS

(₹)



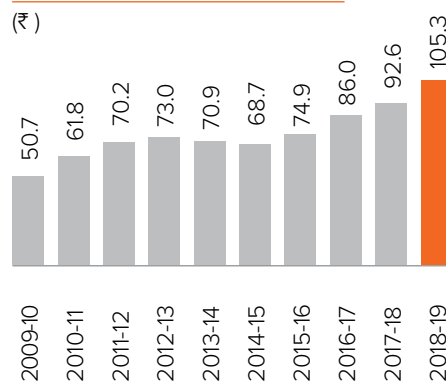
### Profit After Tax

(₹ in crore)



### Book Value per Share

(₹)



# Board of Directors



**Shekhar Bajaj**  
Chairman & Managing Director



**Anuj Poddar**  
Executive Director



**Madhur Bajaj**  
Non-Executive Director



**Rajiv Bajaj**  
Non-Executive Director



**Pooja Bajaj**  
Non-Executive Director



**Harsh Vardhan Goenka**  
Independent Director



**Dr. Indu Shahani**  
Independent Director



**Munish Khetrupal**  
Independent Director



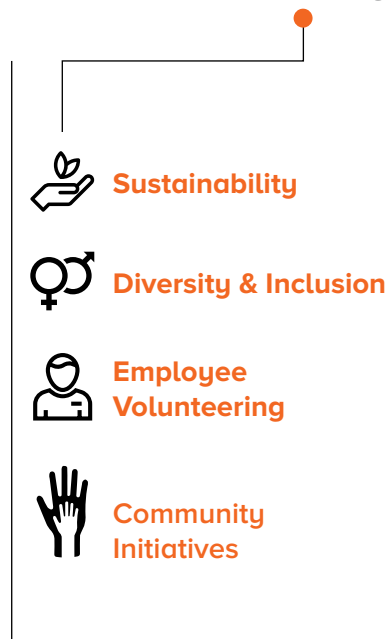
**Dr. Rajendra Prasad Singh**  
Independent Director



**Siddharth Mehta**  
Independent Director

# Touching Lives

At Bajaj Electricals Limited, our Corporate Social Responsibility programs are focused towards environmental sustainability, education, health, arts & culture and community development initiatives, through both direct implementation as well as via NGO partners, while ensuring participative, engaging employee volunteering within these focus areas. This commitment is balanced on four pillars, namely,



## Major CSR initiatives undertaken by Bajaj Electricals Ltd. during the year are:

### Environmental sustainability :

Along with undertaking tree plantation, Bajaj Electricals Ltd. is committed to educate and involve our diverse stakeholders to be a part of the journey to ensure environmental sustainability. We as a responsible and conscious organisation regularly undertake tree plantation & creating a sense of responsibility towards resource protection and pollution free environment. Plantations are done in pan India locations in areas such as schools, colleges, central police canteens, roadside, wasteland and watershed /community farms for economically weaker farmers.

In addition, under Clean India project, municipal solid waste management initiatives and beach cleanup drives were undertaken. The waste management projects were implemented at the ward level, Gram Panchayat level and with individual societies, allowing us to impact the lives of 30000 people by managing over 2 Tonnes of waste scientifically. Similarly, we were able to reduce the quantum of waste collected at Dadar beach from 5 tonnes to 0.5 tonnes, via focused, continuous cleanliness drives.

These projects were implemented through Stree Mukti Sangathana, Hariyali, GEV, NARAD, Raah Foundation and Bajaj Electricals Foundation.



₹ **2.39** crore  
Spent towards CSR activities



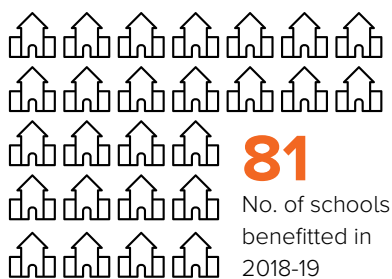
**135000**



No. of trees planted as at March, 2019

### Education & Community Development:

During the year, Bajaj Electricals Ltd. concentrated its efforts at promoting education and bridging the gap of availability of resources for the students. For this purpose through the school development program called Shiksha Vikas we worked in government aided and non-aided schools towards improving the infrastructure, water and sanitation, provided access to improved technological connect by setting up computer labs and providing E-learning kits; nurturing and mentoring through various capacity building programs for the holistic development of the students. These projects were implemented by us in partnership with Seva Sahayog Foundation, Saraswati Seva Foundation & Bajaj Electricals Foundation.



### Promotion of preventive health care:

We are working in the area of Tobacco control program under promoting preventive health care to promote "Yes to Life, No to Tobacco" focusing on our mission of eradicating tobacco consumption from society. Through

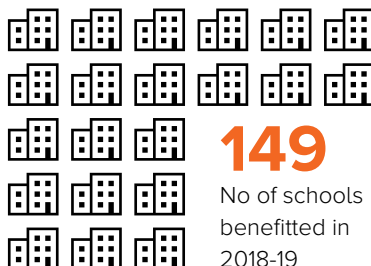
several initiatives such as Anti-tobacco awareness and cessation programs, we are working on creating tobacco free environment with NGO partners, while emphasizing on the importance of the tobacco free mission. This is done in partnership with various social organisations such as Salaam Mumbai Foundation.



**NO TOBACCO**

### Arts & Culture:

In the last one year, in the area of promotion of arts and culture we focused in encouraging art among high school children by conducting Balanand program across India with NGO partner Prafulla Dahanukar Art Foundation. We undertook programs such as revival of the livelihood of the weavers, post the Kerala Floods, by rebuilding their cluster and bringing their looms back to life, which are their only source of livelihood and income with Chendamangalam Handloom Co-operative Society Ltd. We also joined hands with the NGO YUVA Foundation and various local artists to create and promote traditional art in prominent locations in PrayagRaj.



### Other Initiatives:

We also participated in major running events across 6 cities in India. A total of 649 employees participated in support of our charity partners working in the field of environment and promotion of arts & culture.

Bajaj Electricals employees contributed their one-day salary, with an equivalent amount contributed via our CSR funds, towards relief and rehabilitation post Kerala floods, to improve the infrastructure in schools that were impacted by the floods, through our NGO partner Rajagiri Transcend.

Besides these, we undertook employee volunteering programs across our four focus areas - Green India, Clean India, Shiksha Vikas and Tobacco Control, wherein 3325 volunteering days were clocked by our employees across India. Thus, we created a pool of proud, engaged and motivated employees across the organisation, leading to a small but significant change in the lives of our stakeholders.



**3325**

Volunteering days were clocked by our employees across India

# New Product Launches

## Consumer Appliances & Fans



Juvel Kettle



RCX 1.8 Duo Rice Cooker



WX1 Wet Grinder



Majesty Canvas Green Iron



MX 16 Iron



Twister Fruity MG



Stormix MG



Hexagrind MG



Maverick MG



DC 102 Cooler



TMH Series Cooler



TC 103 Cooler



Harrier Anti-Germ BBD Fan



Euro NXG Anti-Germ BBD Fan



Edge HS Fan



Elegance Royale Anti-Germ BBD Fan

## Consumer Lighting



Raftaar LED Torch



Raftaar Duo Torch



Ivora LED Bulk Head



Ivora LED Linear Lamp



Corona LED



Ivora LED Panels



Surface Rims for Panels



LED Battens

## Morphy Richards Appliances



Bistro (M) Rice Cooker



Cook + Rice Cooker



Steamacook Rice Cooker



Electric Kettle Puro 1.7L



Electric Kettle Flamio 1.7L



Ultraglide Iron





# Empowering Lives. Spreading Happiness.



## EPC- Illumination, Power Transmission & Power Distribution



Shekhar Bajaj (CMD) & Anuj Poddar (ED) at our Power Distribution site in Gonda, Uttar Pradesh



Radiance LED



Verdant Nano



400kV Monopole Project at Noida for UPPTCL



Illuminated the Bogibeel Bridge - Dibrugarh, Assam



Freedom Series



Amaze

# Awards & Accolades

## IT:

Oracle  
Excellence  
Award

Chatbot  
implementation for  
Consumer Care.

CIO Power  
list Award  
2019

Manufacturing  
Icon.

MITS  
Leadership  
Award  
2019

Thought leader for  
re-imagining  
manufacturing.

Datacentre  
Summit and  
Awards  
2019

Technology  
Senate  
Award 2019

from Indian Express  
Group in Category  
'Enterprise Mobility'.

## Advertising:

Silver-  
MADDYS  
(Madras Ad  
Club Awards)

won by South India  
Mixer Grinder Ad

Bronze  
- E4M  
Primetime  
Awards

for #Magicoflight  
Film campaign.

## Consumer Products :

The Experts'  
Choice  
Awards :  
3rd Rank for  
FANS

ranked by leading  
Architects & Designers.



## R&D:

NABL  
Certificate of  
accreditation

Photometry Lab at  
ABSQ received

Filed 12  
patents

## EPC:

### Illumination:

"Fastest  
Growth  
Customer  
in LED  
Electronics"

at Growth Market  
OEM Conference  
organised by SIGNIFY  
at Shanghai (China).

### TLT:

'Best  
Performance'  
Award

in Safety (Transmission  
Line) Category from  
Power Grid Corporation of  
India Ltd.



# Statutory Reports



# Notice of the Annual General Meeting

## Pursuant to Section 101 of the Companies Act, 2013

NOTICE is hereby given that Eightieth (80th) Annual General Meeting ('AGM') of Bajaj Electricals Limited will be held on Wednesday, the 7th day of August, 2019 at 12.30 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021 to transact the following business:

### Ordinary Business:

#### Item No.1 – Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon

- a) To receive, consider and adopt the Audited Standalone Financial Statements of the Company, namely, (i) the Audited Balance Sheet as at March 31, 2019; (ii) the Audited Profit & Loss Account for the year ended on that date; (iii) the Cash Flow Statement for the financial year ended on that date; (iv) statement of changes in Equity, if any; (v) an Explanatory Note annexed to, or forming part of the documents referred to in (i) to (iv) above and the Reports of the Board of Directors and Auditors thereon; and
- b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company, namely, (i) the Audited Consolidated Balance Sheet as at March 31, 2019; (ii) the Audited Consolidated Profit & Loss Account for the year ended on that date; (iii) the Consolidated Cash Flow Statement for the financial year ended on that date; (iv) statement of changes in Equity, if any; (v) an Explanatory Note annexed to, or forming part of the documents referred to in (i) to (iv) above and the Report of the Auditors thereon.

#### Item No.2 – Declaration of Dividend

To declare a dividend of ₹3.50 per Equity Share of ₹2 each for the financial year ended March 31, 2019.

#### Item No.3 – Re-appointment of Director

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

### Special Business:

#### Item No.4 – Appointment of Smt. Pooja Bajaj (DIN: 08254455) as a Non-Executive Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, Smt. Pooja Bajaj (DIN: 08254455), who was appointed as an Additional Director of the Company with effect from November 1, 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

#### Item No.5 – Appointment of Shri Munish Khetrapal (DIN: 08263282) as an Independent Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, Shri Munish Khetrapal (DIN: 08263282), who was appointed as an Additional Director (Independent) of the Company with effect from November 1, 2018 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years upto October 31, 2023, not liable to retire by rotation.”

**Item No.6 – Appointment of Shri Rajiv Bajaj (DIN: 00018262) as a Non-Executive Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, Shri Rajiv Bajaj (DIN: 00018262), who was appointed as an Additional Director of the Company with effect from May 22, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

**Item No.7 – Appointment of Shri Anuj Poddar (DIN: 01908009) as a Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force), Shri Anuj Poddar (DIN: 01908009), who was appointed as an Additional Director of the Company with effect from November 1, 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**Item No.8 – Appointment of Shri Anuj Poddar (DIN: 01908009) as an Executive Director**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory

modification(s) and / or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company and subject to such other approvals as may be necessary, the consent of the member(s) of the Company be and is hereby accorded to the appointment of Shri Anuj Poddar (DIN: 01908009) as an Executive Director (“ED”) in the whole-time employment of the Company, w.e.f. November 1, 2018 for a period of 5 (five) years on such terms and conditions, including remuneration, as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee constituted / to be constituted by the Board) be and is hereby authorised to vary, alter, enhance, or widen the scope of remuneration (including Fixed Salary, Incentives & Increments thereto and retirement benefits) payable to Shri Anuj Poddar during his tenure to the extent permitted under Section 197 read with Schedule V of the Act and other applicable provisions, if any, of the Act, without being required to seek any further consent or approval of the member(s) of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, provided, however, that any such increase shall not exceed any amount permitted to be paid to Shri Anuj Poddar under applicable law without obtaining requisite approvals.

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein above or in the terms and conditions of his appointment, where in any financial year, during the tenure of Shri Anuj Poddar as ED of the Company, the Company has no profits or its profits are inadequate, Shri Anuj Poddar will be paid, then current remuneration (including Fixed Salary, Incentives & Increments thereto and retirement benefits) as minimum remuneration subject to necessary approvals and compliances as per the applicable provisions of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary, to give effect to the above resolution including agreeing to such amendment(s) / modification(s) in the aforesaid clauses as may be required by any authority or as may be deemed fit by the Board.”

**Item No.9 – Alteration of Articles of Association of the Company**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 14 and all other applicable provisions, if any, of the Companies Act,

2013 (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force) and subject to the approval of the Registrar of Companies, Mumbai, Maharashtra, consent of the members of the Company be and is hereby accorded to insert new clause(s) as mentioned below in the existing set of Articles of Association of the Company:

**(i) Following new 'Article 1A' be inserted below the Article 1**

**"1A. Applicability of Stock Exchange Regulations**

Notwithstanding anything contained herein in these Articles, any inconsistency as to clause or time stipulated therein with the regulations and conditions of Listing Agreement of Stock Exchanges, where the shares / securities of the Company are listed, shall stand modified so as to be consistent with the regulations and conditions of the listing agreement as amended from time to time.

Where any regulations and conditions as modified from time to time of any recognised stock exchange/s, which are required to be stipulated and included in the Articles of Association of the Company at the time of listing of shares / securities or thereafter, these Articles shall stand to have been modified or amended so as to include such regulation and condition without further requirement of alteration of the Articles of Association of the Company."

**(ii) Following new 'Article 222' be inserted below the Article 221**

**"222. Authorisations**

Wherever in the Act it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorised by its Articles, then and in that case these Articles hereby authorise and empower the Company and / or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein."

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof) of the Company be and is hereby authorised to take all such steps and actions for the purpose of making all such filings and registrations as may

be required in relation to the aforesaid amendments to the Articles of Association and further to do all such acts and deeds, matters and things as may be deemed necessary to give effect to this resolution and / or to delegate all or any of the powers conferred herein to any officer(s) / authorised representative(s) of the Company."

**Item No.10 – Ratification of Remuneration payable to Cost Auditors**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, the remuneration payable to Messrs R. Nanabhoy & Co., Cost Accountants (Firm Registration Number 000010), appointed by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof) of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, amounting to ₹1,43,000/- (Rupees One Lakh Forty Three Thousand only) (excluding all taxes and reimbursement of out-of-pocket expenses) be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT an approval of the Company be accorded to the Board and the Company Secretary of the Company to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

**Item No.11 – Borrowing by way of Issue of Securities**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42 and 71 of the Companies Act, 2013 (the "Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions of the Act and the Rules made thereunder, as may be applicable, and other applicable guidelines and regulations issued by the Securities and Exchange Board of India (SEBI) or any other law for the time being in force (including any statutory modification(s) and / or re-enactment(s) thereof, for the time being in force) and in terms of the Articles of Association of the Company, approval of the members of the Company be accorded to

authorise the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof) to borrow from time to time, by way of securities including but not limited to secured / unsecured redeemable Non-Convertible Debentures (NCDs) and / or Commercial Papers (CPs) to be issued under private placement basis, in domestic and / or international market, in one or more series / tranches aggregating upto an amount not exceeding ₹1,500 crore (Rupees One Thousand Five Hundred Crore only), issuable / redeemable at discount / par / premium, under one or more shelf disclosure documents, during the period of one year from the date of this Annual General Meeting, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs and / or CPs be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto; provided that the said borrowings shall be within the overall borrowing limit of the Company.

RESOLVED FURTHER THAT an approval of the Company be accorded to the Board of the Company to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

#### **Item No.12 – Approval for payment of remuneration to Non-Executive Directors**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and / or re-enactment(s) thereof for the time being in force), Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded to payment of commission to Directors other than Managing Director(s) / Whole-time Director(s) (hereinafter referred to as the "Non-Executive Directors"), in addition to sitting fees for attending meetings of the Board of Directors, Independent Directors, Committee(s) of the Board, etc. not exceeding in the aggregate, one per cent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 and other applicable provisions, if any, of the Act, to be paid to and distributed amongst the Non-Executive Directors in such amounts or proportions and in such manner as the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any

committee which the Board has constituted to exercise its powers, including powers conferred by this resolution) may determine and such payment shall be made in respect of the profits of the Company for each of the five years commencing from April 1, 2019.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and deeds as it may consider necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise as considered by the Board to be in the best interest of the Company."

#### **Item No.13 – Further Issue of Securities**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 23, Section 42, Section 62(1)(c), Section 71 and other applicable provisions of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, and other applicable provisions, if any (including any amendments, statutory modification(s) and / or re-enactment(s) thereof for the time being in force), provisions of the Memorandum of Association and Articles of Association of the Company, all other applicable laws, rules and regulations, the Foreign Exchange Management Act, 1999, including any amendments, statutory modification(s) and / or re-enactment(s) thereof, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, including any amendments, statutory modification(s) and / or re-enactment(s) thereof, the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004, including any amendments, statutory modification(s) and / or re-enactment(s) thereof, regulations for qualified institutions placement contained in Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), and such other statutes, clarifications, rules, regulations, circulars, notifications, guidelines, if any, as may be applicable, as amended from time to time issued by the Government of India ("Government of India"), the Ministry of Corporate Affairs, the Reserve Bank of India ("RBI"), BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE"), (NSE together with BSE, the "Stock Exchanges") where the equity shares of the Company of face value of ₹2 each ("Equity Shares") are listed, the Securities and Exchange Board of India ("SEBI") including the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), and any other

appropriate authority under any other applicable laws and subject to all other approval(s), consent(s), permission(s) and / or sanction(s) as may be required from various regulatory and statutory authorities, including the Government of India, the RBI, SEBI and the Stock Exchanges (hereinafter referred to as "Appropriate Authorities"), and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approval, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include any duly constituted committee thereof for the time being exercising the powers conferred by the Board), the approval of the shareholders of the Company, be and is hereby accorded to create, issue, offer and allot (including with provisions for reservation on firm and / or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter), for cash, in one or more tranches, with or without green shoe option, whether Rupee denominated or denominated in foreign currency, for an aggregate amount of up to ₹600 crore (Rupees Six Hundred Crore only) by way of one or more public and / or private offerings, and / or on preferential allotment basis including through a qualified institutions placement ("QIP") to "qualified institutional buyers" as defined in the SEBI ICDR Regulations, by way of an issue of Equity Shares or by way of an issue of any instrument or security including fully / partially convertible debentures or by way of a composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for Equity Shares, global depository receipts, American depository receipts, foreign currency convertible bonds or any other eligible securities (instruments listed above collectively with the Equity Shares to be hereinafter referred to as the "Securities") or any combination of Securities with or without premium, to be subscribed to in Indian and / or any foreign currencies by all eligible investors, including, resident or non-resident investors / foreign portfolio investors and / or incorporated bodies and / or trusts or otherwise / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions, insurance companies and any other category of persons or entities who are authorised to invest in the Securities of the Company as per extant regulations / guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and, whether or not such investors are members of the Company (collectively called "Investors"), to all or any of them, jointly or severally through an offer / placement document and / or other letter or circular or on a private placement basis, on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, including securities

premium, or its equivalent amount in such foreign currencies as may be necessary, including securities premium, or its equivalent amount in such foreign currencies as may be necessary inclusive of any premium and green shoe option attached thereto, in one or more tranche or tranches, at such price or prices, (whether at prevailing market price(s) or at permissible discount or premium to market price(s) in terms of applicable regulations) and on such terms and conditions as the Board may determine in consultation with the book running lead manager(s), with authority to retain over subscription up to such percentage as may be permitted by the Appropriate Authorities, including the discretion to determine the categories of Investors, considering the prevailing market conditions and other relevant factors wherever necessary, to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company, and where necessary in consultation with the book running lead managers and / or underwriters and / or stabilizing agent and / or other advisors or otherwise on such terms and conditions, including issue of Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and / or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be allotted on conversion / redemption / extinguishment of debt(s), rights attached to the warrants, period of conversion, fixing of record date or book closure terms if any, as the Board may in its absolute discretion decide, in each case subject to applicable law.

RESOLVED FURTHER THAT in case of issue and allotment of Securities by way of QIP in terms of Chapter VI of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations):

1. the Eligible Securities to be so created, offered, issued and allotted, shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
2. the allotment of the Eligible Securities, or any combination of the Eligible Securities as may be decided by the Board and subject to applicable laws, shall be completed within 365 days from the date of passing of the special resolution of the shareholders of the Company or such other time as may be allowed under the SEBI ICDR Regulations;
3. the Equity Shares issued shall rank pari passu in all respects including with respect to entitlement to dividend



with the existing Equity Shares of the Company in all respects as may be provided under the terms of issue and in accordance with the placement document(s);

4. the number and / or price of the Eligible Securities or the underlying Equity Shares issued on conversion of Eligible Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.
5. in the event Equity Shares are issued, the “relevant date” for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board or the committee of directors authorised by the Board decides to open the proposed issue of Equity Shares, subsequent to the receipt of members’ approval in terms of provisions of the Companies Act, 2013 and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of Equity Shares; in the event that Eligible Securities issued are eligible convertible securities, the relevant date for the purpose of pricing of the convertible securities to be issued, shall be, either the date of the meeting in which the Board or a committee of directors authorised by the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for Equity Shares, as decided by the Board.
6. the tenure of the convertible or exchangeable Eligible Securities issued through QIP shall not exceed sixty months from the date of allotment.
7. any issue of Eligible Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Part IV of Chapter VI of the SEBI ICDR Regulations (the “QIP Floor Price”). The Board may, however, subject to the approval of the shareholders of the Company, issue Equity Shares at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the QIP Floor Price; and
8. the Eligible Securities allotted in the QIP shall not be eligible for sale by the respective allottees, for a period of one year from the date of allotment, except on a recognised stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations.

RESOLVED FURTHER THAT, without prejudice to the generality of the above, the aforesaid Securities may have

such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose-off such of the Securities that are not subscribed.

RESOLVED FURTHER THAT, in pursuance of the aforesaid resolution the Equity Shares that may be issued by the Company (including issuance of Equity Shares pursuant to conversion of any Securities as the case may be in accordance with the terms of the offering) shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue, or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the nature of the issuance, terms and conditions for the issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, issue price and discounts permitted under applicable law, premium amount on issue / conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with merchant bankers, lead managers, legal advisors, depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s) or agreements including but not limited to the placement document and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or Stock Exchanges and sign all deeds, documents and writing and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and

ancillary in this connection, including in relation to utilisation of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers herein conferred by this resolution to any committee of Directors or subject to applicable law to the Director or any one or more executives of the Company to give effect to the above resolution.

RESOLVED FURTHER THAT Shri Shekhar Bajaj, Chairman & Managing Director, and Shri Mangesh Patil, Executive Vice President - Legal & Company Secretary be and are hereby severally or jointly authorised to do all such acts, things and deeds on behalf of the Company and make such filings with the regulatory authorities, including the Registrar of Companies, Maharashtra at Mumbai, to effectively implement this resolution.”

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED, STAMPED, SIGNED AND SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, PARTNERSHIP FIRMS, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY AS APPLICABLE, ISSUED ON BEHALF OF THE APPOINTING ORGANISATION. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.
  2. The Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of special businesses under Item Nos. 4-13 is annexed hereto.
  3. Members / Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
  4. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, July 27, 2019 to Wednesday, August 7, 2019 (both days inclusive) for the purpose of payment of dividend and Annual General Meeting.
  5. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid on and from Wednesday, August 14, 2019, to those Members whose names stand registered on the Company's Register of Members:
    - a) as Beneficial Owners as at the end of business hours on Friday, July 26, 2019 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in dematerialised form.
    - b) as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before Friday, July 26, 2019.
  6. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 and IEPF Rules, all shares on which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.
- The members / claimants whose shares, unclaimed dividend, etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by it from time to time. The members / claimant can file only one consolidated claim in a financial year as per the IEPF Rules.
- IN CASE OF JOINT HOLDERS ATTENDING THE MEETING, ONLY SUCH JOINT HOLDER WHO IS HIGHER IN THE ORDER OF NAMES WILL BE ENTITLED TO VOTE.

- It is in the members interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the investor's account on time.
7. Members who have not yet encashed their dividend warrant(s) from the financial year ended March 31, 2012 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company upto the year ended on March 31, 2011, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com) and Ministry of Corporate Affairs website: [www.mca.gov.in](http://www.mca.gov.in). Members are requested to contact Link Intime India Private Limited ("LinkIntime" / "Registrar and Share Transfer Agents"), Unit: Bajaj Electricals Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, the Registrar and Share Transfer Agents of the Company, to claim the unclaimed / unpaid dividends.
  8. Members are requested to intimate, indicating their folio number, the changes, if any, in their registered address, either to the Company's Registrar and Share Transfer Agents at the address mentioned above or to their respective Depository Participant ("DP") in case the shares are held in dematerialised form.
  9. Members are requested to note that, in order to avoid any loss / interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) they should submit their NECS / ECS details to the Company's Registrar and Share Transfer Agents. The requisite NECS / ECS application form can be obtained from the Company's Registrar and Share Transfer Agents. Alternatively, Members may provide details of their bank account quoting their folio numbers, to the Company's Registrar and Share Transfer Agents to enable them to print such details on the dividend warrants.
  10. As required by Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India, the relevant details of Director retiring by rotation and seeking appointment at the ensuing Annual General Meeting are given in the annexure to the Notice of the Annual General Meeting.
  11. Shareholders, intending to require information about the Financial Accounts to be approved at the Meeting, are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
  12. Members are requested to attend the meeting along with the copy of the Annual Report, already sent to them.
  13. The Company has designated an exclusive e-mail id [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com) to enable investors to register their complaints / queries, if any.
  14. The Securities and Exchange Board of India (SEBI) vide its earlier circulars have made the Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction. Members are requested to submit the PAN details to their respective DP in case of holdings in dematerialised form or the Company's Registrar and Share Transfer Agents in case of holdings in physical form, mentioning the correct folio number.
  15. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agents. In respect of shares held in demat form, the nomination form may be filed with the respective DP.
  16. Members holding shares in physical form are requested to consider converting their holdings in the dematerialised form. Members who are desirous to convert their physical holdings into dematerialised form shall contact the Company's Registrar and Share Transfer Agents at the address mentioned above.
  17. The Annual Report of the Company circulated to the Members of the Company will be made available on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com) and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited - [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited - [www.nseindia.com](http://www.nseindia.com).
  18. All documents referred to in the accompanying Notice and Statement setting out material facts are open for

inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12.00 p.m. upto Wednesday, August 7, 2019 being the date of the Annual General Meeting.

19. The Annual Report of the Company for the year ended March 31, 2019 along with Notice, process and manner of remote e-voting, Attendance Slip and Proxy Form are being sent by e-mail to those members who have registered their e-mail address with the Company or with their respective DP or Registrar and Share Transfer Agents of the Company. Members who are desirous to have a physical copy of the Annual Report should send a request to the Company's e-mail id viz., [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com) clearly mentioning their Folio number / DP and Client ID.
20. Updation of Members' details: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company / Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to furnish the above details to the Company or its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.
21. Information and other instructions relating to Remote E-voting and voting by Ballot Form are as under:

(1) In case of Remote E-voting:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Link Intime India Private Limited (LI IPL) on all Resolutions set forth in this Notice.

The remote e-voting period commences on August 4, 2019 (9:00 am IST) and ends on August 6, 2019 (5:00 pm IST). During this period members' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of August

1, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by LI IPL for voting thereafter. Once the vote on resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

- i. Log-in to e-voting website of LI IPL.
- ii. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- iii. Click on "Login" tab, available under 'Shareholders' section.
- iv. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- v. Your User ID details are given below:
  - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID.
  - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID.
  - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.
- vi. Your Password details are given below:-

If you are using e-voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

## For Shareholders holding shares in Demat Form or Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).  <ul style="list-style-type: none"> <li>Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number which is printed on Address Sticker / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB / DOI	Enter the DOB (Date of Birth) / DOI (Date of Incorporation) as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the Company records for the said demat account or folio number.  <ul style="list-style-type: none"> <li>Please enter the DOB / DOI or Bank Account number in order to register. If the above-mentioned details are not recorded with the depository participants or Company, please enter Folio number in the Bank Account number field as mentioned in instruction (v-c).</li> </ul>

If you are holding shares in demat form and had registered on e-voting system of LIPL: <https://instavote.linkintime.co.in>, and / or voted on earlier voting of any company then you can use your existing password to login.

If shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his / her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB / DOI, Dividend Bank

Details etc. and confirm. Password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Cast your vote electronically.

- vii. After successful login, you will be able to see the notification for e-voting on the home page of INSTAVote. Select / View "Event No" of the company, you choose to vote.
- viii. On the voting page, you will see "Resolution Description" and against the same the option "Favour / Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour / Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour / Against'.

You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour / Against'.

- ix. If you wish to view the entire Resolution details, click on the 'View Resolutions' file link.
- x. After selecting the appropriate option i.e. Favour / Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- xi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xii. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

**General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-voting system of LIPL: [https:// instavote.linkintime.co.in](https://instavote.linkintime.co.in) and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
  - During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
  - Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
  - In case the shareholders have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and Insta vote e-voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or call us :- Tel : 022 - 49186000.
- (2) In case of voting by using Ballot Forms:
- (i) In terms of Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Listing Regulations, the Company, in order to enable its members who do not have access to remote e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, is enclosing a Ballot Form along with Annual Report.
  - (ii) A member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Shri Anant B. Khamankar, Practicing Company Secretary (Membership No. FCS 3198; CP No. 1860), duly appointed by the Board of Directors of the Company at: Unit - Bajaj Electricals Limited, C/o. Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
  - (iii) Please convey your assent in column "FOR" and dissent in the column "AGAINST" by placing a tick (✓) mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.
- (iv) Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before Tuesday, August 6, 2019 (5.00 p.m. IST). The Ballot Forms received after the said date / time shall be strictly treated as if the reply from the member has not been received.
  - (v) Unsigned / incomplete Ballot Forms will be rejected. Scrutinizer's decision on validity of the Ballot Form shall be final.
  - (vi) A member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email to [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com) by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the Scrutinizer not later than Tuesday, August 6, 2019 (5.00 p.m. IST).
  - (vii) A member can opt for only single mode of voting i.e. either through remote e-voting or by Ballot Form. If a member casts vote by both modes, then voting done through remote e-voting shall prevail and vote by Ballot Form shall be treated as invalid. Members who have cast their vote by remote e-voting prior to the meeting may also attend the general meeting, however those members are not entitled to cast their vote again in the general meeting.
- (3) Tab Voting at AGM:
- The members who have not cast their vote either electronically or through Ballot Form, can exercise their voting rights by using Tab Voting facility at the venue of the meeting. The Company will make necessary arrangements in this regard at the venue.
- (4) Other Instructions:
- (a) The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on Thursday, August 1, 2019, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.
  - (b) In case a person has become a member of the Company after dispatch of AGM Notice but on or before the cut-off date for e-voting i.e., Thursday, August 1, 2019, he / she / it may vote following the instructions given above.
  - (c) The Board of Directors has appointed Shri Anant B. Khamankar, Practicing Company Secretary (Membership No. FCS 3198, CP Number 1860) as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

- (d) The scrutinizer shall immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and ballot paper in the presence of at least two witnesses who are not in the employment of the Company and within a period not exceeding 48 hours from the conclusion of the meeting submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorised by the Chairman in writing for counter signature.
- (e) The results shall be declared either by the Chairman or the person authorised by the Chairman in writing and the resolutions will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour thereof.
- (f) Promptly after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com) and on the LIIPL's website: <https://instavote.linkintime.co.in> and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same on their website.
- (g) The route map of the venue of the meeting is given at the end of the Notice. The prominent landmark for the venue is that it is 'Opposite INOX CR2'.

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No.4

In terms of the Appointment and Remuneration Policy of the Company (the "Policy") and pursuant to the recommendation of the Nomination and Remuneration Committee (the "Committee"), the Board of Directors of the Company (the "Board") at the meeting held on November 1, 2018, appointed Smt. Pooja Bajaj as Additional Non-Executive Director of the Company with effect from the said date. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the "Act"), Smt. Pooja Bajaj holds office upto the date of ensuing AGM.

Notice under Section 160 of the Act has been received from a member intending to propose the candidature of Smt. Pooja Bajaj for appointment as Director of the Company. Smt. Pooja Bajaj has given her consent to act as Director. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Additional information in respect of Smt. Pooja Bajaj, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing in Annexure-A to this Notice.

Smt. Pooja Bajaj, the proposed appointee, and her relatives are interested in this Resolution. Except Shri Shekhar Bajaj, who is father-in-law of Smt. Pooja Bajaj, none of the other Directors and Key Managerial Personnel of the Company, or their relatives, are interested, financially or otherwise, in this Resolution.

The Board recommends this Resolution set out at Item No.4 of the Notice for the approval of the members by way of Ordinary Resolution.

### Item No.5

In terms of the Appointment and Remuneration Policy of the Company (the "Policy") and pursuant to the recommendation of the Nomination and Remuneration Committee (the "Committee"), the Board of Directors of the Company (the "Board") at the meeting held on November 1, 2018, appointed Shri Munish Khetrpal as an Additional Director in the category of Independent Director with effect from the said date. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the "Act"), Shri Munish Khetrpal hold office upto the date of ensuing AGM and is eligible for appointment as Director of the Company. As per Section 149 of the Act, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and shall not be liable to retire by rotation.

Notice under Section 160 of the Act has been received from a member intending to propose the candidature of Shri Munish Khetrpal for appointment as Director of the Company. Shri Munish Khetrpal has given his consent to act as Director. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received declaration from him stating that he meets the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Additional information in respect of Shri Munish Khetrpal, pursuant to the Listing Regulations and the Secretarial Standard on General Meetings, is appearing in Annexure-A to this Notice.

Shri Munish Khetrpal, the proposed appointee, and his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, are interested, financially or otherwise, in this Resolution.

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

### Item No.6

In terms of the Appointment and Remuneration Policy of the Company (the "Policy") and pursuant to the recommendation of the Nomination and Remuneration Committee (the "Committee"), the Board of Directors of the Company (the "Board") at the meeting held on May 22, 2019, appointed Shri Rajiv Bajaj as an Additional Non-Executive Director of the Company with effect from the said date. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the "Act"), Shri Rajiv Bajaj holds office upto the date of ensuing AGM.

Notice under Section 160 of the Act has been received from a member intending to propose the candidature of Shri Rajiv Bajaj for appointment as Director of the Company. Shri Rajiv Bajaj has given his consent to act as Director. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Additional information in respect of Shri Rajiv Bajaj, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing in Annexure-A to this Notice.

Shri Rajiv Bajaj, the proposed appointee, and his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, are interested, financially or otherwise, in this Resolution.

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

### Item Nos.7 & 8

In terms of the Appointment and Remuneration Policy of the Company (the "Policy") and pursuant to the recommendation of the Nomination and Remuneration Committee (the "Committee"), the Board of Directors of the Company (the "Board") at the meeting held on November 1, 2018, appointed Shri Anuj Poddar as an Additional Director of the Company with effect from the said date. Pursuant to the provisions

of Section 161 of the Companies Act, 2013 (the "Act"), Shri Anuj Poddar holds office upto the date of ensuing AGM and is eligible for appointment as Director of the Company.

Notice under Section 160 of the Act has been received from a member intending to propose the candidature of Shri Anuj Poddar for appointment as Director of the Company. Shri Anuj Poddar has given his consent to act as Director. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. Once appointed, he would be liable to retire by rotation.

Further, in terms of the Policy and pursuant to the recommendation of the Committee, the Board has approved the appointment of Shri Anuj Poddar as an Executive Director ("ED") in the whole-time employment of the Company, w.e.f. November 1, 2018 for a period of 5 (five) years on the terms and conditions including remuneration as set out herein below:

- a) **Salary:** ₹6,00,000/- per month. Annual and accelerated increments may be decided by the Nomination & Remuneration Committee and / or the Board of Directors, based on merit and taking into account the Company's performance for the year.
- b) **Performance Incentive:** Based on the evaluation of performance on an annual basis, the ED will be paid incentive, which will be ₹65,70,000/- for 'Radical Rating', ₹45,00,000/- for 'Excellent Rating' and ₹27,44,000/- for 'Good Rating'. Accelerated increments / increases may be given by the Board of Directors from time to time at its absolute discretion.
- c) **Perquisites:** In addition to Salary and Performance Incentive as above, the following perquisites will also be paid and / or provided to him. Valuation of all perquisites shall be done in accordance with the provisions of the Income Tax Act, 1961 and rules made thereunder. In the absence of any such rule, perquisites shall be evaluated at actual cost.
  - (i) Housing Rent Allowance (HRA): ₹1,25,000/- per month or the Company provided furnished accommodation;
  - (ii) Additional Allowance: ₹2,00,000/- per month;
  - (iii) Other Allowance: ₹10,04,000/- per month;
  - (iv) Leave Travel Assistance (LTA): For self and family once in a year upto ₹2,00,000/- per annum;
  - (v) Medical Expenses: For self and family upto a limit of ₹15,000/- per annum;



- (vi) Telephone: Expenses towards usage of telephones installed at residence will be reimbursed by the Company at actual;
- (vii) Mobile Phone: Reimbursement at actual;
- (viii) Car: Provision of car for use of Company's business with reimbursement of fuel, maintenance and driver salary as per the rules of the Company; or car allowance of ₹75,000/- per month with reimbursement of fuel, maintenance and driver salary as per the rules of the Company;
- (ix) Provident Fund: The contribution towards Provident Fund as per the rules of the Company, will not be included in the computation of the ceiling on perquisites to the extent not taxable under the Income Tax Act, 1961 (at present, this is limited to 12% of the Basic Salary);
- (x) Gratuity: As per the rules of the Company;
- (xi) Leave and encashment of unavailed leave: As per rules of the Company;
- (xii) Entertainment Expenses: The ED will be entitled to reimbursement of entertainment expenses incurred in the course of business of the Company;
- (xiii) Club Membership: Ordinary membership of one club, the admission and annual membership fee whereof shall be borne by the Company;
- (xiv) Stock Options: As may be granted by Nomination & Remuneration Committee from time to time as per ESOP Schemes of the Company.
- (xv) Other perquisites and emoluments, including Group Mediclaim, Group Personal Accident Insurance and Group Term Life Insurance, as per the rules of the Company.

The above terms are subject to the applicable provisions of the Act, the Rules made thereunder and approval of the members.

Shri Anuj Poddar has over two decades of experience and has been associated with the Company for more than two years as an Independent Director. Prior to this, Shri Anuj Poddar has held leadership positions at Viacom18.

Considering his association with the Company and rich experience in various fields, the appointment of Shri Anuj Poddar as ED of the Company on the terms and conditions mentioned hereinabove would be beneficial to the Company.

The remuneration payable to ED shall be within the limits prescribed under Section 197 read with Schedule V and other applicable provisions, if any, of the Act. However, out of abundant caution and in view of the relevant extant provisions of the Act relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V to the Act which, inter-alia, prescribes that in case of no profits or inadequate profits, remuneration can be paid to a managerial personnel in accordance with the provisions of Section II, subject to the condition that a Special Resolution has been passed for payment of remuneration to a managerial personnel. Further, no approval of the Central Government is required for appointment and payment of remuneration to Shri Anuj Poddar as ED as he is functioning in a professional capacity and fulfills the conditions mentioned in Part I and Para B of Section II of Part II of Schedule V to the Act. Relevant information and disclosures prescribed in Schedule V to the Act are given in Annexure-B to this notice.

Additional information in respect of Shri Anuj Poddar, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing in the Annexure-A to this Notice.

Shri Anuj Poddar, the proposed appointee, and his relatives are interested in these resolutions. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, are interested, financially or otherwise, in the resolutions set out at Item Nos. 7 and 8 of the Notice.

The Board of Directors recommends the resolutions set out at Item Nos. 7 and 8 of the Notice for approval of the members by way of Ordinary Resolution and Special Resolution, respectively.

### **Item No.9**

For operational convenience, the Board of Directors in its meeting held on May 22, 2019 decided (subject to the approval of members) to insert two new articles, as stated in the resolution, in the existing set of Articles of Association ('AOA') of the Company.

Pursuant to provisions of Section 14 of the Companies Act, 2013, amendment of Articles of Association requires approval of members by way of Special Resolution. Accordingly, this matter has been placed before the members for their approval.

A copy of the existing AOA as well as draft of new set of Articles of the Company is available for inspection at the Registered Office of the Company during working hours on any working day, and is also available on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

None of the Directors or Key Managerial Personnel, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board of Directors recommends the resolution set out at Item No.9 of the Notice for approval of the members by way of Special Resolution.

### Item No.10

The Board of Directors, at its Meeting held on May 22, 2019, upon the recommendation of the Audit Committee, approved the appointment of Messrs R. Nanabhoy & Co., Cost Accountants having Firm Registration Number 000010, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the financial year ending March 31, 2020, at a remuneration of ₹1,43,000/- (Rupees One Lakh Forty Three Thousand only) (excluding all taxes and reimbursement of out-of-pocket expenses).

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, members of the Company are required to ratify the remuneration to be paid to the Cost Auditors of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.10 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the financial year ending March 31, 2020.

None of the Directors or Key Managerial Personnel, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

The Board of Directors recommends the resolution set out at Item No.10 of the Notice for approval of the members by way of Ordinary Resolution.

### Item No.11

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

In order to augment resources for, inter-alia, the ongoing capital expenditure, long term working capital / short term working capital and for general corporate purposes, the

Company may offer or invite subscription for securities including but not limited to secured / unsecured redeemable Non-Convertible Debentures and / or Commercial Papers, in one or more series / tranches on a private placement basis, in domestic and / or international market, issuable / redeemable at discount / par / premium.

The Company seeks to pass an enabling resolution to borrow funds from time to time by offer of securities including but not limited to Non-Convertible Debentures and / or Commercial Papers for an amount not exceeding ₹1,500 crore (Rupees One Thousand Five Hundred Crore only), at a discount or at par or at a premium and at such interest as may be appropriate considering the prevailing money market conditions at the time of borrowing but not exceeding 11.00% p.a.

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

Particulars	₹ in crore)	
	As at March 31, 2019	As at March 31, 2018
Paid-up Capital and Free Reserves	758.15	684.02
Outstanding Borrowings	1,582.21	723.10

The approval sought for offer of securities including but not limited to Non-Convertible Debentures and / or Commercial Papers, shall be within the overall borrowing limit of the Company in terms of Section 180 of the Act.

None of the Directors or Key Managerial Personnel, is concerned or interested, financially or otherwise, in the resolution set out at Item No.11 of the Notice.

The Board of Directors recommends the resolution set out at Item No.11 of the Notice for approval of the members by way of Special Resolution.

### Item No.12

Section 197 of the Companies Act, 2013 (the "Act") read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits payment of remuneration to Non-Executive Directors (the "Non-Executive Directors"), inter-alia, by way of commission, subject to approval of the members in the general meeting.

The members of the Company at the 75th AGM held on July 31, 2014, approved the remuneration payable to Non-Executive Directors of the Company by way of commission, in addition to sitting fees for attending the meetings of the Board of Directors or Committee(s) thereof, not exceeding in the aggregate, one percent per annum of the net profits of

the Company (computed in the manner referred to in Section 198 of the Act), for each of the five years commencing from April 1, 2014. The resolution was valid upto the financial year ended March 31, 2019.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors and to compensate them for their time and efforts in providing strategic inputs for growth of the business, approval of the members is sought to continue to pay commission for another term of five years commencing from April 1, 2019 to be paid and distributed amongst the Non-Executive Directors or some or any of them as may be decided by the Board of Directors. The aggregate of commission to all such Non-Executive Directors in a year shall not exceed one percent of net profits of the Company for that year. Payment of commission shall be in addition to the sitting fees paid for attending meetings of the Board of Directors, Independent Directors, Board's Committee(s), etc.

Shri Harsh Vardhan Goenka, Shri Madhur Bajaj, Dr. (Smt.) Indu Shahani, Dr. Rajendra Prasad Singh, Shri Siddharth Mehta, Smt. Pooja Bajaj, Shri Munish Khetrpal and Shri Rajiv Bajaj, Non-Executive Directors of the Company and Shri Shekhar Bajaj, relative of Shri Madhur Bajaj and Smt. Pooja Bajaj are concerned or interested in the Resolution. None of the other Directors, Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the resolution set out at Item No.12 of the Notice for approval of the members by way of Ordinary Resolution.

### **Item No.13**

In order to enable the Company to satisfy its existent debt obligations and for general corporate purposes, it requires sufficient resources including funds to be available and to be allocated, from time to time. It is, therefore, prudent for the Company to have requisite enabling approvals in place for meeting its funding requirements.

For this purpose, the Company has been exploring various options for raising funds by way of issue of Equity Shares or Global Depository Receipts ("GDRs") or American Depository Receipts ("ADRs") or Foreign Currency Convertible Bonds ("FCCBs") or fully convertible debentures / partly convertible debentures, preference shares convertible into Equity Shares, or any other security or financial instruments convertible into Equity Shares or securities linked to Equity Shares or any combination thereof (collectively referred to as "Securities") through a public offer or a private placement including through a preferential issue or a qualified institutions placement ("QIP") in accordance with the provisions of Chapters V and

VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") or any combination thereof for an amount aggregating up to ₹600 crore (Rupees Six Hundred Crore only).

The special resolution seeks to empower the Board or any duly constituted committee thereof to issue Securities as aforesaid including through an issue of prospectus or placement document to any eligible person, including qualified institutional buyers ("QIBs") as defined under the SEBI ICDR Regulations in accordance with Chapters V and VI of the SEBI ICDR Regulations, foreign / resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors, Indian and / or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds and / or any other categories of investors, whether they be holders of equity shares of the Company or not (collectively called the "Investors") as may be decided by the Board in its sole discretion and in accordance with applicable laws.

In case of a preferential issue or a QIP, since the pricing and other terms of the offering cannot be decided, except at a later stage, an enabling resolution is proposed, to give adequate flexibility and discretion to the Board to finalise the terms. However, the same would be in accordance with the SEBI ICDR Regulations or any other guidelines / regulations as may be applicable in case of an issue of the Securities to the Investors. The issue of Securities as aforesaid may be consummated in one or more tranches at such time or times at such price, at a discount or premium to market price in such manner and on such terms and conditions as the Board may in its absolute discretion decide taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, lead managers, underwriters and other experts subject to SEBI ICDR Regulations and other applicable laws, regulations, rules and guidelines. The Board may at its discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated above without the need for further approval from the members of the Company.

Further, in the event any issue of Securities is made by way of a QIP, the company is required to obtain prior approval of the shareholders by way of the special resolution. If approved by shareholders, the issue of Securities through QIP route shall be completed within one year from the date of passing of special resolution. Securities issued by way of a QIP shall in all respects rank pari passu with the existing equity shares of the Company at the time of allotment upon conversion into Equity Shares, as applicable.

The Company shall ensure that:

- a) the allotment of Securities shall be completed within 365 days from the date of resolution passed by the members of the Company.
- b) the Equity Shares shall rank pari passu in all respects, including in respect of entitlement to dividend with the existing Equity Shares, as may be provided under the terms of the QIP, and in accordance with the provisions of the placement document(s).
- c) the “relevant date” for the purposes of pricing of the Securities to be issued in the QIP shall be: (i) in case of allotment of Equity Shares, the date of meeting in which the Board or any other committee of the Board constituted thereof decides to open the proposed QIP; or (ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board or any other committee of the Board constituted thereof decides to open the QIP of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares.
- d) the issue of Equity Shares made by way of a QIP shall be at such price which is not less than the price determined in accordance with the pricing formula provided under SEBI ICDR Regulations (“QIP Floor Price”). The Board or any other committee of the Board constituted thereof may, however, at its absolute discretion, issue Equity Shares at a discount of not more than 5% on the QIP Floor Price, or such other discount as may be permitted under applicable law.
- e) the Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognised stock exchange, or except as may be permitted under the SEBI ICDR Regulations from time to time.
- f) the total amount of monies raised in such manner through the QIP, together with other QIP(s) made in the same financial year, if any, shall not exceed five times the net worth of the Company, as per the audited balance sheet of the Company of the previous financial year or as may be permitted from time to time by the SEBI ICDR Regulations.

The purpose and objects for the QIP are as stated below:

- (a) To repay the existent debt obligations of the Company; and
- (b) For general corporate purposes.

The Board of Directors, at its meeting held on May 22, 2019 has accorded its approval for raising of funds by the Company through issue of Securities, subject to members’ approval and such other approvals as may be required under the applicable laws.

The detailed terms and conditions for the offer of Equity Shares will be determined by the Board in consultation with the lead managers, placement agents and such other agency or agencies as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

None of the promoters or directors intend to make any contribution either as part of the QIP or in furtherance of the objects of the QIP.

Since the QIP may result in the issue of Equity Shares of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable rules notified by the MCA, the SEBI ICDR Regulations and any other law for the time being in force and being applicable and in terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The resolutions contained in Item No.13 of the accompanying notice, accordingly, seek shareholders’ approval through special resolution for raising funds as above through issue of Equity Shares in one or more tranches and authorising the Board of Directors (including any committee thereof authorised for the purpose) of the Company to complete all the formalities in connection with the issue of Equity Shares.

Directors or Key Managerial Personnel of the Company or their relatives may be deemed to be concerned or interested in the Resolution to the extent of their shareholding in the Company.

Your Directors recommend the passing of the Resolutions at Item No.13 as Special Resolutions respectively.

Except as stated above, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions as set out at Item No.13 of the notice.

# Annexure-A

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India regarding the Directors proposed to be appointed/re-appointed:

## Shri Madhur Bajaj

Director Identification Number	00014593
Date of Birth / Age	August 19, 1952 (67 years)
Qualifications	B.Com, MBA from Institute of Management Development, Lausanne, Switzerland.
Experience (including expertise in specific functional area) / Brief Resume	Industrialist with over 36 years of experience and a member of the Board since 1994. He is the recipient of the Vikas Rattan Award from the International Friendship Society of India, for enriching human life and outstanding achievements.
Appointment / Re-appointment	Re-appointment on retirement by rotation
Terms and Conditions of Appointment / Re-appointment	As per the Company's Appointment and Remuneration Policy.
Remuneration last drawn (including sitting fees, if any)	₹14.00 lakh (being sitting fee paid of ₹7.00 lakh and commission (provided for financial year 2018-19) of ₹7.00 lakh, for attending Board / Committee meetings)
Remuneration proposed to be paid	As per the Company's Appointment and Remuneration Policy.
Date of first appointment on the Board	November 28, 1994
Shareholding in the Company as on March 31, 2019	815035 (0.80%) equity shares of ₹2 each.
Relationship with other Directors / Key Managerial Personnel	Younger brother of Shri Shekhar Bajaj, Chairman & Managing Director of the Company and paternal uncle of Shri Rajiv Bajaj.
Number of meetings of the Board attended during the year	7 Board meetings held on May 23, 2018, June 15, 2018, August 9, 2018, November 1, 2018, January 2, 2019, February 7, 2019 and March 28, 2019
Directorships of other Boards as on March 31, 2019	Bajaj Holdings & Investment Limited; Maharashtra Scooters Limited; Bajaj Finance Limited; Bajaj Finserv Limited; Bajaj Auto Limited; Emerald Acres Private Limited; Sankalp Resorts Private Limited; Madhur Securities Private Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	Nil

## Smt. Pooja Bajaj

Director Identification Number	08254455
Date of Birth / Age	May 06, 1982 (37 years)
Qualifications	Commerce Graduate with specialisation in Foreign Trade and Post Graduate Diploma in Human Resource Management from St. Francis Collage for Women affiliated to Osmania University. She is a 1999-00 batch Gold Medalist from Nasr School, Hyderabad (A.P.) having secured first position in commerce. She completed her Masters in Management from the University of Leeds, UK in the year 2005-06. She has also participated in the Fourth Commonwealth-India Small Business Competitiveness Development Programme in the year 2006 and Mini-MBA Management Essentials Program in the year 2012.
Experience (including expertise in specific functional area) / Brief Resume	

Appointment / Re-appointment	Appointment
Terms and Conditions of Appointment / Re-appointment	As per the Company's Appointment and Remuneration Policy.
Remuneration last drawn (including sitting fees, if any)	₹9.00 lakh (being sitting fee paid of ₹5.00 lakh and commission (provided for financial year 2018-19) of ₹4.00 lakh, for attending Board / Committee meetings)
Remuneration proposed to be paid	As per the Company's Appointment and Remuneration Policy.
Date of first appointment on the Board	November 1, 2018
Shareholding in the Company as on March 31, 2019	130000 (0.13%) equity shares of ₹2 each.
Relationship with other Directors / Key Managerial Personnel	Daughter-in-law of Shri Shekhar Bajaj, Chairman & Managing Director.
Number of meetings of the Board attended during the year	4 Board meetings held on November 1, 2018, January 2, 2019, February 7, 2019 and March 28, 2019
Directorships of other Boards as on March 31, 2019	Nil
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	Member of Stakeholder Relationship Committee of the Company.

#### Shri Munish Khetrpal

Director Identification Number	08263282
Date of Birth / Age	August 26, 1970 (48 years)
Qualifications	Over 26 years of experience in IT industry, more particularly in GTM, Consulting and building Solutions for technology, services and software. He also has exposure in building Global Technology Businesses. His specific functional experience includes Go-to Market, Product Management, Technology Operations and Strategic Business Development.
Experience (including expertise in specific functional area) / Brief Resume	He is currently the Managing Director, for Solutions, with Cisco Systems. His responsibility involves building and managing technology-based solutions that help to address opportunities in cities, enterprise workspaces and residential homes. He has led transformational projects, joint ventures, PPP and driven key investments to develop new GTM capabilities for Cisco in industry solutions and cloud-based offerings.

Appointment / Re-appointment	Appointment
Terms and Conditions of Appointment / Re-appointment	As per the Company's Appointment and Remuneration Policy.
Remuneration last drawn (including sitting fees, if any)	₹8.50 lakh (being sitting fee paid of ₹4.50 lakh and commission (provided for financial year 2018-19) of ₹4.00 lakh, for attending Board / Committee meetings)
Remuneration proposed to be paid	As per the Company's Appointment and Remuneration Policy.
Date of first appointment on the Board	November 1, 2018
Shareholding in the Company as on March 31, 2019	Nil
Relationship with other Directors / Key Managerial Personnel	Not applicable
Number of meetings of the Board attended during the year	4 Board meetings held on November 1, 2018, January 2, 2019, February 7, 2019 and March 28, 2019
Directorships of other Boards as on March 31, 2019	Nil
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	Nil

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**Shri Rajiv Bajaj**

Director Identification Number	00018262
Date of Birth / Age	December 21, 1966 (52 years)
Qualifications	Shri Rajiv Bajaj, aged 52 years, graduated first in class, with distinction, in Mechanical Engineering from the University of Pune in 1988, and then completed his masters in Manufacturing Systems Engineering, with distinction, from the University of Warwick in 1990.
Experience (including expertise in specific functional area) / Brief Resume	<p>He has worked at Bajaj Auto in the areas of Manufacturing &amp; Supply Chain (1990-95), R+D and Engineering (1995-2000), and Marketing and Sales (2000-2005), and has been its Managing Director since April 2005 having joined the Board on March 5, 2002.</p> <p>He has been conferred with numerous prestigious awards including India's Top 100 Young Achievers Award, Auto Professional Man of the Year Award, India's 20 Top Powerful CEOs Awards, Business Leadership Awards, NDTV Profit Man of The Year, NDTV Profit: Business Leadership Awards 2007 and many more.</p>
Appointment / Re-appointment	Appointment
Terms and Conditions of Appointment / Re-appointment	As per the Company's Appointment and Remuneration Policy.
Remuneration last drawn (including sitting fees, if any)	Nil
Remuneration proposed to be paid	As per the Company's Appointment and Remuneration Policy.
Date of first appointment on the Board	May 22, 2019
Shareholding in the Company as on March 31, 2019	Nil
Relationship with other Directors / Key Managerial Personnel	Not applicable
Number of meetings of the Board attended during the year	Nil
Directorships of other Boards as on March 31, 2019	Bajaj Holdings & Investment Limited; Bajaj Finance Limited; Bajaj Finserv Limited; Bajaj Auto Limited; Rahul Securities Private Limited; Kamalnayan Investment and Trading Private Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	Nil

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**Shri Anuj Poddar**

Director Identification Number	01908009
Date of Birth / Age	July 15, 1974 (44 years)
Qualifications	He was a member of the Leadership Team at Viacom18. In his over-decade long stint with Viacom18 he has a string of accomplishments. He spearheaded the formation of Viacom18, its foray into mass entertainment with Colors and architected its very successful journey of becoming one of India's leading media and entertainment conglomerates. He also set-up Viacom18's operations in USA and UK, led the acquisition of the Indian Film Company leading to the set-up of Viacom18 Motion Pictures and has led strategy for MTV Networks Asia. He was also engaged in successfully repositioning and redefining the scale of the regional entertainment space in India.
Experience (including expertise in specific functional area) / Brief Resume	

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	<p>Prior to joining Viacom 18, he has had over a decade of myriad professional experience in strategy consulting, mergers &amp; acquisitions, advisory and assurance with Arthur Andersen and KPMG, besides running his own entrepreneurial ventures. In all his pursuits, he brings to fore a unique blend of business acumen, diverse experience and deep insight into human and consumer behavior that enable him to build and run strong successful businesses.</p> <p>He is a Fellow of the Inaugural Class of Aspen Institute's India Leadership Initiative and member of Aspen Global Leadership Network, Trustee of Ananta Centre, a member of BMW Foundation's World Young Leaders' Forum and has been on the Governing Council of CII-Young Indians. He has schooled in Mumbai, India and Michigan, USA and is a rank-holding Chartered Accountant.</p>
Appointment / Re-appointment	Appointment
Terms and Conditions of Appointment / Re-appointment	As per the resolutions at Item Nos. 7 & 8 of the Notice of AGM read with explanatory statement thereto.
Remuneration last drawn (including sitting fees, if any)	(i) As an Independent Director: ₹11.00 lakh (being sitting fee paid of ₹6.00 lakh and commission (provided for financial year 2018-19) of ₹5.00 lakh, for attending Board / Committee meetings); and (ii) As an Executive Director: ₹128.14 lakh.
Remuneration proposed to be paid	As per the resolutions at Item Nos. 7 & 8 of the Notice of AGM read with explanatory statement thereto.
Date of first appointment on the Board	May 30, 2016 (As an Independent Director)
Shareholding in the Company as on March 31, 2019	Nil
Relationship with other Directors / Key Managerial Personnel	Not applicable
Number of meetings of the Board attended during the year	7 Board meetings held on May 23, 2018, June 15, 2018, August 9, 2018, November 1, 2018, January 2, 2019, February 7, 2019 and March 28, 2019
Directorships of other Boards as on March 31, 2019	The Indian Society of Advertisers
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	Nil



# Annexure-B

Relevant information and disclosures prescribed in Schedule V to the Companies Act, 2013 are given below:

<b>I. General Information</b>																	
1. Nature of Industry	The Company is engaged in marketing of various consumer household and industrial goods including electric lamps and bulbs, lighting fittings and domestic appliances like fans, air-coolers, pressure cooker, ovens, toasters, heaters, geysers, mixer grinders and parts thereof; water purifier, water filters, etc., manufacturing and / or marketing electric fans and industrial items like highmasts, power transmission and in the implementation of turnkey projects.																
2. Date of Commencement of Commercial Production	Commercial operations commenced in the year 1938.																
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable																
4. Financial Performance based on given indicators	As per Standalone Audited Financials																
	(₹ in crore)																
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Financial Year 2018-19</th> </tr> </thead> <tbody> <tr> <td>Paid up Capital</td> <td>20.48</td> </tr> <tr> <td>Reserves excluding Revaluation Reserves</td> <td>1,057.22</td> </tr> <tr> <td>Total Income</td> <td>6,738.57</td> </tr> <tr> <td>Total Expenses</td> <td>6,479.13</td> </tr> <tr> <td>Profit before Tax</td> <td>259.44</td> </tr> <tr> <td>Tax Expenses</td> <td>92.37</td> </tr> <tr> <td>Profit after Tax</td> <td>167.07</td> </tr> </tbody> </table>	Particulars	Financial Year 2018-19	Paid up Capital	20.48	Reserves excluding Revaluation Reserves	1,057.22	Total Income	6,738.57	Total Expenses	6,479.13	Profit before Tax	259.44	Tax Expenses	92.37	Profit after Tax	167.07
Particulars	Financial Year 2018-19																
Paid up Capital	20.48																
Reserves excluding Revaluation Reserves	1,057.22																
Total Income	6,738.57																
Total Expenses	6,479.13																
Profit before Tax	259.44																
Tax Expenses	92.37																
Profit after Tax	167.07																
5. Foreign investments or collaborators, if any	The Company has not entered into any foreign collaboration and no direct capital investment has been made in the Company in the last three financial years. Foreign investors, mainly comprising NRIs, FIIs, FPIs, etc. are investors in the Company on account of past issuance of securities / secondary market purchase of the shares of the Company.																
<b>II. Information about the Appointee</b>																	
1. Background details	Kindly refer Annexure-A to the notice.																
2. Past remuneration	Kindly refer Annexure-A to the notice.																
3. Recognition or awards	Shri Anuj Poddar has been nominated as a Fellow of the prestigious Aspen Global Leadership Network. He was also nominated as a member of the Indo-German Young Leaders' Forum and continues as a member of BMW Foundation's World Responsible Leaders' Forum. These networks / forums comprise accomplished young leaders from across the world and from different walks of life that have a track record of high achievement in their chosen fields accompanied with a demonstrated commitment towards playing a broader role in shaping the society / world and working towards a higher purpose of common good.																

4. Job profile and his suitability	<p>Shri Anuj Poddar devotes his full time and attention to the business of the Company, subject to superintendence, control and directions of the Board.</p> <p>Shri Anuj Poddar has over two decades of experience and has been associated with the Company for more than 2 years, and his candidatures is compatible with the organisational requirements. It is felt that the Company would benefit under his leadership and guidance.</p>
5. Remuneration proposed	As mentioned in the explanatory statement.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Keeping in view the profile and the position of Executive Director, and the knowledge and experience of the proposed appointee, the remuneration is fully justifiable and comparable to that prevailing in the industry.
7. Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any	Besides the remuneration proposed and dividend paid / payable on the equity shares held by him (if any), Shri Anuj Poddar does not have any pecuniary relationship with the Company.
	Shri Anuj Poddar is not related to any managerial personnel of the Company.

### III. Other Information

1. Reasons of loss or inadequate profits	The Company is a profit making entity and does not envisage any loss or inadequate profits during the tenure of appointment of Shri Anuj Poddar. However, the Company proposes to obtain approval of the members by way of Special Resolution as an abundant caution in case profits are inadequate, to enable the Company to pay the managerial remuneration as stated in the resolution.
2. Steps taken or proposed to be taken for improvement	The Company takes various steps on a regular basis such as better product mix, cost control, borrowing at cheaper rate, improving efficiency, etc. Further, the management has adopted focused business strategies in all spheres of business activities to improve the sales and profitability of the Company.
3. Expected increase in productivity and profits in measurable terms	The Company is conscious about improvement in productivity and continually undertakes measures to improve its productivity and profitability. The Management is confident of achieving sustained revenue growth in the future.

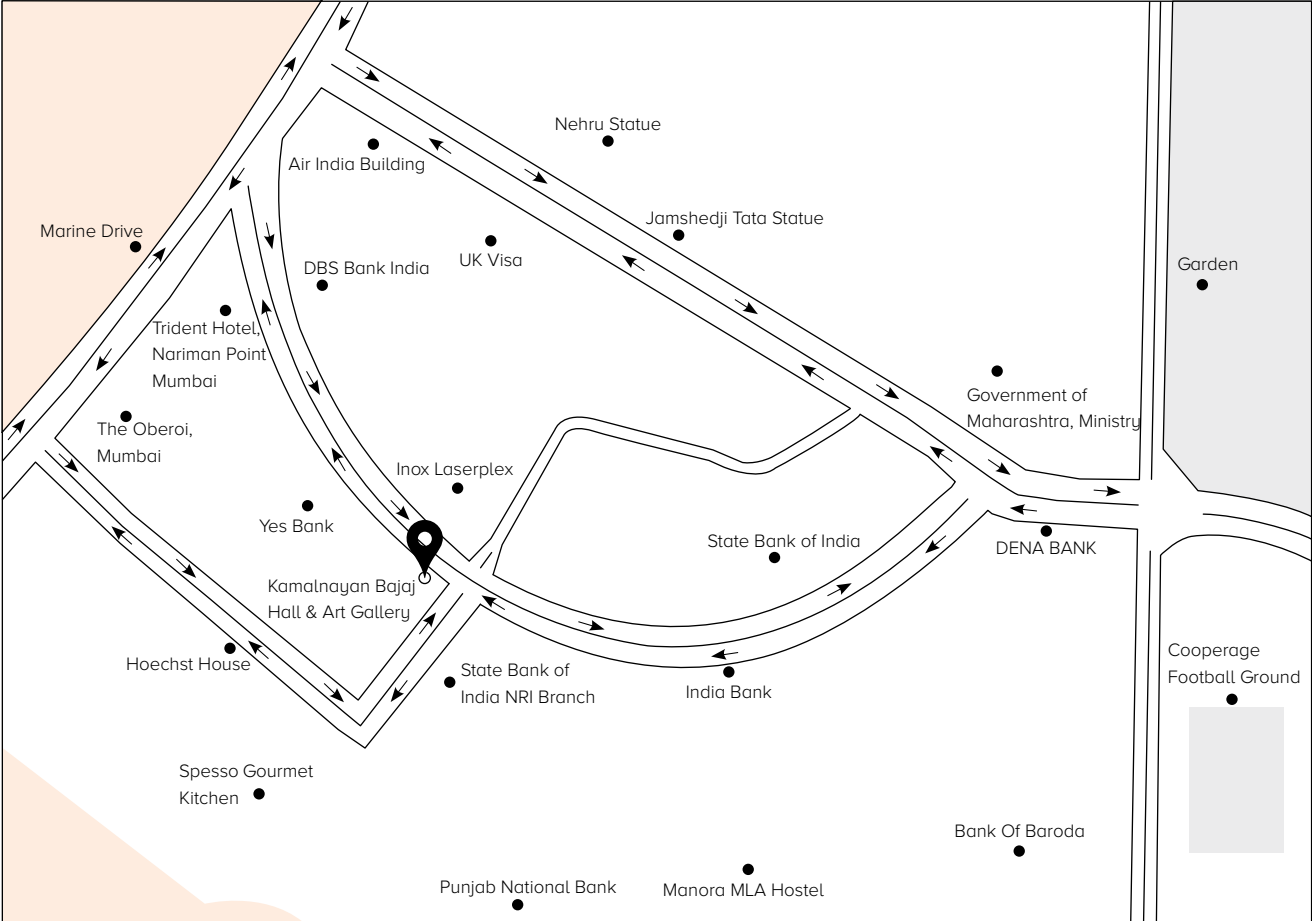
### IV Disclosures

The prescribed disclosures with respect to elements of remuneration package, details of fixed component and performance linked incentives, performance criteria, service contracts, notice period, severance fees and stock options details of all the Directors, as applicable, are given in the Corporate Governance section of the Annual Report for the Financial Year 2018-19.

# MAP SHOWING LOCATION OF THE VENUE OF 80TH ANNUAL GENERAL MEETING OF BAJAJ ELECTRICALS LIMITED

**Venue:**

Kamalnayan Bajaj Hall, Bajaj Bhavan,  
Jamnalal Bajaj Marg, Nariman Point,  
Mumbai 400 021



# Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 80th Annual Report of the Company, together with the audited financial statements for the financial year ended March 31, 2019. This Report states compliance as per the requirements of the Companies Act, 2013 (the "Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other rules & regulations as applicable to the Company.

## Financial Results

The highlights of the Standalone Financial Results are as under:

(Amount: ₹ in crore, except for EPS)

Particulars	FY 2018-19	FY 2017-18
Revenue from Operations & Other Income	6,738.57	4,769.58
Gross Profit before Finance Cost and Depreciation	413.78	346.63
Less: Finance Cost	115.88	58.86
Less: Depreciation	38.46	33.94
Profit / (Loss) before Exceptional Items and Tax	259.44	253.83
Exceptional Items	-	(89.36)
Profit / (Loss) before Taxes	259.44	164.47
Less: Provision for Tax expenses	92.37	80.85
Profit / (Loss) after Tax	167.07	83.62
Less: Other Comprehensive Income	4.29	(4.08)
Add: Balance in Profit & Loss Account	194.45	140.92
Less: Dividend including Dividend Distribution Tax paid during the year	43.10	34.18
Balance available for appropriation	314.13	194.45
Amount transferred to General Reserves	-	-
Basic EPS (₹)	16.34	8.23
Diluted EPS (₹)	16.30	8.19

The highlights of the Consolidated Financial Results are as under:

(Amount: ₹ in crore, except for EPS)

Particulars	FY 2018-19	FY 2017-18
Revenue from Operations & Other Income	6,744.36	4,769.58
Profit / (Loss) before Exceptional Items and Tax	243.51	253.83
Exceptional Items	-	78.79
Profit / (Loss) before Taxes before share of Profit / (Loss)	243.51	175.04
Share of Profit / (Loss) of subsidiaries, associates & joint ventures	(2.39)	(10.56)
Profit / (Loss) before Taxes	241.12	164.48
Less: Provision for Tax expenses	87.55	80.85
Profit / (Loss) for the period	153.58	83.63
Basic EPS (₹)	15.02	8.23
Diluted EPS (₹)	14.98	8.19

The financial results of the Company are elaborated in the Management Discussion and Analysis Report.

Return on Net Worth, Return on Capital Employed and Earnings Per Share (EPS) for the last four years and for the year ended March 31, 2019, are given below:

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Return on Net Worth (%)	15.50	8.85	12.35	12.72	N.A.
Return on Capital Employed (%)	14.13	18.81	17.54	26.89	7.79
Basic EPS (after exceptional items) (₹)	16.34	8.23	10.65	9.48	(1.39)

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statement relate on the date of this report.

As at March 31, 2019, the gross property, plant and equipment, investment property and other intangible assets including leased assets, stood at ₹455.86 crore and the net property, plant and equipment, investment property and other intangible assets, including leased assets at ₹322.29 crore. Capital Expenditure during the year amounted to ₹54.60 crore (₹31.52 crore in the previous year).

During the year, your Company did not accept any public deposits under Chapter V of Act.

The Company's cash and cash equivalent as at March 31, 2019 was ₹11.20 crore. Your Company manages cash and cash flow processes assiduously, involving all parts of the business. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring. Foreign Exchange transactions are partly covered. There are no materially significant uncovered exchange rate risks in the context of Company's imports and exports. The Company accounts for mark-to-market gains or losses every quarter end in line with the requirements of Ind AS 21.

During the year under review, your Company transferred a sum of ₹46.25 crore to the Debenture Redemption Reserve (Previous Year: Nil). The Company has not transferred any amount to the general reserves from retained earnings during the current financial year.

## Share Capital

The Paid-up Equity Share Capital as on March 31, 2019 was ₹20.48 crore. During the year under review, there was no public issue, rights issue, bonus issue, preferential issue, etc. made by the Company. The Company has not issued shares with differential voting rights. The increase in number

of shares is on account of issue of 362100 equity shares of ₹2 each to the employees upon their exercise of stock options. These shares were included, on weighted average basis, for the computation of EPS. Details of Directors' shareholding as on March 31, 2019, are mentioned in the Annexure to this Report in 'Form MGT-9'.

No disclosure is required under Section 67(3)(c) of the Act, in respect of voting rights not exercised directly by the employees of the Company, as the provisions of the said Section are not applicable.

The equity shares of the Company continue to remain listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The listing fees for financial year 2019-20 have been paid to both the stock exchanges.

## Depository System

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2019, 98.24% of the Company's total paid up capital representing 100593615 shares are in dematerialised form. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail the facility of dematerialisation from either of the Depositories viz. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

## Dividend & Dividend Distribution Policy

Your Directors are pleased to recommend a dividend of 175% (₹3.50) on 102399601 equity shares of ₹2 each for financial year 2018-19. The amount of dividend and tax thereon aggregates to ₹43.21 crore (previous year ₹43.10 crore). The dividend on equity shares, subject to the approval of the Members at the Annual General Meeting ("AGM") to be held on August 7, 2019, will be paid on or after August 14, 2019 to the Members whose names appear in the Register of Members as of the close of business hours on July 26, 2019; in respect of shares held in

dematerialised form, it will be paid to Members whose names are furnished by Depositories, as beneficial owners as of the close of business hours on that date.

Shares that may be allotted on exercise of stock options granted under the Employee Stock Option Scheme before the book closure date for payment of dividend will rank pari-passu with the existing shares and be entitled to receive the dividend.

As per Regulation 43A of the Listing Regulations, the top 500 listed companies shall formulate a dividend distribution policy. Accordingly, the policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or for retaining profits earned by the Company. This Policy can be accessed on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

### Issue of Debentures on Private Placement Basis

During the year under review, the Company issued 1850 Unsecured Listed Redeemable Non-Convertible Debentures

(NCDs) of ₹10,00,000/- each, aggregating to ₹185 crore, on private placement basis, in 3 options, Option A of 350 NCDs, Option B of 750 NCDs and Option C of 750 NCDs, which are listed on National Stock Exchange of India Limited (NSE) under ISIN 'INE193E08038', 'INE193E08020' and 'INE193E08012', respectively. Axis Trustee Services Limited is the Debenture Trustee for the Debentureholders, whose details are provided in the corporate governance section of the Annual Report. Further, pursuant to Regulation 53 of the Listing Regulations, disclosures in compliance with the Accounting Standard on "Related Party Disclosures" are given in the notes to the financial statements annexed to this Annual Report.

### State of Company Affairs / Operations

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

### Credit Rating

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

Instrument	Rating Agency	Rating	Outlook
Commercial Paper (CP)	ICRA Limited	ICRA A1+ (pronounced ICRA A one plus)	-
Line of Credit (LOC)	ICRA Limited	Short Term Rating - [ICRA] A1+ (pronounced ICRA A one plus)	-
		Long Term Rating - [ICRA] A+ (pronounced ICRA A plus)	Negative
Non-Convertible Debenture	ICRA Limited	[ICRA] A+ (pronounced as ICRA A plus)	Negative

### Related Party Transactions

In line with the requirements of the Act and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for related party transactions on a yearly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. Transactions entered into pursuant to omnibus approval are

verified by the Finance Department and a statement giving details of all related party transactions is placed before the Audit Committee and the Board for review and approval on a quarterly basis.

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

conflict with the interest of the Company at large. All related party transactions are mentioned in the notes to the accounts.

Your Directors draw attention of the members to Note No. 38 to the standalone financial statements which sets out related party disclosure.

## Particulars of Loans and Advances, Guarantees or Investments

Pursuant to Section 186 of the Act, the particulars of the loans given, investments made or guarantees given or security provided are given in the Notes to the financial statements forming part of this Report.

The details of loans and advances which are required to be disclosed in the Annual Report of the Company pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations are as under:

Name of the Company	Category	(Amount: ₹ in crore)	
		Balance as on March 31, 2019*	Maximum outstanding during the year*
Nirlep Appliances Private Limited	Subsidiary	16.00	16.00
Hind Lamps Limited	Associate	Nil	Nil
Starlite Lighting Limited	Joint Venture	2.80	2.80

\* Excluding trade advances.

## Significant and Material Orders Passed by The Regulators or Courts

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

## Corporate Social Responsibility

The Company is having a Policy on Corporate Social Responsibility ("CSR") and constituted a CSR Committee as required under the Act for implementing various CSR activities. Composition of the Committee and other details are provided in Corporate Governance Report.

The Company has implemented various CSR projects directly and / or through implementing partners and the projects undertaken by the Company are in accordance with Schedule VII of the Act.

Detailed report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure A, forming part of this Report.

## Business Responsibility Report

Regulation 34(2) of the Listing Regulations, inter-alia, provides that the Annual Report of the top 500 listed entities based on market capitalisation (calculated as on March 31 of every financial year), shall include a Business Responsibility Report ("BRR").

Your Company, being one of such top 500 listed entities, has included BRR, as part of the Annual Report, describing initiatives taken from an environmental, social and governance perspective.

As a green initiative, the BRR for financial year 2018-19 has been hosted on the website of the Company: [www.bajaelectricals.com](http://www.bajaelectricals.com). Any member interested in obtaining a copy of BRR may write to the Company Secretary.

## Corporate Governance

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

A certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

## Extract of Annual Return

As per provisions of Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the extract of Annual

Return in the Form MGT-9 is given in Annexure B, forming part of this Report. The same is also available on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

## Management Discussion and Analysis Report

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

## Whistle Blower Policy & Vigil Mechanism

The Company has a Whistle Blower Policy to report genuine concerns or grievances and to provide adequate safeguards against victimisation of persons who may use such mechanism. The Whistle Blower Policy has been posted on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

## Employees Stock Option Scheme

The Company implemented the Employees Stock Option Scheme ("ESOP Scheme") in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") as a measure to reward and motivate employees as also to attract and retain talent. There has been no material change in the ESOP Scheme during the year under review and the ESOP Scheme is in compliance with SEBI SBEB Regulations.

During financial year 2018-19, 467500 stock options were granted to the eligible employees at the market price prevailing on NSE as on the date of their grant. Details of the shares issued under ESOP Scheme, as also the disclosures in compliance with SEBI SBEB Regulations is uploaded on the website of the Company [www.bajajelectricals.com](http://www.bajajelectricals.com). No employee has been issued stock options, during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant. The issuance of equity shares pursuant to exercise of stock options does not affect the profit and loss account of the Company, as the exercise is made at the market price prevailing as on the date of the grant plus taxes as applicable.

The certificate from the Auditors of the Company which certifies that the ESOP Scheme has been implemented in accordance with SEBI SBEB Regulations and the resolutions passed by the shareholders would be placed at the AGM for the inspection by the members.

## Acquisition of Shareholding of Nirlep Appliances Private Limited

During the year, the Company entered into a Share Purchase and Shareholders Agreement ("SPSHA") with Nirlep Appliances Private Limited ("Nirlep") and its shareholders for the acquisition of entire shareholding of Nirlep in two tranches for a total cash consideration of ₹38.45 crore. In terms of SPSHA, during the year under review, the Company has, in tranche one acquired 79.85% of equity share capital of Nirlep for a cash consideration of ₹30.70 crore. Subsequent to this acquisition, Nirlep has become a subsidiary of the Company. The Company has a right to exercise call option and acquire the remaining equity shares for the balance consideration.

Nirlep, launched in 1968, is the pioneer of non-stick technology in India, and is today a brand that is synonymous with non-stick cookware. Apart from being the first company to launch non-stick coated cookware, Nirlep has many firsts to its credit such as first to export professional nonstick cookware to Europe, first to manufacture induction compatible nonstick cookware in India, and first to set up a fully automatic nonstick cookware manufacturing plant in India.

Nirlep acquisition will provide a portfolio of products which complements with the offerings of the Company and is a perfect synergic blend.

## Subsidiary, Joint Venture and Associate

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

Name of the Company	% of shareholding of the Company as on March 31, 2019	Status
Nirlep Appliances Private Limited ("Nirlep")	79.85	Subsidiary
Starlite Lighting Limited ("Starlite")	47.00	Joint Venture
Hind Lamps Limited ("Hind Lamps")	19.00	Associate

## Performance of Subsidiary, Joint Venture and Associate

**Nirlep** : The gross revenue of Nirlep for financial year 2018-19 stood at ₹48.83 crore (Previous Year: ₹44.99 crore). Loss for the year was at ₹21.98 crore (Previous Year Loss: ₹8.85 crore).



**Starlite:** The gross revenue of Starlite for financial year 2018-19 stood at ₹139.46 crore (Previous Year: ₹162.29 crore). Loss for the year was at ₹97.52 crore (Previous Year Loss: ₹109.87 crore).

**Hind Lamps:** The gross revenue of Hind Lamps for financial year 2018-19 stood at ₹57.71 crore (Previous Year: ₹42.18 crore). Loss for the year was at ₹12.58 crore (Previous Year Loss: ₹9.17 crore).

The policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of financial statements of subsidiary, associate and joint venture companies in Form AOC 1 is attached herewith as Annexure C to this Report.

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

## Consolidated Financial Statements

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

## Presentation of Financial Results

The financial results of the Company for the year ended March 31, 2019 have been disclosed as per Schedule III to the Act.

## Scheme of Arrangement for Demerger of Manufacturing Business of Hind Lamps Limited into the Company

In the Scheme of Arrangement for demerger of manufacturing business of Hind Lamps Limited into the Company under Sections 230-232 and other applicable provisions of the Act ("Scheme"), filed by the Company with the Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") under the Company Scheme Application No. 1027 of 2018, during the year, the Hon'ble NCLT vide its Order dated November 2, 2018 had directed to convene the meetings of equity shareholders, unsecured creditors and secured creditors of the Company to seek their approval to the Scheme. Accordingly, the meetings of the equity shareholders, unsecured creditors and secured creditors were held on February 21, 2019, February 22, 2019 and March 19, 2019, respectively, and in which the equity shareholders, unsecured creditors and secured creditors had given their approval to the Scheme. Subsequently, the Company has filed a Petition with the Hon'ble NCLT on March 28, 2019. The Scheme would be given effect on receipt of requisite approvals from the applicable statutory authorities.

## Directors

With deep regret, we report the sad demise of our Managing Director, Shri Anant Bajaj, on August 10, 2018. He played crucial leadership roles in the Company through-out his 19 years career with the Company, including his tenure as director on the Board of the Company since February 2006. Your Directors would like to place on record their highest gratitude and appreciation for his guidance to the Board during his tenure as a director.

The Board of Directors, on recommendation of the Nomination and Remuneration Committee appointed Shri Anuj Poddar as an additional director in the whole-time employment of the Company designated as Executive Director for a period of five (5) years with effect from November 1, 2018. He was earlier appointed as an Independent Director of the Company for a term of five (5) years, effective May 30, 2016, with the approval of the shareholders at the Annual General Meeting held on August 4, 2016. In consideration of his appointment as an Executive Director, he resigned as an Independent Director of the Company.

In terms of Section 161 of the Act, Shri Anuj Poddar holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing his name for the office of Director.

Accordingly, approval of shareholders is also being sought for his appointment as an Executive Director for a period of five (5) years with effect from November 1, 2018, which the Board recommends. Brief profile of Shri Anuj Poddar has been given in the Notice convening the Annual General Meeting.

Smt. Pooja Bajaj was appointed as an Additional Director in the category of Non-Executive Director with effect from November 1, 2018 and holds office upto the date of the ensuing Annual General Meeting. The Board recommends her appointment as Non-Executive Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting. Brief profile of Smt. Pooja Bajaj has been given in the Notice convening the Annual General Meeting.

Shri Munish Khetrpal was appointed as an Additional Director in the category of Non-Executive Independent Director with effect from November 1, 2018 and holds office upto the date of the ensuing Annual General Meeting. The Board recommends his appointment as Non-Executive Independent Director of the Company, not liable to retire by rotation, at the ensuing Annual General Meeting. Brief profile of Shri Munish Khetrpal has been given in the Notice convening the Annual General Meeting.

With the approval of the shareholders by a Special Resolution passed by postal ballot on March 26, 2019, Shri Harsh Vardhan Goenka, Dr. (Smt.) Indu Shahani and Dr. Rajendra Prasad Singh were re-appointed as Independent Directors w.e.f. April 1, 2019 for a second consecutive term of five years i.e. from April 1, 2019 to March 31, 2024.

Shri Ashok Jalan, an Independent Director, who had expressed his desire to step down from the directorship of the Company on the expiry of his first term on March 31, 2019, being pre-occupied with other activities, ceased to be a member of the Board of Directors of the Company on the expiry of his first term. He was a member of the Board for over 30 years, since his first appointment in January 1989. Your Directors would like to place on record their highest gratitude and appreciation for the seminal contribution made by Shri Ashok Jalan to the Board during his tenure as a director.

Shri Rajiv Bajaj was appointed by the Board as an Additional Director in the category of Non-Executive Director with effect from May 22, 2019 and holds office upto the date of the ensuing Annual General Meeting. The Board recommends his appointment as Non-Executive Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting. Brief profile of Shri Rajiv Bajaj has been given in the Notice convening the Annual General Meeting.

As on the date of this Report, the Company's Board comprises of ten (10) Directors, out of which, eight (8) are Non-Executive Directors (NEDs) including two (2) Woman Directors. NEDs represent 80% of the total strength. Further, out of the said eight (8) NEDs, five (5) are independent directors representing 50% of the total strength of the Board. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and also with the provisions of the Act.

### Director coming up for retirement by rotation

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Shri Madhur Bajaj, Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the members of the Company at the forthcoming Annual General Meeting. Brief profile of Shri Madhur Bajaj has been given in the Notice convening the Annual General Meeting.

### Independent Directors

The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation. All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

The terms and conditions of appointment of the Independent Directors are placed on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

In compliance with the requirement of Listing Regulations, the Company has put in place a familiarisation programme for the independent directors to familiarise them with their role, rights and responsibility as directors, the working of the Company, nature of the industry in which the Company operates, business model, etc. The details of familiarisation programme are explained in the Corporate Governance Report and the same are also available on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

### Number of Meetings of The Board

The details of the number of meetings of the Board held during the financial year 2018-19 forms part of the Corporate

Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and Listing Regulations.

### **Key Managerial Personnel (KMP)**

Pursuant to the provisions of Sections 2(51) and 203 of the Act, read with the Rules framed thereunder, the Board has designated Shri Shekhar Bajaj, Chairman & Managing Director, Shri Anant Purandare, President & Chief Financial Officer and Shri Mangesh Patil, EVP – Legal and Company Secretary and Compliance Officer, as KMPs of the Company. None of the KMPs of the Company has resigned during the year under review.

### **Committees of The Board**

The Board of Directors have the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Finance Committee
7. Debenture Committee

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

### **Board Evaluation**

Pursuant to the provisions of the Act and the Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Directors was completed during the year under review. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Director. The Board of Directors expressed their satisfaction with the evaluation process.

The manner in which the evaluation was conducted by the Company has been explained in the Corporate Governance Report, which forms part of this Annual Report.

### **Nomination, Remuneration and Board Diversity Policy**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-Executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

### **Risk and Internal Controls Adequacy**

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

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

### **Compliance with Secretarial Standards**

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

### **Reporting of Fraud**

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

## Risk Management

The Company has formulated a risk management policy and has in place a mechanism to inform the Board about risk assessment and minimisation procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework. These are discussed in detail in the Management Discussion and Analysis Report forming part of this Report.

## Auditors

### Statutory Auditors

The Members at the 78th Annual General Meeting of the Company held on August 3, 2017, had appointed Messrs S R B C & Co. LLP, Chartered Accountants (ICAI Registration No.324982E/E300003) as the Statutory Auditor of the Company to hold office for a term of five years i.e. upto the conclusion of 83rd Annual General Meeting of the Company to be held in 2022, subject to ratification of their appointment by the shareholders, every year. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. The Company has received a certificate from Messrs S R B C & Co. LLP, confirming that they are not disqualified from continuing as Statutory Auditors of the Company.

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

### Cost Auditors

Pursuant to Section 148 of the Act read with the Rules made thereunder, the cost audit records maintained by the Company in respect of its manufacturing activities are required to be audited. Messrs R. Nanabhoy & Co., Cost Accountants (Firm Registration No.000010) carried out the cost audit for applicable businesses during the year. The Board of Directors have appointed Messrs R. Nanabhoy & Co., Cost Accountants as Cost Auditors for the financial year 2019-20. As required under the Act, the remuneration payable to the Cost Auditors is required to be placed before the members in the general meeting for their ratification. Accordingly, a resolution seeking members ratification for the remuneration payable to Messrs R. Nanabhoy & Co., Cost Accountants, is included at Item No. 10 of the Notice of the ensuing Annual General Meeting.

The particulars of the Cost Auditors and cost audit conducted by them for financial year 2017-18 are furnished below:

ICWA Membership No.	7464
Registration No. of Firm	000010
Address	Jer Mansion, 70, August Kranti Marg, Mumbai 400 036
Cost Audit Report	Financial year 2017-18
Due date of filing of Report	September 30, 2018
Actual date of filing of Report	September 7, 2018

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereto, the Company engaged the services of Messrs Anant B. Khamankar & Co., Practicing Company Secretaries (Membership No. FCS 3198; CP No. 1860) to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2019. The Secretarial Audit Report in Form MR-3 is given in Annexure D, forming part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## Transfer to Investor Education and Protection Fund (IEPF)

### a) Transfer of Unpaid/Unclaimed Dividend to IEPF:

As required under Section 124 of the Act and in terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, unpaid / unclaimed dividend of ₹13,43,633/- pertaining to the financial year ended on March 31, 2011 were transferred during the year to the IEPF.

### b) Transfer of shares to Investor Education and Protection Fund Authority (IEPFA):

As required under Section 124 of the Act, 8336 equity shares of face value of ₹2 each, in respect of which dividend was not claimed by the members for seven consecutive years or more, have been transferred by the Company to IEPFA during the year. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

## Human Resources and Industrial Relations

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

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

## Environment, Health and Safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned compliances of environmental regulations and preservation of natural resources.

## Protection of Women at Workplace

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

been set up in compliance with the said Act. There were no cases of sexual harassment complaints received by the Company in financial year 2018-19.

## Particulars of Employees

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. The said information is available for inspection by the Members at the Registered Office of the Company on any working day of the Company upto the date of the 80th Annual General Meeting.

The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure F and forms part of this Report.

## Directors' Responsibility Statement

The Directors confirm that:

- a) in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

### Green Initiatives

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 80th Annual General Meeting of the Company is sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

### Appreciation and Acknowledgement

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment, without which your Company's achievements would not have been possible.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its suppliers, distributors, business partners and others associated with it as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be your Company's endeavour to build and nurture strong links with the trade

based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests. Your Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

### Annexures

The following annexures form part of this report:

- a) Annual Report on CSR Activities – Annexure A;
- b) Extract of Annual Return – Annexure B;
- c) Statement containing salient features of the financial statement of subsidiaries / associate / joint ventures companies – Annexure C;
- d) Secretarial Audit Report – Annexure D;
- e) Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo – Annexure E; and
- f) Disclosures with respect to the remuneration of Directors, KMPs and employees under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Annexure F.

For and on behalf of the Board

#### Shekhar Bajaj

Chairman & Managing Director  
DIN: 00089358

#### Anuj Poddar

Executive Director  
DIN: 01908009

#### Anant Purandare

President & CFO

#### Mangesh Patil

EVP - Legal and Company Secretary  
FCS No.: 4752

Mumbai  
May 22, 2019

# Annexure A to Directors' Report

## Annual Report on Corporate Social Responsibilities (CSR) Activities

### 1. Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

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

#### The four pillars of CSR:

- **Sustainability** – To ensure that the long-term business goals are aligned with sustainable development without compromising on the economic, environmental and social factors.
- **Gender Diversity** – To have a high performing inclusive work culture and commitment to attract and retain capable talent maintaining gender sensitivity and balance.
- **Employee Volunteering** – To reach out to all employees and drive the volunteering programs of the Company through collective social responsibility and strong individual commitment.
- **Community Outreach Programs** – To ensure the communities where we operate should also benefit.

#### Priorities under Community Outreach Programs:

- a. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swachh Bharat Kosh set-up by the central government for the promotion of sanitation and making available safe drinking water.
  - Promoting healthcare including preventive healthcare - continued support to Anti-Tobacco Program and campaign.
- b. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

- Support technical and vocational programs to generate employment.
  - Support social enterprises to enhance livelihoods, to reach the last mile who can have access to quality products & services.
  - Nurturing and mentoring schools and working towards their betterment.
- c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
  - d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set-up by the central government for rejuvenation of river Ganga).
    - Initiatives such as solar projects, off grid lighting, tree plantation and waste management.
    - Initiatives to support education and awareness on protecting the environment.
  - e. 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 art and handicrafts.
    - Initiatives such as promotion of traditional arts & crafts & encouraging young artists.
  - f. Measures for the benefit of armed forces veterans, war widows and their dependents.
  - g. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
  - h. Contribution to Prime Minister's National Relief Fund or any other fund set up by the central government for socio economic development and relief and welfare of the schedule castes, schedule tribes other backward classes, minorities and women.

- i. Contributions to technology incubators located within academic institutions which are approved by the central government.
- j. Rural development projects
- k. Slum area development

#### Core CSR Programs:

- (i) Green & Clean India
- (ii) Tobacco Control Program
- (iii) Shiksha Vikas – Bridge the Gap program
- (iv) Promotion of Art & Culture

CSR Policy of the Company has been posted on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

## 2. Composition of CSR Committee:

- a. Shri Shekhar Bajaj, Chairperson – Chairman & Managing Director

- b. Dr.(Smt.) Indu Shahani, Member – Independent Director; and
- c. Shri Siddharth Mehta, Member – Independent Director.

## 3. Average net profit of the Company for last three financial years: ₹22,421.89 lakh

## 4. Prescribed CSR expenditure (2% of the average net profit of the last three financial years):

The Company, during the financial year 2018-19, was required to spend ₹448.44 lakh towards CSR.

## 5. Details of CSR spent during the financial year:

- a. Total amount spent for the financial year: ₹239.84 lakh
- b. Amount unspent: ₹208.60 lakh

- c. Manner in which the amount spent during the financial year is detailed below:

(₹ in lakh)

Sr. No.	Name of implementation Agency	CSR project / activity identified	Sector in which the project is covered	Location of project / programme	Amount outlay / approved	Amount spent direct / overhead during the year	Cumulative expenditure upto the reporting period
1.	Direct Implementation In Partnership with: (i) Shri Chaitanya Seva Trust; (ii) Govardhan Eco Village (GEV); (iii) National Rural Research and Development Association (NARAD); and (iv) Green Yatra, Centre for Environmental Research and Education (CERE)	Green India - Tree Plantation	Ensuring environmental sustainability and promoting its education	PAN India	119.95	31.21 36.70	31.21 36.70
2.	NARAD			Maharashtra	11.50	0.50	11.10
3.	GEV			Maharashtra	42.70	21.35	21.35



(₹ in lakh)

Sr. No.	Name of implementation Agency	CSR project / activity identified	Sector in which the project is covered	Location of project / programme	Amount outlay / approved	Amount spent direct / overhead during the year	Cumulative expenditure upto the reporting period
4.	Stree Mukti Sangathana	Waste Management	Ensuring Environmental Sustainability and promoting its education	Maharashtra	21.12	2.11	21.12
5.	Direct Implementation			Maharashtra	10.89	6.34	10.89
6.	Seva Sahayog Foundation	Shiksha Vikas- School community Development project	Promotion of Education	Maharashtra, Bihar & Punjab	38.19	36.43	36.43
7.	Direct Implementation			Maharashtra & Punjab	10.00	4.37	4.37
8.	Prafulla Dahanukar Arts Foundation	Balanand Art Program	Promotion of Art & Culture	PAN India	17.1	0.83	17.1
9.	Bajaj Electricals Foundation (BEF)	Contribution to BEF	For different project such as Tree Plantation, Shiksha Vikas, Promotion of Art, Beach clean-up, Waste Management, Solar power, Research and Tobacco Control	(i) Ensuring environmental sustainability and promoting its education; (ii) Promotion of education; (iii) Promotion of Art & Culture; and (iv) Promoting preventive healthcare	101.62	100.00	100.00
<b>Total</b>						<b>239.84</b>	

## 6. Reasons for not spending 2% of the average net profit of the last three financial years:

- Few programs were in a pilot phase and new implementing partners were being identified;
- Each project is implemented phase wise and funds are released post completion of each phase; and
- Unspent amount, which is being carried forward to FY 2019-20, has already been committed to various projects under implementation.

**7. Responsibility Statement by the CSR Committee:** The implementation and monitoring of CSR activities is in Compliance with the CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Mumbai  
May 22, 2019

**Shekhar Bajaj**  
Chairperson  
DIN: 00089358

**Dr.(Smt.) Indu Shahani**  
Member  
DIN: 00112289

**Siddharth Mehta**  
Member  
DIN: 03072352

# Annexure B to Directors' Report

## Form No. MGT-9

### Extract of Annual Return

As on the Financial Year ended March 31, 2019

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

#### I. Registration & Other Details

i	Corporate Identity Number (CIN)	L31500MH1938PLC009887
ii	Registration date	July 14, 1938
iii	Name of the Company	Bajaj Electricals Limited
iv	Category / Sub-category of the Company	Public Company Limited by Shares
v	Address of the registered office & contact details	45/47, Veer Nariman Road, Mumbai – 400 001 Tel.: (022) 6149 7000 E-mail: legal@bajajelectricals.com Website: www.bajajelectricals.com
vi	Whether a listed company	Yes (listed on BSE and NSE)
vii	Name, address & contact details of the Registrar & Share Transfer Agent	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. Tel No: (022) 4918 6000; Fax: (022) 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.com

#### II. Principal Business Activities of the Company

Sr. No.	Name and description of main products/ services	National Industrial Classification Code of the product/service	% to total turnover of the Company
i.	Consumer Products	3562, 3630, 3640, 3641, 3642, 3643, 3648, 3649, 3680	41.07
ii.	Engineering, Procurement and Construction	3402, 3450, 3630, 3680	58.92

#### III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the company	CIN or Global Location Number	Holding / Subsidiary / Associate	% of shares held	Applicable section
i	Nirlep Appliances Private Limited Gut no. 16, Naigavahan, Khandewadi Taluka Paithan, Paithan Road, Naigavahan, Aurangabad - 431 105	U27200MH1979PTC021470	Subsidiary	79.85	
ii	Starlite Lighting Limited 6, MIDC, Satpur, Trimbak Road, Nashik – 422 007	U31300MH1995PLC090213	Joint Venture	47.00	Sections 2(87), 2(6) and 2(27) of the Act
iii	Hind Lamps Limited Shikohabad, Firozabad, Uttar Pradesh - 283 141	U27302UP1951PLC002355	Associate	19.00	

#### IV. Shareholding Pattern (Equity Share Capital breakup as percentage to total Equity)

##### i. Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual / HUF	21587678	-	21587678	21.16	21287678	-	21287678	20.79	(0.37)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	40954607	-	40954607	40.14	41254607	-	41254607	40.29	0.15
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Trust	1676200	-	1676200	1.64	1676200	-	1676200	1.64	-
<b>Total shareholding of Indian Promoters (A1)</b>	<b>64218485</b>	<b>-</b>	<b>64218485</b>	<b>62.94</b>	<b>64218485</b>	<b>-</b>	<b>64218485</b>	<b>62.71</b>	<b>(0.22)*</b>
<b>2. Foreign</b>									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of foreign Promoters (A2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoters (A) = (A1) + (A2)</b>	<b>64218485</b>	<b>-</b>	<b>64218485</b>	<b>62.94</b>	<b>64218485</b>	<b>-</b>	<b>64218485</b>	<b>62.71</b>	<b>(0.22)*</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	5476013	-	5476013	5.37	8352294	-	8352294	8.16	2.79
b) Banks / FIs	34499	17220	51719	0.05	69894	17220	87114	0.09	0.03
c) Central Govt.	225680	-	225680	0.22	-	-	-	-	(0.22)
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	9763647	156000	9919647	9.72	5834717	-	5834717	5.70	(4.02)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	180000	-	180000	0.18	449405	-	449405	0.44	0.26
<b>Sub-total (B1)</b>	<b>15679839</b>	<b>173220</b>	<b>15853059</b>	<b>15.54</b>	<b>14706310</b>	<b>17220</b>	<b>14723530</b>	<b>14.38</b>	<b>(1.16)</b>
<b>2. Non – Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	3802547	11710	3814257	3.74	2753475	11710	2765185	2.70	(1.04)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals (including HUF)	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	10246829	816026	11062855	10.84	13740942	694356	14435298	14.10	3.26
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2930077	1081200	4011277	3.93	1489391	1081200	2570591	2.51	(1.42)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c) Others									
Non-Resident Indians	407874	1500	409374	0.40	661151	1500	662651	0.65	0.25
Non-Resident (Non-Repatriable)	543569	-	543569	0.53	675388	-	675388	0.66	0.13
Foreign Nationals	42600	-	42600	0.04	45	-	45	0.00	(0.04)
Clearing Members	185307	-	185307	0.18	206963	-	206963	0.20	0.02
Trusts	1896718	-	1896718	1.86	1903672	-	1903672	1.86	-
IEPF	-	-	-	-	234016	-	234016	0.23	0.23
Foreign Portfolio Investor (Individual)	-	-	-	-	1200	-	1200	0.00	0.00
NBFCs registered with RBI	-	-	-	-	2577	-	2577	0.00	0.00
<b>Sub-total (B2)</b>	<b>20055521</b>	<b>1910436</b>	<b>21965957</b>	<b>21.53</b>	<b>21668820</b>	<b>1788766</b>	<b>23457586</b>	<b>22.91</b>	<b>1.38</b>
<b>Total Public Shareholding (B) = (B1)+(B2)</b>	<b>35735360</b>	<b>2083656</b>	<b>37819016</b>	<b>37.06</b>	<b>36375130</b>	<b>1805986</b>	<b>38181116</b>	<b>37.29</b>	<b>0.22</b>
<b>C. Shares held by Custodian for GDR ADRs (C)</b>									
<b>Grand Total(A)+(B)+(C)</b>	<b>99953845</b>	<b>2083656</b>	<b>102037501</b>	<b>100.00</b>	<b>100593615</b>	<b>1805986</b>	<b>102399601</b>	<b>100.00</b>	<b>-</b>

\* The decrease in % of total shares of the Promoters from 62.94% to 62.71% is due to allotment of 362100 shares on exercise of stock options by the employees.

## ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares	% of shares pledged/encumbered	No. of shares	% of total shares	% of shares pledged/encumbered	
<b>(A)</b>	<b>Individual/HUF</b>							
1	Kiran Bajaj	5252819	5.15	-	5252819	5.13	-	(0.02)
2	Anant Bajaj	4981823	4.88	-	4981823	4.87	-	(0.01)
3	Shekhar Bajaj	2500735	2.45	-	2500735	2.44	-	(0.01)
4	Niraj Bajaj	2193235	2.15	-	1893235	1.85	-	(0.30)
5	Rahulkumar Bajaj	1392580	1.36	-	1392580	1.36	-	0.00
6	Sunaina Kejriwal	965325	0.95	-	965325	0.94	-	(0.01)
7	Neelima Bajaj Swamy	900000	0.88	-	900000	0.88	-	0.00
8	Madhur Bajaj	815035	0.80	-	815035	0.80	-	0.00
9	Minal Bajaj	617200	0.60	-	617200	0.60	-	0.00
10	Geetika Bajaj	608346	0.59	-	608346	0.59	-	0.00
11	Nimisha Jaipuria	558000	0.54	-	558000	0.54	-	0.00
12	Niravnayan Bajaj	251000	0.25	-	251000	0.25	-	0.00
13	Kumud Bajaj	190200	0.19	-	190200	0.19	-	0.00
14	Pooja Bajaj	130000	0.13	-	130000	0.13	-	0.00
15	Suman Jain	99645	0.10	-	99645	0.10	-	0.00
16	Kriti Bajaj	90000	0.09	-	90000	0.09	-	0.00
17	Shefali Bajaj	30000	0.03	-	30000	0.03	-	0.00
18	Sanjivnayan Bajaj	10735	0.01	-	10735	0.01	-	0.00
19	Deepa Bajaj	1000	0.00	-	1000	0.00	-	0.00
<b>(A)</b>		<b>21587678</b>	<b>21.16</b>	<b>-</b>	<b>21287678</b>	<b>20.79</b>	<b>-</b>	<b>(0.37)</b>

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares	% of shares pledged/encumbered	No. of shares	% of total shares	% of shares pledged/encumbered	
<b>(B) Bodies Corporate</b>								
1	Jamnatal Sons Pvt Ltd	19872830	19.48	-	20172830	19.70	-	0.22
2	Bajaj Holdings and Investment Ltd	16697840	16.31	-	16697840	16.31	-	0.00
3	Hind Musafir Agency Ltd	1258000	1.23	-	1258000	1.23	-	0.00
4	Bajaj International Pvt Ltd	800000	0.78	-	800000	0.78	-	0.00
5	Baroda Industries Pvt Ltd	770000	0.75	-	770000	0.75	-	0.00
6	Hercules Hoists Ltd	554937	0.54	-	554937	0.54	-	0.00
7	Shekhar Holdings Pvt Ltd	480000	0.47	-	480000	0.47	-	0.00
8	Rahul Securities Pvt Ltd	415000	0.41	-	415000	0.41	-	0.00
9	Bachhraj Factories Pvt Ltd	95000	0.09	-	95000	0.09	-	0.00
10	Bajaj Sevashram Pvt Ltd	5000	0.00	-	5000	0.00	-	0.00
11	Bachhraj And Company Pvt Ltd	1000	0.00	-	1000	0.00	-	0.00
12	Kamalnayan Investment & Trading Pvt Ltd	1000	0.00	-	1000	0.00	-	0.00
13	Madhur Securities Pvt Ltd	1000	0.00	-	1000	0.00	-	0.00
14	Niraj Holdings Pvt Ltd	1000	0.00	-	1000	0.00	-	0.00
15	Rupa Equities Pvt Ltd	1000	0.00	-	1000	0.00	-	0.00
16	Sanraj Nayan Investments Pvt Ltd	1000	0.00	-	1000	0.00	-	0.00
	<b>(B)</b>	<b>40954607</b>	<b>40.14</b>	<b>-</b>	<b>41254607</b>	<b>40.29</b>	<b>-</b>	<b>0.15</b>
<b>(C) Trusts</b>								
1	Kiran Bajaj (as Trustee of GEETIKA TRUST NO. 2)	1210000	1.19	-	1210000	1.18	-	(0.01)
2	Niraj Bajaj (as Trustee of NIRAVNAYAN TRUST)	466200	0.46	-	466200	0.46	-	0.00
	<b>(C)</b>	<b>1676200</b>	<b>1.65</b>	<b>-</b>	<b>1676200</b>	<b>1.64</b>	<b>-</b>	<b>(0.01)</b>
	<b>(A)+(B)+(C)</b>	<b>64218485</b>	<b>62.94</b>	<b>-</b>	<b>64218485</b>	<b>62.71</b>	<b>-</b>	<b>(0.23)*</b>

\* The decrease in % of total shares of the Promoters from 62.94% to 62.71% is due to allotment of 362100 shares on exercise of stock options by the employees.

### iii. Change in Promoters' Shareholding

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
1	Kiran Bajaj	5252819	5.15	No change		5252819	5.13
2	Anant Bajaj	4981823	4.88	No change		4981823	4.87
3	Shekhar Bajaj	2500735	2.45	No change		2500735	2.44
4	Niraj Bajaj	2193235	2.15				
	Inter-se Market Sale			March 7, 2019	(300000)	1893235	
	At the end of the year					1893235	1.85

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
5	Rahul Kumar Bajaj	1392580	1.36	No change		1392580	1.36
6	Sunaina Kejriwal	965325	0.95	No change		965325	0.94
7	Neelima Bajaj Swamy	900000	0.88	No change		900000	0.88
8	Madhur Bajaj	815035	0.80	No change		815035	0.80
9	Minal Bajaj	617200	0.60	No change		617200	0.60
10	Geetika Bajaj	608346	0.59	No change		608346	0.59
11	Nimisha Jaipuria	558000	0.54	No change		558000	0.54
12	Niravnayan Bajaj	251000	0.25	No change		251000	0.25
13	Kumud Bajaj	190200	0.19	No change		190200	0.19
14	Pooja Bajaj	130000	0.13	No change		130000	0.13
15	Suman Jain	99645	0.10	No change		99645	0.10
16	Kriti Bajaj	90000	0.09	No change		90000	0.09
17	Shefali Bajaj	30000	0.03	No change		30000	0.03
18	Sanjivnayan Bajaj	10735	0.01	No change		10735	0.01
19	Deepa Bajaj	1000	0.00	No change		1000	0.00
20	Jamn Lal Sons Pvt Ltd	19872830	19.48				
	Inter-se Market Purchase			March 7, 2019	300000	20172830	19.70
	At the end of the year					20172830	19.70
21	Bajaj Holdings and Investment Ltd	16697840	16.31	No change		16697840	16.31
22	Hind Musafir Agency Ltd	1258000	1.23	No change		1258000	1.23
23	Bajaj International Pvt Ltd	800000	0.78	No change		800000	0.78
24	Baroda Industries Pvt Ltd	770000	0.75	No change		770000	0.75
25	Hercules Hoists Ltd	554937	0.54	No change		554937	0.54
26	Shekhar Holdings Pvt Ltd	480000	0.47	No change		480000	0.47
27	Rahul Securities Pvt Ltd	415000	0.41	No change		415000	0.41
28	Bachhraj Factories Pvt Ltd	95000	0.09	No change		95000	0.09
29	Bajaj Sevashram Pvt Ltd	5000	0.00	No change		5000	0.00
30	Bachhraj And Company Pvt Ltd	1000	0.00	No change		1000	0.00
31	Kamalnayan Investment & Trading Pvt Ltd	1000	0.00	No change		1000	0.00
32	Madhur Securities Pvt Ltd	1000	0.00	No change		1000	0.00
33	Niraj Holdings Pvt Ltd	1000	0.00	No change		1000	0.00
34	Rupa Equities Pvt Ltd	1000	0.00	No change		1000	0.00
35	Sanraj Nayan Investments Pvt Ltd	1000	0.00	No change		1000	0.00
36	Kiran Bajaj (as Trustee of GEETIKA TRUST NO. 2)	1210000	1.19	No change		1210000	1.18
37	Niraj Bajaj (as Trustee of NIRAVNAYAN TRUST)	466200	0.46	No change		466200	0.46

**iv. Shareholding pattern of Top Ten Shareholders** (Other than directors, promoters and holders of GDRs and ADRs)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
1.	Niraj Bajaj	750000	0.74	No change		750000	0.73
2.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Advantage Fund						
	Purchase			08 Jun 2018	100000	100000	0.10
	Purchase			30 Jun 2018	66500	166500	0.16
	Purchase			06 Jul 2018	32380	198880	0.19
	Purchase			07 Sep 2018	147500	346380	0.34
	Purchase			14 Sep 2018	152500	498880	0.49
	Purchase			21 Sep 2018	117000	615880	0.60
	Purchase			29 Sep 2018	133000	748880	0.73
	Purchase			02 Nov 2018	50000	798880	0.78
	Purchase			09 Nov 2018	30000	828880	0.81
	Purchase			23 Nov 2018	1272146	2101026	2.05
	Purchase			11 Jan 2019	61000	2162026	2.11
	Purchase			15 Feb 2019	157000	2319026	2.26
	Purchase			22 Feb 2019	168000	2487026	2.43
	Purchase			08 Mar 2019	26207	2513233	2.45
	Purchase			15 Mar 2019	13600	2526833	2.47
	At the end of the year					2526833	2.47
3.	Reliance Capital Trustee Co. Ltd- A/C Reliance Small Cap Fund	2078976	2.03				
	Sale			20 Apr 2018	(238000)	1840976	1.80
	Sale			27 Apr 2018	(102397)	1738579	1.70
	Sale			04 May 2018	(30740)	1707839	1.67
	Purchase			25 May 2018	50000	1757839	1.72
	Purchase			31 Aug 2018	250000	2007839	1.96
	Purchase			30 Nov 2018	44114	2051953	2.00
	Purchase			07 Dec 2018	44090	2096043	2.05
	Purchase			14 Dec 2018	144292	2240335	2.19
	Purchase			21 Dec 2018	143947	2384282	2.33
	Purchase			28 Dec 2018	15000	2399282	2.34
	Sale			18 Jan 2019	(65500)	2333782	2.28
	At the end of the year					2333782	2.28
4.	Caisse De Depot ET Placement DU Quebec-Enam Asset Management	1750000	1.71	No change		1750000	1.71

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
5.	Principal Trustee Co. Pvt. Ltd A/C - Principal Mutual Fund - Principal Hybrid Equity Fund	1310387	1.28				
	Sale			11 May 2018	(6500)	1303887	1.27
	Sale			25 May 2018	(15000)	1288887	1.26
	Sale			01 Jun 2018	(75876)	1213011	1.18
	Purchase			22 Jun 2018	751	1213762	1.19
	Sale			30 Jun 2018	(9000)	1204762	1.18
	Sale			06 Jul 2018	(9152)	1195610	1.17
	Sale			13 Jul 2018	(21950)	1173660	1.15
	Sale			20 Jul 2018	(23)	1173637	1.15
	Sale			27 Jul 2018	(27000)	1146637	1.12
	Purchase			03 Aug 2018	13	1146650	1.12
	Sale			17 Aug 2018	(221430)	925220	0.90
	Purchase			29 Sep 2018	147000	1072220	1.05
	Purchase			05 Oct 2018	47000	1119220	1.09
	Purchase			19 Oct 2018	48382	1167602	1.14
	Purchase			02 Nov 2018	75000	1242602	1.21
	Purchase			09 Nov 2018	157200	1399802	1.37
	Purchase			15 Feb 2019	67000	1466802	1.43
	Purchase			01 Mar 2019	9000	1475802	1.44
	Purchase			15 Mar 2019	2988	1478790	1.44
	Sale			22 Mar 2019	(51)	1478739	1.44
	At the end of the year					1478739	1.44
6.	Long Term India Fund	1097000	1.07	No change		1097000	1.07
7.	Bajaj Auto Employees Welfare Fund No-2	961900	0.94	No change		961900	0.94
8.	UTI- Infrastructure Fund	1110190	1.08				
	Sale			06 Apr 2018	(34510)	1075680	1.05
	Sale			13 Apr 2018	(83548)	992132	0.97
	Sale			20 Apr 2018	(81866)	910266	0.89
	Sale			25 May 2018	(18000)	892266	0.87
	Sale			08 Jun 2018	(9000)	883266	0.86
	Sale			15 Jun 2018	(9000)	874266	0.85
	Sale			22 Jun 2018	(9000)	865266	0.85
	Purchase			20 Jul 2018	14420	879686	0.86
	Sale			05 Oct 2018	(3889)	875797	0.86
	Sale			12 Oct 2018	(9000)	866797	0.85
	Sale			14 Dec 2018	(27000)	839797	0.82
	At the end of the year					839797	0.82



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
9.	HDFC Small Cap Fund	85000	0.08				
	Purchase			15 Mar 2019	42000	127000	0.12
	Purchase			22 Mar 2019	342000	469000	0.46
	Purchase			29 Mar 2019	251000	720000	0.70
	At the end of the year					720000	0.70
10.	Madhulika Agarwal	911213	0.89				
	Sale			13 Jul 2018	(21563)	889650	0.87
	Sale			20 Jul 2018	(139650)	750000	0.73
	Sale			27 Jul 2018	(50000)	700000	0.68
	At the end of the year					700000	0.68
11.	Ashish Kacholia	983445	0.96				
	Sale			11 May 2018	(91660)	891785	0.87
	Sale			18 May 2018	(253447)	638338	0.62
	Sale			25 May 2018	(104893)	533445	0.52
	Sale			13 Jul 2018	(33445)	500000	0.49
	Sale			27 Jul 2018	(50000)	450000	0.44
	Sale			30 Mar 2019	(50000)	400000	0.39
	At the end of the year					400000	0.39
12.	Aditya Birla Sun Life Insurance Company Limited	1314321	1.28				
	Sale			06 Apr 2018	(271540)	1042781	1.02
	Sale			13 Apr 2018	(113720)	929061	0.91
	Sale			20 Apr 2018	(92600)	836461	0.82
	Sale			27 Apr 2018	(31570)	804891	0.79
	Sale			25 May 2018	(194900)	609991	0.60
	Sale			01 Jun 2018	(180643)	429348	0.42
	Sale			15 Jun 2018	(12800)	416548	0.41
	Sale			06 Jul 2018	(48600)	367948	0.36
	Sale			13 Jul 2018	(25820)	342128	0.33
	Sale			27 Jul 2018	(340328)	1800	0.00
	Sale			29 Sep 2018	(1800)	0	0.00
	Purchase			15 Mar 2019	76677	76677	0.07
	Sale			22 Mar 2019	(69875)	6802	0.01
	At the end of the year					6802	0.01
13.	MSD India Fund Ltd.	1494127	1.46				
	Purchase			13 Apr 2018	32013	1526140	1.49
	Purchase			08 Jun 2018	234971	1761111	1.72
	Purchase			22 Jun 2018	32000	1793111	1.75
	Purchase			30 Jun 2018	64000	1857111	1.81
	Purchase			06 Jul 2018	33000	1890111	1.85
	Purchase			20 Jul 2018	13000	1903111	1.86

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
	Sale			10 Aug 2018	(110000)	1793111	1.75
	Purchase			17 Aug 2018	46850	1839961	1.80
	Purchase			24 Aug 2018	19000	1858961	1.82
	Purchase			07 Sep 2018	32500	1891461	1.85
	Sale			19 Oct 2018	(20305)	1871156	1.83
	Sale			26 Oct 2018	(209659)	1661497	1.62
	Sale			02 Nov 2018	(132022)	1529475	1.49
	Sale			09 Nov 2018	(243677)	1285798	1.26
	Sale			16 Nov 2018	(1025000)	260798	0.25
	Sale			23 Nov 2018	(260798)	0	0.00
	At the end of the year					0	0.00

#### v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
1.	Anant Bajaj	4981823	4.88	No change		4981823	4.87
2.	Madhur Bajaj	815035	0.80	No change		815035	0.80
3.	Shekhar Bajaj	2500735	2.45	No change		2500735	2.44
4.	Pooja Bajaj	130000	0.13	No change		130000	0.13
5.	Anant Purandare (CFO)	12846	0.01				
	ESOP			30 Aug, 2018	1250	14096	0.01
	At the end of the year					14096	0.01
6.	Mangesh Patil (CS)	1967	0.00				
	ESOP			30 Aug, 2018	1250	3217	0.00
	At the end of the year					3217	0.00

## V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

(Amount: ₹ in lakh)					
Sr. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>i</b>	<b>Indebtedness at the beginning of the financial year</b>				
	(a) Principal amount	13,142.43	59,167.98	-	72,310.41
	(b) Interest due but not paid	0.17	68.75	-	68.92
	(c) Interest accrued but not due	60.88	14.63	-	75.51
	<b>Total [(a) + (b) + (c)]</b>	<b>13,203.48</b>	<b>59,251.36</b>	<b>-</b>	<b>72,454.84</b>
<b>ii</b>	<b>Change in Indebtedness during the financial year</b>				
	Addition	10,314.58	367,898.86	-	378,213.43
	Reduction	11,077.91	281,225.42	-	292,303.33
	<b>Net Change</b>	<b>(763.33)</b>	<b>86,673.44</b>	<b>-</b>	<b>85,910.10</b>
<b>iii</b>	<b>Indebtedness at the end of the financial year</b>				
	(a) Principal amount	12,379.10	145,841.42	-	158,220.52
	(b) Interest due but not paid	2.19	186.24	-	188.42
	(c) Interest accrued but not due	15.75	609.26	-	625.01
	<b>Total [(a) + (b) + (c)]</b>	<b>12,397.04</b>	<b>146,636.92</b>	<b>-</b>	<b>159,033.96</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### i. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount: ₹ in lakh)					
Sr. No.	Particulars of remuneration	Shekhar Bajaj (CMD)	Anant Bajaj (MD)	Anuj Poddar (ED)	Total
1.	Gross salary				
	(a) Salary as per the provisions contained in Section 17(1) of the Income-tax Act, 1961 ("IT Act")	228.67	541.66	124.38	894.71
	(b) Value of perquisites under Section 17(2) of IT Act	56.97	29.46	0.16	86.59
	(c) Profits in lieu of salary under Section 17(3) of IT Act	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission provided for FY 2018-19	517.04	79.77	-	596.81
	Commission as % of Profit	2.00	0.31	-	2.31
5.	Others				
	- Company Contribution to PF	22.92	8.38	3.60	34.90
	- Company Contribution to Superannuation	28.65	10.47	-	39.12
	- Gratuity	15.91	5.81	-	21.72
	<b>Total (A)</b>	<b>870.16</b>	<b>675.55</b>	<b>128.14</b>	<b>1,673.85</b>
	Ceiling as per the Act	₹2,585.20 lakh (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

#### Notes:

- Shri Anant Bajaj, Managing Director ceased to be a director of the Company on demise on August 10, 2018.
- Shri Anuj Poddar who was earlier appointed as an Independent Director of the Company on May 30, 2016 resigned as such in consideration of his appointment as an Executive Director on November 1, 2018. He is appointed as an additional director in the whole-time employment, designated as Executive Director, for a period of 5 years with effect from November 1, 2018, subject to the approval of the shareholders at the ensuing AGM.
- Commission payable to Shri Anant Bajaj is provided on pro rata basis for the period of his service during the year.

## II. Remuneration to other Directors

(Amount: ₹ in lakh)					
Sr. No.	Name	Fee for attending Board/Committee Meetings	Commission provided for FY 2018-19	Others, please specify	Total
1	<b>Independent Director(s)</b>				
	Harsh Vardhan Goenka	6.50	6.00	-	12.50
	Ashok Jalan <sup>1</sup>	18.00	12.00	-	30.00
	Dr. Rajendra Prasad Singh	7.50	7.00	-	14.50
	Dr. (Smt.) Indu Shahani	16.00	12.00	-	28.00
	Anuj Poddar <sup>2</sup>	6.00	5.00	-	11.00
	Siddharth Mehta	13.00	10.00	-	23.00
	Munish Khetrpal <sup>3</sup>	4.50	4.00	-	8.50
	<b>Total (B1)</b>	<b>71.50</b>	<b>56.00</b>	<b>-</b>	<b>127.50</b>
2.	<b>Other Non-executive Director(s)</b>				
	Madhur Bajaj	7.00	7.00	-	14.00
	Smt. Pooja Bajaj <sup>3</sup>	5.00	4.00	-	9.00
	<b>Total (B2)</b>	<b>12.00</b>	<b>11.00</b>	<b>-</b>	<b>23.00</b>
	<b>Total (B) (B1+B2)</b>	<b>83.50</b>	<b>67.00</b>	<b>-</b>	<b>150.50</b>
	Overall ceiling as per the Act <sup>4</sup>				258.52

### Notes:

- Shri Ashok Jalan ceased to be a director on expiry of his first term as Independent Director on March 31, 2019.
- Shri Anuj Poddar, who was earlier appointed as an Independent Director of the Company on May 30, 2016 resigned as such in consideration of his appointment as an Executive Director on November 1, 2018. He is appointed as an additional director in the whole time employment, designated as Executive Director, for a period of 5 years with effect from November 1, 2018 subject to the approval of the shareholders at the ensuing AGM.
- Smt. Pooja Bajaj was appointed as an Additional Director in the category of Non-Executive Director and Shri Munish Khetrpal was appointed as an Additional Director in the category of Non-Executive Independent Director for a term of 5 years with effect from November 1, 2018.
- Being 1% of the net profit of the Company calculated as per Section 198 of the Act. Pursuant to the provisions of Section 197(2) of the Act, the sitting fees paid shall not be considered while computing the said ceiling of 1%.

## iii. Remuneration to Key Managerial Personnel other than MD / WTD / Manager

(Amount: ₹ in lakh)				
Sr. No.	Particulars of remuneration	Anant Purandare (CFO)	Mangesh Patil (Company Secretary)	Total
1.	Gross salary			
	(a) Salary as per the provisions contained in Section 17(1) of the IT Act	93.70	61.24	154.95
	(b) Value of perquisites under Section 17(2) of IT Act	2.32	2.07	4.39
	(c) Profits in lieu of salary under Section 17(3) of IT Act	-	-	-
2.	Stock Option	3.67	3.67	7.34
3.	Sweat Equity	-	-	-
4.	Commission provided for FY 2018-19	-	-	-
	Commission as % of Profit	-	-	-
5.	Others			
	- Company Contribution to PF	2.31	2.01	4.32
	- Company Contribution to Superannuation	2.89	2.51	5.40
	- Gratuity	0.88	0.79	1.67
	<b>Total</b>	<b>105.76</b>	<b>72.30</b>	<b>178.06</b>
	Ceiling as per the Act	-	-	-

## VII. Penalties/Punishment/Compounding of Offences

During the year under review, no penalty was levied against the Company, its Directors or any of its Officers under the Companies Act, 2013 and also there was no punishment or compounding of offences against the Company, its Directors or any of its Officers under the Companies Act, 2013.

For and on behalf of the Board of Directors

Mumbai  
May 22, 2019

**Shekhar Bajaj**  
Chairman & Managing Director  
DIN: 00089358

# Annexure C to Directors' Report

## Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiary, associate and joint venture

### Part A: Subsidiary

Sr. No.	Particulars	(₹ in lakh)	
		Nirlep Appliances Private Limited	
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not applicable	
3	Share capital	743.56	
4	Reserves & Surplus	(2,519.83)	
5	Total Assets	3,578.85	
6	Total Liabilities	5,355.13	
7	Investments	2.29	
8	Turnover	4,883.28	
9	Profit before taxation	(2,186.28)	
10	Provision for taxation	11.59	
11	Profit after taxation	(2,197.87)	
12	Proposed dividend	Nil	
13	% of shareholding of the Company in the Subsidiary	79.85	

Names of subsidiaries which are yet to commence operations: Not applicable

Names of subsidiaries which have been liquidated or sold during the year: Not applicable

### Part B: Associate and Joint Venture

Sr. No.	Particulars	Hind Lamps Limited	Starlite Lighting
		(Associate)	Limited (Joint Venture)
1	Date on which the associate or joint venture was associated or acquired	January 7, 1952	February 23, 2007
2	Latest audited Balance Sheet date	March 31, 2019	March 31, 2019
3	Shares of associate/joint venture held by the Company at the year end		
	Number of equity shares	1140000	5875000
	Amount of investment in associate / joint venture	₹684.53 lakh	Nil*
	Extent of holding %	19.00	47.00

Sr. No.	Particulars	Hind Lamps Limited (Associate)	Starlite Lighting Limited (Joint Venture)
4	Description of how there is significant influence	<p>As per Section 2(6) of the Act, “associate company”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary of the Company having such influence and includes a joint venture company.</p> <p>For the purposes of this clause, “significant influence” means control of at least 20% of total share capital, or of business decisions under an agreement.</p> <p>Since the Company is in a position to influence the operating and financial policies of both these companies, their financial statements are consolidated with the Company’s financial statements.</p>	
5	Reason why the associate / joint venture is not consolidated	Not Applicable	Since impaired
6	Net worth attributable to Shareholding as per latest audited / unaudited Balance Sheet	₹ (1,204.33) lakh	₹ (1,878.40) lakh
7.	Profit / (Loss) for the year		
	i. Considered in Consolidation	₹ (1,257.75) lakh	-
	ii. Not Considered in Consolidation	-	₹ (9,788.98) lakh

\* Since impaired

For and on behalf of the Board of Directors

Mumbai  
May 22, 2019

**Shekhar Bajaj**  
Chairman & Managing Director  
DIN: 00089358

# Annexure D to Directors' Report

Form No. MR-3

## Secretarial Audit Report

For the Financial Year ended March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Bajaj Electricals Limited  
45/47, Veer Nariman Road,  
Mumbai – 400001,  
Maharashtra, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bajaj Electricals Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment

and External Commercial Borrowings – Not applicable as the Company has not invited and/ or received any Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the financial year under review;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted / proposed to delist its equity shares from any stock exchange during the financial year under review;



- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not applicable as the Company has not bought back / proposed to buyback its securities during the financial year under review; and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- xvii. The Payment of Gratuity Act, 1965 & its Central Rules / concerned State Rules, if any;
- xviii. The Maternity Benefit Act, 1961 & its Rules;
- xix. The Equal Remuneration Act, 1976;
- xx. The Industrial Employment (Standing Orders) Act, 1946 & its Rules;
- xxi. The Apprentices Act, 1961 & its Rules;
- xxii. The Workmen’s Compensation Act, 1923;
- xxiii. The Industrial Disputes Act, 1947;
- xxiv. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and
- xxv. The Information Technology Act, 2000

### Other Applicable Laws:

- i. The Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder;
- ii. Boilers Act, 1923 & Rules made thereunder;
- iii. Environment Protection Act, 1986;
- iv. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 2011;
- v. The Legal Metrology Act, 2009 read with the Legal Metrology (Packaged Commodity) Rules, 2011;
- vi. The Indian Copyright Act, 1957;
- vii. The Patents Act, 1970;
- viii. The Trade Marks Act, 1999;
- ix. The Contract Labour (Regulations and Abolition) Act, 1970 & its Central Rules / concerned State Rules;
- x. Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules / Scheme thereunder;
- xi. Employers Liability Act, 1938;
- xii. Equal Remuneration Act, 1976;
- xiii. Employees State Insurance Act, 1948 and Rules made thereunder;
- xiv. The Minimum Wages Act, 1948 & its Central Rules / concerned State Rules/ Notification of Minimum Wages applicable to various class of industries / trade;
- xv. The Payment of Wages Act, 1936 & its Central Rules / concerned State Rules, if any;
- xvi. The Payment of Bonus Act, 1965 & its Central Rules / concerned State Rules, if any;

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other acts, laws and regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

### We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the Composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes book, while the dissenting members’ views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during the audit period:**

1. The Company has allotted 362100 (Three Lakh Sixty Two Thousand One Hundred) equity shares of ₹2 each fully paid up, on the following dates, to the employees of the Company on their exercise of stock options granted to them under the Company's ESOP Schemes and vested in their favour:
  - a) On June 15, 2018 – 104155 equity shares;
  - b) On August 30, 2018 – 175270 equity shares;
  - c) On November 26, 2018 – 54650 equity shares;
  - d) On February 7, 2019 – 28025 equity shares;
2. The Board of Directors in its meeting dated June 15, 2018 approved the proposal for acquiring 100% of share capital of Nirlep Appliances Private Limited, a company engaged in the business of manufacturing of non-stick cookwear products, kitchen hobs, pressure cookers and such other products in the kitchenware segment at a consideration as may be specified in the Share Purchase and Shareholders Agreement, in one or more tranches.
3. Pursuant to the Order dated November 2, 2018 passed by the Hon'ble National Company Law Tribunal, Mumbai bench and in accordance with the provisions of Section 230 to 232 of the Companies Act, 2013 members in their meeting held on February 21, 2019 have approved the Scheme of Arrangement ("Scheme") between Hind Lamps Limited ("Transferor Company") and the Company and their respective shareholders and creditors.
4. In pursuance of Section 42 and Section 71 of the Companies Act, 2013 read with the rules made thereunder, the Board of Directors in their meeting held on January 2, 2019 had approved the issue of 2500 Zero Coupon rated, unsecured, listed, Redeemable Non-Convertible Debentures of ₹10,00,000/- each (Rupees Ten Lakh Only) aggregating to ₹250,00,00,000/- (Rupees Two Hundred and Fifty Crores Only) on a private placement basis.

Since the credit rating to the NCD issue was assigned by ICRA on February 4, 2019 the Company could not file the information of memorandum with the stock exchanges within 30 days from the date of approval of proposal in the Board meeting. Hence the Company had to withdraw the said proposal and make a fresh proposal to the Board for their approval. Accordingly, a fresh proposal was approved by the Board of Directors of the Company in its meeting held on February 07, 2019 for issue of 2000 Zero Coupon Rated, Unsecured, Listed Redeemable Non-Convertible Debentures (NCD's) of ₹10,00,000/- each (Rupees Ten Lakh Only) aggregating to ₹200,00,00,000/- (Rupees Two Hundred Crores Only) on a private placement basis.

5. The Debenture Committee of the Company on February 21, 2019 has allotted 1850 Zero Coupon Unsecured Listed Redeemable Non-Convertible Debentures (NCD's) of Face Value of ₹10,00,000/- each (Rupees Ten Lakh Only) aggregating to ₹185,00,00,000/- (Rupees One Hundred and Eighty Five Crores Only) on a private placement basis.
6. Pursuant to the provisions of Section 42 and Section 71 of the Companies Act, 2013 and the Rules made thereunder, and in addition to the issue of NCD's made earlier, the Board in its meeting dated March 28, 2019 had approved the issue of 1650 Rated, Unsecured, Listed Redeemable, Non-Convertible Debentures (NCD's) of ₹10,00,000/- (Rupees Ten Lakh Only) each, aggregating to ₹165,00,00,000 (Rupees One Hundred and Sixty Five Crores Only) on a private placement basis. However, on account of liquidity crunch in the market during the period of NCD issue, there was no subscription to the said issue and the same was withdrawn.

For Anant B Khamankar & Co.

**Anant Khamankar**

FCS No. – 3198

CP No. – 1860

Date : May 21, 2019

Place : Mumbai

## **Annexure to Secretarial Auditors' Report**

To,  
The Members,  
Bajaj Electricals Limited  
45/47, Veer Nariman Road,  
Mumbai – 400 001.

Our Secretarial Audit Report for the financial year ended March 31, 2019, of even date is to be read along with this letter.

### **Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### **Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to the secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### **Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For Anant B Khamankar & Co.

### **Anant Khamankar**

FCS No. – 3198  
CP No. – 1860

Date : May 21, 2019

Place : Mumbai

# Annexure E to Directors' Report

## Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

### A. CONSERVATION OF ENERGY:

#### 1. Steps taken or impact on conservation of energy:

##### Ranjangaon Units:

- Unity power factor maintained throughout FY 2018-19;
- Installed 34 nos. 150 watt LED Lights, in place of 250 watt HPSV lamps, at new power transmission workshop;
- Installed 42 nos. 200 watt LED Lights, in place of 400 watt HPSV lamps, in Galvanising area;
- Street Lighting DB - Provide the astrological timer for lighting ON/OFF system. [Energy saving by 1 Hrs daily + auto ON/OFF of lighting in evening];
- 61 Nos. of 80 watt LED Lamps installed at RU2 in place of 150 watt HPSV lamps.
- Street lights RU2 -Installed 15 nos. 200 Watt LED Lights, in place of 400 watt HPSV lamps.
- RU2- Timer control circuit provided to wall-mounted fan on shop floor & hydraulic motor of straightening machine.
- For plazma cutting machine 60 Amp. & 100 Amp. Tap power source transformer installed which enables energy saving.

##### Chakan Unit:

**Air saving unit installed in Machine Shop-** In machine shop, previously continuous air supply was given to gauge for checking the bearing bore diameter. There was no provision to start & cut off air supply while checking

the bearing bore diameter leading to huge air loss when this activity was not in operation. Now air supply gets cut off immediately when sensor of this air saving unit senses metal contact and accordingly, prevents the air loss when the machine is not in use. Also, if air loss occurs more than 10 seconds then the buzzer in the machine automatically starts buzzing.

##### Savings:

Sr. No.	Description	Air hole size	Unit	Cost in ₹
1	Air hole size per hours cost	1.5	mm	4.42
2	One gauge having 2 hole cost	2	Nos.	8.84
3	Per day saving	21	Hrs.	185.64
4	Per year saving per gauge	-	305 days	56620
5	Saving for two gauges per yr.	-	-	113240

#### 2. The steps taken by the Company for utilizing alternate sources of energy: Nil

#### 3. The capital investment on energy conservation equipment:

##### Ranjangaon Units :

- 20 Nos. Street LED Lamp of 200 watt each provided in place of 400 watt HPSV in at RU1.
- 80 Nos. 36 watt CFL lighting replaced by 15 watt LED lights at shop floor and office in RU1;

Sr. No.	Previous Lights & Fittings			New LED Batten & Highbay Fittings			Saving			Investment (₹)
	HPSV (Qty.)	Watts	Power Consum. (Watts)	LED lamp (Qty.)	Watts	Power Consum. (Watts)	KW	KWH	₹/Year	
1	42	445	18690	42	200	8400	10.50	40824	3,67,416/-	6,72,000/-
2	34	285	9690	34	150	5100	4.59	17845.92	1,60,613/-	4,25,000/-
<b>Total</b>									<b>5,28,029/-</b>	<b>10,97,000/-</b>

- 18 Nos. LED Lamp of 200 watt each provided at Galvanizing in place of 400 watt HPSV at RU1.
- 65 Nos. LED Lamp of 80 watt each provided at Wing 1 & 2 in place of 150 watt HPSV at RU2.
- 05 Nos. of off-grid solar lighting street lights provided to at RU1 & RU2.

#### Chakan Unit:

Factory lights and fittings replaced by LED Battens, Highbays and Bulbs.

Sr. No.	Previous Lights & Fittings			New LED Batten & Highbay Fittings			Saving			Investment (₹)
	CFL / Fluorescent Qty.	Watts	Power Consum. (Watts)	LED lamp (Qty.)	Watts	Power Consum. (Watts)	KW	KWH	₹/Year	
1	9	40	360	9	20	180	0.18	549	5062	31500
2	4	40	160	4	20	80	0.08	244	2250	800
3	3	40	120	3	20	60	0.06	183	1687	600
<b>Total</b>							<b>0.320</b>	<b>976</b>	<b>8999</b>	<b>32900</b>

4. **Total energy consumption and energy consumption per unit of production:** Average unit per ton achieved in 2018-19 is 79.82 KWH/MT as compared to 2017-18 is 88.72 KWH/MT, at Ranjangaon Units.
5. **Impact of the energy conservation measures for reduction of energy consumption and consequent impact on the cost of production of goods:** Obtained PF Incentive of ₹11.76 lakh for Ranjangaon units.

#### B. Technology Absorption:

- The efforts made towards technology absorption:** Nil
- The benefits derived like product improvement, cost reduction, product development or import substitution:** Not applicable
- In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** Not applicable
- The expenditure incurred on Research and Development (R&D):**

(a) Capital	₹275.49 lakh
(b) Recurring	₹2,465.42 lakh
(c) Total	₹2,740.91 lakh
(d) Total R&D expenditure as a percentage of turnover	0.41%

#### C. Foreign Exchange Earnings and Outgo:

The foreign exchange earned in terms of actual inflows and the foreign exchange outgo during the year in terms of actual outflows during the year.

Foreign Exchange	(₹ In lakh) Amount
Earned (Export)	8,895.25
Used (Import)	48,050.00

For and on behalf of the Board of Directors

Mumbai  
May 22, 2019

**Shekhar Bajaj**  
Chairman & Managing Director  
DIN: 00089358

# Annexure F to Directors' Report

## Disclosures required with respect to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### 1. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for FY 2018-19:

Name of the Directors	Category	Ratio to median remuneration
Shekhar Bajaj	Executive Directors	113.44 : 1
Anant Bajaj <sup>1</sup>		87.46 : 1
Anuj Poddar <sup>2</sup>		17.59 : 1
Madhur Bajaj		1.77 : 1
Harsh Vardhan Goenka		1.58 : 1
Ashok Jalan <sup>3</sup>		3.80 : 1
Dr. Rajendra Prasad Singh		1.83 : 1
Dr. (Smt.) Indu Shahani		3.54 : 1
Siddharth Mehta		2.91 : 1
Pooja Bajaj <sup>4</sup>		1.14 : 1
Munish Khetrpal <sup>4</sup>	1.10 : 1	

1. Shri Anant Bajaj, Managing Director ceased to be a director of the Company on demise on August 10, 2018.
2. Shri Anuj Poddar who was earlier appointed as an Independent Director of the Company on May 30, 2016 resigned as such in consideration of his appointment as an Executive Director on November 1, 2018. He is appointed as an additional director in the whole time employment, designated as Executive Director, for a period of 5 years with effect from November 1, 2018 subject to the approval of the shareholders at the ensuing AGM.
3. Shri Ashok Jalan ceased to be director on expiry of his first year term as an Independent Director on March 31, 2019.
4. Smt. Pooja Bajaj was appointed as an Additional Director in the category of Non-Executive Director and Shri Munish Khetrpal was appointed as an Additional Director in the category of Non-Executive Independent Director for a term of 5 years with effect from November 1, 2018.

### 2. The percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary during FY 2018-19:

Name of the KMPs	Category	Percentage increase /(decrease) in Remuneration
Shekhar Bajaj	Chief Executive Officer	(5.83)
Anant Purandare	Chief Financial Officer	3.96
Mangesh Patil	Company Secretary	(5.66)

### 3. Percentage increase in the median remuneration of employees in the financial year: 3.42%.

### 4. Number of permanent employees on rolls of the Company as on March 31, 2019: 3217

**5. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:**

The average percentage increase made in the salaries of employees other than the managerial personnel during FY 2018-19 was around 6.65%, while the average increase in the remuneration of the managerial personnel was around 11.31% which is mainly on account of (i) payments of gratuity, leave encashment and superannuation made in respect of Late Shri Anant Bajaj and (ii) increase in the commission payable to NEDs which is linked to the number of Board/Audit Committees attended by them.

**6. We affirm that the remuneration paid to Directors, KMP and employees is as per the Remuneration Policy of the Company.**

For and on behalf of the Board of Directors

Mumbai  
May 22, 2019

**Shekhar Bajaj**  
Chairman & Managing Director  
DIN: 00089358

# Report on Corporate Governance

**The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

**"Business should be pursued with a view to benefit the poor, not just to become a millionaire or a billionaire."**

Jamn Lal Bajaj

## Company's Philosophy on code of Governance:

The ethical values are the foundation of Company's governance philosophy which over the past 80 years of the Company's existence has become a part of its culture. We feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business. We strongly believe that in business, there is something more important than just top line and bottom line and hence, each of us needs to strive towards producing our very best in all we do so that, we not only fulfill the needs of each and every consumer, but also far exceed their expectations. This is what has set us apart and this may be the very reason that we have been able to enjoy a very special relationship with our consumers. After all, when you strive, with every sinew to be the best you can be, it will show.

Corporate Governance is about commitment to values and ethical business conduct. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation.

## The Board of Directors

### Governance Structure

The Corporate Governance structure of the Company is as follows:

**Board of Directors:** The Board is entrusted with an ultimate responsibility of the management, directions and performance

of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

**Committees of the Board:** The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Risk Management Committee, Finance Committee and Debenture Committee. Each of the said Committee has been mandated to operate within a given framework.

**Executive Committee:** The main function of the Executive Committee is strategic management of the Company's businesses within the Board approved direction and framework, ensuring that effective systems are in place for appropriate reporting to the Board on important matters. The Executive Committee is headed by the Chairman & Managing Director and has business & functional heads as its members, which looks after the management of the day-to-day affairs of the Company.

**Chairman & Managing Director:** The primary role of the Chairman & Managing Director is to provide leadership to the Board in achieving goals of the Company. He is responsible for transforming the Company into a world-class organisation. He is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. He is also responsible for formulating the corporate strategy along with other members of the Board of Directors.



**Executive Director:** The Executive Director, as the member of the Board and Executive Committee, contributes to the strategic management of the Company's businesses within Board approved direction and framework. He assumes overall responsibility for strategic management of business and corporate functions including its governance processes and top management effectiveness.

**Non-Executive Directors (NEDs) including Independent Directors (IDs):** NEDs play a critical role in balancing the functioning of the Board by providing independent judgements on various issues raised in the Board meetings like formulation of business strategies, monitoring of performances, etc.

### Composition and category of Directors

The Board is broad-based and consists of eminent individuals from industrial, general corporate management, finance, law, media, corporate strategy, technical, marketing and other allied background. The Company is managed by the Board of Directors in co-ordination with the senior management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Board of Directors as at the end of March 31, 2019, comprised of ten (10) Directors viz. one (1) Executive Director - Promoter, one (1) Executive Director – Non Promoter, two (2) NEDs – Promoters including one Woman Director, one (1) NED – Non Promoter Independent Women Director, and five (5) NEDs - Independent Directors.

Shri Ashok Jalan, an ID, stepped down from the directorship of the Company on the expiry of his first term on March 31, 2019, being pre-occupied with other activities.

Shri Rajiv Bajaj has been appointed by the Board as an Additional Director in the category of NED with effect from May 22, 2019. Members' attention is drawn to a Resolution proposing his regularisation included at Item No. 6 of the Notice of Annual General Meeting (AGM).

Accordingly, as on the date of this Report, the Board of Directors comprises of ten (10) Directors and has the following composition:

Category of Directors	No. of Directors	%
NEDs – Non Independent	3	30%
NEDs - Independent	5	50%
Executive Directors	2	20%

The Chairman of the Board is an Executive Director. IDs constitute one-half of the total Board strength.

Shri Shekhar Bajaj, Shri Madhur Bajaj, Smt. Pooja Bajaj and Shri Rajiv Bajaj, since belong to the Promoter family, are related to each other. Shri Shekhar Bajaj is a father-in law of Smt. Pooja Bajaj; elder brother of Shri Madhur Bajaj and paternal uncle of Shri Rajiv Bajaj. Shri Shekhar Bajaj is also the NED in Hind Lamps Limited, an associate, and Starlite Lighting Limited, a joint venture, of the Company.

Apart from the above, and apart from the reimbursement of expenses incurred in discharge of their duties and the remuneration that the NEDs, the Chairman & Managing Director and Executive Director would be entitled to under the Companies Act, 2013 (the "Act"), none of the Directors have any other pecuniary relationships with the Company, its subsidiary, associate and joint venture or their Promoters, Directors, which in their judgement would affect their independence.

The Board has identified the following skill set with reference to its business and industry which are available with the Board:

Name of the Director	Expertise in specific functional area
Shekhar Bajaj	Industrialist, Electrical Consumer Durables Industry domain, Business Strategy and Corporate Management
Madhur Bajaj	Industrialist, Experience in managing a large industrial conglomerate
Harsh Vardhan Goenka	Industrialist, Experience in managing a large business conglomerate
Dr. Rajendra Prasad Singh	Ex-Chairman of Navratna PSU in the power sector
Dr. (Smt.) Indu Shahani	Well Known Academician
Anuj Poddar	A Chartered Accountant with strong professional experience across consumer and other industries, Business Strategy and Corporate Management
Siddharth Mehta	Solicitor with experience across India and international territories in corporate and commercial laws, litigation and arbitration

Name of the Director	Expertise in specific functional area
Munish Khetrupal	Technology professional with extensive leadership experience across global markets
Pooja Bajaj	Strong commercial acumen
Rajiv Bajaj	Industrialist, Experience in managing a large industrial conglomerate, Recipient of many prestigious leadership awards

### Directors' Directorships/Committee memberships

In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Act or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2019 are given below:

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Act and Listing Regulations.

#### Directorship / Committee Membership as on March 31, 2019

Name [DIN]	Date of Appointment	Category of Director	Directorships in other Indian Public Limited Companies (excluding the Company)	No. of Board Committees in which Chairman / Member (excluding the Company)		List of Directorship held in other Listed Companies and Category of Directorship
				Chairman	Member	
Shekhar Bajaj [00089358]	01/11/2014	Promoter / Chairman & Managing Director	2	Nil	1	1. Hercules Hoists Limited, NED - Non-Independent-Chairman 2. Bajaj Auto Limited, NED - Non-Independent
Madhur Bajaj [00014593]	28/11/1994	Promoter/ NED	5	Nil	Nil	1. Bajaj Holdings & Investment Limited, NED - Non Independent 2. Maharashtra Scooters Ltd, NED - Nominee of Promoter- Chairman 3. Bajaj Finance Limited, NED - Non Independent 4. Bajaj Finserv Limited, NED - Non Independent 5. Bajaj Auto Limited, NED - Non Independent

Name [DIN]	Date of Appointment	Category of Director	Directorships in other Indian Public Limited Companies (excluding the Company)	No. of Board Committees in which Chairman / Member		List of Directorship held in other Listed Companies and Category of Directorship
				Chairman	Member	
Harsh Vardhan Goenka [00026726]	01/04/2019	Independent Director	4	Nil	Nil	1. RPG Life Sciences Limited, NED - Non Independent -Chairman 2. Ceat Limited, NED - Non Independent -Chairman 3. KEC International Limited, NED - Non Independent -Chairman 4. Zensar Technologies Limited, NED - Non Independent -Chairman
Dr. Rajendra Prasad Singh [00004812]	01/04/2019	Independent Director	1	Nil	4	1. Techno Electric & Engineering Company Limited, NED - Non Independent
Dr. (Smt.) Indu Shahani [00112289]	01/04/2019	Independent Director	3	1	5	1. United Spirits Limited, NED - Independent 2. Clariant Chemicals (India) Limited, NED - Independent 3. Colgate-Palmolive (India) Limited, NED - Independent
Anuj Poddar [01908009]	01/11/2018	Additional Executive Director	Nil	Nil	Nil	Nil
Siddharth Mehta [03072352]	30/05/2016	Independent Director	2	1	2	1. Indo Count Industries Limited, NED - Independent 2. TCI Industries Limited, NED - Independent
Munish Khetrpal <sup>1</sup> [08263282]	01/11/2018	Additional Independent Director	Nil	Nil	Nil	Nil
Pooja Bajaj <sup>1</sup> [08254455]	01/11/2018	Additional Promoter/ NED	Nil	Nil	Nil	Nil

Notes:

1. Shri Munish Khetrpal and Smt. Pooja Bajaj were appointed as Directors on the Board of the Company w.e.f. November 1, 2018.
2. Shri Anant Bajaj, Managing Director ceased to be a director on demise on August 10, 2018, hence has been excluded.
3. Shri Ashok Jalan, ceased to a director on expiry of his first term as an ID on March 31, 2019, hence has been excluded.
4. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
5. Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian public limited companies other than the Company. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairmanship of more than five such Committees.
6. Shri Shekhar Bajaj, Shri Madhur Bajaj, and Smt. Pooja Bajaj are related to each other. None of the other Directors are related inter-se.
7. Details of Director(s) retiring or being appointed/re-appointed are given in Notice of AGM.
8. Brief profiles of each of the above Directors are available on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).
9. Maximum tenure of IDs is in accordance with the Act and Rules made thereunder.

## IDs confirmation by the Board

All IDs have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the IDs, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. A formal letter of appointment to IDs as provided in the Act has been issued and disclosed on website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

## Number of Independent Directorships

As per Regulation 17A of the Listing Regulations, IDs of the Company do not serve as ID in more than seven listed companies. Further, the Managing Director of the Company does not serve as an ID in any listed entity.

## Board meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiary. The Board meetings are pre-scheduled and a tentative annual calendar of the Board meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

Minimum four pre-scheduled Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During FY 2018-19, the Board of Directors met seven times i.e., on May 23, 2018, June 15, 2018, August 9, 2018, November 1, 2018, January 2, 2019, February 7, 2019 and March 28, 2019. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standard by The Institute of Company Secretaries of India.

## Attendance of Directors at the Board meetings and at the last AGM.

Sr. No.	Name of Directors	No. of Board meetings attended	Attendance at the AGM held on August 9, 2018
1.	Shekhar Bajaj	7 of 7	Present
2.	Anant Bajaj <sup>1</sup>	3 of 7	Present
3.	Madhur Bajaj	7 of 7	Present
4.	Harsh Vardhan Goenka	6 of 7	Present
5.	Ashok Jalan <sup>2</sup>	7 of 7	Present
6.	Dr. Rajendra Prasad Singh	7 of 7	Present
7.	Dr. Indu Shahani	7 of 7	Present
8.	Anuj Poddar	7 of 7	Present
9.	Siddharth Mehta	7 of 7	Present
10.	Munish Khetrapal <sup>3</sup>	4 of 7	Not applicable
11.	Pooja Bajaj <sup>3</sup>	4 of 7	Not applicable

### Notes:

1. Shri Anant Bajaj, Managing Director ceased to be a director on demise on August 10, 2018.
2. Shri Ashok Jalan, ID, step down from the directorship of the Company on the expiry of his first term on March 31, 2019, being pre-occupied with other activities.
3. Shri Munish Khetrapal and Smt. Pooja Bajaj were appointed as Directors on the Board of the Company on November 1, 2018.

## Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meetings.

## Post meeting mechanism

The important decisions taken at the Board / Committee meetings are communicated to the concerned department / division.

## Board support

The Company Secretary attends the Board Meetings and advises the Board on compliances with applicable laws and governance.

## Roles, Responsibilities and Duties of the Board

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 and Schedule IV of the Act (Schedule IV is specifically for IDs). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

## Familiarisation Programme for Directors

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected from him / her as a Director of the Company. The Director is also explained in detail the compliances required from him / her under the Act, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman & Managing Director also have a one to one discussion with the newly appointed Director to familiarise him / her with the Company's operations. Further, on an ongoing basis as a part of agenda of Board / Committee meetings, presentations are regularly made to the IDs on various matters inter-alia covering the Company's and its subsidiary, associate and joint venture companies operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the IDs under various statutes and other relevant matters. The details of the familiarisation programme for Directors are available on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

## Governance Codes

### Code of Business Conduct & Ethics

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all employees of the Company. The Board of Directors and the members of senior management team of the Company are required to affirm annually compliance of this Code. A declaration signed by the Chairman & Managing Director of the Company to this effect is placed at the end of this report. The Code requires Directors and employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

### Disclosure on conflict of interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he/she occupies in other companies including as Chairperson and notifies

changes during the year. The members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

## Insider Trading Code

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "PIT Regulations").

The Code is applicable to promoters, member of promoter group, all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPS)' in compliance with the PIT Regulations. This Code is displayed on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

## Committees of the Board

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with the approval of the Board and they function under their respective Charters. These Committees play an important role in the overall management of the day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform the duties entrusted by the Board. The minutes of the Committee meetings are placed before the Board for noting.

### (A) Audit Committee

#### Composition

Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of the Listing Regulations.

During the year under review, Shri Anuj Poddar, earlier ID, resigned as the member of the Audit Committee in

view of his appointment as an Executive Director of the Company. Consequently, the Board of the Company, vide its resolution dated October 18, 2018 passed by way of circulation, re-constituted the Audit Committee by inducting Shri Siddharth Mehta, as a member of the Committee. The members of the re-constituted Audit Committee, in its meeting held on November 1, 2018, elected Shri Ashok Jalan as the Chairperson of the Committee.

The Audit Committee was again reconstituted by the Board in its meeting held on March 28, 2019 by inducting Dr. Rajendra Prasad Singh as a member of the Audit Committee effective April 1, 2019, in place of Shri Ashok Jalan, who had expressed his desire to step down from the directorship on the Board of the Company, being pre-occupied with other activities, on the expiry of his first term as an ID of the Company from the close of business hours on March 31, 2019.

As on the date of this Report, the Audit Committee comprised of 3 Directors: Dr. (Smt.) Indu Shahani as the Chairperson and Dr. Rajendra Prasad Singh and Shri Siddharth Mehta as its members. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, taxation, economics, risk and international finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. The Company Secretary acts as the convener to the Audit Committee.

### Meetings and Attendance

The Audit Committee met five times during FY 2018-19. The maximum gap between two meetings was not more than 120 days. The Committee met on May 23, 2018, August 9, 2018, November 1, 2018, February 7, 2019 and March 28, 2019. The requisite quorum was present at all meetings. The Chairman of the Audit Committee was present at the last AGM of the Company held on August 9, 2018.

The Table below provides the attendance of the Audit Committee members:

Sr. No.	Name of Directors	Position	Category	No. of meetings attended
1.	Anuj Poddar <sup>1</sup>	Chairperson	Independent Director	2 of 5
2.	Ashok Jalan <sup>2</sup>	Chairperson	Independent Director	5 of 5

Sr. No.	Name of Directors	Position	Category	No. of meetings attended
3.	Dr. Indu Shahani	Chairperson	Independent Director	5 of 5
4.	Siddharth Mehta	Member	Independent Director	3 of 5
5.	Dr. Rajendra Prasad Singh <sup>3</sup>	Member	Independent Director	N.A.

#### Notes:

1. Chairperson/Member of the Audit Committee till October 18, 2018.
2. Chairperson/Member of the Audit Committee from November 1, 2018 till March 31, 2019.
3. Appointed as member of the Audit Committee w.e.f. April 1, 2019.

### Terms of reference and functions of Audit Committee

The Charter of the Audit Committee was revised in the Board meeting held on March 28, 2019 to be in line with the recent amendments to the Listing Regulations. The revised terms of reference of the Audit Committee as stated below is in line with what is mandated in Regulation 18 of the Listing Regulations and Section 177 of the Act.

#### Terms of reference:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. changes, if any, in accounting policies and practices and reasons for the same.

- c. major accounting entries involving estimates based on the exercise of judgment by management.
  - d. significant adjustments made in the financial statements arising out of audit findings.
  - e. compliance with listing and other legal requirements relating to financial statements.
  - f. disclosure of any related party transactions.
  - g. modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval including the financial statements, in particular, the investments made by unlisted subsidiary(ies);
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the Company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the whistle blower mechanism;
  19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  21. To review the utilisation of loans, advances or both in the subsidiary company(ies) which shall not exceed ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments as on April 1, 2019.
- The Audit Committee mandatorily reviews the following information:
1. Management discussion and analysis of financial condition and results of operations;
  2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
  3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses;
  5. Appointment, removal and terms of remuneration of the Chief Internal Auditor; and
  6. Statement of deviations:

- a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and
  - b. annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.
7. Compliance with the provisions of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

#### Internal Controls and Governance Processes

The Company continuously invests in strengthening its internal controls and processes. The Audit Committee formulates a detailed audit plan for the year for the internal auditor. The Internal Auditors attend the meetings of the Audit Committee and submit their recommendations to the Audit Committee and provide a road map for the future.

### (B) Nomination and Remuneration Committee (NRC)

#### Composition

NRC is governed by its Charter. During the year under review, Shri Anuj Poddar, earlier an ID, resigned as the member of the NRC in view of his appointment as an Executive Director of the Company. Consequently, the Board of the Company, vide its resolution dated October 18, 2018 passed by way of circulation, re-constituted the NRC by inducting Shri Siddharth Mehta, as a member of the Committee. The members of the re-constituted NRC, in its meeting held on November 1, 2018, elected Shri Ashok Jalan as the Chairperson of the Committee.

NRC was again reconstituted by the Board in its meeting held on March 28, 2019 by inducting Dr. Rajendra Prasad Singh as a member of the NRC effective April 1, 2019, in place of Shri Ashok Jalan, who had expressed his desire to step down from the directorship on the Board of the Company, being pre-occupied with other activities, on the expiry of his first term as an ID of the Company from the close of business hours on March 31, 2019.

As on the date of this Report, the NRC comprised of 3 Directors: Dr. (Smt.) Indu Shahani as the Chairperson and Dr. Rajendra Prasad Singh and Shri Siddharth Mehta

as its members. The Company Secretary acts as the convener to the NRC.

#### Meetings and Attendance

NRC met five times during FY 2018-19 i.e. on May 23, 2018, August 9, 2018, November 1, 2018, January 2, 2019 and February 7, 2019. The requisite quorum was present at all the meetings. The Chairperson of the NRC was present at the last AGM of the Company held on August 9, 2018.

The Table below provides the attendance of the NRC members:

Sr. No.	Name of Director	Position	Category	No. of meetings attended
1.	Anuj Poddar <sup>1</sup>	Chairperson	Independent Director	2 of 5
2.	Ashok Jalan <sup>2</sup>	Chairperson	Independent Director	5 of 5
3.	Dr. Indu Shahani	Chairperson	Independent Director	5 of 5
4.	Siddharth Mehta	Member	Independent Director	3 of 5
5.	Dr. Rajendra Prasad Singh <sup>3</sup>	Member	Independent Director	N.A.

#### Notes:

1. Chairperson/Member of the NRC till October 18, 2018.
2. Chairperson/Member of the NRC from November 1, 2018.
3. Appointed as member of the NRC w.e.f. April 1, 2019.

#### Terms of reference and functions of NRC

The broad terms of reference of NRC, as approved by the Board, are in compliance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

#### Terms of reference:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors



to be carried out by the Board, by the NRC or by an independent external agency and review its implementation and compliance.

2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. While formulating the policy, to ensure that –
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
4. To take into account financial position of the company, trend in the industry, appointees qualifications, experience, past performance, past remuneration, etc., and bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders while approving the remuneration payable to managing director, whole time director or manager.
5. To lay down / formulate the evaluation criteria for performance evaluation of IDs and the Board.
6. To devise a policy on Board diversity.
7. To ensure 'Fit & Proper' status of the proposed/ existing directors.
8. To recommend to Board, whether to extend or continue the term of appointment of the ID, on the basis of the report of performance evaluation of IDs.
9. To review and approve the remuneration and change in remuneration payable to whole-time directors.
10. To recommend to Board, all remuneration payable to senior management (i.e. members of the core

management team one level below the chief executive officer/managing director/whole time director and shall specifically include Company Secretary and Chief Financial Officer); and

11. To act as the Compensation Committee under SEBI (Share Based Employee Benefits) Regulations, 2014 (including amendment thereof) to determine the quantum of Employee Stock Options to be granted to the employees under Company's ESOP Plans; determine eligibility for grant of ESOPS; decide the procedure for making a fair and reasonable adjustment in case of corporate actions; procedure and terms for the grant, vest and exercise of Employee Stock Option; procedure for cashless exercise of Employee Stock Options etc.
12. To undertake specific duties as may be prescribed by the board from time to time.

### Remuneration Policy

The Board on the recommendation of NRC has framed a Remuneration Policy, providing (a) criteria for determining qualifications, positive attributes and independence of directors; and (b) a policy on remuneration for directors, key managerial personnel and other employees. The Remuneration Policy is placed on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

#### a) NEDs remuneration

The remuneration of NEDs is determined within the limits prescribed under Section 179 read with the Rules framed thereunder and Schedule V to the Act and Listing Regulations. The NEDs of the Company receive remuneration by way of sitting fees for attending the Board and Committee meetings and commission as detailed below:

- (i) Sitting fees of ₹1,00,000/- for each meeting of the Board and Audit Committee, and ₹50,000/- for each meeting of other Committees attended by the Director, as approved by the Board within the overall limits prescribed under the Act;
- (ii) Pursuant to the approval of the Members in the Seventy-fifth AGM held on July 31, 2014, payment of commission on an annual basis, of ₹1,00,000/- for each meeting of the Board and Audit Committee attended by the Director, subject to the ceiling of 1% of the net profit of the Company prescribed under the Act;

- (iii) Reimbursement of traveling and other related expenses incurred by the NEDs for attending the Board and Committee meetings;
- (iv) IDs of the Company are not entitled to participate in ESOPs of the Company.

The service contract, notice period and severance fees are not applicable to NEDs.

#### b) Executive Directors' remuneration

The appointment and remuneration of Executive Directors, i.e. of Chairman and Managing Director, Managing Director and Executive Director, is governed by the recommendation of NRC, Resolutions passed by the Board and Shareholders of the Company.

The remuneration package of Executive Directors' comprises of salary, commission, perquisites and allowances, and contributions to provident fund and other retirement benefits as approved by the shareholders at the general meetings. Annual increments are linked to performance and are decided by NRC and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Nomination and Remuneration Policy is displayed on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

The Company has no stock option plans for the promoter executive directors / NED. Only non-promoter executive directors are eligible for stock option plans.

During FY 2018-19, the Company did not advance any loans to any of the directors.

#### c) Remuneration Policy for the Key Managerial Personnel (KMP) and other employees

Remuneration of KMP and other employees largely consists of basic salary, perquisites, allowances and performance incentives. The components of total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him/her, his/her annual performance, etc. The performance pay policy links the performance pay of each employee to his/her individual, business unit

and overall Company's performance on parameters aligned to the Company's objectives.

#### Details of remuneration paid to Directors for the year ended March 31, 2019

##### (a) NEDs

Name of the Director	Sitting Fees		Commission (₹)	No. of Shares / convertible instruments held
	(₹)	(₹)		
Madhur Bajaj	7.00	7.00		815035 Equity Shares
Harsh Vardhan Goenka	6.50	6.00		Nil
Ashok Jalan	18.00	12.00		Nil
Dr. Rajendra Prasad Singh	7.50	7.00		Nil
Dr. Indu Shahani	16.00	12.00		Nil
Anuj Poddar <sup>1</sup>	6.00	5.00		Nil
Siddharth Mehta	13.00	10.00		Nil
Munish Khetrapal <sup>2</sup>	4.50	4.00		Nil
Pooja Bajaj <sup>2</sup>	5.00	4.00		130000 Equity Shares

##### Notes:

1. Remuneration payable to him for his services as an ID of the Company.
2. Appointed as Director on the Board of the Company w.e.f. November 1, 2018.
3. Commission to NEDs will be paid after adoption of the financial statements by the shareholders at the AGM scheduled to be held on August 7, 2019.

##### (b) Executive Directors

Details of remuneration paid/payable to Executive Directors during FY 2018-19 are provided in the Annexure to the Directors' Report in 'Form MGT-9'.

#### Performance Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties,

obligations and governance. A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board.

The performance evaluation of the Chairman and Managing Director and NEDs was carried out by the IDs. The Directors expressed their satisfaction with the evaluation process.

## **(C) Stakeholders' Relationship Committee (SRC)**

### **Composition and Attendance**

Pursuant to the provisions of Section 178(5) of the Act read with Regulation 20 of the Listing Regulations, SRC of the Board has been constituted.

During the year under review, SRC has been re-constituted by inducting Shri Shekhar Bajaj, Chairman & Managing Director and Smt. Pooja Bajaj, NED. Further, Shri Ashok Jalan ceased to be a member of SRC consequent upon his cessation as a Director of the Company.

Effective April 1, 2019, this Committee comprises of three Directors viz. Dr. (Smt) Indu Shahani, ID, Shri Shekhar Bajaj, Chairman & Managing Director and Smt. Pooja Bajaj, NED.

Shri Mangesh Patil, Company Secretary has been designated as Compliance Officer of the Company.

During FY 2018-19, the Committee met once on March 28, 2019 and it was attended by the then existing members.

Shri Ashok Jalan, ex-Chairperson of SRC was present at the last AGM of the Company held on August 9, 2018.

### **Terms of reference**

On March 28, 2019, the Board approved the revised terms of reference of SRC. For operational convenience Share Allotment Committee was dissolved and the roles and responsibilities of the Share Allotment Committee were assigned to SRC.

The revised terms of reference of SRC are as under:

1. To resolve the grievances of the security holders of the Company including complaints related to transfer

/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.
5. Issue and allotment of equity and/or preference shares.
6. Issue of new share certificate on allotment.
7. Issue of duplicate / split / consolidated share certificates.
8. To settle any question, difficulty or doubts of the shareholders that may arise with regards to the issue and allotment of shares.
9. Reference to Board of Directors in case of any question, doubts or difficulty in respect of issue, allotment, transfer of shares and any shareholders grievances, if necessary.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Link Intime India Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The minutes of SRC meetings are circulated to and noted by the Board.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

### Details of Shareholders' complaints received, resolved and pending

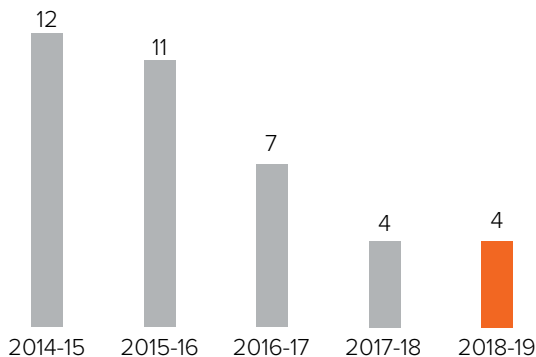
#### Complaints received, attended & resolved during FY 2018-19

Investors Complaints	No. of complaints
Pending at the beginning of the year	Nil
Received during the year	4
Disposed off during the year	3
Remaining unresolved at the end of the year	1*

\* As on the date of this Report, the said pending complaint also stands resolved.

#### Trend of shares related complaints during last 5 years:

##### No. of complaints



## (D) Corporate Social Responsibility (CSR) Committee

### Composition and Attendance

The Company has always been mindful of its obligations towards the communities it impacts and has been pursuing various CSR activities long before it became mandatory by law. As required under the Act, a formal Committee of the Board was constituted in March, 2014 to oversee and give directions to the Company's CSR activities.

During the year under review, CSR Committee has been re-constituted by inducting Shri Siddharth Mehta as its member. Also during the year Shri Anant Bajaj ceased to be a member of the CSR Committee consequent upon his demise on August 10, 2018.

As on March 31, 2019, this Committee comprised of three Directors viz. Shri Shekhar Bajaj, as the Chairperson of the Committee and Dr. (Smt) Indu Shahani and Shri Siddharth Mehta, both IDs, as the members of the Committee.

During FY 2018-19, the Committee met once on March 28, 2019 and said meeting was attended by all the members.

### Terms of Reference

The Committee's responsibilities with regard to CSR matters include:

- formulation and recommendation to the Board CSR Policy and Programmes;
- oversee and implement CSR projects or programmes or activities;
- review of annual budgets with respect to CSR programmes;
- work with the management to establish and develop the Company's strategic framework and objectives with respect to CSR matters;
- receive reports from management on the Company's CSR programmes, including significant sustainable development and community relations;
- receive reports from the management on current and emerging issues and trends in the field of CSR, including a discussion on the potential impact thereof on the Company;
- receive reports from the management on the Company's CSR performance to assess the effectiveness of the CSR programmes;
- review the findings and recommendations from the auditors or by regulatory agencies or consultants concerning the Company's CSR matters; and
- review the Company's disclosure of CSR matters in the Board's Report.

The CSR Policy statement and the CSR Report forms part of the Directors' Report to the members of the Company.

## (E) Risk Management Committee

### Composition

Pursuant to Regulation 21 of the Listing Regulations, the Board of the Company, at its meeting held on March 28, 2019, constituted Risk Management Committee, to be effective from April 1, 2019, with the following as its members:

- Shri Shekhar Bajaj, Chairman & Managing Director
- Shri Anuj Poddar, Executive Director

3. Dr. (Smt) Indu Shahani, Independent Director
4. Shri Siddharth Mehta, Independent Director
5. Shri Anant Purandare, President & Chief Financial Officer
6. Shri Rishiraj Haldankar, Vice President & Head – Internal Audit

The Company Secretary acts as the convenor of the Committee.

The composition of the Committee is in conformity with the Listing Regulations, with majority of members being Directors of the Company. During the year under review, no meeting was held of the said Committee.

#### Terms of Reference

The following are the responsibilities of the Committee. However, the Committee may diverge from these responsibilities and may assume such other responsibilities as it deems necessary or appropriate in carrying out its functions.

- a) To identify, assess, mitigate and monitor the existing as well as potential risks to the Company (including risks associated with cyber security and financial risk), to recommend the strategies to the Board to overcome them and review key leading indicators in this regard.
- b) to periodically review and approve the risk management framework including the risk management processes and practices of the Company.
- c) to evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.
- d) To develop and implement action plans to mitigate the risks.
- e) to coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
- f) To oversee at such intervals as may be necessary, the adequacy of Company's resources to perform its risk management responsibilities and achieve its objectives.
- g) To review and periodically assess the Company's performance against the identified risks of the Company.

- h) to review and periodically reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- i) To regularly review and update the current list of material business risks.
- j) To make regular reports to the Board, including with respect to risk management and minimisation procedures.
- k) To perform such other activities related to risk management plan as requested by the Board or to address issues related to any significant, subject within its term of reference.

The role and responsibilities of the Risk Management Committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

The performance of the Committee shall be reviewed by the Board periodically.

## (F) Finance Committee

#### Composition & Attendance

The Finance Committee was reconstituted by the Board in its meeting held on March 28, 2019 with the following directors as its members, in view of the vacancy caused due to demise of Shri Anant Bajaj and Shri Ashok Jalan, having expressed his unwillingness to continue to serve on the Board of the Company after the expiry of his first term of 5 years as an ID on March 31, 2019, being pre-occupied with various other activities and not being able to commit the time for the Company :

Sr.	Name of Director	Designation
1	Shri Shekhar Bajaj	Chairman & Managing Director
2	Dr. Rajendra Prasad Singh	Independent Director
3.	Smt Pooja Bajaj	Non-Executive Director

The Company Secretary acts as the Convenor of the Committee.

During FY 2018-19, the Committee met once on May 9, 2018 to deliberate on various matters referred above and the said meeting was attended by all the then members of the Committee.

#### Terms of Reference

The roles & responsibilities of the Finance Committee are as under:

1. **Banking and Trading Arrangements :** The Committee shall have general oversight responsibility for the Company's treasury activities. In this connection, the Committee shall annually review the Company's principal commercial and investment banking relationships, including its banking and treasury authorisations, and material terms of the Company's credit facilities in light of the Company's operating strategy, risk exposures, financial policies and changes in applicable law or accounting requirements.

The Committee shall have the following powers / authorities in connection with banking transactions:

- (i) Borrowings – Secured and/or unsecured short term or long term loans / facilities upto a sum not exceeding ₹500 crore between any two meetings of the Board of Directors and (i) to negotiate and finalise the terms & conditions including the rate of interest of loan(s) / facility(ies); (ii) to offer such securities as it may consider necessary in respect of the secured borrowings; and (iii) to discuss, settle and execute the document(s) as may be necessary for availing any loan / facility granted / to be granted by any bank(s) / financial institution(s) under the Common Seal of the Company in terms of Articles of Association of the Company and do all such things that may be necessary for the purposes of giving effect to the matters delegated.
  - (ii) Availing of any bill discounting and/or any other financial facilities from any other bank(s) / financial institution(s), etc.
  - (iii) Opening of bank accounts and delegation of authority to the officers of the Company for operation of the various bank accounts;
2. **Insurance Coverage :** The Committee shall annually review the Company's insurance program, including the credit quality of its insurers and re-insurers, the scope and limitations of coverage.
3. **Acquisitions and Divestitures :** The Committee may review the financial terms of material acquisitions or other equity investments and divestitures of any material operations of the Company that will be submitted to the Board of Directors for approval under the Company's Corporate Governance Policy regarding authorisations. The Committee may also approve the financial terms of transactions that have been approved in-principle by the Board of Directors, if delegated to do so by the Board.

4. **Delegation :** When appropriate, as permitted under applicable law and SEBI Listing Regulations, the Board or the Committee may delegate any of its responsibilities to a sub-committee comprised of one or more members of the Board, the Committee, or members of management.
5. **Other Duties :** The Committee shall also carry out such other duties as may be delegated to it by the Board from time to time.

### (G) Share Allotment Committee for Allotment of Shares Under ESOP

The Share Allotment Committee was constituted to expedite the process of allotment and issue of shares to the eligible employees of the Company upon their exercise stock options granted under ESOP.

During the year under review, due to demise of Shri. Anant Bajaj on August 10, 2018, Share Allotment Committee was re-constituted on November 1, 2018 comprising of three Directors viz. Shri Shekhar Bajaj as its Chairperson, Shri Ashok Jalan and Smt. Pooja Bajaj as its members.

The Company Secretary acts as the convenor of the Committee.

During FY 2018-19, the Committee met four times i.e. on: June 15, 2018, August 30, 2018, November 26, 2018, and February 7, 2019.

#### Attendance of members of the Committee at the meetings held during FY 2018-19

Director	No. of meetings attended
Shekhar Bajaj	4
Anant Bajaj <sup>1</sup>	1
Ashok Jalan	4
Pooja Bajaj <sup>2</sup>	2

#### Notes:

1. Shri Anant Bajaj, Managing Director ceased to be a director on demise on August 10, 2018.
2. Inducted as a member of the Share Allotment Committee w.e.f. November 1, 2018.

Pursuant to the Board Resolution dated March 28, 2019, the Share Allotment Committee has been dissolved effective April 1, 2019 and its authorities and responsibilities have been delegated to Stakeholders' Relationship Committee.

## (H) Debenture Committee

The Debenture Committee has been constituted for the purpose of allotment of Non-Convertible Debentures (NCDs) to its subscribers / allottees with the composition of Shri Shekhar Bajaj, as the Chairman of the Committee and Shri Anuj Poddar, Executive Director and Shri Siddharth Mehta, Director of the Company as its members.

The Company Secretary of the Company acts as the convener of the Committee. Axis Trustee Services Limited is the Debenture Trustee for the Debenture holders. The details of the Debenture trustee forms part of this report.

The Committee meeting was held on February 21, 2019, which was attended by Shri Shekhar Bajaj, Chairman of the Committee and Shri. Siddharth Mehta, member of the Committee. Leave of absence was granted to Shri Anuj Poddar.

## (I) Separate meeting of Independent Directors

During the year under review, IDs met on March 28, 2019, inter alia, to:

- Evaluate the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate the performance of the Chairman of the Company, taking into account the views of the Executive and NEDs;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the IDs were present at this Meeting.

## Subsidiary Companies

The Company has a Policy for determining Material Subsidiaries, which is in line with the Listing Regulations as amended, and the same has been uploaded on the website of the Company viz. [www.bajajelectricals.com](http://www.bajajelectricals.com). There is no material subsidiary of the Company and hence requirements relating to composition of Board of Directors of unlisted material subsidiary do not apply to the Company.

## Affirmations and Disclosures:

### a. Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under Listing Regulations.

### b. Related Party Transactions

All transactions entered into with the related parties as defined under the Act and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the financial statements in accordance with "IND AS". A statement of transactions entered into with the related parties in the ordinary course of business and at arm's length basis is periodically placed before the Audit Committee for review and recommendation to the Board for its approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with related party transactions. The Policy is available on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

All the transactions are carried out on an arm's length or fair value basis and have no potential conflict with the interest of the Company at large.

### c. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three financial years

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and SEBI guidelines. Consequently, there were no strictures or penalties imposed either by SEBI or Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.

### d. Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the Listing Regulations, the Company

has formulated Whistle Blower Policy to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of employees and directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

#### e. Disclosure of Accounting Treatment

In preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

#### f. Risk Management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

#### g. Commodity price risk and hedging activities

The Company has adequate risk assessment and minimisation system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

#### h. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The details of Non-Convertible Debentures issued during the year under private placement basis are given in the Directors' Report.

#### i. A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority.

The certificate of Company Secretary in practice is annexed herewith as a part of the report.

#### j. Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year. Not Applicable

#### k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part.

Details relating to fees paid to the statutory auditors are given in Note 30(a) to the standalone financial statements.

#### l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2019 is given in the Directors' Report.

#### m. Non-mandatory requirements

Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to-time.

### Risk Management Framework

Please refer to Para 'Risk Management' of the Directors' Report which forms part of this Annual Report.

### Details of Adoption of Non-Mandatory (Discretionary) Requirements

The status of compliance with the non-mandatory requirements under Regulation 27 of the Listing Regulations are as under:

#### • The Board

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

#### • Shareholders rights

The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.



- **Modified opinion(s) in audit report**

There is no modified opinion in the audit report.

reports to the Audit Committee. Internal audit reports submitted on quarterly basis are reviewed by the Audit Committee and suggestion / directions, if any, are given for necessary action.

- **Reporting of Internal Auditor**

In accordance with the provisions of Section 138 of the Act, the Company has appointed an Internal Auditor who

## The Disclosures of the Compliance with Corporate Governance Requirements Specified in Regulation 17 to 27 and Regulation 46(2)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Regulations</b>	<b>Brief Descriptions of the Regulations</b>	<b>Compliance Status (Yes/No/N.A.)</b>
1.	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes, as and when applicable
		17(5)	Code of Conduct	Yes
		17(6)	Fees / Compensation	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation	Yes
2.	Audit Committee	18(1)	Composition of Audit Committee & presence of the Chairman of the Audit Committee at the AGM	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of Audit Committee and review of information by Audit Committee	Yes
3.	Nomination and Remuneration Committee (NRC)	19(1) & (2)	Composition of NRC	Yes
		19(3)	Presence of the Chairman of NRC at the AGM	Yes
		19(4)	Role of NRC	Yes
4.	Stakeholders Relationship Committee (SRC)	20(1), (2) & (3)	Composition of SRC	Yes
		20(4)	Role of SRC	Yes
5.	Risk Management Committee (RMC)	21(1),(2) &(3)	Composition of RMC	Yes
		21(4)	Role of RMC	Yes
6.	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employees	Yes
7.	Related Party Transaction (RPT)	23(1),(5),(6),(7) &(8)	Policy for RPT	Yes
		23(2) & (3)	Approval including omnibus approval of Audit Committee for all RPTs and review of transaction by Audit Committee	Yes
		23(4)	Approval for Material RPTs	N.A.
8.	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	N.A.
		24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity	N.A.

Sr. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
9.	Obligations with respect to IDs	25(1)&(2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of IDs	Yes
		25(4)	Review of Performance by the IDs	Yes
		25(7)	Familiarisation of IDs	Yes
10.	Obligations with respect to Directors and Senior Management	26(1)&(2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to Code of Conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by NEDs	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes
11.	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12.	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of IDs	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to NEDs	Yes
		46(2)(g)	Policy on dealing with RPTs	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	Yes
	46(2)(i)	Details of familiarisation programmes imparted to IDs	Yes	

## Shareholder Information

### Details of last three AGMs held

AGM	Financial Year	Date and Time	Venue	Details of Special Resolution Passed
77th	2015-16	Thursday, August 4, 2016 at 11.00 AM	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber, Mumbai 400 020	Nil
78th	2016-17	Thursday, August 3, 2017 at 11.30 AM	IMC Marg, Churchgate, Mumbai 400 020	<ul style="list-style-type: none"> <li>- Ratification of Remuneration payable to Cost Auditors</li> <li>- Issue of Redeemable Non-Convertible Debentures on private placement basis.</li> </ul>
79th	2017-18	Thursday, August 9, 2018 at 12.00 PM	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021	<ul style="list-style-type: none"> <li>- Ratification of Remuneration payable to Cost Auditors</li> <li>- Borrowing by way of Issue of Securities</li> <li>- Promotion and re-designation of Shri Anant Bajaj as the Managing Director of the Company;</li> <li>- Maintenance of Statutory Registers at a place other than the Registered Office of the Company; and</li> <li>- Adoption of new set of Articles of Association of the Company in conformity with the Companies Act, 2013.</li> </ul>

## General Body Meetings

During the year under review, meetings of the equity shareholders, secured creditors and unsecured creditors of the Company were convened and held, as under, as per the directions of Hon'ble National Company Law Tribunal, Mumbai Bench, to consider and approve the Scheme of Arrangement between Hind Lamps Limited and the Company and their respective shareholders and creditors :

Type of Meeting	Date	Time	Venue
Equity Shareholders	Thursday, February 21, 2019	10.30 AM	Walchand Hirachand Hall, 4th Floor, Indian Merchants
Secured Creditors	Thursday, February 21, 2019	03.30 PM	Chamber, IMC Marg, Churchgate, Mumbai 400020,
Unsecured Creditors	Friday, February 22, 2019	10.30 AM	Maharashtra
Adjourned Secured Creditors	Tuesday, March 19, 2019	04.30 PM	Mulla House, 51 M.G. Road, Fort, Mumbai - 400001, Maharashtra

## Postal Ballot

During the year under review, one postal ballot was conducted by the Company as per provisions of Section 110 of the Act. Shri Anant B. Khamankar, Practicing Company Secretary was appointed as Scrutinizer for conducting postal ballot in a fair and transparent manner. The voting was conducted through physical mode as well as electronic mode. The Company had engaged the services of Link Intime India Private Limited (LIPL) to provide e-voting facility to its Members. The notice of postal ballot was accompanied with detailed instructions kit to enable the members to understand the procedure and manner in which postal ballot voting (including remote e-voting) to be carried out. The following Resolutions are deemed to have been passed on the last date of e-voting and receipt of Postal Ballot forms i.e. on Tuesday, March 26, 2019. The aforesaid voting results along with the Scrutinizer's Report were displayed at the Registered Office and Corporate Office of the Company and on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com) and LIPL: <https://instavote.linkintime.co.in>.

All the Resolutions were approved with the requisite majority. The details of results of Postal Ballot are as under:

Particulars	No of Votes received	No and (%) of votes in favour	No. and (%) of votes against
<b>Special Resolution:</b> Re-appointment of Shri Harsh Vardhan Goenka as an ID for the second consecutive term of five (5) years on the Board of the Company i.e. from April 1, 2019 to March 31, 2024	71623309	69892782 (97.58%)	1730527 (2.42%)
<b>Special Resolution:</b> Re-appointment of Dr. (Smt.) Indu Shahani as an ID for the second consecutive term of five (5) years on the Board of the Company i.e. from April 1, 2019 to March 31, 2024.	71622887	69920349 (97.62%)	1702538 (2.38%)
<b>Special Resolution:</b> Re-appointment of Dr. Rajendra Prasad Singh as an ID for the second consecutive term of five (5) years on the Board of the Company i.e. from April 1, 2019 to March 31, 2024 as well as to continue to hold the position of Non-Executive ID beyond 75 years of age.	71622896	70116322 (97.90%)	1506574 (2.10%)
<b>Special Resolution:</b> Approval for giving loan or guarantee or providing security in connection with loan availed by any of Company's subsidiary or other person specified under Section 185 of the Companies Act, 2013.	71591744	66631196 (93.07%)	4960548 (6.93%)

Further, none of the businesses proposed to be transacted in the ensuing 80th AGM require passing a special resolution through postal ballot.

**AGM for FY 2018-19**

<b>Day and date</b>	Wednesday, August 7, 2019
<b>Time</b>	12.30 P.M.
<b>Venue</b>	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021
<b>Financial year</b>	April 1, 2018 to March 31, 2019
<b>Book closure dates for dividend</b>	Saturday, July 27, 2019 to Wednesday, August 7, 2019
<b>Last date of receipt of proxy forms</b>	Monday, August 5, 2019 before 12.30 P.M.

**Tentative calendar for financial year ending March 31, 2020**

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

<b>Sr.</b>	<b>Particulars of Quarter</b>	<b>Tentative dates</b>
1.	Q1 Results	2nd Week of August 2019
2.	Q2 and Half Yearly Results	2nd Week of November 2019
3.	Q3 Results	2nd Week of February 2020
4.	Q4 and Annual Results	4th Week of May 2020

**Dividend**

The Board of Directors at their Meeting held on May 22, 2019, has recommended dividend payout, subject to approval of the shareholders at the ensuing AGM, of ₹3.50 per share, on equity shares of the Company for FY 2018-19. The dividend shall be paid to the members whose names appear on Company's Register of Members on July 26, 2019 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on July 26, 2019 furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose. The dividend, if declared at the AGM, shall be paid on or after August 14, 2019.

**Dividend Distribution Policy**

The Company has adopted Dividend Distribution Policy in terms of the requirements of the Listing Regulations and the same is annexed with this Annual Report and is also available on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

**Dividend history for the last 10 Financial Years**

Table below gives the history of dividend declared and paid by the Company in the last 10 financial years:

<b>Sr.</b>	<b>Financial Year</b>	<b>Date of declaration of Dividend</b>	<b>Dividend Per Share</b>
1.	2008-09	July 30, 2009	₹10.00
2.	2009-10	July 28, 2010	₹2.40
3.	2010-11	July 28, 2011	₹2.80
4.	2011-12	July 26, 2012	₹2.80
5.	2012-13	August 6, 2013	₹2.00
6.	2013-14	July 31, 2014	₹1.50
7.	2014-15	August 6, 2015	₹1.50
8.	2015-16	March 10, 2016	₹2.80
9.	2016-17	August 3, 2017	₹2.80
10.	2017-18	August 9, 2018	₹3.50

### Unclaimed Dividend / Shares

Pursuant to the provisions of Section 124(5) of the Act, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any, to the Investor Education and Protection Fund ('IEPF'), a fund established under sub-section (1) of Section 125 of the Act. The details of unclaimed / unpaid dividend are available on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

### Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid / unclaimed dividend on shares for a consecutive period of seven years

In terms of Section 124(6) of the Act read with rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the demat account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due for transfer. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the demat account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules.

The Company is in the process of sending out individual communication to the concerned members whose shares are liable to be transferred to IEPFA on August 25, 2019 (Due Date), to take immediate action in the matter. As required under the IEPF Rules, the Company shall also publish a Notice informing the members' who have not claimed their dividend for a period of 7 years to claim the same from the Company before they are transferred to IEPFA.

The shareholders, in their own interest, should claim the dividends regularly as and when declared by the Company.

### Details of Unclaimed Dividend as on March 31, 2019 and due dates for their transfer:

<b>Sr.</b>	<b>Financial Year</b>	<b>Date of declaration of Dividend</b>	<b>Unclaimed Amount (₹)</b>	<b>Due Date for transfer to IEPF Account</b>
1.	2011-12	July 26, 2012	11,79,497.20	August 25, 2019
2.	2012-13	August 6, 2013	8,26,994.00	September 5, 2020
3.	2013-14	July 31, 2014	8,73,085.50	August 30, 2021
4.	2014-15	August 6, 2015	9,64,363.50	September 5, 2022
5.	2015-16	March 10, 2016	18,26,798.40	April 9, 2023
6.	2016-17	August 3, 2017	17,28,669.60	September 1, 2024
7.	2017-18	August 9, 2018	20,81,471.00	September 7, 2025

### Unclaimed Shares

The Company does not have any unclaimed shares lying with it from any public issue. However certain shares resulting out of the bonus shares issued by the Company are unclaimed by the shareholders. As required under Regulation 39(4) of the Listing Regulations, the reminders are being sent by the Company to the concerned shareholders to claim these shares and is in a process of depositing these shares in the Suspense Account.

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, the details of the shares in the Suspense Account are as follows:

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
NIL	NIL	NIL	NIL	NIL

All corporate benefits on such shares viz. bonus shares, etc. shall be transferred in accordance with the provisions of Section 124(6) of the Act read with IEPF Rules. The eligible shareholders are requested to note the same and take action for claiming the shares from the said account by submitting necessary documents.

### Distribution of Shareholding as on March 31, 2019

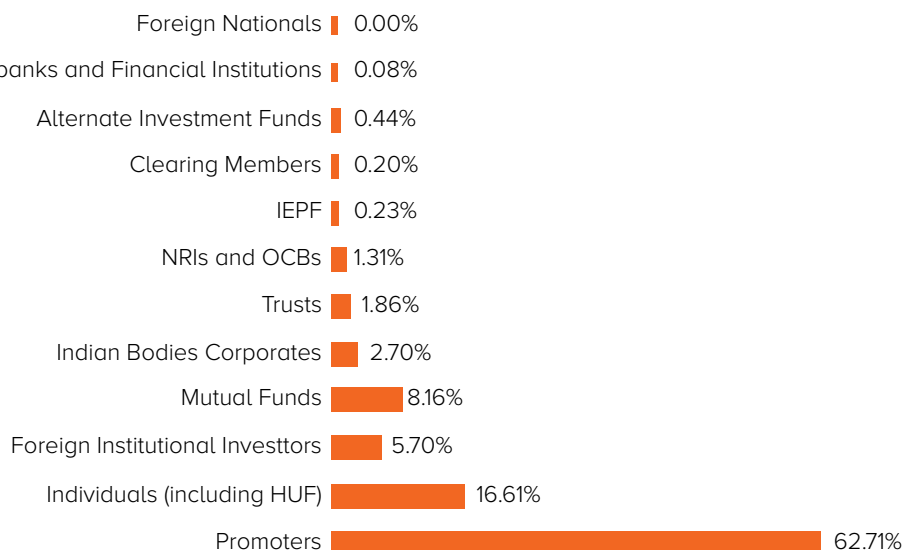
No. of equity shares	No. of shareholders	% of shareholders	No. of shares held	% of Shareholding
1 to 500	38901	88.72	3832154	3.74
501 to 1000	2153	4.91	1614736	1.58
1001 to 2000	1136	2.59	1660721	1.62
2001 to 3000	542	1.24	1353403	1.32
3001 to 4000	254	0.58	897675	0.88
4001 to 5000	184	0.42	851076	0.83
5001 to 10000	308	0.70	2258391	2.21
10001 and above	368	0.84	89931445	87.82
<b>Grand Total</b>	<b>43846</b>	<b>100.00</b>	<b>102399601</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2019

Categories	March 31, 2019		March 31, 2018	
	No. of shares	% of total capital	No. of shares	% of total capital
Promoters	64218485	62.71	64218485	62.94
Individuals (including HUF)	17005889	16.61	15074132	14.77
FIs	5834717	5.70	9919647	9.72
Mutual Funds	8352294	8.16	5476013	5.37
Indian Bodies Corporates	2765185	2.70	3814257	3.74
Trusts	1903672	1.86	1896718	1.86
NRIs and OCBs	1339239	1.31	952943	0.93
IEPF	234016	0.23	225680	0.22
Clearing Members	206963	0.20	185307	0.18
Alternate Investment Funds	449405	0.44	180000	0.18
Banks and FIs	89691	0.08	51719	0.05
Foreign Nationals	45	0.00	42600	0.04
<b>Total</b>	<b>102399601</b>	<b>100.00</b>	<b>102037501</b>	<b>100.00</b>

## Distribution of shareholding according to size class as on March 31, 2019

### Shareholding as on March 31, 2019



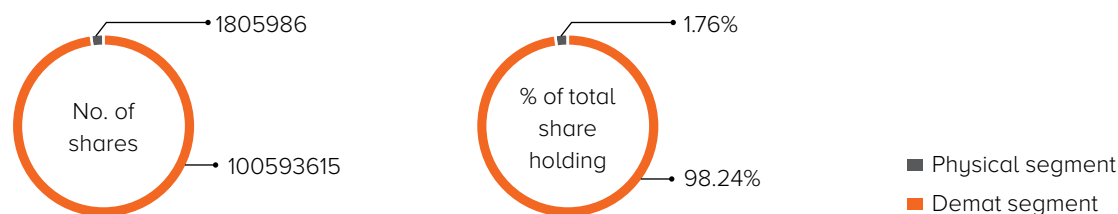
## Dematerialisation of Shares and Liquidity

98.23% of the equity shares of the Company have been dematerialised (NSDL 95.02 % and CDSL 3.21%) as on March 31, 2019. The Company has signed agreements with NSDL and CDSL whereby shareholders have an option to dematerialise their shares with either of the Depository.

Shares held in physical and electronic mode:

	Position as on March 31, 2019		Position as on March 31, 2018	
	No. of shares	% of total share holding	No. of shares	% of total share holding
<b>Physical (A)</b>	<b>1805986</b>	<b>1.76</b>	<b>2083656</b>	<b>2.04</b>
<b>Demat</b>				
NSDL	97309327	95.03	97124680	95.19
CDSL	3284288	3.21	2829165	2.77
<b>Total Demat (B)</b>	<b>100593615</b>	<b>98.24</b>	<b>99953845</b>	<b>97.96</b>
<b>Total (A) + (B)</b>	<b>102399601</b>	<b>100.00</b>	<b>102037501</b>	<b>100.00</b>

## Mode of shareholding as on March 31, 2019



Dematerialisation of Shares – Process

Shareholders who continue to hold shares in physical form are requested to dematerialise their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialised is given hereunder:

- a) Demat account should be opened with a Depository Participant (DP).
- b) Shareholders should submit the Dematerialisation Request Form (DRF) along with share certificates in original, to their DP.
- c) DP will process the DRF and will generate a Dematerialisation Request Number (DRN).
- d) DP will submit the DRF and original share certificates to the Registrar and Transfer Agent (RTA), which is Link Intime India Private Limited.
- e) RTA will process the DRF and confirm or reject the request to DP/ depositories
- f) Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP

### Consolidation of Folios and Avoidance of Multiple Mailing

To enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names, are requested to consolidate their holdings under one folio. Members may write to the RTA indicating their folio numbers to be consolidated along with the original shares certificates.

### Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and report thereof is submitted to NSE and BSE, where the Company's shares are listed. The audit confirms that the total listed and paid-up share capital of the Company is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

### Compliance with Secretarial Standards

The Company has complied with the Secretarial Standards on various aspects of corporate law and practices issued by The Institute of Company Secretaries of India.

### Compliance Certificate of the Auditors

Certificate from the Company's Auditors, Messrs S R B C & Co. LLP confirming compliance with conditions of Corporate Governance as stipulated under Clause E of Schedule V of the Listing Regulations, is attached to this Report.

### NCD holders of the Company as on March 31, 2019

Sr. No.	Name of the Debenture holders	No. of NCDs held of face value of ₹10,00,000/- each	Coupon Rate	ISIN
1.	HDFC Credit Risk Debt Fund	350	Zero coupon with yield to maturity of 11% p. a.	INE193E08038
2.	HDFC Credit Risk Debt Fund	750		INE193E08020
3.	HDFC Credit Risk Debt Fund	750		INE193E08012

**Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity:** Not Applicable



**The Company's Share / GDRs are Listed on the following Stock Exchanges and the Listing Fees have been paid to the Stock Exchanges:**

Stock Exchange	Stock Code
BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai – 400 001	500031
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	BAJAJELEC

Un-secured Redeemable Non-Convertible Debentures (NCDs) of face value of ₹10,00,000/- each are listed on the Wholesale Debt Market segment of National Stock Exchange of India Limited:

Series	Coupon Rate %	ISIN	Principal Amount (₹ in Crore)	Date of Maturity	Debenture Trustee	Credit Rating
A	NCDs with zero coupon	INE193E08038	35	February 19, 2021	Axis Trustee Services Limited	[ICRA] A+
B	at a yield to maturity of	INE193E08020	75	August 20, 2021		
C	11% p.a	INE193E08012	75	February 18, 2022		

**Contact details of Debenture Trustee:** Axis Trustee Services Limited, 2nd Floor 'E', Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400 025. Tel. No.: 022-2425 5215/5216, Fax: 022-2425 4200. Email: [debenturetrustee@axistrustee.com](mailto:debenturetrustee@axistrustee.com) Website: [www.axistrustee.com](http://www.axistrustee.com).

**Share Price Data**

Monthly high and low prices and trading volumes of the Company's equity shares at BSE and NSE during FY 2018-19:

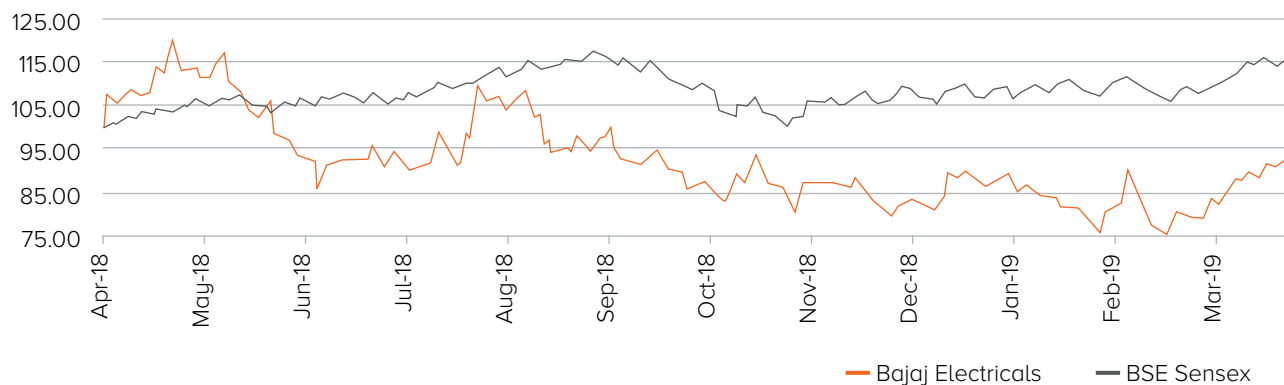
Month	BSE			NSE		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
Apr 2018	706.35	569.00	1792065	705.80	565.10	208824772
May 2018	675.45	524.55	1176584	676.20	524.30	13142046
Jun 2018	559.90	461.15	1046889	554.00	515.00	11702878
Jul 2018	658.70	510.25	1630853	657.40	515.00	18834456
Aug 2018	646.00	539.00	1169955	648.00	537.05	12815995
Sep 2018	576.00	480.20	506375	576.40	478.65	4864015
Oct 2018	542.60	454.00	344231	544.00	451.95	4731894
Nov 2018	527.00	451.00	993129	523.00	450.50	6290020
Dec 2018	525.40	450.00	408802	526.50	452.00	4016774
Jan 2019	521.00	417.90	365520	521.40	416.35	2980773
Feb 2019	524.65	379.00	621412	524.80	424.20	6691480
Mar 2019	572.00	448.00	857334	571.80	449.15	6092808

(Source: BSE and NSE Websites)

Performance in comparison to BSE Sensex, NSE Nifty and BSE 500 Index

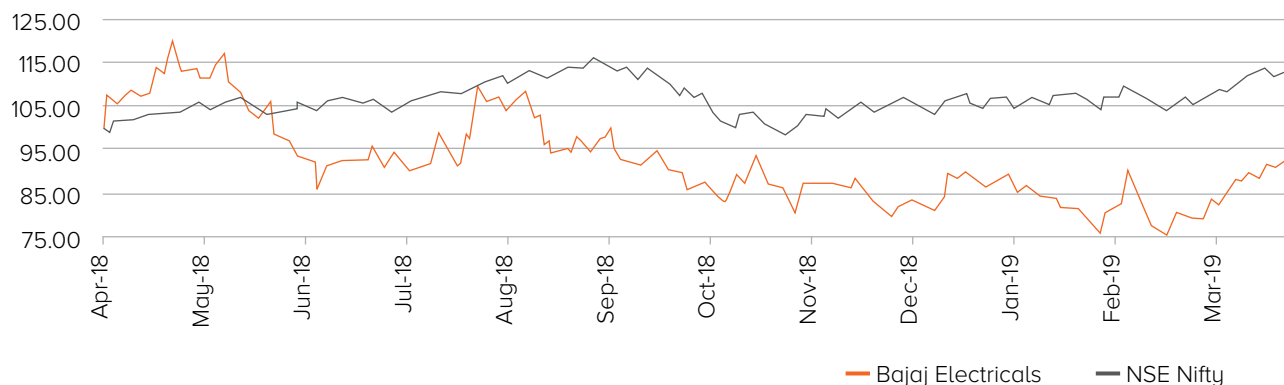
Month	The Company's Closing Price on NSE on the last trading day of month (₹)	BSE Sensex at the Close of last trading day of the month (₹)	NSE Nifty at the Close of last trading day of the month (₹)	BSE 500 Index at the Close of last trading day of the month (₹)
Apr 2018	654.85	29,918.40	656.15	12,979.20
May 2018	532.05	31,145.80	533.60	13,199.20
Jun 2018	544.05	30,921.61	543.60	13,178.50
Jul 2018	613.00	32,514.94	612.45	13,897.20
Aug 2018	564.45	31,730.49	566.70	13,762.10
Sep 2018	499.95	31,283.72	502.55	13,610.70
Oct 2018	486.50	33,213.13	484.60	14,485.60
Nov 2018	471.90	33,149.35	472.85	14,493.60
Dec 2018	503.70	34,056.83	504.50	15,002.70
Jan 2019	462.25	35,965.02	458.20	15,347.20
Feb 2019	452.20	34,184.04	453.00	14,670.50
Mar 2019	558.85	32,968.68	558.10	14,125.50

#### The Company's Share Price Performance versus BSE Sensex:



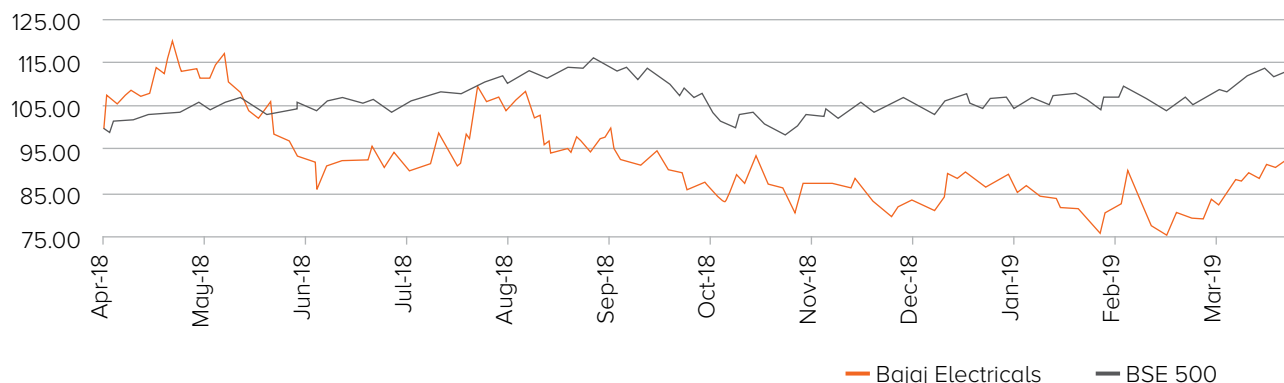
Note: Share price of the Company and BSE Sensex have been indexed to 100 on April 1, 2018.

#### The Company's Share Price Performance versus NSE Nifty:



Note: Share price of the Company and NSE Nifty have been indexed to 100 on April 1, 2018.

## The Company's Share Price Performance versus BSE 500:



Note: Share price of the Company and BSE 500 have been indexed to 100 on April 1, 2018.

## Means of Communication to Shareholders

- (i) The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- (ii) The approved financial results are sent to the Stock Exchanges forthwith and published in 'Free Press Journal' (English newspaper) and 'Navshakti' (local language Marathi newspaper), within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- (iii) The Company's financial results and official press releases are displayed on the Company's Website- [www.bajajelectricals.com](http://www.bajajelectricals.com).
- (iv) Any presentations made to the institutional investors or/ and analysts are also posted on the Company's website.
- (v) Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.
- (vi) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.
- (vii) A separate dedicated section under "Investors Relation", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly / half yearly results and other relevant information of interest to the investors / public.
- (viii) SEBI processes investor complaints in a centralised web-based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge a complaint against the Company for redressal of his grievance. The Company uploads the action taken report on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
- (ix) The Company has designated the email id: [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com) for investor relation, and the same is prominently displayed on the Company's website [www.bajajelectricals.com](http://www.bajajelectricals.com)

## Share Transfer System

The transfer of shares in physical form is processed and completed by RTA within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL / CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of share transfer and a certificate to that effect is issued.

## Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the

registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the RTA.

### Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through ECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will

be issued to the members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

### Service of documents through electronic mode

As a part of Green Initiative, the members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to RTA on their e-mail id: [rnt\\_helpdesk@linkintime.co.in](mailto:rnt_helpdesk@linkintime.co.in).

**Address for Correspondence:** All Shareholders' correspondence should be forwarded to RTA or to the Company at their following respective addresses:

Link Intime India Private Limited  
C101, 247 Park, L B S Marg,  
Vikhroli (West),  
Mumbai 400 083.  
Tel.No.: 022-4918 6000  
Fax No.: 022-4918 6060  
E-mail: [rnt\\_helpdesk@linkintime.co.in](mailto:rnt_helpdesk@linkintime.co.in)  
Website: [www.linkintime.com](http://www.linkintime.com)

Mangesh Patil, Compliance Officer  
Legal & Secretarial Department  
Bajaj Electricals Limited  
45/47, Veer Nariman Road,  
Mumbai 400 001  
Tel.No.: 022-6110 7800 / 6149 7000  
E-mail: [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com)  
Website: [www.bajajelectricals.com](http://www.bajajelectricals.com)

### Factories/Plants Location:

#### Chakan Unit

Village Mahalunge,  
Chakan,  
Chakan Talegaon Road,  
Tal: Khed, Dist: Pune,  
Maharashtra – 410 501

#### Ranjangaon Unit

MIDC – Ranjangaon  
Village : Dhoksanghavi  
Tal: Shirur, Dist: Pune  
Maharashtra – 412 210

#### Wind Farm

Village Vankusawade  
Tal: Patan  
Dist: Satara  
Maharashtra – 415 206

## Declarations

### Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Bajaj Electricals Limited Code of Business Conduct and Ethics for the year ended March 31, 2019.

For Bajaj Electricals Limited

Mumbai  
May 22, 2019

**Shekhar Bajaj**  
Chairman & Managing Director

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## Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015]

To,  
The Members,  
BAJAJ ELECTRICALS LIMITED  
45/47, Veer Nariman Road,  
Mumbai – 400001

Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, we hereby certify that none of the Directors on the Board of Bajaj Electricals Limited have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

For Anant B Khamankar & Co.  
Company Secretaries

**Anant B. Khamankar**  
Membership No.: 3198  
C P No.: 1860

Date: May 21, 2019  
Place: Mumbai

## CEO/ CFO Compliance Certificate

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Bajaj Electricals Limited (the "Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2019 and to the best of our knowledge and belief, we state that:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the said period, which are fraudulent, illegal or violative of the Company's Code of Business Conduct & Ethics.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Auditors and Audit Committee:
- a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarise and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies;
  - b. Any significant changes in internal controls during the said period covered by this report;
  - c. Any significant changes in accounting policies during the said period, if any, and the same have been disclosed in the notes to the financial statements; and
  - d. Any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.
- (e) We affirm that we have not denied any personal access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
- (f) We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Business Conduct & Ethics for the said period covered by this report.

Mumbai, dated May 22, 2019

**Shekhar Bajaj**  
Chairman & Managing Director(CEO)

**Anant M. Purandare**  
President & CFO

# Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of  
Bajaj Electricals Limited  
45/47, Veer Nariman Road,  
Mumbai, Maharashtra, India

1. The Corporate Governance Report prepared by Bajaj Electricals Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the stock exchange and to be sent to the Shareholders of the Company.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

## Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

## Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
  5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;
  - iv. Obtained and read the minutes of the following meetings held during April 1, 2018 to March 31, 2019:
    - (a) Board of Directors meeting;
    - (b) Audit Committee;
    - (c) Annual General meeting;
    - (d) Nomination and Remuneration Committee;
    - (e) Stakeholders Relationship Committee;
    - (f) Independent Directors meeting; and
    - (g) Corporate Social Responsibility committee;
  - v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
  - vi. Performed necessary inquiries with the

management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

8. Based on the procedures performed by us as referred to in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

### Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta  
Partner  
Membership Number: 105938

Place of Signature: Mumbai  
Date: May 22, 2019



# Management Discussion and Analysis

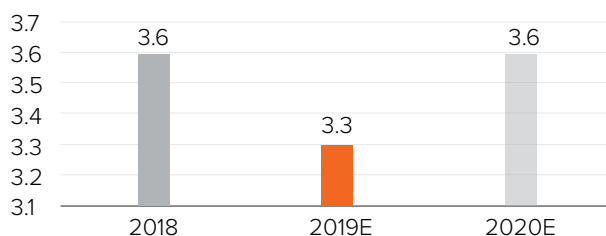
## Global Economic Scenario

The year 2018 witnessed the growth of the global economy by 3.6%. The economy bounced back with resilience despite the presence of multiple hindrances. As trade tensions rose between the US and China, several economies undertook various positive initiatives, aiming to reverse the tightening of financial conditions and reducing inflationary pressures. In order to address concerns, the US Federal Reserve signaled no further increase in interest rates till the year-end. China also brought about improvements in its fiscal and monetary policy to counter the negative effects of trade tariffs with the US. With no visible ease in the trade tensions in the near future, the trade war may have a cascading effect on other global economies as well.

The advanced economies grew at 2.2% during the year with a softer growth reported in exports thereby resulting in waning consumer and business confidence. However, the emerging and developing economies witnessed a growth of 4.5% and achieved a decline in inflation to 3.5% during the year. Consumer price inflation remained muted across advanced economies, given the drop in commodity prices. Wage growth was seen picking up across most advanced economies, notably in the US and UK. Further, inflation pressures eased towards the lower end of the central bank's target range with the drop in commodity prices (Indonesia) and slowdown in food inflation (India).

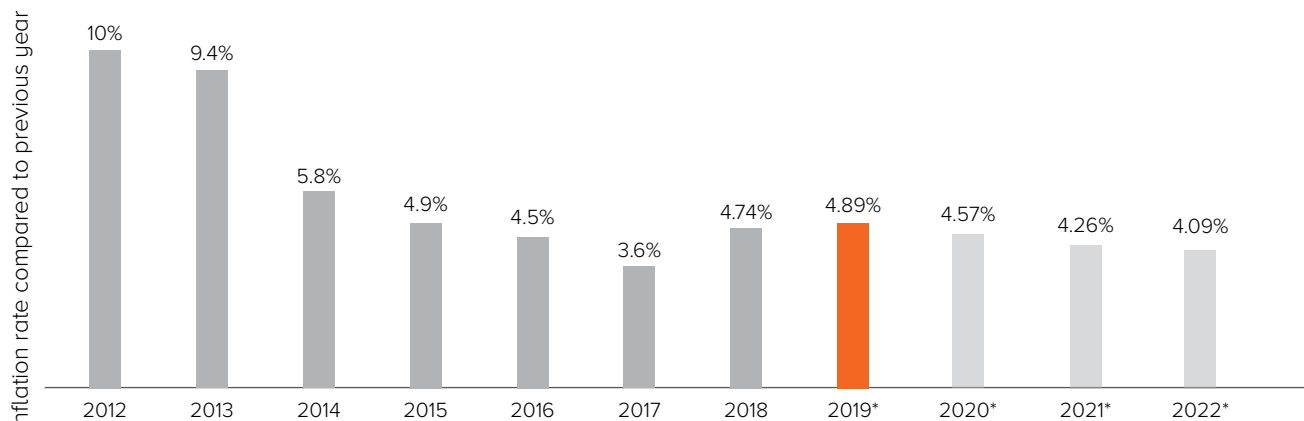
The growth is expected to slowdown in 2019 briefly at 3.3% before returning to an improved 3.6% in 2020. The decline in the growth in 2019 is on account of risks and challenges faced by the economies. The growth is anticipated to pick up owing to a number of factors. The ongoing buildup of policy stimulus in China and expected improvements in global financial market sentiments could have positive impact to augment an improved growth. Further, some diminishing temporary drags on growth in the euro area, and a gradual stabilisation of conditions in stressed emerging market economies, including Argentina and Turkey can provide impetus for the recovery of the global economy. Beyond 2020, global growth is set to stabilise at about 3.6% over the medium term, sustained by the increase in the relative size of economies, such as those of China and India, which are projected to have robust growth by comparison to slower-growing advanced and emerging market economies. (Source: IMF)

### Global Economic Growth (%)



E: Expected (Source: IMF)

## Inflation Rate in India (2012-2022)



(Source: IMF)

## Indian Economic Scenario

India witnessed a GDP growth of 6.8% in FY19, being the fastest among the developing economies of the world. The growth was attributed to escalation in consumption, investments and manufacturing sector. The index of industrial production also grew, reflecting a sturdy demand for capital equipment, construction goods, and consumer durables. The agriculture sector did face challenges in recording steady growth targets coupled with widening current account deficit and rising inflation.

After rebounding in FY18, imports slowed to 9.8% in FY19, reflecting sluggishness in imports other than oil. Growth in import of capital goods declined in H2 FY19 in line with weakening economic sentiments. Further, exports grew by 8.9%, slightly slower than in the previous year. The growth in exports was productively buoyed by strong growth in refined petroleum, aided by the rise in global prices. Also, healthy growth in exports of electronics, chemicals, pharmaceuticals, machinery, and textiles were noticed even though contraction in exports of metals and leather products was noted.

Net foreign direct investment inflows were charted at USD 32 billion in FY19, slightly higher than the previous year. By contrast, net portfolio investment flows turned negative with strong outflows from India in the first half of FY19 as investor sentiments dampened in response to rate hikes in the US, rising oil prices, a worsening current account deficit, and uncertainty over India meeting its fiscal deficit target. The Indian rupee depreciated by 7.2% against the US dollar during FY19, reflecting the widening current account deficit and tepid foreign investment flows.

The country's economy is expected to grow at 7.2% in FY20. This is mainly on the backdrop of strengthening domestic

demand in India, with benefits of structural reforms such as GST and bank recapitalisation taking effect. Higher financial inflows to the commercial sector augur well for economic activity. Private consumption is projected to remain strong and investment growth is expected to continue in response to improved bank and corporate balance sheets and more competitive domestic firms. Manufacturing is likely to benefit from lower borrowing costs and rising demand for consumer goods, aided by government measures to boost disposable incomes. (Source: IMF, ADB, RBI)

## Company Overview

The Company is engaged in the business of Consumer Products (Appliances, Fans, Lighting), EPC (Illumination, Power Transmission and Power Distribution) and Exports. Powered by a pan-India presence and a market leading position in the industry, the Company functions through 20 branch offices which are duly supported by a chain of approximately 478 distributors, 201364 retail outlets and 504 consumer care centers. Besides this, the Company has also expanded its footprints in international market, catering to more than 40 countries in South East Asia, SAARC nations, the Middle East and the African continent. The Company's partnership with reputed global brands such as Morphy Richards (a leading consumer appliance company in UK) and its acquisition of Nirlep Appliances Private Limited has enabled it to enrich its brand and product portfolio immensely.

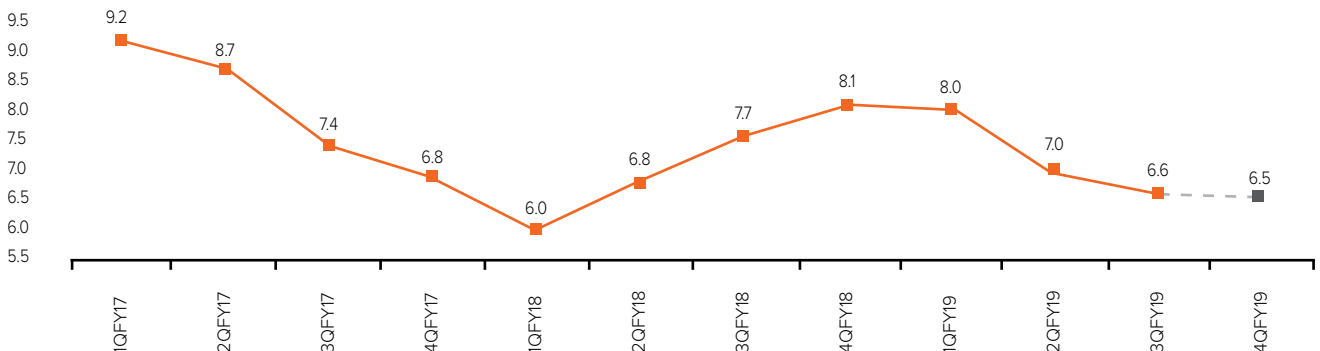
**₹6,673 crore**

Revenues in FY19

**3217**

Number of employees  
as on March 31, 2019

## Quarterly GDP growth of India



(Source: MoSPL, GoI)

## SWOT analysis

### Strengths

- Leveraging more than eight decades of experience in design, development and manufacturing of the products that are unique from the competitors.
- Diversified product portfolio catering to various consumers' needs in Consumer Appliances.
- Best-in-class distribution reach across 675 districts of India.
- Strong brand reputation and recall in the rural as well as the urban market.
- Best-in-class consumer service and a strong market presence established through 20 offices and 504 consumer care centres.
- Capability to service more than 2 lakh retail counters every week.
- Luminaires and Illumination businesses ranging across commercial, industrial lighting, stadium, street lighting, solar and smart lighting solutions.
- Experienced team for Power Transmission and Power Distribution businesses.
- Strong credentials and financial status to bid for future EPC contracts.

### Weakness

- Decline in its market share in recent years in fans and consumer lighting due to increased competition. However, the Company has now embarked on steps to regain the market share.
- Limited presence outside India. A faster expansion into the international territories (for its Consumer Products as well as EPC business) will help de-risk the Company from potential slowdown in the domestic market.

### Opportunities

- Although the Company has numerous products in its portfolio, the introduction of new and innovative products through its in-house Research & Development team would increase its market share.
- Greater adoption of smart and connected lighting solutions for residential and commercial purposes would make the product more appealing to the consumers and increase in revenues.
- Increasing focus on Smart cities is expected to provide a fillip to integrated, smart illumination offerings.
- EPC business is expected to provide opportunities in sub-stations and railway electrification projects.

### Threats

- Small electrical appliances and consumer lighting is a low entry-barrier business, thereby resulting in constant entry of new players into Company's product categories.
- Rapid technological change in lighting is driving value erosion and enhancing the need for continuous re-evolution.
- Hyper-competitive bidding for EPC projects leads to underpricing and low/adverse margins.

## Insights into Company's Operations

### Consumer Facing Businesses

#### Consumer Products Market Overview (Small Appliances, Fans and Lighting)

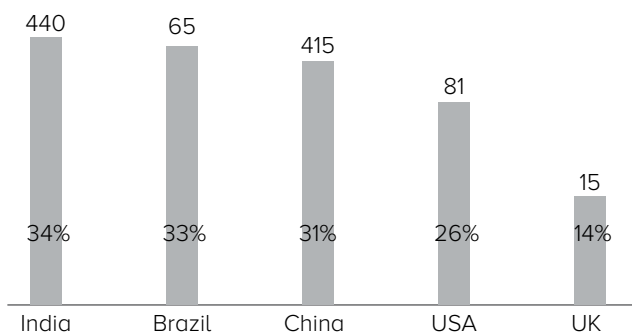
Owing to the rising population of the country, the market is marked by strong growth. In FY19 the sector witnessed a growth of 6% in small appliances, 12% in fans and 12% in lighting segments in India, backed by the rise in consumption, growth in per capita income and urbanisation. Value growth in small appliances was slightly muted and the market witnessed a poor season for Air Coolers.

Moreover, the investments towards rapid electrification of households in rural India by the government is widening the consumer base for lighting, fans and small appliances. While on the one hand, the sector is observing consolidation from unorganised retail to organised trade channels as well as modern retail chains and e-retailers, on the other hand there is greater rural demand and penetration through smaller, unorganised retailers and traditional trade channels.

Increasing urbanisation, consumerism and lifestyle upgradation is also leading to consumers becoming more demanding and diverse in their preferences and seeking consumer goods with enhanced features, finish and design. As a result, manufacturers are introducing newer technologies, innovations and design in order to deliver differentiated products in the market.

The fiscal gone by, transformed the industry with the introduction of unique innovations like smart appliances which included energy saving tools, wireless, sensor-driven products, voice command for hands-free movement, digital features and mobile integration. In addition to this, the 'Make

#### Millennial population (in millions) as a% of country's total population



(Source: UN population stats, Deloitte Analysis)

in India' wave has also provided a boost to the industry as companies are increasing their investments in Indian-specific innovation and products. Although in the beginning, FY19 was conjectured to be a washout for the industry, owing to unseasonal rains, a weak festival season (Onam and Diwali) and floods in South India, the industry recovered positively.

### Outlook

The Indian consumer small appliances, fans and lighting industry is projected to witness a growth of 9%, 11% and 14% respectively in FY20. Besides an improvement in consumer demand, factors like rising disposable income, evolving lifestyle habits and reduction in GST rates for everyday essential goods are likely to contribute towards market expansion. Considerable opportunities in India's overall retail segment coupled with the demographic dividend and rising Internet penetration is anticipated to propel the growth in the sector. Further, rural electrification and rise in rural incomes (including through Governmental support schemes) is expected to expand the market for this sector.

### Segment overview

With a wide range of products under each category, the Company caters to the trending and preferred choices of the new-age customer and seeks to generate experimental inputs in order to essay unique outcomes in the form of differentiated products. The consumer products segment accounted for 41% share in the total revenue amounting to ₹ 2740.76 crore in FY19, registering a growth of 22.99% compared to the previous year. The growth was achieved mainly due to improvement in product efficiency, introduction of 72 new products in different markets across India and continuously catering to the customers' needs and expectations. These newly introduced products amassed massive popularity in the market and resulted in total sales surpassing the business plans made for these products.

### Range Reach Expansion Program

The main focus of the Company with regard to the consumer products segment has primarily been on ensuring sustained availability of products and after-sales services across India. Through its Range Reach Expansion Program (RREP), the Company has derived the following benefits:

- Addition of more retail outlets including Kiranas thus expanding its reach and increase in the number of products being sold at each counter, enhancing its range.
- Eradication of the wholesale and weighted distribution, resulting in expansion of its reach and presence in over 600 districts across India.

- Price stability across geographies which assured channel partners with more security, confidence and better returns on their investments.

In addition to all these measures, the Company also circulated printed uniform price list to all retailers in the area irrespective of the quantity, provided door order delivery within 24-36 hours on freight paid basis and provided free home service within 72-hours for warranty-based products to increase its competitiveness and maintain its market leadership in key segments.

#### Key Product Highlights of FY19

- Launched 4 new mixer grinders specifically designed for the consumers in the southern markets.
- Launched sub-economy ceiling fan models in Feb'19, which created a good demand in the market with a sale of ~1.9 lac units reported at the year-end. The overall sales contribution of new models was recorded at 20% for the year.
- Introduced IoT air coolers that helped in gaining huge traction in the market. The Cool.iNXT model launched in the previous year under the coolers segment has been able to replicate its popularity this year as well, owing to the fresh colour scheme used in the product. The TC 103 DLX Digital & DC 102 DLX Digital models also recorded high sales on account of their convenient features like hand grabs, large water inlet, digital display and remote control holder.
- With demand for kettles primarily noticed among the customers in East and North of India, the Company sold nearly 20000 units, double the average of its earlier similar capacity model, within six months of its launch. Further, a new model Juvel designed in the shape of a prism, was also launched with a capacity of 1.5 litres.
- The iron segment addressed the consumer demand by launching dual tones for all the models. These were well accepted in the market and contributed to nearly 17% of revenue from dry irons for the year. Additionally, a 1400 watts steam iron was also launched in Q4 that contributed to approx. 3.5% of the steam iron sale. In the Fans segment, a new concept of anti-germ fans was launched in the year-end which was well received by the consumers.

**29%**

YOY growth in Domestic Appliances Segment

**30%**

YOY growth in Consumer Appliances Segment

**42%**

Share of total revenue

**Door Delivery within 24-36 hours**

On Freight paid basis

**Free Home Service**

Within 72-hours for warranty-based products

#### Acquisition of Nirlep Appliances Private Limited

In a recent acquisition sanctioned through the Share Purchase and Shareholders Agreement on 15th June, 2018, the Company has acquired 79.85% shares of Nirlep Appliances Private Limited (Nirlep). A non-stick cookware giant, Nirlep has pioneered the concept of non-stick technology in India. Launched in 1968, the brand is credited for introducing non-stick cooking appliances in Indian households and enjoys the honour of recording many firsts - from exporting professional non-stick cookware to Europe, to emerging as the first brand to manufacture induction compatible non-stick cookware in India and also set up a fully automatic non-stick cookware manufacturing plant in India.

As a result of this acquisition, Nirlep has become a subsidiary of the Company. This has helped the Company to add a very strong brand that complements its product portfolio and also provides access to its manufacturing facilities.

#### Synergies derived:

- Nirlep's products complement the product portfolio of the Company.
- Access to the state-of-the-art manufacturing facility.
- Skilled and experienced employees.
- Brand value and intellectual property of Nirlep.

### Catering to the premium segment through Morphy Richards

Morphy Richards (MR) is a prominent home and kitchen appliance brand in UK and is present in India since 2002 through the Company. The brand has presence in over 22 categories including premium range of Mixer grinders, Juicer mixer grinders, Juicers, Food processors, Stand mixers, Table blenders, Saute & Soup makers, Hand blenders, Hand mixers, Choppers, Pop up toasters, Sandwich makers, Electrical kettles, Coffee makers, Oven toaster grillers, Microwave ovens, Induction cookers, Rice cookers, Dry and Steam irons, Water heaters, Personal care and Room heaters.

During the year under review, the position of MR further strengthened on account of expansion in the range of rice cookers (3 variants in 1.5 litres and 1.8 litres), kettles (2 variants), steam iron (1 variant) and coffee maker (1 variant). In order to expand its reach, MR business units leveraged the Company's distribution network and also implemented the RREP which ensured availability of MR products with over 450 distributors and 200000+ retailers across the country.

**30%+**

Growth in Modern Format Retails during FY19

**25%+**

Growth in Government business during FY19

**14%+**

Growth through E-commerce vertical during FY19

### Free Home Service

Offered across the country for MR products

### Pan India service network

Established for MR products

### Alternate Sales Channels

To tap further into the existing markets with stronger penetration and ensure the availability of products across non-general-trade consumer sales touch points, the Company also enjoys a strong presence across various alternate sales channels. In FY19, the Alternate Sales Channel contributed approximately 35% of the total share in revenue. The various channels through which the Company leveraged its offerings are:

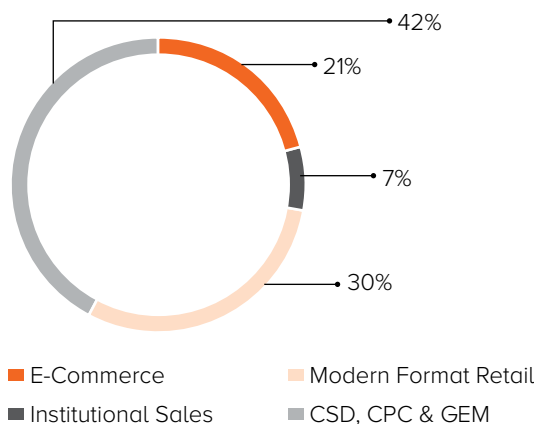
- E-commerce,
- Modern Format Retail (MFR) stores,

- Institutional Sales,
- Canteen Stores Department (CSD),
- Central Police Canteens (CPC)
- Government E-Marketplace Portal (GEM).

The Internet has changed the consumer's purchasing trends, which has rapidly evolved from traditional malls to online portals. As a result, the Company has made its products available on its own website, www.bajajelectricals.com, and on other web portals such as Amazon, Flipkart and Paytm. The e-commerce sales at the Company have increased by approximately 56% over the last year, accounting for 6.5% of the total revenue of the consumer products.

E-commerce has enabled the Company to increase its reach and visibility as it eliminates intermediaries like wholesalers and retailers and has also increased the profit margins of the segment. Sales from the e-commerce vertical has been gaining momentum steadily and is expected to increase further in the coming years.

### Sales break-up of Alternate Sales Channel



### Efficient after-sales services – commitment to consumers

In today's highly competitive consumers look for transparency, choice, convenience, and value for money. Thus, offering excellent after sales service spells numerous benefits for the Company like building trust and consumer referrals that can lead to more business opportunities.

The Company recognises that after-sales service is an integral aspect of today's consumer-centric world and accordingly, has taken necessary steps over the years to expand its dedicated consumer care centers to be closer to its consumers. The Company has attempted to eliminate any discrepancies in the customer service and has improved it considerably offering free installation and free demonstration

for some of its products. These service initiatives have helped significantly improve the overall consumer experience.

The Company's reach in providing home service extends to over 17,000 pin codes out of 19,000 pin codes in the country, which amounts to 89.5% coverage. This is one of the major strengths for the Company as none of the competitors in the industry has such a wide presence in the country.

The after-sales services provided by the Company are broadly categorised into demonstration, installation and repair. After providing services, the Company also takes feedback from the consumers via ratings through online real time basis. The ratings are obtained through 3 emojis viz. 😊 / 😐 / 😞 which indicate 'Delighted', 'Satisfied' and 'Non Satisfied'.

The Company's internal database of all complaints received from consumers enables service centers and engineers to address the concerns and also serves as a record for future reference. The Company has empowered retailers with one-touch convenience app 'Bajaj Electricals Parivar' to track customer details and dedicated consumer service centre that operates 365 days (except 3-4 national holidays).

**17000+** pincodes

Covered by our consumer care services out of 19100 pincodes in India

**675**

Districts covered out of 723 in India

**81**

Number of employees in consumer care

**504**

Service centers in about 376 towns across the country (almost double of about 264 service centers that the Company possessed 5 years ago)

**Opportunities**

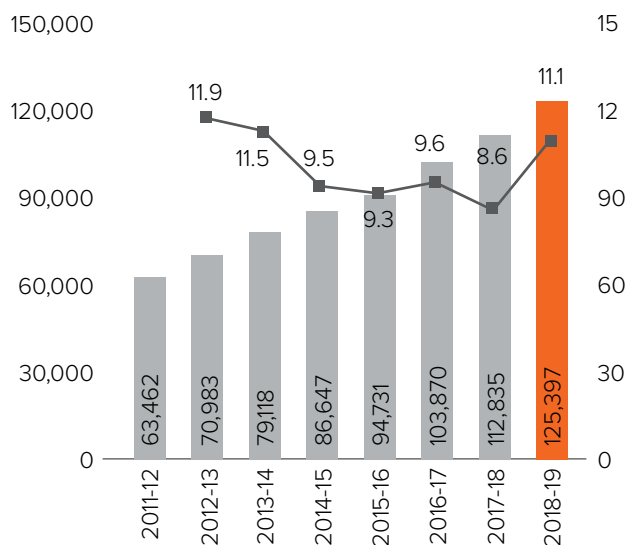
- Rapid Urbanisation**

The expectations of higher-income and better living standards attract increasing number of people from villages to settle down in towns and cities. The migration from the rural to the urban areas has led to an increasing demand for consumer products, whereby companies are tapping the demand opportunities by ensuring the availability of diverse products at various price ranges to match the needs of the consumers.

- Increase in volume of consumption**

With rise in per capita incomes, the spending capacity of consumers has gone up considerably. Moreover, the ever-growing young and affluent population, changes in consumer behaviour and spending patterns are mutually leading in a new era for the domestic consumer appliances market. This has resulted in higher consumption of premium and luxury consumer appliances in the market.

**Per capita Income growth in FY 2019**



Note: Per capita net national income at current prices

Source: Central Statistics Office

- Energy efficient products**

New-age consumers demand easy access to services, along with unwavering assistance at every purchase for a seamless buying experience. In order to address their needs, brands are coming up with energy-efficient appliances that are not only environmental friendly, but also help consumers keep their utility bills in check.

- Growth in number of nuclear families**

The rapid growth of population, increased urbanisation and the availability of real estate spaces have resulted in increase in nuclear families in the country. The growing number of households has not only raised the demand for necessities but the combined mix of higher purchasing power and willingness to spend has resulted in the nuclear family's shifting focus towards luxury/semi-luxury products. This, in turn, has led to higher demand for durables in the country.

## Threats

### • Increasing Competition

The consumer product industry consist of many small and big players leading to intense competition in the domestic and international market. India enjoys the presence of a highly skilled workforce that is available at a comparatively lower cost. This advantage is, however, offset by the high manufacturing cost structure and lack of economies of scale. While the cost of finance, power and transportation together add a cost disability of 7-8%, the logistic challenges pertaining to availability of ports and quality of infrastructure also increases the cost of manufacturing in India. Moreover, the country also faced high borrowing cost, interest rates ranging from 10 to 14% compared to approximately 5-6% in countries such as China, Vietnam, Japan and South Korea.

### • Free Trade Agreements (FTAs)

India has signed FTAs with several countries such as Singapore, Thailand and ASEAN, under which it is required to steadily reduce and finally eliminate the tariff rates on the consumer durables of other countries. This has resulted in components of finished products attracting import duties at higher rates as compared to duties applicable on finished products.

### • Compliance costs

The sector has been suffering an increasing cost burden due to the rising compliances in the recent period. As a part of quality control compliance, the sector is required to ensure testing and certification of its appliances by the Bureau of Indian Standards (BIS). This causes delay in the testing and certification of the products due to limited number of BIS approved labs in India. Further, Standards and Labeling Program introduced by the Bureau of Energy Efficiency (BEE) causes change in standards leading to downgrading of existing 4 and 5 star rated appliances affecting the demand and reputation of the highly rated products. This burden is ultimately passed on to the consumers, which in turn, makes the products expensive and also impacts their demand.

## Engineering, Procurement and Construction (EPC)

### Power Sector overview

Availability of reliable and affordable energy supply is an essential factor that influences the quality of life and economic development of any country. During the year, the

Indian power sector witnessed a robust growth with peak demand growing by 8% (as on Feb 2019) to 177 gigawatt (GW) while in terms of energy, the growth was 6.5% as against previous year. Several steps were taken to restructure and strengthen the power sector as a whole including power generation, transmission and distribution. These measures also include achievements in capacity addition along with major reforms undertaken to increase energy efficiency and increase accountability and transparency.

### Major sectoral highlights

- During the year, a total of 16 states achieved 100% household electrification with over 2 crore electricity connections being released under the Pradhan Mantri Sahaj Bijli Har Ghar Yojana, also known as Saubhagya and 100% village electrification being achieved under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY).
- India's rank improved to 24 in 2018 from 137 in 2014 on World Bank's ease of doing business - "Getting Electricity" ranking and the country also emerged as a net exporter of electricity to Nepal, Bangladesh and Myanmar.

### Growth drivers

- With coal supply being a cause of concern, the scope of improvement in terms of achieving sustainable growth in the sector remains an issue to be addressed. For both the long and short-term, it is essential to add more renewable capacity, improve fuel-supply chain for coal and gas plants, and ensure efficient utilisation of existing capacity through smart portfolio optimisation by state distribution companies.
- High capacity green energy corridors are under implementation, which will facilitate the inter-connection of large-scale renewables into the national grid. In addition, transmission schemes for 7,200 MW of ultra-mega solar power parks are also under implementation in various states as part of the second phase of the green energy corridors scheme.
- The government is also planning to increase the fleet of Electric Vehicles (EVs) in the country with a target of 30% EVs by 2030. For this purpose, either the existing transformers will be replaced or more transformers will be added to cater to the additional demand from EVs.
- Metro rail projects and railway electrification projects are also contributing to the increase in demand for distribution transformers and given the amplified government spending in this segment, they are set to drive the transformer demand in the future as well.



- Under the government's renewable energy plan, significant power generation capacity is constantly being added and a number of transmission lines and substations are being constructed, thereby driving the demand for transformers.

(Source: Ministry of Power, Energy World)

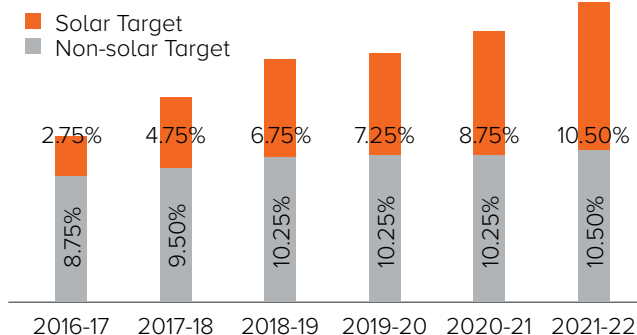
**100%**

Household electrification in 16 states in FY19

**24<sup>th</sup>**

Rank in World Bank's ease of doing business - "Getting Electricity"

### Target share of renewable energy in India's power consumption



(Source: The Ministry of Power, Government of India, dated 14 June 2018)

### Lighting & Energy Efficiency Sector overview

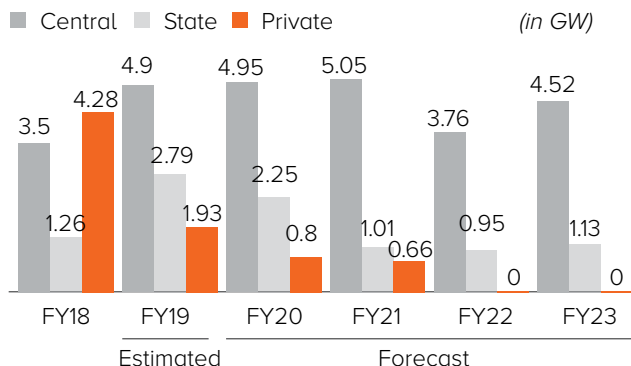
Energy efficiency offers a huge opportunity to the industrialised world and fast-growing economies towards a sustainable development path that is imperative for growth. India has made great strides in expanding access to electricity in recent years, on the back of numerous plans and initiatives undertaken by the government. During the year, about 31.68 crore LED bulbs were distributed and 74.79 lakh LED street lights were installed under the UJALA (Unnat Jyoti by Affordable LEDs and Appliances for all) Scheme, and the energy deficit was reduced to almost zero.

The scheme to provide LED bulbs to households resulted in an annual saving of up to ₹50,000 crore in electricity bills. As a result of increasing government initiatives to boost LED adoption and growing awareness concerning lower power consumption of LED lighting products, the Indian LED lighting market is anticipated to grow to ₹216 billion by 2020. Moreover, easy availability at affordable prices coupled with distribution of LED bulbs by the Indian government at subsidised rates to promote the use of LED lights over

halogens and incandescent lighting products augments the demand for LEDs in the country in the near future.

Achieving efficiency in the energy sector is the key to ensuring a safe, reliable, affordable and sustainable energy system for the future. It is the quickest and least costly way of addressing energy security, environmental and economic challenges. For this purpose, the National Mission for Enhanced Energy Efficiency (NMEEE) aims to strengthen the Indian market for energy efficiency by creating favorable regulatory and policy regime and has envisaged fostering an innovative and sustainable business model. With the Energy sector responsible for over 70% of the nation's emissions, energy efficiency therefore becomes crucial to the Government of India's ambitions for building a green economy.

(Source: Ministry of Power, World Bank Report)



(Source: Crisil Research)

### Segment overview

#### Power Transmission

During 2013-2018, India's transmission capacity recorded a CAGR of 12%, while the power transmission posted a growth of 7% in the corresponding period. The sector received a boost from the Saubhagya scheme of the Government, which aimed at providing electricity to every household. For this purpose, an investment of USD 2.15 billion has been planned to electrify nearly 212 million households. An investment of USD 60-80 billion will be required in the next five years to come, in order to fulfill the power demand in the country.

The Company is capitalising on this opportunity by constructing transmission lines from 132kV to 765kV across the country. Further, the substation and monopole divisions of the segment facilitate the Company in achieving its objective of providing end-to-end customised solutions for electricity utilities in India. The Company works towards achieving its goal through its state-of-the-art production facility replete with cutting-edge methodologies. The facility also ensures quality driven

processes at each stage of production and is acknowledged by the domestic as well as the international clientele.

### Major Achievements

- During the year, the Company undertook several EPC contracts in lattice tower and monopole tower based transmission lines, AIS & GIS substations, underground cabling etc. The Company possesses in-house manufacturing facilities for lattice towers, monopole towers and sub-station structures which facilitates in timely completion of projects and helps to maintain quality standards.
- In the Power Transmission division, the Company has a prominent presence across the country including Rajasthan, Kutch, Karnataka, Telangana, Uttar Pradesh and Puducherry amongst others. As of March 2019, the Company's projects are under execution in Uttar Pradesh, Rajasthan, Madhya Pradesh, Gujarat, Telangana, West Bengal, Karnataka, Bihar, Chhattisgarh, Uttarakhand and Odisha.
- The Company also initiated its first international EPC project through Zambia Electricity Supply Corporation Limited in the sub-Saharan region.
- As on March 2019, the segment had unexecuted orders of nearly ₹600 crore which is further estimated to increase by ₹200 crore in the short-term.

### Outlook

- Owing to its sectoral presence the Company plans to actively participate in the Railway Ministry's initiative of electrifying the railway tracks.
- The Company also looks forward to build a team of engineers, designers and marketing officers for further penetration in the segment.
- Further, the manufacturing unit has also commenced its upgradation for the enhancement of certain critical manufacturing processes. With this in place, the Company further plans to amplify the capacity of the plants in the coming years.

## 99%

Households electrified as of December 2018

## ISO 14001, ISO 9001 and OHSAS 18001

Certifications of Ranjangaon Production facility

## ~10%

Power Transmission business segment contribution to total revenue of the Company during the year

## 35%

YOY revenue growth of the Power Transmission business segment

## 90%+

YOY revenue growth in the monopole division of the Power Transmission business unit

### Illumination

The Illumination segment of the Company comprising of 4 units namely Luminaires, Integrated Building Management Systems (IBMS), Illumination (erstwhile) and Solar makes the Company a one-stop shop for all electrical solutions. During the year, total revenue from the Illumination segment was recorded at ₹600 crore comprising of ₹400 crore revenue from Luminaires, Solar and IBMS divisions and ₹200 crore from illumination division (which deals in supply of high masts, flag masts, poles along with relevant fixtures and SITC). The business also posted an enhanced and robust EBIDTA in all the segments.

### Key Highlights of FY19:

- The Company has been successful in maintaining a strong position as a Data Centre solution provider in the IBMS segment for Sify in Pune, Kolkata and Chennai, ONGC DC in Delhi and BEML DC in Bengaluru.
- The segment provides a number of opportunities to the Company which in turn leads to improved margins.
- The Company has also maintained strong margins, pertaining to the smart city ventures and architectural lighting segment that comprises about 15 to 20% of the total business revenue.

## Outlook

The Company recognises that this segment poses lucrative opportunities for the brand to make further headways into the industry and build a rock solid foundation for a sustainable future.

- In the coming period, the Company intends to capitalise on various industry opportunities and openings such as smart city projects, orders from Energy Efficiency Service Limited (EESL), architectural lighting and city beautification and aims to explore these opportunities on the basis of a range of solutions provided by it for smart outdoor and connected indoor applications.
- In a market situation wherein most manufacturers are presently not capable of arranging for any complete end-to-end solutions, the Company is stitching together various products and offerings in order to provide holistic, end-to-end solutions to its customers. The Company is continually exploring new technological platforms which would help it to withstand the ongoing competition.
- The Company is also planning to enter the verticals of smart utility and smart telecom pole solutions and develop smart feeder panels to control lighting through high masts, thereby providing momentum to the Company's business expansion and development plans.
- The Company is reworking its business model and positioning itself as a solution provider rather than as a product seller, in-order to create an enhanced value proposition for its customers and for itself.

## Key Achievements of FY19

- Received order for supply of indoor commercial batten from EESL worth ₹35 crore, which is expected to be executed in Q1 FY20.
- Received Indore Smart city project order for ₹5.5 crore.
- Received border flood lighting order worth ₹6.5 crore consisting of poles and floodlights.
- Executed one of the most high-visibility projects of lighting of the Bogibeel Rail & Road bridge, worth ₹5 crore.
- Sone river bridge lighting order received from Bihar Raja Pool Nirman Nigam Limited.
- Executed more than 50 flag masts in over 50 A1 Railway stations across India.

- Major heavy engineering project order received from Rafaela Manufacturing plant in Mihan near Nagpur.

## Power Distribution

The Power Distribution segment of the Company has been growing at a CAGR of 38.8% from FY15 to FY19. The Company also made significant investments in smart grid segment with an aim to improve energy efficiency, reduce the impact on environment, enhance the security and reliability of power supply and curtail the power loss from the electricity transmission/distribution network. Under the power distribution vertical, the Company also focuses on underground cabling, smart metering and system strengthening.

## Key Highlights of FY19

- The growth in the current fiscal was exceptional on account of receipt of an order from the Uttar Pradesh (UP) Government, under the Saubhagya scheme.
- The project covered 16 districts under Madhyanchal Vidhut Vitaran Nigam Limited and 7 districts under Purvanchal Vidhut Vitaran Nigam Limited. It resulted in access to electricity which was provided to households across approximately 20000 villages.
- The Company also has ventures under other government schemes such as Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Distribution Scheme (IPDS).

## Outlook

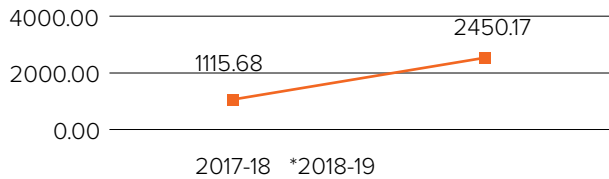
- In the coming period, the Company aims to further strengthen the segment of Power Distribution on the back of various development initiatives by the Government of India.
- Further, the Government is expected to come forth with new investments aimed at the restructuring and strengthening of the electrical distribution system which includes underground cabling, system strengthening and system automation projects.

**₹1100 crore**

Order book of Power  
Distribution as on  
March 31, 2019

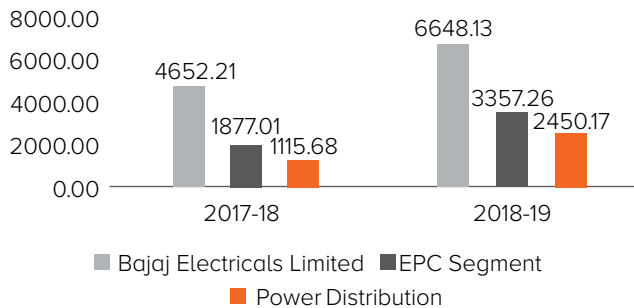
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Sales Chart Power Distribution (Figures in ₹ crore)



\* 2018-19 figures are projected

Sales Chart (Figures in ₹ crore)



## Exports

After a challenging FY18, in the current year exports recorded a revenue of ₹91.70 crore, registering an improved growth of 65.61% over the previous year. The B2B exports sales grew by 114.47% YoY to ₹48.58 crore and B2C exports sales grew by 31.79% YoY to ₹43.12 crore. The revenue growth charted in B2B segment, which includes providing complete end-to-end projects as well as supply of only luminaires, high masts and poles was on account of new projects received from the export market, such as Africa, Qatar and Oman. During the year, the Company also witnessed the opening of new project / site offices in Zambia and Kenya and extended its market presence to countries such as Qatar and Oman.

The growth in B2C segment, including appliances such as fans and lightings, was achieved due to better penetration in existing markets and export of MR products in Sri Lanka. During the year, the Company expanded its business in around 17 countries, with Sri Lanka, Singapore, South East Asia, UAE being the key markets due to their domestic consumption requirements and Dubai being prime markets for the Company. The Sri Lankan market performed fairly well in the fan segment, while Nigeria performed well in both B2B and B2C segments.

In the coming years, the Company plans to explore further and strengthen its presence in existing markets. The Middle East countries have huge market opportunities and the Company plans to expand its reach in the coming years. For the first time ever, the Company carried out mainstream advertising (TV, Print, Radio and Outdoors) for the Fans segment in the Sri Lankan Market and is planning to repeat the same in other countries in the coming year. The Company also plans to expand its dealership network by about 50% in FY20 in the existing markets so as to derive benefits in all the categories together.

## Quality

The Company has, a full-fledged & equipped Quality Team, which works across manufacturing locations in India and international markets. The Quality Team performs quality checks starting from the incoming stage till the finished products. The Company is in the transformative phase aiming to progress from Quality Control (QC) to Quality Assurance (QA) and is working towards enhancing the quality of products. Earlier, the Company was in the phase of defect identification at the product level but now it has shifted to process orientated controls. The Company aims to identify the origin of defect rather than detect discrepancies from finished products. The focus is on process improvements, which would help in improving the quality of the products and prevention of recurrence of defect.

In the last one and half years, the Company has undertaken 3 projects aimed at improving the quality of products, namely:

- **Project Lakshya:** aimed to improve and upgrade the manufacturing process and put in place mechanism to control the quality of raw materials used at the vendor's place.
- **Project Bajaj Booster:** aimed to reduce the chronic issues as well as the consumer complaints.
- **Project Purge:** aimed at eradication of the defects in working products such as motor of mixer grinders, element of water heaters & drivers.

With these initiatives, the Company has been able to reduce the market complaints by 16-17% year-on-year in the last two fiscals.

The Company's quality management is classified into three parts namely, appearance, performance and reliability. In terms of performance and reliability, the Company's products have an edge over its competitors while it aims to further improve the appearance of its products.

Focusing now on 'Appearance', the Company has initiated the Lakshya Mission 4 Project under which, the Company aims to enhance and sustain the colour, materials and finish (CM&F) of existing products. Improvement in appearance is carried out in terms of CM&F of the product, which includes standardisation of colour, moulding and powder coating processes for the existing and new products as well as for the materials used in creating the products. Keeping this purpose in mind, the Company aims to initiate a training module for all its vendors and provide them with the required training.

## ISO 9001:2015

Certified businesses

### Green energy- wind energy

India currently has the 5th largest installed wind power capacity in the world with a total installed capacity of 34.98 GW as on October, 2018 against a target of 60 GW by 2022. Further, around 9.4 GW of capacity is under implementation or has been tendered out. During the year under review, nearly 427.80 MW capacity was added in Tamil Nadu, followed by 239.25 MW in Gujarat, 107.40 MW in Andhra Pradesh and 27.30 MW in Telangana. With the new additional capacity, the cumulative capacity in the country now stands at 35016.85 MW, compared with 34145 MW, in FY18. Karnataka, one of the leading states in wind energy, witnessed a capacity addition of only 63.90 MW as against 857 MW last year. (Source: Minister of State (I/C) for New and Renewable Energy and Power in Business Standard)

During the year under review, the Company generated 2221110 electrical units at its 2.8 MW wind farm at Vankusawade village, in Satara district of Maharashtra.

### Supply chain

The Supply Chain Management (SCM) plays a vital role in the business sustainability of any consumer facing Company. An effective SCM ensures timely product availability as well as maintaining distribution costs under check. The Company's SCM operates on a replenishment mode, where the system is designed to operate from vendors to distributors, and that each node responds to actual secondary sales to retailers. The objective of every department which operates within the supply chain is to give topmost priority to availability of the products.

In order to increase the overall efficiency level of the SCM, the Company has initiated bottom-up forecasting for seasonal categories like water heaters and fans. This forecast, which is based on past secondary sales, is used by the supply chain for planning the procurement of these seasonal products. For all other products, sales and operations planning meetings are conducted rigorously to ensure timely and accurate prediction of demand. The SCM also helps in improving the overall profitability levels of the Company by ensuring efficient cost management and minimising the impact of volatility in the input cost.

### Research & Development (R&D)

To remain at the forefront and develop new products that suit consumer needs in a dynamic environment, the Company had set up a modern R&D centre at Navi Mumbai couple of years ago. The centre combines all aspects of research, design, development and testing capabilities under a single roof.

Under this, the Company emphasised on product innovations which were aligned with the consumers' preferences and can provide them with greater ease and convenience. For this purpose the Company's R&D center, with a team of 75+ members constantly works towards developing and innovating new and improved products. The result of their efforts led the Company to launch products such India's 1st IoT Air Cooler, India's 1st Anti Germ Fan, Calenta Digi Water heater and Majesty One Iron among others. The Company continuously makes efforts towards addressing white spaces & increasing addressability, which has ensured a good range presence in various categories, helping the brand to grow. This year, atleast 300+ new/enhanced products were released from the R&D Center. The new products developed by the Company were acknowledged and received well by the consumers.

75+

Employees in  
R&D team as on  
March 31, 2019

300+

New/enhanced  
products innovated  
by R&D team in  
FY19

## Marketing & Branding

From a consumer products perspective, the Company now possesses a strong marketing team across the various segments such as product marketing, brand marketing & consumer marketing. The team formulates several strategies towards strengthening brand equity and works to achieve the objectives and goals of the business.

With an aim to enhance the brand presence, the Company has implemented strategies, phase-wise to expand its reach across the country and keep the business blooming.

- The first phase was Channel development wherein the Company catered to every retail outlet on a weekly basis, thus expanding product reach to every corner of the country. As a result of this, the Company rolled out its RREP programme. The Company also undertook various initiatives in the fiscal such as Retailer meets, Retailer Bonding Program and several launch events to further engage with its retailers.
- The second phase was Product development which helped the Company to expand its range of products. A wider product portfolio strengthened its brand image as well as widen its presence to a larger customer audience.

During the year, the Company shifted its focus from 'Mother Brand' corporate-led communication to 'Product-centric' communication with clear emphasis on products USP and features. During the year, the Company launched 72 products across multiple product categories in different markets across India. To support these launches and create awareness, multiple campaigns were launched focusing on products such as Bajaj LED, Bajaj Mixers (South specific), Bajaj Fans and Bajaj Coolers across various forms of media such as Television, Print, Radio, Cinema and Digital media. Regional launch events and market storming activities were also conducted to interact with the channel partners and capture personal feedback and create brand/product visibility in the market.

With these steps, the presence of the Company's product range was made available to an increased store count across various districts of the country and augmented consumer pull

for the brand. Further, various initiatives such as connecting through smart appliances on the digital front, blogging on topics relevant to consumers, recipe videos demonstrating its products and various activities driving product experience with consumers helped increase brand and product awareness.

Under the Illumination segment, during the year, the Company participated in various exhibitions and trade shows such as Light India, Municipalika and Smart city - Jaipur. Through these trade shows the Company was able to connect directly with the key decision makers and influencers and position the Company as a Smart Solution Provider. The Company also launched a CRM programme "Rishtey" at the National Dealer Conference helping create a touchpoint and connect with the dealer community and strengthening relations. To promote lighting products and smart solutions for its LED products the Company conducted 'nxtupgrade' shows in seven cities across India.

The Company continued its association with major youth events validating its brand positioning as young and vibrant. Kabbadi is one of the most watched indigenous sports in India (second only to cricket) and its very popular championship, 'Pro-Kabaddi' was sponsored by the Company for the fifth time. The Company moved on significantly, from being an inspiring partner for Pinkathon to becoming the Presenting / Title Partner. In terms of market-place visibility, more than 15000 stores were branded across India.

The Marketing Teams are supported by an Advertising, Digital and Branding Team, which is a centralised marketing communication and operation division, whose objective is to craft methods and tactics to convey the brand messages in a unique and creative manner.

## Information Technology (IT)

Technology continues to play a vital role in boosting operational efficiencies and driving automation. The Company has invested in building a comprehensive IT infrastructure that provides agility and a competitive edge to the business while enhancing profitability. The Company is further expanding its footprint to the global market through its export business putting thrust on building a strong technology system to ensure seamless information flow.

The Company has robust ERP IT system integrated with CRM systems and suite of intranet applications. On the financial front, the Company has implemented a planning and budgeting system over cloud in the factories to automate several manual processes. Budgets are prepared on the system and the MIS information is retrieved from the system. Further, ERP Systems are also enhanced with new reports

and modules that helps in increasing the productivity of the business users and ensures statutory compliance.

Cloud and data analytics have been introduced by the Company for salesforce automation, providing market insight provided via cloud solutions that enables the Company's sales team to reach out to wider market base. CRM aids the sales team to manage sales leads, opportunities, providing visibility of prospective order pipeline. In addition to this the Company has further planned to roll out more enhanced solutions which would help in reducing the time to reach out to consumers. In order to ensure synergy, the Company has implemented unified IT systems across the organisation and also extended to Nirlep – our recent acquisition.

The intranet application portfolio of the business provides various solutions to support business in day-to-day operations. Some of them are:

- Innovative product features, mobility solutions and an easy-to-use interfaces.
- Dynamic and cost effective offering an outstanding value for our business and support functions.
- Unique business solutions designed and integrated to support B2C and B2B TOC way of working which enable business to grow faster and add visibility and controls on the business operations.
- End-to-end HR solutions are tailor-made tools to suit the organisation's requirements and manage the Employee Life Cycle. The solution is AI enabled and has BoT, that helps the employees get all required information instantly reducing the overall operational cost.
- CRM application helps business to reach out to our end consumers after the sales, that has built-in controls to monitor all service providers efficiency and consumer experience.
- Warehouse Management System offers an outstanding value for our warehouse operations, improves labor productivity and maximises space utilisation with system directed activities, provides full support for material handling units like high-end scanners, RT vehicles, trolleys, pallets and the elimination of paperwork.
- Dealer extranet and vendor extranet helped the organisation to connect directly with our partners and created value chain between them to support business.

### Beneficiaries connected to the IT system



During the year, the Company achieved success in running its digital transformation strategy centered on consumer experience, consumer insights and product innovation.

- **Consumer Experience:** In order to engage and communicate with consumers over multiple channels the Company identified and created various touch points that consumers are most likely to engage with. Further, to enhance the purchase and post purchase experience of the consumers, certain focused strategies were formulated and executed, right from the e-commerce portal to launching the consumer service specific chatbots. To further enhance consumer experience, the Company is moving from multiple channels to an omni-channel approach by upgrading the existing digital platform to advanced personalised e-commerce platform for end consumers.
- **Consumer Insights:** To keep up with our consumers' expectations, needs, understandings and product improvement, the Company has been continuously investing in Voice of the Consumer programs by capturing consumer's feedback about their experiences and expectations for their products or services across social channels.
- **Product innovation:** The Company is using various digital technologies including Internet of Things (IoT) extensively to develop intelligent and connected products. The Company is planning to capacitate the AI facility to adopt the requirements as per consumer's behaviour. It is in the process of building unified and omni-channel platforms to create consumer centricity. IoT also grants consumers the ability to control their appliances from anywhere. As per the Company's roadmap, smart products will be integrated with voice assistance platforms to provide ease of control through voice command.

In the B2B business segment, smart city lighting and other smart solutions respond to the government authorities and citizens' needs and usage patterns. Smart solutions are anticipated to provide several opportunities ranging from surveillance, emergency services, network zones, advertising display, to environmental sensors and EV charging units. The Company is also stepping in with new communication technologies, wherein it is working on a Unified IoT platform which would help in collaborating complete data to create a machine learning which will be beneficial for organisation and citizens.

On this note of digital involvement, the Company has also implemented AskPaddy, a chatbot platform for the consumers to raise consumer care related service requests. The end users can interact with the chatbot, where he or she can provide some input in the chat box from the list of predefined

inputs. Some of the key features of the AskPaddy chatbot are Repair, Demonstration, Installation, Geo Spatial mapping of dealer and service centers, Product registration and Order and complaint tracking. In the coming months, the Company is planning to implement digital automation of invoice processing, which will discharge immediate benefits in terms of error reduction, better efficiency, better accuracy and cost reduction by eliminating mundane human dependent tasks.

## Oracle Excellence award

Received by Company for chatbot implementation for their consumers to raise complaints

# 69

Total team size of IT department as on March 31, 2019

## Financial Analysis

(₹ in crore)

Particulars	FY19	FY18	YOY Change
Revenue	6,673.14	4,716.39	41.49%
EBIDTA	413.78	346.64	19.37%
EBIT	375.31	312.69	20.03%
Finance Cost	115.88	58.86	96.85%
PBT	259.44	164.47	57.74%
PAT	167.07	83.62	99.79%

## Key Financial Ratios:

Particulars	FY19	FY18	YOY Change	Reasons for change, where change is significant
EBIDTA Margin	6.20%	7.35%	-15.63%	In spite of 41% growth in revenue, EBIDTA margin dropped on account of lower margin in rural electrification projects executed under Saubhagya scheme in Uttar Pradesh.
EBIT (Operating) Margin	5.62%	6.63%	-15.17%	
PBT Margin	3.89%	3.49%	11.49%	In spite of drop in EBIT margin, PBT margin improved by 0.40% as in the previous year there was an impairment of investment in Starlite Lighting Limited, a Joint Venture Company, by ₹8,936 lakh and there is an increase in the Interest cost by ₹5,700 lakh in FY19 due to increase in borrowing.
PAT Margin	2.50%	1.77%	41.21%	
Debtors Turnover	2.57	2.57	-	-
Inventory Turnover	7.37	5.94	24.08%	Improved mainly on account of increase in revenue of EPC by 58%, CP by 23%, and improvement in inventory turns of EPC.



Particulars	FY19	FY18	YOY Change	Reasons for change, where change is significant
Interest Coverage Ratio	3.24	5.31	-39.03%	Increase in finance cost by ₹5,700 lakh.
Current Ratio	1.05	1.10	-4.24%	-
Debt Equity Ratio	1.47	0.77	92.06%	Increase in borrowing from ₹72,310 lakh to ₹1,58,438 lakh to fund the increased working capital.
Return on Net Worth	15.50%	8.85%	75.13%	Increase in PAT ₹8,333 lakh and increase in Net Worth ₹13,291 lakh.

## Risk Mitigation

The Company is responsible for handling risks, which forms a part of good corporate governance. As part of our group values, adequate risk management ensures that risks are identified early and mitigation process is defined.

Various types of risks that can be categorised into strategic risks, external risks, operational risks and financial risks impact the Company. The Company has active risk management policies in place which helps drive successful operations by monitoring and minimising key risks in a structured and proactive manner.

**External Risks:** Factors such as macroeconomic trends, political uncertainties, technological developments and changes in the industry dynamics have a significant impact on the environment in which the Company operates. The Company monitors development in the key markets and takes required actions to actively assess external risks as well as opportunities that may influence the Company's strategy and operations. The Company's strategy is in alignment with both the external world and internal factors which may upset the Company's execution of the strategy. The Company continuously reviews the strategic framework to ensure it is up to date and its business divisions are fit to create and capture economic value.

**Operational Risks:** The Company can improve operational performance and create long-term value for shareholders on the back of superior consumer innovation as well as persistent focus on profitable growth and cost efficiency. Realising this potential requires effective and controlled risk management. The internal departments of the Company proactively monitor and manage the operational risks at various levels. In addition to this, the Company is also exposed to several financial risks which are regulated in accordance with the Company's financial policy. The Company's inability to meet financial obligations and mitigate exposure to broad market risk can significantly impact the financial position of the Company.

## External Risks

- **Macroeconomic and Political conditions**

Political uncertainties and fragile macroeconomic conditions have an indirect impact on the consumer sentiments which in turn affect the demand for appliances. This may affect the Company's business and strategy in regions which are highly affected by political and economic volatility. In order to address this, the Company takes proactive steps to assess and manage risks prevalent in the business environment. Besides strictly complying with the existing standards and regulations, the Company always tries to stay updated with the trends in laws and regulations. In addition, the Company's diverse presence across several countries helps mitigate any possible slowdown in economy of one country.

- **Global trends**

The constantly changing trends in global markets along with the digital transformation is leading to new developments that have an impact on the appliance industry. Increased purchasing power at the hands of consumers, digitisation, consolidation and sustainable development are boosting demand for investments. In order to address this risk, the Company has increased its focus on investments in areas of innovation, digitisation and connectivity that has helped widen its product offering with the objective to enrich customer experiences.

- **Volatility in price of raw materials**

Raw materials account for a larger part of the cost structure for the Company. Fluctuations in commodity prices impact the Company's input costs and profitability levels. In order to mitigate increased input costs related to higher raw material prices, the Company undertakes cost management initiatives such as Project Lakshya. Further, the Company's efficient supply chain management also facilitates maintenance of overall

profitability by ensuring efficient cost management and minimises the impact of volatility in the input costs.

- **Competition**

The Company operates in a market which is highly competitive in terms of pricing, product and service quality, customer service as well as constant shift in market demands. Any failure in anticipating or reacting to dynamic consumer demand and industry trends may adversely affect product delivery, services and outcomes which are in line with the projected financial performance. Further, the entry of a number of players may result in reduction of the Company's share in the market. The Company however is mitigated by this to a large extent with its strong legacy and trust built over eight decades. In addition to this, the Company also operates on the basis of a unique customer engagement model, assisting customers in 10 different languages, a service not provided by any other player in the industry.

- **Sustain profits**

Failure on the part of the Company to execute the priorities in a timely manner may affect its ability to leverage on opportunities, grow profitably, and enhance consumer experiences. Thus, investing for growth and innovating at every stage of the business model, is crucial for the Company. In order to achieve profitable growth, across all business segments, the Company successfully executes key priorities across its operations such as: portfolio management, cost efficiency and significantly improved product quality at all levels.

### Operational Risks

- **Intellectual capital**

It is a prerequisite for the organisations to attract and maintain employees that add value to the business. Dedicated employees and leaders with the right skills play a crucial role in facilitating the organisation's vision and targets. The engagement and passion of the employees also helps the Company provide best-in-class consumer experiences. Across all its areas of presence, the Company applies the same high standards and principles of conduct. Each of the candidate while being recruited is evaluated through Standard Operating Procedures (SOP) with a mandatory cross-functional panel evaluation. The recruited individuals further undergo a detailed orientation program called Anugam, which aims at providing insights into each business unit and support functions. Further, Induction programs along with the 'Buddy Program' assure that the newly hired

recruits start delivering their best in their respective roles quickly.

- **Currency fluctuation**

The Company operates in the domestic as well as in international geographies. Any fluctuation in the currency rates can have an adverse impact on the Company's income and equity. The Company has a dedicated forex team, where currency hedging is planned in advance to avoid any adverse impact on forex reserves.

- **Business growth**

In the constantly changing business environment, it is important for the organisation to sustain profitability and growth for a long-term. The Company has been constantly working on the optimisation of the product portfolio with the aim to strengthen the highest performing product categories and brands and exiting unprofitable products. During the year, the Company launched several new products such as fans, kettle and irons in the consumer durables segment and has a strong order book for the EPC segment under various Government projects, thereby, successfully strengthening product offerings across all the product segments.

### Internal control

Commensurate with the size, scale and complexity of its operation, the Company has well defined and adequate internal controls. Throughout the year, the internal controls operated effectively. To test the robustness of these controls and to cover all business units, offices, factories and key areas of business, the Company had appointed an external consultant as an Internal Auditor. External consultant (Internal Auditor) and the statutory auditor evaluate the design, adequacy and operating effectiveness of the Internal financial controls of the Company. The controls are designed in such a manner that they are broadly in accordance with the criteria established under the Companies Act, 2013 and Guidance Note issued by the Institute of Chartered Accountants of India.

The Company has documented Standard Operating Procedures (SOPs) and risk registers, encompassing process flow, key risks and key controls for all business units and functions. SOPs and risk registers in turn are evaluated and appropriate amendments are made by the business, depending on the changes in process of workflow and controls. The external consultant (Internal Auditor) on review of the internal financial controls did not identify any significant control weaknesses. All the non-significant control weaknesses identified have been discussed with the process owner. Remedial action has been taken or agreed upon, to

eliminate the weaknesses in a time bound manner. Adequate manual controls have been deployed where control weaknesses have been identified due to system limitation in IT application.

The external consultant (Internal Auditor) conducts internal audits for the areas that agreed with the management and Audit Committee. The Audit Committee finalises the scope of internal audit. The audits executed by the external consultant (Internal Auditor) are monitored by the Internal Audit function. It is ensured that internal audit and IFC reviews are conducted objectively. Also, it is ensured that reviews evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems and procedures, accounting procedures and policies of the Company. The internal audit function reports to the Chairman & Managing Director of the Company and the Chairman of the Audit Committee of the Board so as to maintain its objectivity and independence.

The process owners undertake corrective action in their respective areas within agreed timelines for significant risks identified in the reports issued by Internal Auditors. This helps to improvise and strengthen the controls. On a quarterly basis, significant audit observations and corrective actions are presented to the Audit Committee of the Board.

## **Human Resource Management**

At the helm of a company's growth and success lies its human capital, which has a vital role to discharge. To build a talent pool, it becomes necessary for the human resource function to partner with the various business segments so as to create a work ecosystem that shall have on board, the right talent and therefore nurture them to deliver superior performances. In this regard, the Company strives to provide opportunities for its people to learn, grow and create an environment that is friendly, has the right ethical and human values, and empowers the people to deliver their best.

Keeping in mind the importance of a capable and hardworking workforce, the Company believes in identifying and training high potential employees so that they emerge as the leaders of tomorrow. The Company seeks to continuously infuse young talents, brimming with fresh and bright ideas, so as to incorporate their unique individuality and prowess in the workforce. As per the Company's norms, each candidate while being recruited is evaluated through a multi-step process defined as per the Standard Operating Procedures (SOP) with a mandatory cross-functional panel evaluation.

The young and talented individuals recruited in the Company undergo a detailed orientation program called Anugam, which aims at providing insights into each business unit and support functions. Fresh talents hired through the campus hiring program undergo further sessions which impart product and role specific knowledge. Induction programs along with the Buddy Program assure that the newly hired recruits start delivering their best in their respective roles quickly. In alignment with the agenda maintained throughout the years of the Company's existence, the key focus has always been on creating a culture of learning and development with employees being nominated for various internal and external training programs as per the training needs captured through the Performance Management System.

Additionally, the Company has also rolled out a High-Potentials program which includes the identification of internal talent based on the Competency Framework followed by focused learning interventions for such individuals. As a part of the employee grooming process, the Company employees are also assigned cross-functional projects to work on. As a responsible and diligent organisation, the Company also takes a keen interest in the career aspirations of its workforce and ensures that the same is provided to them.

The Company believes in the value of meritocracy and in order to boost the morale of its employees, rewards high-performing employees through its annual performance evaluation process which favourably results either in their promotion or in assigning them with additional responsibilities. The Company also provides the opportunity of internal job posting wherein, interested employees are provided a chance to move to other verticals/ departments in order to gain cross-functional experience.

As an organisation committed towards motivating its employees, the Company believes in recognising and rewarding its employees for their extra-ordinary contributions through quarterly and annual rewards programs. It also recognises employees who have contributed to the organisation actively and persistently over the years through the Long Service Awards program.

The Company strives to create a workplace that promotes diversity and inclusion. Workplace safety, especially for women, is one of the key priorities of the Company. In tune with its agenda of ensuring safety for women in the organisation, the Company has introduced multiple initiatives to make the workplace a safe and comfortable space for women employees with the intent to improve the gender diversity. The Company's Internal Complaints Committee constituted under the policy on prevention, prohibition and

redressal of sexual harassment of women at the workplace, ensures strict adherence of law and conducts a quarterly review of the same.

There were various new initiatives undertaken during the year to further strengthen and secure the HR practices of the Company. These new initiatives include conducting surveys related to employee engagement, new recruits' satisfaction and compensation benchmarking, launching of new self-learning portal, cart of skills and various leading and development initiatives, such as Multiple Management Development Programs and Buddy program.

As of March 31, 2019 the Company's workforce stood at 3217 permanent employees on its rolls. The Board places on record its sincere appreciation for the valuable contributions made by its employees across all levels. The Company attributes its success to the enthusiasm, team efforts, devotion and sense of belonging displayed by its talent pool.

**16.92%**

Attrition rate for FY19

**52%**

Employees under the age category of 31 – 40 years in FY19

**₹2 crore**

Spent in training & up-skilling of employee in FY19

**3593**

Man-days of training provided to 1011 employees in FY19

**13 years**

Average years of experience possessed by employees

**27 years**

Average years of experience possessed by top management

## Corporate Security and Administration (CSA)

The Company needs to provide a secure and safe working environment to its employees, that also facilitates organisational growth. The CSA department was formed in 2017-18, to herald a cultural change in terms of inculcating discipline, process implementation and to plug leakages in security-cum administration by streamlining process like access control, asset protection, risk mitigation, disaster management, fire and electrical safety, surveillance grid, loss prevention, travel management, space management, employee engagement etc.

The Company has established a Global Surveillance Operational Centre, which has integrated physical security with technology, increasing overall efficacy and reduced risk. The Company's security and administration was also brought under one umbrella, thereby relieving operations to focus on their core business activity. This has enabled recruiting and helped in leveraging CSA SMEs for effective end-to-end security and administration across India — in HO, Branches, Warehouses and at Project sites.

### Cautionary statement

Statements in the report on Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the report. Important factors that could influence the Company's operations include demand and supply conditions affecting selling prices of finished goods, input availability and rates, changes in the government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

# निदेशकों की रिपोर्ट

प्रिय शेयरधारकों,

आपके निदेशक ३१ मार्च २०१९ को समाप्त होने वाले वित्तीय वर्ष के लेखा-परीक्षित वित्तीय विवरणों के साथ कंपनी के ८०वें वार्षिक रिपोर्ट को आपके समक्ष प्रस्तुत करते हुए अत्यंत प्रसन्नता का अनुभव कर रहे हैं। यह रिपोर्ट कंपनी अधिनियम, २०१३ ("अधिनियम"), भारतीय प्रतिभूति एवं विनियम मंडल (सूचीकरण बाध्यताएँ एवं प्रकटीकरण आवश्यकताएँ) विनियम, २०१५ ("सूचीकरण विनियम") तथा कंपनी के लिए लागू अन्य नियमों एवं विनियमों के अनुरूप उनके अनुपालन के अंतर्गत है।

## वित्तीय परिणाम

स्टैंडअलोन वित्तीय परिणाम की मुख्य विशेषताएँ इस प्रकार हैं :

(राशि : ₹ करोड़ में, ईपीएस के लिए छोड़कर)

विवरण	वित्तीय वर्ष २०१८-१९	वित्तीय वर्ष २०१७-१८
प्रचालनों एवं अन्य आय से प्राप्त राजस्व	६,७३८.५७	४,७६९.५८
वित्तीय लागत एवं मूल्यहास के पूर्व सकल लाभ	४१३.७८	३४६.६३
घटाएँ : वित्तीय लागत	११५.८८	५८.८६
घटाएँ : मूल्यहास	३८.४६	३३.९४
अपवादात्मक मदों और कर से पहले लाभ / (हानि)	२५९.४४	२५३.८३
अपवादात्मक मदें	-	(८९.३६)
करों के पूर्व लाभ / (हानि)	२५९.४४	१६४.४७
घटाएँ : कर व्ययों के लिए प्रावधान	९२.३७	८०.८५
कर पश्चात लाभ / (हानि)	१६७.०७	८३.६२
घटाएँ : अन्य व्यापक आय	४.२९	(४.०८)
जोड़ें : लाभ और हानि खाते में अतिशेष	१९४.४५	१४०.९२
घटाएँ : लाभांश, जिसमें वर्ष के दौरान भुगतान किया गया लाभांश वितरण कर शामिल है।	४३.१०	३४.१८
अनुभाजन के लिए उपलब्ध अतिशेष	३१४.१३	१९४.४५
सामान्य आरक्षित निधियों में अंतरित राशि	-	-
बेसिक ईपीएस (₹)	१६.३४	८.२३
डाइल्यूटेड ईपीएस (₹)	१६.३०	८.१९

समेकित वित्तीय परिणामों की मुख्य विशेषताएँ इस प्रकार हैं :

(राशि : ₹ करोड़ में, ईपीएस के लिए छोड़कर)

विवरण	वित्तीय वर्ष २०१८-१९	वित्तीय वर्ष २०१७-१८
प्रचालनों व अन्य आय से प्राप्त राजस्व	६,७४४.३६	४,७६९.५८
अपवादात्मक मदों और कर से पहले लाभ / (हानि)	२४३.५९	२५३.८३
अपवादात्मक मदें	-	७८.७९
कर पूर्व लाभ/(हानि) का हिस्सा	२४३.५९	१७५.०४
सहायक कंपनियों, सहयोगियों और संयुक्त उद्यमों के लाभ / (हानि) का हिस्सा	(२.३९)	(१०.५६)
करों से पहले लाभ / (हानि)	२४१.१२	१६४.४८
घटाएँ : कर व्ययों के लिए प्रावधान	८७.५५	८०.८५
अवधि के लिए लाभ / (हानि)	१५३.५८	८३.६३
बेसिक ईपीएस (₹)	१५.०२	८.२३
डाइल्यूटेड ईपीएस (₹)	१४.९८	८.१९

कंपनी के वित्तीय परिणाम प्रबंधन चर्चा एवं विश्लेषण रिपोर्ट में वर्णित हैं।

विगत चार वर्षों के लिए और ३१ मार्च २०१९ को समाप्त वर्ष के लिए निवल सम्पत्ति पर प्रतिफल, नियोजित पूँजी पर प्रतिफल और प्रति शेयर आय (ईपीएस) को निम्नानुसार दर्शाया गया है :

विवरण	२०१८-१९	२०१७-१८	२०१६-१७	२०१५-१६	२०१४-१५
निवल सम्पत्ति पर प्रतिफल (%)	१५.५०	८.८५	१२.३५	१२.७२	लागू नहीं
नियोजित पूँजी पर प्रतिफल (%)	१४.१३	१८.८१	१७.५४	२६.८९	७.७९
आधारभूत ईपीएस (अपवादात्मक मदों के बाद) (₹)	१६.३४	८.२३	१०.६५	९.४८	(९.३९)

वित्तीय वर्ष की समाप्ति के दौरान कंपनी की वित्तीय स्थिति को प्रभावित करने वाला कोई भी भौतिक परिवर्तन और प्रतिबद्धताएँ नहीं थी, जिससे इस प्रतिवेदन की तिथि को यह वित्तीय विवरण संबंधित है।

३१ मार्च, २०१९ को, पट्टे पर ली गई परिसंपत्तियों सहित सकल संपत्ति, संयंत्र और उपकरण, निवेश संपत्ति और अन्य अमूर्त परिसंपत्तियाँ ₹ ४५५.८६ करोड़ की थीं और पट्टे पर ली गई परिसंपत्तियों सहित शुद्ध संपत्ति, संयंत्र और उपकरण, निवेश संपत्ति और अन्य अमूर्त परिसंपत्तियाँ ₹ ३२२.२९ करोड़ की थीं। वर्ष के दौरान पूँजीगत व्यय ₹ ५४.६० करोड़ (विगत वर्ष में ₹ ३९.५२ करोड़) था।

वर्ष के दौरान, आपकी कंपनी ने अध्याय V के अंतर्गत कोई भी सार्वजनिक जमाएँ स्वीकार नहीं की थी।

३१ मार्च, २०१९ को कंपनी का रोकड़ और रोकड़ समतुल्य ₹ ११.२० करोड़ था। आपकी कंपनी रोकड़ और रोकड़ प्रवाह प्रक्रियाओं, जिसमें व्यवसाय के सभी भाग शामिल हैं, का लगन से प्रबंधन करती है। कंपनी अपनी कार्यशील पूँजी के विवेकपूर्ण प्रबंधन पर ध्यान केंद्रित करना जारी रखे हुए है। निरंतर निगरानी के माध्यम से प्राप्य राशियों, मालसूचियों और अन्य कार्यशील पूँजी मापदंडों को कठोर नियंत्रण के अधीन रखा गया था। विदेशी मुद्रा के लेनदेन आंशिक रूप से आवरित किए गए हैं। कंपनी के आयातों और निर्यातों के संदर्भ में कोई भौतिक रूप से महत्वपूर्ण अनावरित विनिमय दर जोखिम नहीं है। हर तिमाही के अंत में मार्क-टु-मार्केट लाभों या हानियों के कंपनी के खाते इंड एस २१ की आवश्यकताओं के अनुरूप है।

समीक्षाधीन वर्ष के दौरान, आपकी कंपनी ने डिबेंचर रिडम्पशन रिज़र्व (विगत वर्ष : शून्य) में ₹ ४६.२५ करोड़ की राशि हस्तांतरित की थी। कंपनी ने चालू वित्त वर्ष के दौरान प्रतिधारित आय से सामान्य रिज़र्व में कोई धनराशि हस्तांतरित नहीं की थी।

## शेयर पूँजी

३१ मार्च, २०१९ को चुकता इक्विटी शेयर पूँजी ₹ २०.४८ करोड़ थी। समीक्षाधीन वर्ष के दौरान कंपनी द्वारा कोई पब्लिक इश्यू, राइट्स इश्यू, बोनस इश्यू या प्रेफरेंशियल इश्यू आदि नहीं लाया गया था। कंपनी ने डिफरेंशियल मतदान अधिकार वाले शेयर नहीं जारी किए हैं। शेयरों की संख्या में वृद्धि कर्मचारियों को, उनके स्टॉक विकल्प का प्रयोग करने पर ₹ २ प्रत्येक के ३६,२९,०० इक्विटी शेयर ऑन अकाउंट जारी करने के कारण हुई है। ईपीएस की गणना के लिए, भारत औसत के आधार पर इन शेयरों को शामिल किया गया है। ३१ मार्च, २०१९ को निदेशकों की शेयरधारिता के विवरणों का 'फॉर्म एमजीटी-९' में इस निदेशकों की रिपोर्ट के अनुलग्नक में उल्लेख किया गया है।

कंपनी के कर्मचारियों द्वारा मतदान के अधिकार का सीधे प्रयोग नहीं करने के संबंध में अधिनियम की धारा ६७ (३) (सी) के अधीन किसी प्रकटीकरण की आवश्यकता नहीं है, क्योंकि उक्त धारा के प्रावधान लागू नहीं हैं।

कंपनी के इक्विटी शेयर्स बीएसई लिमिटेड ("बीएसई") एवं नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड ("एनएसई") पर सूचीबद्ध बने रहेंगे। वित्तीय वर्ष २०१९-२० के लिए सूचीकरण शुल्क का भुगतान दोनों स्टॉक एक्सचेंज को कर दिया गया है।

## डिपॉज़िटरी प्रणाली

जैसा कि सदस्यों को पता है, कंपनी के शेयर अनिवार्य रूप से इलेक्ट्रॉनिक रूप में व्यापार योग्य हैं। ३१ मार्च २०१९ को, १,००,५९,३६,१५ शेयरों का प्रतिनिधित्व करने वाली कंपनी की कुल ९८.२४% चुकता पूँजी डिमटेरियलाइज्ड रूप में है। डिपॉज़िटरी प्रणाली द्वारा प्रदान किए जाने वाले कई लाभों के साथ-साथ धोखाधड़ी से बचने के लिए, भौतिक रीति से शेयरधारक सदस्यों को दोनों डिपॉज़िटरीयों, अर्थात्, नेशनल सिक्योरिटीज डिपॉज़िटरी लिमिटेड ("एनएसडीएल") और सेंट्रल डिपॉज़िटरी सर्विसेज (इंडिया) लिमिटेड ("सीडीएसएल") में से किसी से भी डिमटेरियलाइजेशन की सुविधा का लाभ उठाने की सलाह दी जाती है।

## लाभांश और लाभांश वितरण नीति

आपके निदेशक वित्तीय वर्ष २०१८-१९ के लिए ₹ २ प्रत्येक वाले १,०२,३९,९६,०९ इक्विटी शेयरों पर १७.५% (₹ ३.५०) के लाभांश की अनुशंसा करते हुए अत्यंत प्रसन्नता का अनुभव कर रहे हैं। लाभांश की राशि एवं उस पर कर समेकित रूप से ₹ ४३.२९ करोड़ (पिछले वर्ष ₹ ४३.१० करोड़) है। इक्विटी शेयरों पर लाभांश, जो कि दिनांक ७ अगस्त २०१९ को होने वाली एजीएम में सदस्यों के अनुमोदन के अधीन है, का भुगतान दिनांक १४ अगस्त २०१९ को या उसके बाद उन सदस्यों को किया जाएगा, जिनके नाम २६ जुलाई, २०१९ को व्यवसायिक समय के समापन पर सदस्यों की रजिस्टर में प्रदर्शित होंगे; अभौतिक रूप में रखे गए शेयरों के संबंध में इसका भुगतान उन सदस्यों को किया जाएगा, जिनके नाम उस तिथि पर व्यवसायिक समय के समापन पर लाभार्थी स्वामियों के रूप में डिपॉज़िटरीज द्वारा दिए जाते हैं।

लाभांश के भुगतान के लिए बही समाप्ति तिथि से पहले कर्मचारी स्टॉक विकल्प योजना के अंतर्गत प्रदत्त स्टॉक विकल्पों के माध्यम से आवंटित हुए शेयरों को विद्यमान शेयरों के साथ समान श्रेणी में रखा जाएगा और वे लाभांश के पात्र होंगे।

सूचीकरण विनियमों के विनियम ४३ए के अनुसार, शीर्ष ५०० सूचीबद्ध कंपनियों द्वारा एक लाभांश वितरण नीति तैयार की जाएगी। तदनुसार, उस नीति को ऐसे मापदंडों एवं परिस्थितियों के अनुसार अनुकूलित किया जाएगा, जिसमें उसके शेयरधारकों को लाभांश और/या कंपनी द्वारा अर्जित धारित लाभ के वितरण के निर्धारण के लिए मंडल द्वारा विचार किया जाएगा। कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर इस नीति को देखा जा सकता है।

## प्राइवेट प्लेसमेंट आधार पर ऋणपत्रों (डिबेंचर्स) का निर्गमन

समीक्षाधीन वर्ष के दौरान, कंपनी ने तीन विकल्पों, ३५० एनसीडी के विकल्प ए, ७५० एनसीडी के विकल्प बी तथा ७५० एनसीडी के विकल्प सी में प्राइवेट प्लेसमेंट आधार पर ₹ १८५ करोड़ पूर्ण योग के ₹ १०,००,०००/-प्रत्येक के १८५० असुरक्षित सूचीबद्ध मोचनयोग्य गैर-परिवर्तनीय ऋणपत्र (एनसीडी) जारी किए हैं, जो क्रमशः आईएसआईएन 'आईएनई१९३ई०८०३८', 'आईएनई१९३ई०८०२०' और 'आईएनई१९३ई०८०१२' के अंतर्गत नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड (एनएसई) में सूचीबद्ध हैं। एक्सिस ट्रस्टी सर्विसेज लिमिटेड ऋणपत्र धारकों के लिए डिबेंचर ट्रस्टी है। इसका विवरण वार्षिक प्रतिवेदन के कॉर्पोरेट प्रशासन अनुभाग में प्रदान किया गया है। पुनश्च, सूचीबद्धता विनियमों के विनियमन ५३ के अनुसार, "संबंधित पक्ष प्रकटीकरणों" पर लेखांकन मानक का अनुपालन करते हुए प्रकटीकरण इस वार्षिक रिपोर्ट में संलग्न वित्तीय विवरणों की टिप्पणियों में दिया गया है।

## कंपनी के मामलों / परिचालनों की स्थिति

कंपनी के विभिन्न व्यवसायिक खंडों के परिचालन के संबंध में विस्तृत सूचना और कंपनी के मामलों की स्थिति के संबंध में विवरण प्रबंधन चर्चा और विश्लेषण रिपोर्ट में शामिल है, जो इस वार्षिक रिपोर्ट का हिस्सा है।

### क्रेडिट रेटिंग

नीचे दी गई तालिका में कंपनी के क्रेडिट रेटिंग प्रोफाइल को संक्षेप में दर्शाया गया है :

साधन	रेटिंग एजेंसी	रेटिंग	आउटलुक
वाणिज्यिक पत्र (सीपी)	आईसीआरए लिमिटेड	आईसीआरए ए१+ (उच्चारित इक्रा ए वन प्लस)	-
लाइन ऑफ क्रेडिट (एलओसी)	आईसीआरए लिमिटेड	अल्पावधि रेटिंग - आईसीआरए ए१+ (उच्चारित इक्रा ए वन प्लस)	-
		दीर्घावधि रेटिंग - आईसीआरए ए + (उच्चारित इक्रा ए प्लस)	नकारात्मक
नॉन-कंवर्टिबल डिबेन्चर्स	आईसीआरए लिमिटेड	आईसीआरए ए+ (उच्चारित इक्रा ए प्लस)	नकारात्मक

### संबंधित पक्ष लेनदेन

अधिनियम और सूचीबद्धता विनियमों की आवश्यकताओं के अनुरूप, आपकी कंपनी ने संबंधित पक्ष लेनदेनों के संबंध में नीति बनाई है। यह नीति कंपनी की वेबसाइट [www.bajajelectricals.com](http://www.bajajelectricals.com) पर भी उपलब्ध है। इस नीति का अभिप्राय यह सुनिश्चित करना है कि कंपनी और संबंधित पक्षों के बीच सभी लेन-देनों के लिए उचित प्रतिवेदन, अनुमोदन और प्रकटीकरण प्रक्रियाएँ विद्यमान हों।

समीक्षा और अनुमोदन के लिए सभी संबंधित पक्ष लेनदेनों को लेखा परीक्षा समिति के समक्ष रखा जाता है। ऐसे लेन-देनों के लिए वार्षिक आधार पर संबंधित पक्ष लेन-देनों के लिए पूर्व प्रयोजनीय अनुमोदन प्राप्त किया जाता है जो दोहराव वाली प्रकृति के होते हैं और/या व्यवसाय के सामान्य क्रम में दर्ज किए जाते हैं और हाथ भर की दूरी पर होते हैं। प्रयोजनीय अनुमोदन के अनुसार दर्ज किए गए लेन-देन वित्त विभाग द्वारा सत्यापित किए जाते हैं और सभी संबंधित पक्ष लेनदेनों का विवरण देने वाला विवरण तिमाही आधार पर समीक्षा और अनुमोदन के लिए लेखा परीक्षा समिति और मंडल के समक्ष रखा गया है।

समीक्षाधीन वर्ष के लिए संबंधित पक्षों के साथ किए गए सभी लेन-देन व्यवसाय के सामान्य क्रम में और निष्पक्ष वाणिज्यिक आधार पर थे। आपकी कंपनी द्वारा वर्ष के दौरान कोई भी महत्वपूर्ण संबंधित पक्ष लेन-देन, अर्थात् अंतिम लेखा परीक्षित वित्तीय विवरण के अनुसार वार्षिक समेकित टर्नओवर के १०% से अधिक के लेनदेन नहीं किए गए थे। तदनुसार, फॉर्म एओसी-२ में अधिनियम की धारा १३४ (३) (एच) के अंतर्गत यथा आवश्यक संबंधित पक्ष लेनदेनों का प्रकटीकरण लागू नहीं होता है। पुनश्च, प्रवर्तकों, निदेशकों या प्रमुख प्रबंधकीय कार्मिकों के साथ समीक्षाधीन वर्ष के दौरान कोई महत्वपूर्ण संबंधित पक्ष लेनदेन नहीं था, जिनका समग्र रूप से कंपनी के हितों के साथ संभावित संघर्ष हो सकता था। सभी संबंधित पक्ष लेनदेनों का लेखों की टिप्पणियों में उल्लेख किया गया है।

आपके निदेशक स्वचलित वित्तीय विवरणों की टिप्पणी सं. ३८ की ओर सदस्यों का ध्यान आकर्षित करते हैं जो संबंधित पक्ष प्रकटीकरण का वर्णन करते हैं।

### ऋणों और अग्रिमों, गारंटियों या निवेश के विवरण

इस अधिनियम के अनुच्छेद १८६ के अनुरूप, दिए गए ऋणों, किए गए निवेशों या दी गई गारंटियों या उपलब्ध करवाई गई प्रतिभूतियों के विवरण इस रिपोर्ट का हिस्सा बनने वाले वित्तीय विवरणों की टिप्पणियों में दिए गए हैं।

ऋणों और अग्रिमों के विवरण, जिन्हें सूचीकरण विनियमों की अनुसूची त के साथ पठित विनियम ३४(३) के अनुरूप वार्षिक रिपोर्ट में प्रकट करना अनिवार्य है, वे इस प्रकार हैं :

(राशि : ₹ करोड़ में)

कंपनी का नाम	श्रेणी	३१ मार्च २०१९ को शेष*	वर्ष के दौरान अधिकतम बकाया*
निलेंप एप्लायन्सेस प्राइवेट लिमिटेड	सहायक कंपनी	१६.००	१६.००
हिंद लैम्स लिमिटेड	सहयोगी कंपनी	कुछ नहीं	कुछ नहीं
स्टारलाइट लाइटिंग लिमिटेड	संयुक्त उद्यम	२.८०	२.८०

\* व्यापार अग्रिमों को छोड़कर।

## नियामक या न्यायालयों द्वारा पारित महत्वपूर्ण और अर्थपूर्ण आदेश

नियामक/ न्यायालयों / न्यायाधिकरण द्वारा पारित किया गया ऐसा कोई महत्वपूर्ण और अर्थपूर्ण आदेश नहीं है, जो कंपनी की मौजूदा सक्रिय स्थिति को और उसके गतिविधि को भविष्य में प्रभावित कर सकता है।

## कॉर्पोरेट सामाजिक उत्तरदायित्व

कंपनी में कॉर्पोरेट सामाजिक उत्तरदायित्व ("सीएसआर") पर नीति विद्यमान है और कंपनी ने विभिन्न सीएसआर गतिविधियाँ कार्यान्वित करने के लिए अधिनियम के अंतर्गत एक सीएसआर समिति का गठन किया है। इस समिति की संरचना और अन्य विवरण कॉर्पोरेट प्रशासन रिपोर्ट में दिए गए हैं।

कंपनी ने सीधे और/या कार्यान्वित करने वाले सहभागियों के माध्यम से विभिन्न सीएसआर परियोजनाओं को कार्यान्वित किया है और कंपनी ने अधिनियम की अनुसूची तखख के अनुसार परियोजनाएँ आरंभ की हैं।

कंपनी (कॉर्पोरेट सामाजिक उत्तरदायित्व नीति) नियम, २०१४ के अंतर्गत यथा आवश्यक सीएसआर गतिविधियों पर विस्तृत रिपोर्ट अनुलग्नक ए में दिया गया है जो इस रिपोर्ट का भाग है।

## व्यापार उत्तरदायित्व रिपोर्ट

सूचीबद्धता विनियमों का विनियम ३४(२), अन्य बातों के साथ-साथ, प्रावधान करता है कि बाजार पूंजीकरण (प्रत्येक वित्त वर्ष के ३१ मार्च को की गई गणना के अनुसार) के आधार पर शीर्ष ५०० सूचीबद्ध इकाइयों की वार्षिक रिपोर्ट में व्यापार उत्तरदायित्व रिपोर्ट ("बीआरआर") शामिल होगी।

आपकी कंपनी ने, ऐसी शीर्ष ५०० सूचीबद्ध संस्थाओं में से एक होने के नाते, वार्षिक रिपोर्ट के भाग रूप में, बीआरआर को शामिल किया है जो पर्यावरणीय, सामाजिक और शासन के परिप्रेक्ष्य से उठाए गए कदमों का वर्णन करता है।

हरित पहल के रूप में, वित्त वर्ष २०१८-१९ के लिए बीआरआर कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर होस्ट किया गया है। बीआरआर की प्रति प्राप्त करने में रुचि रखने वाले किसी भी सदस्य द्वारा कंपनी सचिव से पत्राचार किया जा सकता है।

## कॉर्पोरेट प्रशासन

कॉर्पोरेट प्रशासन के उच्च मानक बनाए रखना आपकी कंपनी के व्यवसाय का इसकी शुरुआत से ही मूल सिद्धांत रहा है। सूचीबद्धता विनियमों की अनुसूची त के साथ पठित नियम ३४ (३) के अनुसार, अनुपालन की पुष्टि करने वाला कंपनी के लेखा परीक्षकों से प्रमाण-पत्र के साथ कंपनी द्वारा अनुसरित कॉर्पोरेट प्रशासन प्रथाओं पर एक अलग अनुभाग इस रिपोर्ट का अभिन्न अंग है।

सूचीबद्धता विनियमों के संदर्भ में, अन्य बातों के साथ, वित्तीय विवरणों और रोकड़ प्रवाह विवरणों की शुद्धता, आंतरिक नियंत्रण उपायों की पर्याप्तता और लेखा परीक्षा समिति को मामलों की सूचना की पुष्टि करने वाला कंपनी के मुख्य कार्यकारी अधिकारी और मुख्य वित्तीय अधिकारी का प्रमाण पत्र भी संलग्न किया गया है।

## वार्षिक विवरण का उद्घरण

समय-समय पर यथा संशोधित कंपनी (प्रबंधन और प्रशासन) नियम, २०१४ के नियम १२ के साथ पठित अधिनियम की धारा ९२ (३) के प्रावधानों के अनुसार, फॉर्म एमजीटी-९ में वार्षिक विवरण का उद्घरण अनुलग्नक बी में दिया गया है, जो इस रिपोर्ट का भाग है। और यह कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर भी उपलब्ध है।

## प्रबंधन चर्चा और विश्लेषण रिपोर्ट

सूचीबद्धता आवश्यकताओं के अंतर्गत यथा आवश्यक कंपनी के परिचालनों पर प्रबंधन चर्चा और विश्लेषण रिपोर्ट एक अलग अनुभाग में प्रदान किया गया है और इस रिपोर्ट का अभिन्न भाग है।

## व्हिसल ब्लोअर नीति और चौकसी तंत्र

वास्तविक चिंताओं या शिकायतों की सूचना देने और ऐसे व्यक्तियों के उत्पीड़न के खिलाफ पर्याप्त रक्षोपाय प्रदान करने के लिए कंपनी की व्हिसल ब्लोअर नीति है जो ऐसे तंत्र का उपयोग कर सकते हैं। व्हिसल ब्लोअर नीति कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर डाली गई है।

## कर्मचारी स्टॉक विकल्प योजना

कंपनी ने कर्मचारियों को पुरस्कृत और प्रोत्साहित करने के साथ-साथ प्रतिभा को आकर्षित करने और टिकाए रखने के उपाय के तौर पर सिस्कोरिटीज़ एंड एक्सचेंज बोर्ड ऑफ इंडिया (शेयर आधारित कर्मचारी लाभ) विनियम, २०१४ ('सेबी एसबीईबी विनियम') के अनुपालन में कर्मचारी स्टॉक विकल्प योजना ("ईएसओपी योजना") कार्यान्वित की है। समीक्षाधीन वर्ष के दौरान ईएसओपी योजना में कोई टोस परिवर्तन नहीं हुआ है और ईएसओपी योजना सेबी एसबीईबी विनियमों के अनुसार है।

वित्तीय वर्ष २०१८-१९ के दौरान, पात्र कर्मचारियों को ग्रांट की तिथि को एनएसई पर तत्कालीन मार्केट कीमत पर ४६७५०० स्टॉक विकल्प प्रदान किए गए थे। ईएसओपी योजना के अंतर्गत जारी किए गए शेयरों के विवरण, साथ ही सेबी एसबीईबी विनियमों का अनुपालन करते हुए प्रकटीकरण भी, कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर अपलोड किए गए हैं। किसी भी कर्मचारी को वर्ष के दौरान कंपनी द्वारा ग्रांट के समय जारी पूंजी के १% के समान या इससे अधिक के स्टॉक विकल्प जारी नहीं किए गए हैं। स्टॉक विकल्पों का प्रयोग करने के अनुसार इक्विटी शेयरों को जारी करना कंपनी के लाभ एवं हानि खाते को प्रभावित नहीं करता, क्योंकि इसका प्रयोग स्वीकृति की तारीख पर प्रचलित मार्केट मूल्य के साथ-साथ लागू करों पर किया जाता है।

यह प्रमाणित करने वाला कंपनी के लेखा परीक्षकों से प्रमाणपत्र कि ईएसओपी योजना सेबी एसबीईबी विनियमों के अनुसार लागू की गई है और शेयरधारकों द्वारा पारित प्रस्ताव सदस्यों द्वारा निरीक्षण के लिए एजीएम में रखे जाएंगे।

## निलेप एप्लायन्सेस प्राइवेट लिमिटेड की अंशधारिता का अधिग्रहण

वर्ष के दौरान, कंपनी ने ₹ ३८.४५ करोड़ के कुल नकद राशि से दो भागों में निलेप की संपूर्ण अंशधारिता के अधिग्रहण के लिए निलेप एप्लायन्सेस प्राइवेट लिमिटेड ('निलेप') और उसके अंशधारकों के साथ शेयर खरीद और शेयरधारक समझौता ('एसपीएसएचए') किया है। समीक्षाधीन वर्ष के दौरान एसपीएसएचए के संदर्भ में, कंपनी ने भाग एक में ₹ ३०.७० करोड़ की नकद राशि से निलेप की इक्विटी अंश पूंजी का ७९.८५% अधिग्रहित किया है। इस अधिग्रहण के बाद, निलेप कंपनी की सहायक कंपनी बन गई है। कंपनी के पास क्रय विकल्प का प्रयोग करने और शेष राशि से शेष इक्विटी अंशों को अधिग्रहित करने का अधिकार है।

१९६८ में आरंभ निलेप भारत में नॉन-स्टिक तकनीक की अग्रदूत रही है, और आज नॉन-स्टिक कुकवेयर का पर्याय बन चुकी ब्रांड है। नॉन-स्टिक कोटेड कुकवेयर पेश करने वाली पहली कंपनी होने के अलावा, निलेप के खाते में कई पहलकदमी की उपलब्धियाँ दर्ज हैं जैसे कि निलेप यूरोप में व्यवसायिक नॉनस्टिक कुकवेयर निर्यात करने वाली पहली, भारत में इंडक्शन कंपैटिबल नॉनस्टिक कुकवेयर का निर्माण करने वाली पहली और भारत में पूरी तरह से स्वचालित नॉनस्टिक कुकवेयर विनिर्माण संयंत्र स्थापित करने वाली पहली कंपनी है।

निलेप का अधिग्रहण उत्पादों का वह पोर्टफोलियो उपलब्ध कराएगा जो कंपनी की पेशकशों का पूरक होंगे और यह एक परिपूर्ण समन्वित मिश्रण होगा।



## सहायक कंपनी, संयुक्त उद्यम और सहयोगी :

सहायक कंपनी /सहयोगी/संयुक्त उद्यम कंपनियों का विवरण :

कंपनी का नाम	३१ मार्च २०१९ के अनुसार कंपनी की % हिस्सेदारी	स्थिति
निल्लेप एप्लायन्सेस प्रा. लिमिटेड ("निल्लेप")	७९.८५	सहायक कंपनी
स्टारलाइट लाइटिंग लिमिटेड ("स्टारलाइट")	४७.००	संयुक्त उद्यम
हिंद लैम्प्स लिमिटेड ("हिंद लैम्प्स")	१९.००	सहयोगी

## सहायक कंपनी, संयुक्त उद्यम और सहयोगियों का प्रदर्शन

**निल्लेप** : वित्त वर्ष २०१८-१९ में निल्लेप का सकल राजस्व ₹ ४८.८३ करोड़ (गत वर्ष : ₹ ४४.९९ करोड़) था। वर्ष के दौरान नुकसान ₹ २१.९८ करोड़ (गत वर्ष : ₹ ८.८५ करोड़) था।

\* **स्टारलाइट** : वित्तीय वर्ष २०१८-१९ के लिए स्टारलाइट का सकल राजस्व ₹ १३९.४६ करोड़ रहा (पिछले वर्ष : ₹ १६२.२९ करोड़)। इस वर्ष के लिए नुकसान ₹ ९७.५२ करोड़ था (पिछले वर्ष का नुकसान : ₹ १०९.८७ करोड़)\*

\* **हिंद लैम्प्स** : वित्तीय वर्ष २०१८-१९ के लिए हिंद लैम्प्स का सकल राजस्व ₹ ५७.७१ करोड़ रहा (पिछले वर्ष : ₹ ४२.१८ करोड़)। इस वर्ष के लिए नुकसान ₹ १२.५८ करोड़ था (पिछले वर्ष का नुकसान : ₹ ९.१७ करोड़)।

मंडल द्वारा यथा अनुमोदित मूर्त सहायक कंपनियों को निर्धारित करने की नीति तक कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर पहुँचा जा सकता है।

अधिनियम की धारा १२९ (३) के प्रावधानों के अनुसार, फार्म एओसी १ में सहायक कंपनी, सहयोगी कंपनी और संयुक्त उद्यम कंपनियों के वित्तीय विवरणों की मुख्य विशेषताओं से युक्त विवरण इस रिपोर्ट के साथ अनुलग्नक सी के रूप में संलग्न है।

अधिनियम की धारा १३६(१) के तिसरे परंतुक के अनुसार, कंपनी की वार्षिक रिपोर्ट जिसमें कंपनी का निष्पक्ष और समेकित वित्तीय विवरण शामिल है, कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर उपलब्ध है। इसके अतिरिक्त, उक्त धारा के चौथे परंतुक के अनुसार, कंपनी की सहायक कंपनी, संयुक्त उद्यम और सहयोगी के वार्षिक खाते भी कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर उपलब्ध हैं। उपरोक्त दस्तावेजों की प्रति प्राप्त करने में रुचि रखने वाले किसी भी शेयरधारक द्वारा कंपनी के पंजीकृत कार्यालय में कंपनी सचिव से पत्राचार किया जा सकता है। इसके अतिरिक्त, उक्त दस्तावेज कंपनी के शेयरधारकों द्वारा परीक्षण के लिए शनिवार, रविवार, सार्वजनिक अवकाश और राष्ट्रीय छुट्टियों को छोड़कर सभी कार्य दिवसों के दौरान सुबह ११.०० बजे से दोपहर ०१.०० बजे के बीच उपलब्ध रहेंगे।

## समेकित वित्तीय विवरण

निदेशक लेखा-परीक्षित समेकित वित्तीय विवरण भी प्रस्तुत करते हैं जिनमें सहायक कंपनी, सहयोगी व संयुक्त उद्यमों के लेखा-परीक्षित/अलेखा-परीक्षित वित्तीय परीक्षण शामिल हैं जिन्हें अधिनियम के अनुपालन में तैयार किया गया है, जो विनिमय अनुसार लेखा मानक एवं सूचीकरण पर लागू हैं तथा इस रिपोर्ट का हिस्सा है।

## वित्तीय परिणामों का प्रस्तुतिकरण

३१ मार्च २०१९ को समाप्त वर्ष के लिए कंपनी के वित्तीय परिणाम अधिनियम की अनुसूची खखख के अनुसार प्रकट किए गए हैं।

## कंपनी में हिंद लैम्प्स लिमिटेड के विनिर्माण कारोबार के डिमर्जर के लिए व्यवस्थापन की योजना

वर्ष के दौरान, कंपनी योजना आवेदन संख्या २०१८ के १०२७ के तहत कंपनी द्वारा माननीय राष्ट्रीय कंपनी कानून न्यायाधिकरण की मुंबई पीठ ("माननीय एनसीएलटी") में दाखिल अधिनियम की धारा २३०-२३२ और के अन्य लागू प्रावधानों के अंतर्गत कंपनी में हिंद लैम्प्स लिमिटेड के विनिर्माण व्यवसाय के डिमर्जर हेतु प्रबन्धा योजना ("योजना") में माननीय एनसीएलटी ने, देखें इसका आदेश २ नवंबर २०१८, कंपनी के इकिटी अंशधारकों, असुरक्षित लेनदारों और सुरक्षित लेनदारों की योजना हेतु उनकी मंजूरी लेने के लिए बैठक बुलाने का निर्देश दिया था। तदनुसार, क्रमशः २१ फरवरी, २०१९, २२ फरवरी, २०१९ और १९ मार्च, २०१९ को इकिटी अंशधारकों, असुरक्षित लेनदारों और सुरक्षित लेनदारों की बैठक आयोजित की गई थी और उसमें इकिटी अंशधारकों, असुरक्षित लेनदारों और सुरक्षित लेनदारों ने योजना के लिए अपनी स्वीकृति प्रदान की। इसके बाद, कंपनी ने २८ मार्च, २०१९ को माननीय एनसीएलटी में एक याचिका दाखिल की। लागू सांविधिक अधिकारियों से अपेक्षित अनुमोदन प्राप्त होने पर यह योजना अमल में लाई जाएगी।

## निदेशकगण

बड़े दुख के साथ, हम १० अगस्त, २०१८ को अपने प्रबंध निदेशक, श्री अनंत बजाज के निधन की सूचना दे रहे हैं। उन्होंने कंपनी में अपने १९ वर्षों के करियर के दौरान कंपनी में महत्वपूर्ण नेतृत्वकारी भूमिकाएँ निभाई, जिसमें फरवरी २००६ से कंपनी के बोर्ड में निदेशक के रूप में उनका कार्यकाल भी शामिल है। आपके निदेशकगण निदेशक के रूप में उनके कार्यकाल के दौरान मंडल को उनके मार्गदर्शन के लिए अपनी सर्वोच्च कृतज्ञता और सराहना व्यक्त करना चाहते हैं।

नामांकन और पारिश्रमिक समिति की अनुशंसा के आधार पर निदेशक मंडल ने श्री अनुज पोद्दार को १ नवंबर, २०१८ से प्रभावी होने के साथ पाँच (५) वर्ष की अवधि के लिए कार्यकारी निदेशक पदनामित, कंपनी का पूर्णकालिक अतिरिक्त निदेशक नियुक्त किया है। पहले वह ४ अगस्त, २०१६ को आयोजित वार्षिक आम बैठक में अंशधारकों की मंजूरी से ३० मई, २०१६ से प्रभावी होने के साथ पाँच (५) वर्षों के लिए कंपनी के स्वतंत्र निदेशक नियुक्त किए गए थे। कार्यकारी निदेशक के रूप में अपनी नियुक्ति का आदर करते हुए, उन्होंने कंपनी के स्वतंत्र निदेशक के पद से त्यागपत्र दे दिया।

अधिनियम की धारा १६१ के संदर्भ में, श्री अनुज पोद्दार आगामी वार्षिक आम बैठक की तिथि तक पद धारण करेंगे। कंपनी को निदेशक के पद के लिए उनका नाम प्रस्तावित करने वाले सदस्य से लिखित में अपेक्षित सूचना मिली है। तदनुसार, १ नवंबर, २०१८ से प्रभावी होने के साथ पाँच (५) वर्ष की अवधि के लिए कार्यकारी निदेशक के रूप में उनकी नियुक्ति के लिए अंशधारकों की भी मंजूरी माँगी जा रही है, जिसकी बोर्ड ने अनुशंसा की है। वार्षिक आम बैठक आयोजित करने के नोटिस में श्री अनुज पोद्दार का संक्षिप्त प्रालेख दिया गया है।

श्रीमती पूजा बजाज को १ नवंबर, २०१८ से प्रभावी होने के साथ गैर-कार्यकारी निदेशक की श्रेणी में अतिरिक्त निदेशक नियुक्त किया गया है और आगामी वार्षिक आम बैठक की तिथि तक वह पद धारण करेंगी। आगामी वार्षिक आम बैठक में मंडल कंपनी के गैर-कार्यकारी निदेशक के रूप में, चक्रानुक्रम के अनुसार सेवानिवृत्ति के अधीन, उनकी नियुक्ति की अनुशंसा करता है। वार्षिक आम बैठक आयोजित करने के नोटिस में श्रीमती पूजा बजाज का संक्षिप्त प्रालेख दिया गया है।

श्री मुनिश खेत्रपाल को १ नवंबर, २०१८ से प्रभावी होने के साथ गैर-कार्यकारी स्वतंत्र निदेशक की श्रेणी में अतिरिक्त निदेशक नियुक्त किया गया है और आगामी वार्षिक आम बैठक की तिथि तक वह अपना पद धारण करेंगे। आगामी वार्षिक आम बैठक में मंडल कंपनी के गैर-कार्यकारी स्वतंत्र निदेशक के रूप में, चक्रानुक्रम के अनुसार सेवानिवृत्ति के अधीन नहीं, उनकी नियुक्ति की अनुशंसा करता है। वार्षिक आम बैठक आयोजित करने के नोटिस में श्री मुनिश खेत्रपाल का संक्षिप्त प्रालेख दिया गया है।

२६ मार्च, २०१९ को डाक मतपत्र द्वारा पारित विशेष प्रस्ताव द्वारा अंशधारकों की मंजूरी से श्री हर्ष वर्धन गोयंका, डॉ (श्रीमती) इन्दु शहानी और डॉ. राजेंद्र प्रसाद सिंह को १ अप्रैल, २०१९ से प्रभावी होने के साथ पाँच वर्षों के लगातार दूसरे कार्यकाल यानी १ अप्रैल, २०१९ से ३१ मार्च, २०२४ तक स्वतंत्र निदेशक के रूप में पुनर्नियुक्त किया गया था।

स्वतंत्र निदेशक, श्री अशोक जालान, जिन्होंने अन्य गतिविधियों में संलग्न होने के नाते ३१ मार्च, २०१९ को अपने पहले कार्यकाल की समाप्ति पर कंपनी के निदेशक पद से हटने की इच्छा व्यक्त की थी, अपने पहले कार्यकाल की समाप्ति पर कंपनी के निदेशक मंडल के सदस्य नहीं रहे हैं। जनवरी १९८९ में अपनी पहली नियुक्ति के बाद से वह ३० वर्षों तक मंडल के सदस्य रहे थे। आपके निदेशकगण निदेशक के रूप में अपने कार्यकाल के दौरान श्री अशोक जालान द्वारा मंडल में दिए गए अत्यंत प्रभावशाली योगदान के लिए अपनी सर्वोच्च कृतज्ञता और सराहना व्यक्त करना चाहते हैं।

श्री राजीव बजाज को बोर्ड द्वारा २२ मई, २०१९ से प्रभावी होने के साथ गैर-कार्यकारी निदेशक की श्रेणी में अतिरिक्त निदेशक नियुक्त किया गया है और आगामी वार्षिक आम बैठक की तिथि तक वह अपना पद धारण करेंगे। आगामी वार्षिक आम बैठक में मंडल कंपनी के गैर-कार्यकारी निदेशक के रूप में, चक्रानुक्रम के अनुसार सेवानिवृत्ति के अधीन, उनकी नियुक्ति की अनुशंसा करता है। वार्षिक आम बैठक आयोजित करने के नोटिस में श्री राजीव बजाज का संक्षिप्त प्रालेख दिया गया है।

इस रिपोर्ट की तिथि को कंपनी के मंडल में दस (१०) निदेशक शामिल हैं जिनमें से दो (२) महिला निदेशक सहित आठ (८) गैर-कार्यकारी निदेशक (एनईडी) हैं। एनईडी कुल संख्या के ८०% का प्रतिनिधित्व करते हैं। इसके अलावा, उक्त आठ (८) एनईडी में से पांच (५) स्वतंत्र निदेशक हैं जो बोर्ड की कुल संख्या के ५०% का प्रतिनिधित्व करते हैं। मंडल की संरचना सूचीबद्धता विनियमों के विनियम १७ और अधिनियम के प्रावधानों के अनुरूप है।

### चक्रानुक्रम के अनुसार सेवानिवृत्त होने वाले निदेशक

अधिनियम की धारा १५२ और कंपनी के संस्था अंतर्नियमों के प्रावधानों के अनुसार, निदेशक श्री मधुर बजाज आगामी वार्षिक आम बैठक में चक्रानुक्रम के अनुसार सेवानिवृत्त होने जा रहे हैं और पात्र होने के नाते उन्होंने अपनी पुनर्नियुक्ति की पेशकश की है। बोर्ड आगामी वार्षिक आम बैठक में कंपनी के सदस्यों के विचार के लिए उनकी पुनर्नियुक्ति की अनुशंसा करता है। वार्षिक आम बैठक आयोजित करने की नोटिस में श्री मधुर बजाज का संक्षिप्त प्रालेख दिया गया है।

### स्वतंत्र निदेशक:

स्वतंत्र निदेशक पाँच वर्ष की निश्चित अवधि तक पद धारण करते हैं और चक्रानुक्रम के अनुसार सेवानिवृत्ति के अधीन नहीं होते हैं। कंपनी के सभी स्वतंत्र निदेशकों ने घोषणा की है कि वे अधिनियम की धारा १४९ (६) और सूचीबद्धता विनियमों के विनियम १६ (१) (बी) के अंतर्गत निर्धारित स्वतंत्रता के मानदंडों को पूरा करते हैं। बोर्ड की राय में, स्वतंत्र

निदेशक, अधिनियम की धारा १४९ (६) और सूचीबद्धता विनियमों के विनियम १६ (१) (बी) में निर्दिष्ट स्वतंत्रता की शर्तों को पूरा करते हैं। स्वतंत्र निदेशकों ने यह भी पुष्टि की है कि उन्होंने कंपनी की व्यवसायिक आचरण और आचार संहिता का पालन किया है।

स्वतंत्र निदेशकों की नियुक्ति के नियम और शर्तें कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर डाली गई हैं।

सूचीबद्धता विनियमों की आवश्यकता का पालन करते हुए, कंपनी ने स्वतंत्र निदेशकों के लिए निदेशक के रूप में उनको अपनी भूमिका, अधिकारों और जिम्मेदारियों, कंपनी के कामकाज, उद्योग की प्रकृति जिसमें कंपनी परिचालन करती है, व्यवसाय मॉडल, आदि से परिचित कराने के लिए परिचयकरण कार्यक्रम बना रखा है। कॉर्पोरेट प्रशासन रिपोर्ट में परिचयकरण कार्यक्रम के विवरण का वर्णन किया गया है और वही कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर भी उपलब्ध है।

### मंडल की बैठकों की संख्या

वित्त वर्ष २०१८-१९ में आयोजित मंडल की बैठकों की संख्या का विवरण कॉर्पोरेट प्रशासन पर रिपोर्ट में प्रदान किया गया है। बैठकों के बीच का मध्यवर्ती अंतराल अधिनियम और सूचीकरण विनियमों के अंतर्गत निर्धारित अवधि के भीतर था।

### प्रमुख प्रबंधकीय कार्मिक (केएमपी)

अधिनियम के अंतर्गत बनाए गए नियमों के साथ पठित अधिनियम की धारा २(५१) और अधिनियम के २०३ के प्रावधानों के अनुसार, मंडल ने कंपनी के केएमपी के रूप में श्री शेखर बजाज को अध्यक्ष एवं प्रबंध निदेशक, श्री अनंत पुरंदरे को अध्यक्ष और मुख्य वित्तीय अधिकारी और श्री मंगेश पाटिल को ईवीपी - कानूनी और कंपनी सचिव तथा अनुपालन अधिकारी नामित किया है। समीक्षागत वर्ष के दौरान कंपनी के किसी भी केएमपी ने त्यागपत्र नहीं दिया है।

### मंडल की समितियाँ

निदेशक मंडल की निम्नलिखित समितियाँ हैं :

१. लेखा परीक्षा समिति
२. नामांकन और पारिश्रमिक समिति
३. हितधारकों की संबंध समिति
४. कॉर्पोरेट सामाजिक उत्तरदायित्व समिति
५. जोखिम प्रबंधन समिति
६. वित्त समिति
७. ऋणपत्र (डिबेंचर) समिति

समितियों का विवरण, उनकी रचना, बैठकों की संख्या और बैठकों में उपस्थिति के साथ कॉर्पोरेट प्रशासन के रिपोर्ट में प्रदान किया गया है।

### मंडल का मूल्यांकन

अधिनियम के प्रावधानों और सूचीबद्धता विनियमों के अनुसार, मंडल का कामकाज, मंडल और उसकी समितियों की संरचना, संस्कृति, निष्पादन और विशिष्ट कर्तव्यों का प्रदर्शन, दायित्वों और प्रशासन के निष्पादन के विभिन्न पहलुओं को ध्यान में रखते हुए एक संरचित प्रश्नावली तैयार की गई है। समीक्षाधीन वर्ष के दौरान निदेशकों का प्रदर्शन मूल्यांकन पूरा किया गया है। स्वतंत्र निदेशकों और गैर-कार्यकारी निदेशक द्वारा अध्यक्ष और गैर-स्वतंत्र निदेशकों के प्रदर्शन का मूल्यांकन किया गया। निदेशक मंडल ने मूल्यांकन की प्रक्रिया के प्रति अपनी संतुष्टि व्यक्त की।

कंपनी द्वारा जिस प्रकार से मूल्यांकन किया गया था वह कॉर्पोरेट प्रशासन रिपोर्ट में वर्णित किया गया है, जो इस वार्षिक रिपोर्ट का भाग है।

### नामकरण, पारिश्रमिक और मंडल की विविधता नीति

निदेशक मंडल ने कंपनी के निदेशकों, प्रमुख प्रबंधकीय कार्मिकों और वरिष्ठ प्रबंधन के पारिश्रमिक के संबंध में एक रूपरेखा निर्धारित करने वाली नीति तैयार की है। यह नीति मोटे तौर पर कार्यकारी और गैर-कार्यकारी निदेशकों (बैठने के शुल्क और कमीशन के माध्यम से), प्रमुख प्रबंधकीय कार्मिकों, वरिष्ठ प्रबंधन और अन्य कर्मचारियों के पारिश्रमिक के भुगतान का मार्गदर्शक सिद्धांत, दर्शन और आधार निर्धारित करती है। यह नीति योग्यता, सकारात्मक गुणों और निदेशक की स्वतंत्रता का निर्धारण करने हेतु मानदंड और प्रमुख प्रबंधकीय कार्मिकों / वरिष्ठ प्रबंधन की नियुक्ति और प्रदर्शन मूल्यांकन हेतु भी मानदंड प्रदान करती है। इस पर उम्मीदवारों का चयन करते समय नामांकन और पारिश्रमिक समिति और निदेशक मंडल द्वारा विचार किया जाता है। उपर्युक्त नीति कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर भी पोस्ट की गई है।

### जोखिम और आंतरिक नियंत्रण पर्याप्तता

कंपनी की आंतरिक नियंत्रण प्रणालियाँ इसके व्यवसाय की प्रकृति और इसके परिचालनों के आकार और जटिलताओं के अनुरूप है। नियमित रूप से सांविधिक और आंतरिक लेखा परीक्षकों द्वारा इन्हें परीक्षित और प्रमाणित किया जाता है और इनके अंतर्गत सभी कार्यालय, कारखाने और प्रमुख व्यवसायिक क्षेत्र आते हैं तथा इन पर महत्वपूर्ण लेखापरीक्षा टिप्पणियों और अनुवर्तन कार्यवाहियों की सूचना लेखा परीक्षा समिति को दी जाती है। लेखा परीक्षा समिति कंपनी के आंतरिक नियंत्रण वातावरण की पर्याप्तता और प्रभावशीलता की समीक्षा करती है। लेखा परीक्षा अनुशंसाओं के कार्यान्वयन की निगरानी करती है जिनमें और कंपनी की जोखिम प्रबंधन नीतियों और प्रणालियों को मजबूत बनाने से संबंधित लेखा परीक्षा अनुशंसाएँ भी शामिल हैं।

वैधानिक लेखा परीक्षकों के प्रतिवेदन के आधार पर, स्टैंडअलोन वित्तीय विवरणों के संदर्भ में आंतरिक वित्तीय नियंत्रण पर्याप्त थे एवं वे प्रभावी रूप से परिचालित हुए।

### सेक्रेटरियल मानकों का अनुपालन

कंपनी ने भारत के इंस्टीट्यूट ऑफ कंपनी सेक्रेटरीज़ द्वारा जारी किए गए लागू साचिविक मानकों का पालन किया है।

### धोखाधड़ी की सूचना

समीक्षाधीन वर्ष के दौरान धोखाधड़ी का कोई उदाहरण नहीं मिला है, जिसके लिए सांविधिक लेखा परीक्षकों को अधिनियम की धारा १४३ (१२) और उसके अंतर्गत बनाए गए नियमों के अंतर्गत लेखा परीक्षा समिति और/या मंडल को सूचना देना आवश्यक था।

### जोखिम प्रबंधन

कंपनी ने जोखिम प्रबंधन नीति तैयार की है और यह सुनिश्चित करने के लिए मंडल को जोखिम मूल्यांकन और न्यूनीकरण प्रक्रियाओं और आवधिक समीक्षा के संबंध में सूचित करने के लिए तंत्र स्थापित किया है कि कार्यकारी प्रबंधन उचित ढंग से तैयार किए गए ढांचे के माध्यम से जोखिम नियंत्रित करे। इन पर प्रबंधन चर्चा और विश्लेषण रिपोर्ट में विस्तार से चर्चा की गई है जो रिपोर्ट का हिस्सा हैं।

### लेखा परीक्षक

#### वैधानिक लेखा परीक्षक

३ अगस्त, २०१७ को आयोजित कंपनी की ७८वीं वार्षिक आम सभा में सदस्यों ने पाँच वर्ष के कार्यकाल के लिए अर्थात् २०२२ में आयोजित होने वाली कंपनी की ८३वीं वार्षिक आम सभा के समापन तक कंपनी के वैधानिक लेखा परीक्षक के रूप में मेसर्स एस आर बी सी एंड कंपनी एलएलपी, सनदी लेखाकार (आईसीएआई पंजीकरण संख्या ३२४९८२ई/ई३००००३) की प्रति वर्ष अंशधारकों द्वारा उनकी नियुक्ति के अनुसमर्थन के अधीन नियुक्ति की थी। कॉर्पोरेट मामलों के मंत्रालय द्वारा ७ मई, २०१८ को लागू किए गए कंपनी संशोधन अधिनियम, २०१७ के अनुसार, प्रत्येक वार्षिक आम बैठक में सांविधिक लेखा परीक्षकों की नियुक्ति की पुष्टि किए जाने की आवश्यकता नहीं है। कंपनी को मेसर्स एस आर बी सी एंड कंपनी एलएलपी से इस बात की पुष्टि करने वाला प्रमाण पत्र मिला है कि वे कंपनी के वैधानिक लेखा परीक्षक बने रहने के लिए अयोग्य नहीं हैं।

वित्तीय विवरणों पर लेखा परीक्षकों द्वारा दिया गया प्रतिवेदन इस रिपोर्ट का भाग है। लेखा परीक्षकों द्वारा अपने प्रतिवेदन में दी गई कोई योग्यता, आरक्षण, प्रतिकूल टिप्पणी या अस्वीकरण नहीं है।

#### लागत लेखा परीक्षक

अधिनियम के अनुच्छेद १४८, इसके अंतर्गत बने नियमों के साथ पठित, के अनुसार, कंपनी द्वारा इसकी उत्पादन गतिविधियों के संबंध में इसके द्वारा रखे गए लागत लेखा अभिलेख लेखा परीक्षित किए जाने के लिए आवश्यक हैं। मेसर्स आर. नानाभाय एंड कंपनी, लागत लेखाकार (फर्म पंजीकरण सं. ००००१०) ने वर्ष के दौरान लागू व्यवसायों की लागत लेखा परीक्षा की है। निदेशक मंडल ने वित्तीय वर्ष २०१९-२० के लिए मेसर्स आर. नानाभाय एंड कंपनी, लागत लेखाकार, को लागत लेखा परीक्षक नियुक्त किया था। अधिनियम की आवश्यकता के अनुसार, लागत लेखा परीक्षक को देय पारिश्रमिक आम सभा में सदस्यों के समक्ष उनके सुधार हेतु रखना आवश्यक है। तदनुसार, मेसर्स. आर. नानाभाय एंड कंपनी, लागत लेखा परीक्षक के देय पारिश्रमिक के लिए सदस्यों की संपुष्टि की माँग करने वाले एक प्रस्ताव को वार्षिक आम सभा के नोटिस में आइटम संख्या १० पर शामिल किया गया है।

लागत लेखा परीक्षक के विवरण तथा वित्त वर्ष २०१७-१८ में उनके द्वारा संचालित लागत लेखा परीक्षा के पूर्ण विवरण नीचे दिए गए हैं :

आईसीडब्ल्यू सदस्यता सं.	७४६४
फर्म का रजिस्ट्रेशन नं. :	००००१०
पता:	जेर मेशन, ७०, अगस्त क्रांति मार्ग, मुंबई - ४०० ०३६
लागत परीक्षा रिपोर्ट	वित्त वर्ष २०१७-१८
रिपोर्ट दर्ज करने की नियत तिथि	३० सितंबर २०१८
दर्ज करने की वास्तविक तिथि	०७ सितंबर २०१८

## साचिविक लेखा परीक्षक

कंपनी (प्रबंधकीय कार्मिकों की नियुक्ति और पारिश्रमिक) नियम, २०१४ के नियम ९ के साथ पठित धारा २०४ के प्रावधानों और उसमें संशोधनों के अनुसार कंपनी ने ३१ मार्च, २०१९ को समाप्त वित्तीय वर्ष के लिए कंपनी की साचिविक लेखा परीक्षा करने के लिए मेसर्स अनंत बी. खमनकर एंड कंपनी, व्यवसायिक कंपनी सचिव (सदस्यता संख्या एफसीएस ३१९८; सीपी सं. १८६०) की सेवाएँ ली थीं। साचिविक लेखा परीक्षा प्रतिवेदन फॉर्म एमआर-३ में अनुलग्नक डी में दिया गया है जो इस रिपोर्ट का भाग है।

साचिविक लेखापरीक्षा रिपोर्ट में कोई योग्यता, आरक्षण, प्रतिकूल टिप्पणी या अस्वीकरण शामिल नहीं है।

## निवेशक शिक्षा और संरक्षण निधि (आईईपीएफ) में हस्तांतरण

### अ) आईईपीएफ में अदत्त/दावारहित लाभांश का अंतरण :

जैसा कि अधिनियम की धारा १२४ के अंतर्गत आवश्यक है और निवेशक शिक्षा और संरक्षण निधि (लेखांकन, लेखा परीक्षा, अंतरण और धनवापसी) नियम, २०१६ / निवेशक शिक्षा और संरक्षण निधि (निवेशकों की जागरूकता और संरक्षण) नियम, २००९ के प्रावधानों के संदर्भ में ३१ मार्च, २०१९ को समाप्त वित्तीय वर्ष से संबंधित अदत्त/दावारहित लाभांश का ₹ १३,४३,६३३/- वर्ष के दौरान आईईपीएफ में अंतरित किया गया है।

### ब) निवेशक शिक्षा और संरक्षण निधि प्राधिकारी (आईईपीएफ) में शेयरों का हस्तांतरण :

जैसा कि अधिनियम की धारा १२४ के अंतर्गत आवश्यक है, कंपनी द्वारा वर्ष के दौरान ₹ २/- प्रत्येक अंकित मूल्य के ८३३६ इकिटी शेयर आईईपीएफ में हस्तांतरित किए गए हैं जिनके संबंध में सदस्यों द्वारा लगातार सात वर्षों या उससे अधिक समय से लाभांश का दावा नहीं किया गया था। हस्तांतरित किए गए शेयरों का विवरण आईईपीएफ और साथ ही कंपनी की वेबसाइट पर अपलोड किया गया है।

## ऊर्जा के संरक्षण, प्रौद्योगिकी समावेशन और विदेशी मुद्रा का अर्जन व व्यय

कंपनी (लेखा) नियम, २०१४ के नियम ८ के साथ पठित अधिनियम के अनुच्छेद १३४(३)(एम) के अंतर्गत व्यक्त ऊर्जा के संरक्षण, प्रौद्योगिकी समावेशन और विदेशी मुद्रा का अर्जन व व्यय को इस रिपोर्ट के परिशिष्ट 'इ' के रूप में जोड़ा गया है।

## मानव संसाधन तथा औद्योगिक संबंध

आपकी कंपनी को अपने कारोबार के सभी क्षेत्रों में अपने कर्मचारियों द्वारा प्रदर्शित प्रतिबद्धता, सक्षमता और समर्पण पर गर्व है। कंपनी लोगों को अपनी सबसे बड़ी परिसंपत्ति मानती है और इसलिए, प्रतिभा प्रबंधन और उत्तराधिकार नियोजन प्रथाओं, मजबूत निष्पादन प्रबंधन और अधिगम और प्रशिक्षण पहलों में यह सुनिश्चित करने के लिए दृढ़ प्रयास किया है कि कंपनी निरंतर प्रेरणादायक, मजबूत और विश्वसनीय नेतृत्व विकसित करे। अपने लोगों के कौशल और नेतृत्व विकास में निरंतर निवेश के अतिरिक्त, इस वर्ष आपकी कंपनी ने कर्मचारी संलग्नता पहलों और अभियानों पर भी ध्यान केंद्रित किया है जिसका उद्देश्य श्रमबल के सभी स्तरों पर नवाचार और सहयोग की संस्कृति बढ़ाना है। इन पर प्रबंधन चर्चा और विश्लेषण रिपोर्ट में विस्तार से चर्चा की गई है जो वार्षिक रिपोर्ट का हिस्सा हैं।

कंपनी के अपने कर्मचारियों के साथ संबंध सौहार्दपूर्ण बने हुए हैं।

## पर्यावरण, स्वास्थ्य और सुरक्षा

कंपनी पर्यावरणीय रूप से स्वच्छ और सुरक्षित परिचालन के महत्व को लेकर सजग है। कंपनी की नीति इस प्रकार से परिचालन आवश्यक बनाती है कि सभी संबंधितों की सुरक्षा, पर्यावरणीय नियमों का अनुपालन और प्राकृतिक संसाधनों का संरक्षण सुनिश्चित हो।

## कार्यस्थल पर महिलाओं की सुरक्षा

कार्यस्थल पर महिलाओं के यौन उत्पीड़न (रोकथाम, निषेध और निवारण) अधिनियम, २०१३ के प्रावधानों और उसके अंतर्गत बनाए गए नियमों का पालन करने के लिए, कंपनी ने कार्यस्थल पर महिलाओं के यौन उत्पीड़न से संबंधित शिकायतों की रोकथाम, निषेध और निवारण पर एक नीति बनाई और कार्यान्वित की है। स्थाई, अस्थायी या संविदात्मक सभी महिला कर्मचारी उपर्युक्त नीति के अंतर्गत आवरित हैं। उक्त नीति सभी कर्मचारियों की जानकारी के लिए कंपनी के आंतरिक पोर्टल पर अपलोड की गई है। इसका व्यापक प्रचार-प्रसार किया गया है। उक्त अधिनियम का पालन करते हुए आंतरिक शिकायत समिति (आईसीसी) की स्थापना की गई है। वित्त वर्ष २०१८-१९ में कंपनी को यौन उत्पीड़न की कोई शिकायत नहीं मिली है।

## कर्मचारियों का विवरण

अधिनियम की धारा १३६ के पहले परंतुक के संदर्भ में, कंपनी (प्रबंधकीय कार्मिकों की नियुक्ति और पारिश्रमिक) नियम, २०१४ के नियम ५ (२) और (३) के अंतर्गत आवश्यक जानकारी को छोड़कर शेयरधारकों को रिपोर्ट और लेखा भेजा जा रहा है। इसकी प्राप्ति में रूचि रखने वाले किसी भी शेयरधारक द्वारा कंपनी के पंजीकृत कार्यालय पर कंपनी सचिव को लिखा जा सकता है। उक्त जानकारी ८०वीं वार्षिक आम बैठक की तिथि तक, कंपनी के किसी भी कार्य दिवस पर कंपनी के पंजीकृत कार्यालय में सदस्यों द्वारा निरीक्षण हेतु उपलब्ध है।

कंपनी (प्रबंधकीय कार्मिकों की नियुक्ति और पारिश्रमिक) नियम, २०१४ के नियम ५ (१) के साथ पठित अधिनियम की धारा १९७ (१२) के प्रावधानों के अंतर्गत यथा आवश्यक जानकारी युक्त विवरण अनुलग्नक एफ में दिया गया है और इस रिपोर्ट का भाग है।

## निदेशकों के उत्तरदायित्व का वक्तव्य

आपके निदेशक यह पुष्टि करते हैं कि :

- ३१ मार्च, २०१९ को समाप्त होने वाले वर्ष के लिए वार्षिक खातों को तैयार करते समय लागू लेखा मानकों का अनुपालन किया गया है, जिनमें सामग्री निर्गमन, यदि कोई हो, से संबंधित उपयुक्त वर्णन शामिल है।
- उन्होंने ऐसी लेखा नीतियाँ चुनी हैं और उन्हें लगातार लागू किया है और ऐसे निर्णय एवं आकलन किए हैं, जो उपयुक्त एवं विवेकपूर्ण हों, जिससे वित्त वर्ष के अंत में कंपनी के मामलों की स्थिति एवं उस अवधि के लिए कंपनी के लाभों का एक सत्यतापूर्ण एवं उचित दृष्टिकोण मिल सके;
- निदेशकों ने कंपनी की संपत्तियों की सुरक्षा के लिए और धोखाधड़ी व अन्य अनियमितताओं की पहचान व रोकथाम के लिए अधिनियम के प्रावधानों के अनुरूप पर्याप्त लेखा अभिलेखों के प्रबंधन हेतु समुचित एवं पर्याप्त रूप से ध्यान दिया है;
- उन्होंने वार्षिक लेखा एक "गोइंग कंसर्न" आधार पर तैयार किए हैं;

(च) उन्होंने कंपनी द्वारा पालन किए जाने हेतु आंतरिक वित्तीय नियंत्रण निर्धारित किए हैं और कि ऐसे आंतरिक वित्तीय नियंत्रण पर्याप्त हैं और प्रभावी ढंग से काम कर रहे थे; तथा

(छ) उन्होंने सभी लागू कानूनों के प्रावधानों का अनुपालन सुनिश्चित करने के लिए उचित प्रणाली तैयार की है और कि इस तरह की प्रणालियाँ पर्याप्त थी और प्रभावी ढंग से काम कर रही थीं।

### हरित पहल

हरित पहल के अनुरूप बने रहने और नई हरित पहलों के सृजन के लिए इससे परे जाने की प्रतिबद्धता के अंतर्गत, जिनका ई-मेल पता कंपनी के पास पंजीकृत है उन सभी सदस्यों/ डिपॉजिटरी प्रतिभागी (प्रतिभागियों) को कंपनी की ८०वीं वार्षिक आम सभा की सूचना की इलेक्ट्रॉनिक प्रति भेजी गई है। जिन सदस्यों ने अपना ई-मेल पता पंजीकृत नहीं कराया है, उन्हें अनुमत मोड के माध्यम से भौतिक प्रतियाँ भेजी गई हैं।

### सराहना एवं आभार-पूर्ति

आपके निदेशक हर स्तर के कर्मचारियों की उनकी कड़ी मेहनत, समर्पण और प्रतिबद्धता के लिए सराहना करते हैं, जिसके बिना आपकी कंपनी की उपलब्धियाँ संभव नहीं हुई होतीं।

बोर्ड आपकी कंपनी को आपूर्तिकर्ताओं, वितरकों, व्यापारिक सहभागियों और व्यापारिक भागीदारों के रूप में कंपनी से जुड़े अन्य लोगों से मिले सहायता और सहयोग की सराहना करता है। आपकी कंपनी उन्हें अपनी प्रगति में सहभागी के रूप में देखती है और आपकी कंपनी ने उनके साथ विकास प्रतिफलों को साझा किया है। आपकी कंपनी का प्रयास होगा कि लाभों की पारस्परिकता, एक-दूसरे के लिए सम्मान और साथ सहयोग के आधार पर, उपभोक्ता हितों के अनुरूप व्यापार के साथ मजबूत कड़ी का निर्माण और पोषण किया जाए। आपके निदेशकगण सभी शेयरधारकों, ग्राहकों, विक्रेताओं, बैंकों, सरकार और नियामकीय प्राधिकरणों और स्टॉक एक्सचेंजों को उनके निरंतर समर्थन के लिए धन्यवाद देने के लिए इस अवसर का उपयोग करना चाहते हैं।

### अनुलग्नक

निम्नलिखित अनुलग्नक इस रिपोर्ट का हिस्सा हैं :

- क. सीएसआर गतिविधियों पर वार्षिक रिपोर्ट - अनुलग्नक "ए"
- ख. वार्षिक विवरण का उद्घरण - अनुलग्नक "बी"
- ग. सहयोगियों / सहायक/ संयुक्त उद्यम कंपनियों के वित्तीय विवरण की मुख्य विशेषताओं वाला विवरण - अनुलग्नक "सी";
- घ. साचिविक लेखापरीक्षा रिपोर्ट - अनुलग्नक "डी";
- च. ऊर्जा का संरक्षण, प्रौद्योगिकी समावेशन और विदेशी मुद्रा अर्जन और व्यय पर रिपोर्ट - अनुलग्नक "इ"; तथा
- छ. कंपनियों (प्रबंधकीय कार्मिकों की नियुक्ति और पारिश्रमिक) नियम, २०१४ के नियम ५(१) के साथ पठित अधिनियम की धारा १९७(१२) के तहत निदेशकों, केएमपी और कर्मचारियों के पारिश्रमिक के संबंध में प्रकटीकरण- अनुलग्नक "एफ"

कृते तथा वास्ते निदेशक मंडल

#### शेखर बजाज

चेयरमैन व मैनेजिंग डायरेक्टर

DIN : ०००८९३५८

#### अनंत पुरंदरे

प्रेसीडेंट व सीएफआ

मुंबई

२२ मे २०१९

#### अनुज पोद्दार

एक्ज़िक्यूटिव डायरेक्टर

DIN : ०१९०८००९

#### मंगेश पाटिल

एक्ज़िक्यूटिव वाइस प्रेसीडेंट -

वैधानिक और कंपनी सचिव

FCs No. : ४७५२

## कॉर्पोरेट प्रशासन पर रिपोर्ट

निदेशकगण (सूचीबद्धता दायित्व एवं प्रकटीकरण आवश्यकताएँ) विनियम, २०१५ (“सूचीबद्धता विनियम”) सेबी की अनुसूची त के साथ पठित विनियम ३४ (३) के संदर्भ में ३१ मार्च, २०१९ को समाप्त वर्ष के लिए कॉर्पोरेट प्रशासन पर कंपनी का रिपोर्ट प्रस्तुत कर रहे हैं।

**“व्यापार निर्धनों को लाभ पहुँचाने की दृष्टि से किया जाना चाहिए, न कि केवल करोड़पति या अरबपति बनने के लिए।”**

**जमनालाल बजाज**

### प्रशासन संहिता पर कंपनी का सिद्धान्त :

नैतिक मूल्य कंपनी के प्रशासन सिद्धान्त की नींव हैं जो कंपनी के पिछले ८० वर्षों के अस्तित्व में कंपनी की संस्कृति का एक हिस्सा बन गए हैं। हमें एक ऐसी कंपनी में होने पर गर्व है, जिसके दूरदृष्टा संस्थापक ने इसकी नींव बहुत समय पहले सुशासन के लिए रखी थी और इसे अपने व्यवसाय का एक अभिन्न हिस्सा बनाया था। हम दृढ़तासे मानते हैं कि व्यापार में आमदनी और मुनाफे से ज्यादा महत्वपूर्ण कुछ तो है। और इसीलिए हममें से प्रत्येक को हम जो भी करते हैं उसमें अपना बेहतरीन प्रदान करने के लिए प्रयासरत रहना चाहिए ताकि, हम न केवल प्रत्येक उपभोक्ता की जरूरतें पूरी कर सकें बल्कि उनकी अपेक्षाओं से कहीं ज्यादा अच्छा कर सकें। इसी ने हमें सबसे अलग स्थान दिलाया हुआ है और शायद यही एक वजह है कि हम अपने उपभोक्ताओं के साथ एक खास रिश्ते का आनंद लेने के योग्य बने हैं। क्यों न हो, जब आप हर साधन के साथ अपना बेहतरीन देने का प्रयास करते हैं, तो वह नज़र आता ही है।

कॉर्पोरेट प्रशासन मूल्यों एवं नैतिक व्यापारिक आचरण के प्रति कटिबद्धता के बारे में है। हमारे काम हमारे मूल्यों और सिद्धांतों से शासित होते हैं, जिसे कंपनी में सभी स्तरों पर सशक्त बनाया जाता है। हम चीजों को सही तरीके से करने के लिए प्रतिबद्ध हैं, जिसका मतलब यह है कि इस तरह से व्यवसायिक निर्णय लेना और काम करना जो कि नैतिकतापूर्ण हो और लागू कानूनों का पालन करते हुए हो।

### निदेशक मंडल

#### प्रशासन संरचना

कंपनी की कॉर्पोरेट प्रशासन संरचना इस प्रकार है :

**निदेशक मंडल :** मंडल को कंपनी के प्रबंधन, निर्देशन और कार्यप्रदर्शन की जिम्मेदारी सौंपी गई है। चूंकि इसकी प्राथमिक भूमिका प्रकृति से न्यासीय है, इसलिए मंडल अपनी जिम्मेदारियों का निर्वहन करते हुए कंपनी के प्रबंधन के लिए नेतृत्व, रणनीतिक मार्गदर्शन, उद्देश्य और स्वतंत्र दृष्टिकोण प्रदान करता है, इस प्रकार यह सुनिश्चित करता है कि प्रबंधन द्वारा नैतिकता, पारदर्शिता और प्रकटीकरण का पालन किया जाए।

**मंडल की समितियाँ :** मंडल ने निम्नलिखित समितियों का गठन किया है, अर्थात्, लेखा परीक्षा समिति, नामांकन और पारिश्रमिक समिति (एनआरसी), कॉर्पोरेट सामाजिक उत्तरदायित्व (सीएसआर) समिति, हितधारकों की संबंध समिति और जोखिम प्रबंधन समिति। उक्त में से प्रत्येक समिति के लिए निश्चित ढांचे के भीतर काम करना अनिवार्य बनाया गया है।

**कार्यकारी समिति :** कार्यकारी समिति का मुख्य कार्य यह सुनिश्चित करते हुए मंडल द्वारा अनुमोदित दिशानिर्देशों और ढांचे के भीतर कंपनी के व्यवसायों का रणनीतिक प्रबंधन

करना है कि महत्वपूर्ण मामलों पर मंडल को उपयुक्त सूचना देने के लिए प्रभावी प्रणालियाँ विद्यमान हों। कार्यकारी समिति की अध्यक्षता अध्यक्ष व प्रबंध निदेशक द्वारा की जाती है और इसके सदस्यों के रूप में इसमें व्यवसायिक और कार्यात्मक प्रमुख हैं, जो कंपनी के दिन-प्रतिदिन के मामलों के प्रबंधन की देखभाल करते हैं।

**अध्यक्ष और प्रबंध निदेशक :** अध्यक्ष और प्रबंध निदेशक की प्राथमिक भूमिका कंपनी द्वारा लक्ष्यों की प्राप्ति में मंडल का नेतृत्व करना है। वह कंपनी को विश्व-स्तरीय संगठन में बदलने के लिए जिम्मेदार हैं। अन्य बातों के साथ, वह मंडल के कामकाज के लिए और यह सुनिश्चित करने के लिए जिम्मेदार हैं कि अन्य सभी प्रासंगिक मुद्दों को मंडल के समक्ष रखा जाए और सभी निदेशकों को मंडल की बैठकों में उठाए गए प्रासंगिक मुद्दों पर अपना विशेषज्ञ मार्गदर्शन प्रदान करने के लिए प्रोत्साहित किया जाए। वे निदेशक मंडल के अन्य सदस्यों के साथ कंपनी की रणनीति भी तैयार करने के लिए जिम्मेदार हैं।

**कार्यकारी निदेशक :** मंडल और कार्यकारी समिति के सदस्य के रूप में, कार्यकारी निदेशक द्वारा मंडल अनुमोदित दिशानिर्देशों और ढांचे के भीतर कंपनी के व्यवसायों के रणनीतिक प्रबंधन में योगदान दिया जाता है। वह व्यवसाय के रणनीतिक प्रबंधन और कंपनी के कार्यों की समग्र जिम्मेदारी लेते हैं जिसमें कंपनी की प्रशासन प्रक्रियाएँ और शीर्ष प्रबंधन की प्रभावशीलता शामिल है।

**स्वतंत्र निदेशकों (आईडी) सहित गैर-कार्यकारी निदेशक (एनईडी) :** एनईडी मंडल की बैठकों में उठाए गए विभिन्न मुद्दों जैसे कि व्यवसाय रणनीतियों के निर्माण, प्रदर्शनों की निगरानी, आदि पर स्वतंत्र निर्णय प्रदान करके मंडल का कामकाज संतुलित करने में महत्वपूर्ण भूमिका निभाते हैं।

### निदेशकगण की संरचना और श्रेणी

मंडल व्यापक आधार वाला है और इसमें औद्योगिक, सामान्य कंपनी प्रबंधन, वित्त, कानून, मीडिया, कॉर्पोरेट रणनीति, तकनीकी, विपणन और अन्य संबद्ध पृष्ठभूमि के प्रतिष्ठित व्यक्ति शामिल हैं। वरिष्ठ प्रबंधन टीम के साथ समन्वय करते हुए निदेशक मंडल द्वारा कंपनी का प्रबंध किया जाता है। यह सुनिश्चित करने के लिए समय-समय पर मंडल की संरचना और सदस्य संख्या की समीक्षा की जाती है कि मंडल सांविधिक और व्यावसायिक आवश्यकताओं के साथ पंक्तिबद्ध बना रहे।

३१ मार्च २०१९ के अंत में निदेशक मंडल में दस (१०) निदेशक शामिल थे, अर्थात् एक (१) कार्यकारी निदेशक - प्रवर्तक, एक (१) कार्यकारी निदेशक - गैर प्रवर्तक, दो (२) एनईडी - एक महिला निदेशक सहित प्रवर्तक, एक (१) एनईडी - गैर प्रवर्तक स्वतंत्र महिला निदेशक, और पाँच (५) एनईडी- स्वतंत्र निदेशक।

श्री अशोक जालान, आईडी, अन्य गतिविधियों में संलग्न होने के नाते ३१ मार्च, २०१९ को अपने पहले कार्यकाल की समाप्ति पर कंपनी के निदेशक पद से हट गए।

श्री राजीव बजाज को मंडल द्वारा २२ मई, २०१९ से प्रभावी होने के साथ एनईडी की श्रेणी में अतिरिक्त निदेशक नियुक्त किया गया है। वार्षिक आम सभा (एजीएम) की नोटिस की मद संख्या ६ में शामिल उनके नियमितीकरण के प्रस्ताव पर सदस्यों का ध्यान आकर्षित किया गया।

तदनुसार, इस रिपोर्ट की तिथि को, निदेशक मंडल में दस (१०) निदेशक शामिल हैं और उनकी निम्नलिखित संरचना है :

निदेशकों की श्रेणी	निदेशकों की संख्या	%
एनईडी - गैर-स्वतंत्र	३	३०%
एनईडी - स्वतंत्र	५	५०%
कार्यकारी निदेशक	२	२०%

मंडल का अध्यक्ष और प्रबंध निदेशक एक कार्यकारी निदेशक होता है। आईडी मंडल की कुल सदस्य संख्या के आधे से अधिक हैं।

श्री शेखर बजाज, अध्यक्ष और प्रबंध निदेशक, श्री मधुर बजाज, निदेशक, श्रीमती पूजा बजाज और श्री राजीव बजाज, चूँकि प्रवर्तक परिवार से संबंध रखते हैं इसलिए एक-दूसरे के संबंधी हैं। श्री शेखर बजाज श्रीमती पूजा बजाज के ससुर; श्री मधुर बजाज के बड़े भाई और श्री राजीव बजाज के चाचा हैं। वह सहयोगी कंपनी हिंद लैम्स लिमिटेड और कंपनी के संयुक्त उद्यम, स्टारलाइट लाइटिंग लिमिटेड में भी एनईडी हैं।

उपरोक्त के अलावा, और अपने कर्तव्यों के निर्वहन में किए गए खर्चों की प्रतिपूर्ति और पारिश्रमिक के अलावा जिसके लिए कंपनी अधिनियम, २०१३ ("अधिनियम") के अंतर्गत एनईडी, अध्यक्ष और प्रबंध निदेशक अधिकारी हैं, किसी भी निदेशक का कंपनी, इसकी सहायक कंपनी, सहयोगी कंपनी या संयुक्त उद्यम और उनके प्रवर्तकों, निदेशकों के साथ कोई अन्य आर्थिक संबंध नहीं है, जो उनके निर्णय में उनकी स्वतंत्रता प्रभावित करे।

मंडल ने अपने व्यवसाय और उद्योग के संदर्भ में निम्नलिखित कौशल की पहचान की है जो मंडल के पास उपलब्ध हैं :

निदेशक का नाम	विशिष्ट कार्यात्मक क्षेत्र में विशेषज्ञता
शेखर बजाज	उद्योगपति, विद्युत उपभोक्ता टिकाऊ उद्योग क्षेत्र, व्यवसाय रणनीति और कॉर्पोरेट प्रबंधन
मधुर बजाज	उद्योगपति, बड़े औद्योगिक समूह का प्रबंधन करने का अनुभव
हर्ष वर्धन गोयंका	उद्योगपति, बड़े व्यवसाय समूह का प्रबंधन करने का अनुभव
डॉ राजेंद्र प्रसाद सिंह	पॉवर क्षेत्र में नवरत्न पीएसयू के पूर्व अध्यक्ष
डॉ. (श्रीमती) इन्दु शहानी	सुविदित शिक्षाविद
अनुज पोद्दार	उपभोक्ता और अन्य उद्योगों, व्यवसाय रणनीति और कॉर्पोरेट प्रबंधन में मजबूत व्यवसायिक अनुभव वाले सनदी लेखाकार
सिद्धार्थ मेहता	कॉर्पोरेट और वाणिज्यिक कानूनों, मुकदमेबाजी और मध्यस्थता में भारत भर में और अंतरराष्ट्रीय क्षेत्र में अनुभव रखने वाले अधिवक्ता
मुनीश खेत्रपाल	वैश्विक बाजारों में व्यापक नेतृत्व अनुभव रखने वाले प्रौद्योगिकी व्यवसायिक
पूजा बजाज	मजबूत वाणिज्यिक कुशाग्रता
राजीव बजाज	उद्योगपति, बड़े औद्योगिक समूह का प्रबंधन करने में अनुभव, कई प्रतिष्ठित नेतृत्व पुरस्कारों के प्राप्तकर्ता

सभी निदेशकों की निदेशकता, समिति की सदस्यता (सदस्यताओं) / अध्यक्षता (अध्यक्षताओं) की संख्या अधिनियम और सूचीबद्धता विनियमों के अंतर्गत निर्धारित संबंधित सीमा के भीतर है।

### निदेशकों की निदेशकता / समिति की सदस्यता

सूचीबद्धता विनियमों के विनियम २६ के अनुसार, कोई भी निदेशक १० से अधिक समितियों का सदस्य नहीं है, जिसमें प्राइवेट लिमिटेड कंपनियाँ, विदेशी कंपनियाँ और अधिनियम की धारा ८ के अंतर्गत आने वाली कंपनियाँ शामिल नहीं हैं या सभी सूचीबद्ध संस्थाओं में ५ से अधिक समितियों के अध्यक्ष के रूप में कार्य नहीं करता है, जिसमें वह निदेशक है। लेखा परीक्षा समिति और हितधारकों की संबंध समिति पर केवल सीमाओं की गणना में विचार किया जाता है। पुनश्च, सभी निदेशकों ने अपने पदों में किसी भी बदलाव सहित अपने निदेशकता, समिति की सदस्यता/अध्यक्षता के बारे में सूचित किया है। ३१ मार्च, २०१९ को निदेशक मंडल की प्रासंगिक जानकारी नीचे दी गई है :

### ३१ मार्च, २०१९ को निदेशकता / समिति की सदस्यता

नाम डीआईएन	नियुक्ति की तिथि	निदेशक की श्रेणी	अन्य भारतीय पब्लिक लिमिटेड कंपनियों में निदेशकता (कंपनी को छोड़कर)	मंडल समितियों की संख्या जिसमें अध्यक्ष/ सदस्य हैं (कंपनी को छोड़कर)		अन्य सूचीबद्ध कंपनियों में धारित निदेशकता और निदेशक की श्रेणी की सूची
				अध्यक्ष	सदस्य	
शेखर बजाज [०००८९३५८]	०१/११/२०१४	प्रमोटर/चेयरमैन तथा मैनेजिंग डायरेक्टर	२	कुछ नहीं	१	१. हरक्यूलिस होइस्ट्स लिमिटेड, एनईडी-गैर-स्वतंत्र-अध्यक्ष २. बजाज ऑटो लिमिटेड, एनईडी-गैर-स्वतंत्र
मधुर बजाज [०००१४५९३]	२८/११/१९९४	प्रमोटर/एनईडी	५	कुछ नहीं	कुछ नहीं	१. बजाज होल्डिंग्स एंड इन्वेस्टमेंट लिमिटेड, एनईडी-गैर-स्वतंत्र २. महाराष्ट्र स्कूटर्स लिमिटेड, एनईडी-प्रव- र्तक-अध्यक्ष के नामिति ३. बजाज फाइनेंस लिमिटेड, एनईडी-गैर-स्वतंत्र ४. बजाज फिनसर्व लिमिटेड, एनईडी-गैर स्वतंत्र ५. बजाज ऑटो लिमिटेड, एनईडी-गैर-स्वतंत्र
हर्ष वर्धन गोयंका [०००२६७२६]	०१/०४/२०१९	स्वतंत्र निदेशक	४	कुछ नहीं	कुछ नहीं	१. आरपीजी लाइफ साइंसेस लिमिटेड, एनईडी- गैर-स्वतंत्र-अध्यक्ष २. सीएट लिमिटेड, एनईडी-गैर-स्वतंत्र-अध्यक्ष ३. केईसी इंटरनेशनल लिमिटेड, एनईडी-गैर- स्वतंत्र-अध्यक्ष ४. जेन्सर टेक्नोलॉजीस लिमिटेड, एनईडी-गैर- स्वतंत्र-अध्यक्ष
डॉ.राजेंद्र प्रसाद सिंह [००००४८१२]	०१/०४/२०१९	स्वतंत्र निदेशक	१	कुछ नहीं	४	१. टेक्नो इलेक्ट्रिक एंड इंजीनियरिंग कंपनी लिमिटेड, एनईडी-गैर-स्वतंत्र
डॉ. (श्रीमती) इन्दु शहानी [००११२२८९]	०१/०४/२०१९	स्वतंत्र निदेशक	३	१	५	१. युनाइटेड स्पिरिट्स लिमिटेड, एनईडी-स्वतंत्र २. क्लैरिफेंट केमिकल्स (इंडिया) लिमिटेड, एनईडी-स्वतंत्र ३. कोलगेट-पामोलिव (इंडिया) लिमिटेड, एनईडी-स्वतंत्र
अनुज पोद्दार [०१९०८००९]	०१/११/२०१८	अतिरिक्त कार्यकारी निदेशक	कुछ नहीं	कुछ नहीं	कुछ नहीं	कुछ नहीं
सिद्धार्थ मेहता [०३०७२३५२]	३०/०५/२०१६	स्वतंत्र निदेशक	२	१	२	१. इंडो काउंट इंडस्ट्रीज लिमिटेड, एनईडी-स्वतंत्र २. टीसीआई इंडस्ट्रीज लिमिटेड, एनईडी- स्वतंत्र
मुनीश खेत्रपाल <sup>१</sup> [०८२६३२८२]	०१/११/२०१८	अतिरिक्त स्वतंत्र निदेशक	कुछ नहीं	कुछ नहीं	कुछ नहीं	कुछ नहीं
पूजा बजाज <sup>१</sup> [०८२५४४५५]	०१/११/२०१८	अतिरिक्त प्रमोटर/ एनईडी	कुछ नहीं	कुछ नहीं	कुछ नहीं	कुछ नहीं

#### टिप्पणियाँ :

- श्री मुनीश खेत्रपाल और श्रीमती पूजा बजाज को १ नवंबर, २०१८ से प्रभावी होने के साथ कंपनी के मंडल में निदेशक के रूप में नियुक्त किया गया है।
- संयुक्त प्रबंध निदेशक श्री अनंत बजाज १० अगस्त, २०१८ को निधन के चलते निदेशक नहीं रहे हैं, इसलिए उन्हें शामिल नहीं किया गया है।
- श्री अशोक जालान, ३१ मार्च, २०१९ को आईडी के रूप में अपने पहले कार्यकाल की समाप्ति पर निदेशक नहीं रहे हैं, इसलिए उन्हें शामिल नहीं किया गया है।
- निदेशकता में प्राइवेट लिमिटेड कंपनियाँ, विदेशी कंपनियाँ और धारा ८ की कंपनियाँ शामिल नहीं है।
- समिति की सदस्यता में कंपनी से भिन्न अन्य भारतीय पब्लिक लिमिटेड कंपनियों में केवल लेखा परीक्षा समिति और हितधारकों की संबंध समिति शामिल हैं। कंपनी के मंडल के सदस्यों के पास दस बोर्ड स्तरीय समितियों की सदस्यता या पाँच से अधिक ऐसी समितियों की अध्यक्षता नहीं है।



६. श्री शेखर बजाज, श्री मधुर बजाज और श्रीमती पूजा बजाज एक-दूसरे के संबंधी हैं। कोई भी अन्य निदेशक आपस में संबंधी नहीं है।
७. सेवानिवृत्त होने वाले या नियुक्त/पुनः नियुक्त किए जाने वाले निदेशक (निदेशकों) का/के विवरण एजीएम की नोटिस में दिया गया है/दिए गए हैं।
८. उपरोक्त में से प्रत्येक निदेशक का संक्षिप्त प्रालेख कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर उपलब्ध है।
९. आईडी का अधिकतम कार्यकाल अधिनियम और उसके अंतर्गत बनाए गए नियमों के अनुसार है।

## मंडल द्वारा आईडी की पुष्टि

सभी आईडी ने घोषणा की है कि वे अधिनियम की धारा १४९ (६) और सूचीबद्धता विनियमों के विनियम १६ (१) (बी) के अंतर्गत यथा निर्धारित स्वतंत्रता के मानदंडों को पूरा करते हैं। मंडल की राय में, आईडी, अधिनियम की धारा १४९ (६) और सूचीबद्धता विनियमों के विनियम १६ (१) (बी) में निर्दिष्ट स्वतंत्रता की शर्तें पूरी करते हैं। जैसा कि अधिनियम में प्रावधान किया गया है, आईडी को औपचारिक नियुक्ति पत्र जारी किया गया है और कंपनी की वेबसाइट अर्थात् [www.bajajelectricals.com](http://www.bajajelectricals.com) पर प्रकटीकरण किया गया है।

## स्वतंत्र निदेशकों की संख्या

सूचीबद्धता विनियमों के विनियम १७ए के अनुसार, कंपनी के आईडी सात से अधिक सूचीबद्ध कंपनियों में आईडी के रूप में काम नहीं करते हैं। इसके अलावा, कंपनी के प्रबंध निदेशक किसी भी सूचीबद्ध संस्था में आईडी के रूप में काम नहीं करते हैं।

## मंडल की बैठकें

मंडल व्यवसाय की रणनीतियों/नीतियों पर चर्चा करने और निर्णय लेने और कंपनी और उसकी सहायक कंपनी के वित्तीय प्रदर्शन की समीक्षा करने के लिए नियमित अंतराल पर बैठक करता है। मंडल की बैठकें पूर्व निर्धारित होती हैं और मंडल की बैठकों का

अस्थाई वार्षिक कैलेंडर अग्रिम में निदेशकों को भेजा जाता है ताकि तदनुसार उन्हें अपने कार्यक्रम की योजना बनाने में सुविधा मिल सके। व्यवसायिक अनिवार्यताओं की स्थिति में, संचलन प्रस्तावों के माध्यम से मंडल की स्वीकृति ली जाती है। संचलन प्रस्तावों पर अनुवर्ती मंडल की बैठक में चर्चा की जाती है।

नोटिस और प्रासंगिक टिप्पणियों और अन्य महत्वपूर्ण जानकारी के साथ ही विस्तृत कार्यसूची अग्रिम में प्रत्येक निदेशक को भेजी जाती है और असाधारण मामलों में मंडल की स्वीकृति से बैठक में रखी जाती है। इससे मंडल द्वारा समय पर और सूचित निर्णय सुनिश्चित होता है। मंडल बजट/लक्ष्यों की तुलना में कंपनी के प्रदर्शन की समीक्षा करता है।

प्रति वर्ष न्यूनतम चार पूर्व-निर्धारित मंडल की बैठकें (प्रत्येक कैलेंडर तिमाही में एक बैठक) होती हैं। कंपनी की विशिष्ट जरूरतों, यदि कोई है, को पूरा करने के लिए अतिरिक्त बैठकें आयोजित की जाती हैं। वित्त वर्ष २०१८-१९ के दौरान, निदेशक मंडल ने सात बार यानी २३ मई, २०१८, १५ जून, २०१८, ९ अगस्त, २०१८, १ नवंबर, २०१८, २ जनवरी, २०१९, ७ फरवरी, २०१९ और २८ मार्च, २०१९ को बैठक की थी। किन्हीं भी दो लगातार बैठकों के बीच अधिकतम अंतराल एक सौ बीस दिन से कम था, जैसा कि अधिनियम की धारा १७३ (१) और सूचीबद्धता विनियमों के विनियम १७ (२) और द इंस्टीट्यूट ऑफ कंपनी सेक्रेटरीज ऑफ इंडिया द्वारा साचिविक मानक के अंतर्गत निर्धारित किया गया है।

## मंडल की बैठकों और अंतिम एजीएम में निदेशकों की उपस्थिति।

क्र. सं.	निदेशकों के नाम	उपस्थित मंडल की बैठकों की संख्या	९ अगस्त, २०१८ को आयोजित एजीएम में उपस्थिति
१.	शेखर बजाज	७ में से ७	उपस्थित
२.	अनंत बजाज <sup>१</sup>	७ में से ३	उपस्थित
३.	मधुर बजाज	७ में से ७	उपस्थित
४.	हर्ष वर्धन गोयंका	७ में से ६	उपस्थित
५.	अशोक जालान <sup>२</sup>	७ में से ७	उपस्थित
६.	डॉ. राजेंद्र प्रसाद सिंह	७ में से ७	उपस्थित
७.	डॉ. (श्रीमती) इन्दु शहानी	७ में से ७	उपस्थित
८.	अनुज पोद्दार	७ में से ७	उपस्थित
९.	सिद्धार्थ मेहता	७ में से ७	उपस्थित
१०.	मुनीश खेत्रपाल <sup>३</sup>	७ में से ४	लागू नहीं
११.	पूजा बजाज <sup>३</sup>	७ में से ४	लागू नहीं

## टिप्पणियाँ :

१. श्री अनंत बजाज, प्रबंध निदेशक की निदेशकता को १० अगस्त, २०१८ को उनकी मृत्यु होने पर समाप्त कर दिया गया है।
२. अन्य गतिविधियों में संलग्न होने के नाते आईडी, श्री अशोक जालान ३१ मार्च, २०१९ को अपने पहले कार्यकाल की समाप्ति पर कंपनी की निदेशकता से हट गए।
३. १ नवंबर, २०१८ को श्री मुनीश खेत्रपाल और श्रीमती पूजा बजाज को कंपनी के मंडल में निदेशक नियुक्त किया गया।

## मंडल के समक्ष रखी गई जानकारी

कंपनी मंडल और मंडल की समितियों को लागू और प्रासंगिक सीमा तक सूचीबद्धता विनियमों की अनुसूची खख के भाग ए के साथ पठित विनियम १७ में यथा निर्धारित जानकारी प्रदान करती है। ऐसी जानकारी या तो संबंधित बैठकों से पहले अग्रिम में कार्यसूची के भाग के रूप में या बैठकों के दौरान प्रस्तुतियों और चर्चाओं के माध्यम से प्रस्तुत की जाती है।

## बैठक पश्चात तंत्र

मंडल/समिति की बैठकों में लिए गए महत्वपूर्ण निर्णय संबंधित विभाग/प्रभाग को सूचित किए जाते हैं।

## मंडल की सहायता

कंपनी सचिव मंडल की बैठकों में भाग लेते हैं और लागू कानूनों और नियंत्रणों के अनुपालन पर मंडल को सलाह देते हैं।

## मंडल की भूमिकाएँ, जिम्मेदारियाँ और कर्तव्य

निदेशक मंडल के कर्तव्यों का सूचीबद्धता विनियमों, अधिनियम की धारा १६६ और अनुसूची खत (अनुसूची खत विशेष रूप से आईडी के लिए है) में उल्लेख किया गया है। निदेशक मंडल के बीच जिम्मेदारियों और प्राधिकार का स्पष्ट सीमांकन है।

## निदेशकों के लिए परिचयकरण कार्यक्रम

निदेशकों की नियुक्ति के समय, उन्हें औपचारिक नियुक्ति पत्र दिया जाता है, जो अन्य बातों के साथ कंपनी के निदेशक के रूप में उनसे अपेक्षित भूमिकाओं, कार्यों, कर्तव्यों और जिम्मेदारियों को स्पष्ट करता है। अधिनियम, सूचीबद्धता विनियम और अन्य विभिन्न संविधियों के अंतर्गत निदेशकों से उनसे अपेक्षित अनुपालनों का भी विस्तार से वर्णन किया जाता है और पृष्ठीकरण प्राप्त की जाती है। अध्यक्ष और प्रबंध निदेशक भी कंपनी के परिचालनों से परिचित कराने के लिए नव नियुक्त निदेशक के साथ आमने-सामने की चर्चा आयोजित करते हैं। इसके अलावा, चालू आधार पर मंडल/समिति की बैठक की कार्यसूची के भाग के रूप में, आईडी को नियमित रूप से विभिन्न मामलों पर प्रस्तुतियाँ दी जाती हैं जिसमें अन्य बातों के साथ कंपनी और उसकी सहायक, सहयोगी और संयुक्त उद्यम कंपनियों के परिचालन, औद्योगिक और नियामकीय अद्यतन जानकारी, रणनीति, वित्त, जोखिम प्रबंधन ढांचा, विभिन्न संविधियों के अंतर्गत आईडी की भूमिका, अधिकार, जिम्मेदारियाँ और अन्य प्रासंगिक मामले शामिल होते हैं। निदेशकों के लिए परिचयकरण कार्यक्रम का विवरण कंपनी की वेबसाइट, अर्थात्, [www.bajajelectricals.com](http://www.bajajelectricals.com) पर उपलब्ध है।

## प्रशासन संहिताएँ

### व्यवसाय आचरण संहिता और आचार नीति

कंपनी ने व्यवसाय आचरण संहिता और आचार नीति ("संहिता") अपनाई है। यह निदेशक मंडल और कंपनी के सभी कर्मचारियों पर लागू होती है। निदेशक मंडल और कंपनी के वरिष्ठ प्रबंधन दल के सदस्यों के लिए इस संहिता के वार्षिक अनुपालन की पुष्टि करना आवश्यक है। कंपनी के अध्यक्ष और प्रबंध निदेशक द्वारा हस्ताक्षरित इस आशय का घोषणा-पत्र इस रिपोर्ट के अंत में रखा गया है। यह संहिता निदेशकों और कर्मचारियों से ईमानदारी से, निष्पक्षतापूर्वक, नैतिक रूप से और अखंडता के साथ कार्य करने, अपना आचरण व्यवसायिक, विनम्र और सम्मानजनक बनाए रखने की माँग करती है, यह संहिता कंपनी की वेबसाइट [www.bajajelectricals.com](http://www.bajajelectricals.com) पर प्रदर्शित है।

## हितों के टकराव पर प्रकटीकरण

प्रत्येक निदेशक द्वारा वार्षिक आधार पर कंपनी को अध्यक्ष सहित अन्य कंपनियों में मंडल और समिति पदों के बारे में सूचित किया जाता है जिन पर वह असीन है और वर्ष के दौरान परिवर्तनों को सूचित किया जाता है। मंडल के सदस्य अपने कर्तव्यों का निर्वहन करते हुए, निर्णय लेने की प्रक्रिया में हितों के टकराव से बचते हैं। मंडल के सदस्य किसी भी चर्चा और लेनदेन में मतदान से अपने आपको प्रतिबंधित करते हैं जिनसे उनका संबंध या जिनमें उनका हित होता है।

## इनसाइडर ट्रेडिंग संहिता

कंपनी ने सेबी (इनसाइडर ट्रेडिंग का निषेध) विनियम, २०१५ ("पीआईटी विनियम") के अनुसार 'पदनामित व्यक्तियों द्वारा ("संहिता") व्यापार के नियमन, निगरानी और सूचना के लिए आंतरिक आचरण संहिता' अपनाई है।

यह संहिता प्रवर्तकों, प्रवर्तक समूह के सदस्यों, सभी निदेशकों और ऐसे पदनामित कर्मचारियों पर लागू होती है, जिनकी कंपनी से संबंधित अप्रकाशित मूल्य संवेदनशील जानकारी तक पहुंच होने की उम्मीद होती है। कंपनी सचिव उक्त पीआईटी विनियमों के पालन की निगरानी हेतु अनुपालन अधिकारी होता है।

कंपनी ने पीआईटी विनियमों का अनुपालन करते हुए 'अप्रकाशित मूल्य संवेदनशील सूचना (यूपीएसआई) के उचित प्रकटीकरण के लिए आचरण और प्रक्रिया संहिता' भी तैयार की हैं। यह संहिता कंपनी की वेबसाइट, अर्थात्, [www.bajajelectricals.com](http://www.bajajelectricals.com) पर प्रदर्शित है। कंपनी ने यूपीएसआई के लीक होने के मामले में "जाँच-पड़ताल नीति" भी तैयार की है।

## मंडल की समितियाँ

निदेशक मंडल ने विशिष्ट क्षेत्रों और गतिविधियों से पेश आने के लिए मंडल समितियों का गठन किया है जिनसे कंपनी संबंध रखती है और जिनके लिए सावधानीपूर्ण समीक्षा की आवश्यकता होती है। मंडल समितियों का गठन मंडल की स्वीकृति से किया जाता है और वे अपनी संबंधित सनदों के अंतर्गत कार्य करती हैं। दिन-प्रतिदिन के मामलों और कंपनी के प्रशासन के समग्र प्रबंधन में ये समितियाँ महत्वपूर्ण भूमिका निभाती हैं। मंडल समितियाँ नियमित अंतराल पर बैठकें करती हैं और मंडल द्वारा सौंपे गए कर्तव्यों को संपादन करने के लिए आवश्यक कदम उठाती हैं। समिति की बैठकों का कार्यवृत्त टिप्पणी करने के लिए मंडल के सामने रखा जाता है।

### (क) लेखा परीक्षा समिति

#### संरचना

निदेशक मंडल की लेखा परीक्षा समिति को कंपनी की वित्तीय प्रतिवेदन की प्रक्रिया और आंतरिक नियंत्रणों का पर्यवेक्षण करने की जिम्मेदारी सौंपी गई है। संरचना, गणपूर्ति, शक्तियाँ, भूमिकाएँ और कार्यक्षेत्र अधिनियम की धारा १७७ और सूचीबद्धता विनियमों के विनियम १८ के प्रावधानों के अनुसार हैं।

समीक्षाधीन वर्ष के दौरान पूर्व आईडी, श्री अनुज पोद्दार ने कंपनी के कार्यकारी निदेशक के रूप में अपनी नियुक्ति के मद्देनजर लेखा परीक्षा समिति की सदस्यता से त्यागपत्र दे दिया है। फलस्वरूप, कंपनी के मंडल ने देखें परिपत्र के माध्यम से पारित इसके प्रस्ताव दिनांकित १८ अक्टूबर, २०१८, ने समिति के सदस्य के रूप में श्री सिद्धार्थ मेहता को शामिल करके लेखा परीक्षा समिति का पुनर्गठन किया है। १ नवंबर, २०१८ को आयोजित अपनी बैठक में पुनर्गठित लेखा परीक्षा समिति के सदस्यों ने श्री अशोक जालान को समिति का अध्यक्ष चुना।

अन्य गतिविधियों में संलग्न होने के नाते, कंपनी के मंडल में निदेशक पद से हटने की अपनी इच्छा व्यक्त करने वाले श्री अशोक जालान के स्थान पर ३१ मार्च २०१९ को व्यवसायिक घंटों के समाप्त होने पर कंपनी के आईडी के रूप में उनके पहले कार्यकाल की समाप्ति पर १ अप्रैल, २०१९ से प्रभावी होने के साथ लेखा परीक्षा समिति के सदस्य के रूप में डॉ. राजेंद्र प्रसाद सिंह को शामिल करके बोर्ड ने २८ मार्च, २०१९ को आयोजित बैठक में लेखा परीक्षा समिति का फिर से पुनर्गठन किया है।

इस रिपोर्ट की तिथि को, लेखा परीक्षा समिति में ३ निदेशक : अध्यक्ष के रूप में डॉ. (श्रीमती) इन्दु शहानी और इसके सदस्य के रूप में डॉ. राजेंद्र प्रसाद सिंह और श्री सिद्धार्थ मेहता शामिल थे। लेखा परीक्षा समिति के सभी सदस्य वित्तीय रूप से साक्षर हैं और वित्त, कराधान, अर्थशास्त्र, जोखिम और अंतर्राष्ट्रीय वित्त के क्षेत्र में

विशेषज्ञता रखते हैं। यह समिति अपनी संदर्भ की शर्तों के अनुसार कार्य करती है जो इसका प्राधिकार, जिम्मेदारी और प्रतिवेदन कार्य परिभाषित करते हैं। कंपनी सचिव द्वारा लेखा परीक्षा समिति के संयोजक के रूप में कार्य किया जाता है।

### बैठकें और उपस्थिति

वित्त वर्ष २०१८-१९ के दौरान लेखा परीक्षा समिति की पाँच बार बैठक हुई। दो बैठकों के बीच अधिकतम अंतराल १२० दिनों से अधिक का नहीं था। समिति की २३ मई, २०१८, ९ अगस्त, २०१८, १ नवंबर, २०१८, ७ फरवरी, २०१९ और २८ मार्च, २०१९ को बैठक हुई थी। सभी बैठकों में अपेक्षित गणपूर्ति उपस्थित थी। लेखा परीक्षा समिति के अध्यक्ष ९ अगस्त, २०१८ को आयोजित कंपनी की अंतिम एजीएम में उपस्थित थे।

### नीचे दी गई तालिका लेखा परीक्षा समिति के सदस्यों की उपस्थिति प्रदान करती है :

क्र. सं.	निदेशकों का नाम	पद	श्रेणी	बैठकों में उपस्थिति की संख्या
१.	अनुज पोद्दार <sup>१</sup>	अध्यक्ष	स्वतंत्र निदेशक	५ में से २
२.	अशोक जालान <sup>२</sup>	अध्यक्ष	स्वतंत्र निदेशक	५ में से ५
३.	डॉ. इन्दु शहानी	अध्यक्ष	स्वतंत्र निदेशक	५ में से ५
४.	सिद्धार्थ मेहता	सदस्य	स्वतंत्र निदेशक	५ में से ३
५.	डॉ. राजेंद्र प्रसाद सिंह <sup>३</sup>	सदस्य	स्वतंत्र निदेशक	लागू नहीं

#### टिप्पणियाँ :

- <sup>१</sup> १८ अक्टूबर, २०१८ तक लेखा परीक्षा समिति के अध्यक्ष/सदस्य।
- <sup>२</sup> १ नवंबर, २०१८ से ३१ मार्च, २०१९ तक लेखा परीक्षा समिति के अध्यक्ष/सदस्य।
- <sup>३</sup> १ अप्रैल २०१९ से प्रभावी होने के साथ लेखा परीक्षा समिति के नियुक्त सदस्य।

### लेखा परीक्षा समिति की संदर्भ की शर्तें और काय

लेखा परीक्षा समिति की सनद में सूचीबद्धता विनियमके हाल के संशोधनों के अनुरूप २८ मार्च, २०१९ को आयोजित मंडल की बैठक में संशोधन किया गया है। जैसा कि नीचे बताया गया है, लेखा परीक्षा समिति की संदर्भ की संशोधित शर्तें सूचीबद्धता विनियम के विनियम १८ और अधिनियम की धारा १७७ में जो अधिदेशित है, उसके अनुरूप हैं।

#### संदर्भ की शर्तें :

- कंपनी की वित्तीय रिपोर्ट प्रक्रिया की देख-रेख और यह सुनिश्चित करने के लिए कि वित्तीय विवरण सही, पर्याप्त और विश्वसनीय है, इसकी वित्तीय जानकारी का प्रकटीकरण;
- कंपनी के लेखा परीक्षकों की नियुक्ति, पारिश्रमिक और नियुक्ति की शर्तों की सिफारिश;
- सांविधिक लेखा परीक्षकों द्वारा प्रदान की गई किन्हीं अन्य सेवाओं के लिए सांविधिक लेखा परीक्षकों को भुगतान की स्वीकृति;
- निम्नलिखित के विशेष संदर्भ के साथ अनुमोदन के लिए मंडल को प्रस्तुत करने से पहले वार्षिक वित्तीय विवरण और उस पर लेखा परीक्षकों के रिपोर्ट की प्रबंधन के साथ समीक्षा करना :
- कंपनी अधिनियम, २०१३ के खंड १३४ के उप-खंड ३ की धारा (सी) के संदर्भ में मंडल के रिपोर्ट में शामिल किए जाने वाले निदेशक के उत्तरदायित्व

वक्तव्य में शामिल किए जाने वाले आवश्यक मामले।

- लेखांकन नीतियों और प्रथाओं में परिवर्तन, यदि कोई हो, और उसके कारण।
- प्रबंधन द्वारा निर्णय के प्रयोग के आधार पर अनुमानों को शामिल करने वाली प्रमुख लेखा प्रविष्टियाँ।
- लेखा परीक्षा निष्कर्षों से उत्पन्न होने वाले वित्तीय विवरणों में किए गए महत्वपूर्ण समायोजन।
- सूचीबद्धता और वित्तीय विवरणों से संबंधित अन्य कानूनी आवश्यकताओं का अनुपालन।
- किसी भी संबंधित पक्ष लेनदेन का प्रकटीकरण।
- प्रारूप लेखा परीक्षा रिपोर्ट में संशोधित राय।
- वित्तीय विवरणों, विशेष रूप से, असूचीबद्ध सहायक कंपनी (कंपनियों) द्वारा किए गए निवेशों सहित अनुमोदन के लिए मंडल को प्रस्तुत करने से पहले त्रैमासिक वित्तीय विवरण की प्रबंधन के साथ समीक्षा;
- इश्यू (पब्लिक इश्यू, राईट्स इश्यू, प्रीफेरेन्शियल इश्यू आदि) के माध्यम से जुटाई गई धनराशि के उपयोग/अनुप्रयोग के विवरण, प्रस्ताव दस्तावेज/विवरणिका/सूचना में बताए गए उद्देश्यों से भिन्न उद्देश्यों के लिए उपयोग किए गए फंडों का विवरण और सार्वजनिक या राइट इश्यू की आय के उपयोग की निगरानी करने वाली

- निगरानी एजेंसी द्वारा प्रस्तुत रिपोर्ट की प्रबंधन के साथ समीक्षा करना और मंडल को इस मामले में कदम उठाने के लिए उपयुक्त सिफारिशें करना;
७. लेखा परीक्षा की स्वतंत्रता और संपादन, और लेखा परीक्षा प्रक्रिया की प्रभावशीलता की समीक्षा और निगरानी;
  ८. संबंधित पक्षों के साथ कंपनी के लेनदेन का अनुमोदन या कोई अनुवर्ती संशोधन;
  ९. अंतर-कंपनी ऋण और निवेश की संवीक्षा;
  १०. कंपनी के उपक्रमों या परिसंपत्तियों का मूल्यांकन, जहाँ भी यह आवश्यक हो;
  ११. आंतरिक वित्तीय नियंत्रणों और जोखिम प्रबंधन प्रणालियों का मूल्यांकन;
  १२. सांविधिक और आंतरिक लेखा परीक्षकों के प्रदर्शन, आंतरिक नियंत्रण प्रणालियों की पर्याप्तता की प्रबंधन के साथ समीक्षा;
  १३. आंतरिक लेखा परीक्षा विभाग की संरचना, स्टाफ की भर्ती और विभाग की अध्यक्षता करने वाले अधिकारी की वरिष्ठता सहित आंतरिक लेखा परीक्षा कार्य, यदि कोई है, की पर्याप्तता की समीक्षा, संरचना आच्छादन और आंतरिक लेखा परीक्षा की आवृत्ति की रिपोर्टिंग;
  १४. किसी भी महत्वपूर्ण निष्कर्ष की आंतरिक लेखा परीक्षकों के साथ चर्चा और उस पर अनुवर्ती कार्रवाई;
  १५. ऐसे मामलों में आंतरिक लेखा परीक्षकों द्वारा किसी भी आंतरिक जांच के निष्कर्षों की समीक्षा जिसमें संदिग्ध धोखाधड़ी या अनियमितता या महत्वपूर्ण प्रकृति के आंतरिक नियंत्रण प्रणालियों की विफलता है और मंडल को मामले की सूचना देना;
  १६. लेखा परीक्षा की प्रकृति और कार्यक्षेत्र के संबंध में लेखा परीक्षा शुरू होने से पहले सांविधिक लेखा परीक्षकों के साथ चर्चा के साथ-साथ चिंता का कोई भी क्षेत्र पता लगाने के लिए लेखापरीक्षा बाद की चर्चा;
  १७. जमाकर्ताओं, ऋणपत्र धारकों, शेयरधारकों (घोषित लाभांश का भुगतान न होने की स्थिति में) और लेनदारों को भुगतान में महत्वपूर्ण चूक के कारणों की जाँच-पड़ताल;
  १८. व्हिसिल ब्लोअर तंत्र के कामकाज की समीक्षा;
  १९. उम्मीदवार की योग्यता, अनुभव और पृष्ठभूमि आदि का मूल्यांकन करने के बाद सीएफओ (यानी, पूर्णकालिक वित्त निदेशक या वित्त प्रकाय की अध्यक्षता करने वाले या उक्त प्रकाय का निर्वाहन करने वाले किसी भी अन्य व्यक्ति) की नियुक्ति की स्वीकृति;
  २०. लेखापरीक्षा समिति के संदर्भ की शर्तों में उल्लेखित कोई अन्य कार्य करना।
  २१. १ अप्रैल २०१९ को वर्तमान ऋणों/अग्रिमों/निवेशों सहित सहायक कंपनी (कंपनियों) में ऋणों, अग्रिमों या दोनों के उपयोग की समीक्षा, जो ₹ १०० करोड़ या सहायक कंपनी के परिसंपत्ति आकार के १०% से अधिक न हो, जो भी कम हो।

लेखा परीक्षा समिति अनिवार्य रूप से निम्नलिखित सूचनाओं की समीक्षा करती है :

१. प्रबंधन चर्चा और वित्तीय स्थिति और परिचालन के परिणामों के विश्लेषण की;
२. प्रबंधन द्वारा प्रस्तुत महत्वपूर्ण संबंधित पक्ष लेनदेनों के विवरण (लेखा परीक्षा समिति द्वारा परिभाषित अनुसार) की;
३. प्रबंधन पत्रों/सांविधिक लेखा परीक्षकों द्वारा जारी आंतरिक नियंत्रण दुर्बलताओं के पत्रों की;
४. आंतरिक नियंत्रण दुर्बलताओं से संबंधित आंतरिक लेखा परीक्षा रिपोर्ट की;

५. मुख्य आंतरिक लेखा परीक्षक की नियुक्ति, पदच्युति और पारिश्रमिक की शर्तों की; तथा
६. विचलनों के विवरण की :
  - अ. सूचीबद्धता विनियम ३२ (१) के संदर्भों में शेयर बाजार (बाजारों) को प्रस्तुत निगरानी एजेंसी के रिपोर्ट, यदि लागू हो, सहित विचलन(नों) के त्रैमासिक विवरण की; तथा
  - ब. सूचीबद्धता विनियम ३२ (७) के संदर्भों में प्रस्ताव-पत्र/विवरणिका/नोटिस में बताए गए उद्देश्यों से भिन्न, उद्देश्यों के लिए प्रयुक्त निधियों के वार्षिक विवरण की।
७. वित्तीय वर्ष में कम से कम एक बार सेबी (इनसाइडर ट्रेडिंग का निषेध) विनियम, २०१५ के विनियम ९ के प्रावधानों के अनुपालन की और सत्यापित करती है कि आंतरिक नियंत्रण की प्रणालियाँ पर्याप्त हैं और प्रभावी ढंग से परिचालन कर रही हैं।

### आंतरिक नियंत्रण और नियंत्रण प्रक्रियाएँ

कंपनी अपनी आंतरिक नियंत्रणों और प्रक्रियाओं की मजबूती में निरंतर निवेश करती है। लेखा परीक्षा समिति वर्ष के लिए आंतरिक लेखा परीक्षक के लिए विस्तृत लेखा परीक्षा योजना तैयार करती है। आंतरिक लेखा परीक्षकगण लेखा परीक्षा समिति की बैठकों में भाग लेते हैं और लेखा परीक्षा समिति को अपनी सिफारिश प्रस्तुत करते हैं और भविष्य के लिए रोड मैप प्रदान करते हैं।

### (ख) नामांकन और पारिश्रमिक समिति (एनआरसी)

#### संरचना

एनआरसी अपने चार्टर द्वारा नियंत्रित होता है। समीक्षाधीन वर्ष के दौरान पूर्व आईडी, श्री अनुज पोद्दार ने कंपनी के कार्यकारी निदेशक के रूप में अपनी नियुक्ति के मद्देनजर एनआरसी की सदस्यता से त्यागपत्र दे दिया। फलस्वरूप, कंपनी के मंडल, देखें परिपत्र के माध्यम से पारित इसके प्रस्ताव दिनांकित १८ अक्टूबर, २०१८, ने समिति के सदस्य के रूप में श्री सिद्धार्थ मेहता को शामिल करके एनआरसी का पुनर्गठन किया। १ नवंबर, २०१८ को आयोजित अपनी बैठक में पुनर्गठित एनआरसी के सदस्यों ने श्री अशोक जालान को समिति का अध्यक्ष चुना।

अन्य गतिविधियों में संलग्न होने के नाते, कंपनी के मंडल में निदेशक पद से हटने की अपनी इच्छा व्यक्त करने वाले श्री अशोक जालान के स्थान पर ३१ मार्च २०१९ को व्यवसायिक घंटों के समाप्त होने पर कंपनी के आईडी के रूप में उनके पहले कार्यकाल की समाप्ति पर १ अप्रैल, २०१९ से प्रभावी होने के साथ एनआरसी के सदस्य के रूप में डॉ. राजेंद्र प्रसाद सिंह को शामिल करके मंडल ने २८ मार्च, २०१९ को आयोजित अपनी बैठक में एनआरसी का फिर से पुनर्गठन किया।

इस रिपोर्ट की तिथि को, एनआरसी में ३ निदेशक : अध्यक्ष के रूप में डॉ. (श्रीमती) इन्दु शहानी और इसके सदस्य के रूप में डॉ. राजेंद्र प्रसाद सिंह और श्री सिद्धार्थ मेहता शामिल थे। कंपनी सचिव एनआरसी के संयोजक के रूप में कार्य करते हैं।

### बैठकें और उपस्थिति

वित्त वर्ष २०१८-१९ के दौरान एनआरसी की पाँच बार २३ मई, २०१८, ९ अगस्त, २०१८, १ नवंबर, २०१८, २ जनवरी २०१९ और ७ फरवरी, २०१९ को बैठकें हुई थी। सभी बैठकें में अपेक्षित गणपूर्ति उपस्थित थी। एनआरसी के अध्यक्ष ९ अगस्त, २०१८ को आयोजित कंपनी की अंतिम एजीएम में उपस्थित थे।

## नीचे दी गई तालिका एनआरसी के सदस्यों की उपस्थिति प्रदान करती है :

क्र. सं.	निदेशकों का नाम	पद	श्रेणी	बैठकों में उपस्थिति की संख्या
१.	अनुज पोद्दार <sup>१</sup>	अध्यक्ष	स्वतंत्र निदेशक	५ में से २
२.	अशोक जालान <sup>२</sup>	अध्यक्ष	स्वतंत्र निदेशक	५ में से ५
३.	डॉ. इन्दु शहानी	अध्यक्ष	स्वतंत्र निदेशक	५ में से ५
४.	सिद्धार्थ मेहता	सदस्य	स्वतंत्र निदेशक	५ में से ३
५.	डॉ. राजेंद्र प्रसाद सिंह <sup>३</sup>	सदस्य	स्वतंत्र निदेशक	लागू नहीं

### टिप्पणियाँ :

- <sup>१</sup> १८ अक्टूबर, २०१८ तक एनआरसी के अध्यक्ष/सदस्य।
- <sup>२</sup> १ नवंबर, २०१८ एनआरसी के अध्यक्ष/सदस्य।
- <sup>३</sup> १ अप्रैल २०१९ से प्रभावी होने के साथ लेखा परीक्षा समिति के नियुक्त सदस्य।

## एनआरसी की संदर्भ की शर्तें और कार्य

जैसा कि मंडल द्वारा अनुमोदित है, एनआरसी की संदर्भ की व्यापक शर्तें अधिनियम की धारा १७८ और सूचीबद्धता विनियमों के विनियम १९ का अनुपालन करती हैं।

### संदर्भ की शर्तें

१. उन व्यक्तियों की पहचान करना जो निदेशक बनने की योग्यता रखते हैं और निर्धारित किए गए मानदंडों के अनुसार जो वरिष्ठ प्रबंधन में नियुक्त किए जा सकते हैं, मंडल को उनकी नियुक्ति और निष्कासन की सिफारिश करना; और मंडल द्वारा, एनआरसी द्वारा या स्वतंत्र बाहरी एजेंसी द्वारा किए जाने वाले मंडल, उसकी समितियों, अध्यक्ष और व्यक्तिगत निदेशकों के प्रदर्शन के प्रभावी मूल्यांकन का तरीका निर्दिष्ट किया जाएगा और उसके कार्यान्वयन और अनुपालन की समीक्षा की जाएगी।
२. योग्यताओं, सकारात्मक गुणों और निदेशक की स्वतंत्रता के लिए मानदंड प्रतिपादित करना और मंडल को निदेशकों, प्रमुख प्रबंधकीय कर्मचारी और अन्य कर्मचारियों के लिए पारिश्रमिक से संबंधित एक पॉलिसी की सिफारिश करना;
३. पॉलिसी प्रतिपादित करते समय यह निश्चित करना कि -
  - अ. पारिश्रमिक का स्तर और संयोजन यथोचित है और कंपनी को सफलतापूर्वक चलाने के लिए आवश्यक उत्कृष्ट निदेशकों को आकर्षित करने, प्रतिधारण करने और प्रेरित करने के लिए पर्याप्त है;
  - ब. पारिश्रमिक से प्रदर्शन का संबंध स्पष्ट है और उचित प्रदर्शन कीर्तिमानों को पूरा करता है; और
  - क. निदेशकों, प्रमुख प्रबंधकीय कर्मचारियों और वरिष्ठ प्रबंधन के लिए पारिश्रमिक में स्थिर और प्रोत्साहन वेतन के बीच का संतुलन शामिल है जो कंपनी और उसके लक्ष्यों के संचालन के लिए उचित लघु और लम्बी अवधि के प्रदर्शन लक्ष्यों को दर्शाता है।
४. कंपनी की वित्तीय स्थिति, उद्योग में रुझान, नियुक्ति की योग्यताओं, अनुभव, पिछला कार्य निष्पादन, पिछला पारिश्रमिक, आदि पर विचार करना और प्रबंध निदेशक, पूर्णकालिक निदेशक या प्रबंधक को देय पारिश्रमिक को स्वीकृति प्रदान करते समय कंपनी और शेयरधारकों के हित के बीच एक संतुलन बनाते हुए पारिश्रमिक संपुष्टि निर्धारित करने में निष्पक्षता उत्पन्न करना;

५. आईडी एवं मंडल के प्रदर्शन मूल्यांकन के लिए मूल्यांकन मानदंड निर्धारित करना/प्रतिपादित करना;
६. मंडल बहुरूपता पर एक नीति ढूँढ निकालना;
७. प्रस्तावित/वर्तमान निदेशकों की 'उपयुक्त और उचित' स्थिति सुनिश्चित करना
८. आईडी के प्रदर्शन मूल्यांकन की रिपोर्ट के आधार पर, मंडल को सिफारिश करना कि आईडी की नियुक्ति का कार्यकाल बढ़ाना या जारी रखना है या नहीं।
९. पूर्णकालिक निदेशकों को देय पारिश्रमिक तथा पारिश्रमिक में परिवर्तन की समीक्षा और अनुमोदन करना।
१०. मंडल को वरिष्ठ प्रबंधन (अर्थात्, मुख्य कार्यकारी अधिकारी/प्रबंध निदेशक/पूर्णकालिक निदेशक से एक स्तर नीचे मुख्य प्रबंधन टीम के सदस्य और विशेष रूप से कंपनी सचिव और मुख्य वित्तीय अधिकारी शामिल होंगे) को देय सभी पारिश्रमिक की सिफारिश करना; तथा
११. एसईबीआई (शेयर आधारित कर्मचारी लाभ) विनियम, २०१४ (इसके संशोधन सहित) के अंतर्गत क्षतिपूर्ति समिति के रूप में कार्य करना; कंपनी की ईएसओपी योजनाओं के अंतर्गत कर्मचारियों को प्रदान किए जाने वाली कर्मचारी स्टॉक विकल्पों की मात्रा निर्धारित करना; ईएसओपीएस प्रदान करने के लिए पात्रता निर्धारित करना; कंपनी कार्यवाहियों के मामले में निष्पक्ष और उचित समायोजन की प्रक्रिया तय करना; अनुदान की प्रक्रिया और शर्तें, कर्मचारी स्टॉक विकल्प निहित और प्रयोग करना; कर्मचारी स्टॉक विकल्प के नकदीरहित प्रयोग की प्रक्रिया आदि।
१२. मंडल द्वारा समय समय पर निर्धारित किये हुए विशिष्ट दायित्वों का भार उठाना;

### पारिश्रमिक नीति

एनआरसी की सिफारिश पर मंडल ने एक पारिश्रमिक नीति का निर्माण किया है, जो (अ) निदेशकों की योग्यताओं, सकारात्मक गुणों और निदेशकों की स्वतंत्रता निर्धारित करने के लिए मानदंड; और (ब) निदेशकों, प्रमुख प्रबंधकीय कार्मिकों और अन्य कर्मचारियों के लिए पारिश्रमिक पर एक नीति प्रदान करता है। पारिश्रमिक नीति कंपनी की वेबसाइट: [www.bajajelectricals.com](http://www.bajajelectricals.com) पर डाली गई है।

**अ) एनईडीज़ का पारिश्रमिक**

एनईडीज़ के पारिश्रमिक धारा १७९ के तहत निर्धारित आधार पर लागू नियम के साथ पठित और अधिनियम की अनुसूची त और सूचीकरण विनियमों के सीमा के भीतर तय किए गए हैं। कंपनी के एनईडीज़ अपना पारिश्रमिक और कमीशन नीचे दिये अनुसार मंडल और समितियों की बैठकों में भाग लेने के लिए बैठक शुल्क के माध्यम से प्राप्त करते हैं:

- (i) निदेशक को मंडल द्वारा, अधिनियम के तहत निर्धारित समग्र सीमा के अंतर्गत स्वीकृत लेखा परीक्षा समिति और मंडल की प्रत्येक बैठक के लिए बैठक फ़ीस ₹१,००,०००/- और भाग ली हुई अन्य समितियों की बैठक के लिये बैठक फ़ीस ₹५०,०००/-;
- (ii) ३१ जुलाई, २०१४ को आयोजित ७५ वीं एजीएम में सदस्यों के अनुमोदन के अनुसरण में वार्षिक आधार पर निदेशक द्वारा भाग ली हुई मंडल और लेखा परीक्षा समिति की प्रत्येक बैठक के लिये अधिनियम के तहत निर्धारित कंपनी के शुद्ध लाभ की १% सीमा के अध्याधीन ₹१,००,०००/- कमीशन का भुगतान किया जाएगा;
- (iii) मंडल और समिति की बैठकों में भाग लेने के लिए एनईडीज़ द्वारा किए गए यात्रा और अन्य संबंधित खर्च की प्रतिपूर्ति;
- (iv) कंपनी के आईडीज़ कंपनी की ईएसओपी में भाग लेने के हकदार नहीं हैं।

सर्विस कान्ट्रैक्ट, नोटिस अवधि तथा सेवरेन्स फ़ीस एनईडी पर लागू नहीं हैं।

**ब) कार्यकारी निदेशकों का पारिश्रमिक**

कार्यकारी निदेशकों, अर्थात्, अध्यक्ष और प्रबंध निदेशक, संयुक्त प्रबंध निदेशक और कार्यकारी निदेशक की नियुक्ति और पारिश्रमिक एनआरसी की सिफारिश द्वारा, कंपनी के मंडल और शेयरधारकों द्वारा पारित प्रस्तावों से नियंत्रित होता है।

कार्यकारी निदेशकों के पारिश्रमिक पैकेज में आम बैठक में शेयरधारकों द्वारा यथा अनुमोदित वेतन, कमीशन, अनुलाभ और भत्ते और भविष्य निधि में अंशदान और अन्य सेवानिवृत्ति लाभ शामिल हैं। वार्षिक वेतन वृद्धि प्रदर्शन से जुड़ी है और एनआरसी द्वारा तय की जाती है और मंडल को उसकी स्वीकृति के लिए अनुशंसित की जाती है।

पारिश्रमिक नीति उपलब्धियों की समीक्षा के आधार पर प्रदर्शन को पुरस्कृत करने के प्रति निर्देशित है। इसका उद्देश्य उच्च श्रेणी की प्रतिभाओं को आकर्षित करना और बनाए रखना है। नामांकन और पारिश्रमिक नीति कंपनी की वेबसाइट [www.bajajelectricals.com](http://www.bajajelectricals.com) पर प्रदर्शित है।

प्रवर्तक कार्यकारी निदेशकों/एनईडी के लिए कंपनी की कोई स्टॉक विकल्प योजना नहीं है। केवल गैर-प्रवर्तक कार्यकारी निदेशक ही स्टॉक विकल्प योजनाओं के लिए पात्र हैं।

वित्त वर्ष २०१८-१९ के दौरान, कंपनी ने किसी भी निदेशक को कोई ऋण नहीं दिया है।

**ग) प्रमुख प्रबंधकीय कार्मिक (केएमपी) और अन्य कर्मचारियों के लिए पारिश्रमिक नीति**

केएमपी और अन्य कर्मचारियों का पारिश्रमिक काफी हद तक मूल वेतन, अनुलाभ, भत्ते और प्रदर्शन प्रोत्साहन मिलाकर बनता है। कुल पारिश्रमिक के घटक विभिन्न दर्जों के लिए अलग होते हैं और कर्मचारी के औद्योगिक तरीकों, शैक्षणिक योग्यता और अनुभव, उसके द्वारा उठाई गई जिम्मेदारियों, उसकी वार्षिक कार्यकुशलता आदि द्वारा शासित होते हैं। कार्यकुशलता भुगतान नीति कंपनी के उद्देश्यों से मेल खाने वाले मापदंडों पर प्रत्येक कर्मचारी का कार्यकुशलता भुगतान उसके व्यक्तिगत, व्यापारिक इकाई और कंपनी की समूची कार्यकुशलता से जुड़ा होता है।

**३१ मार्च, २०१९ को समाप्त वर्ष के लिए निदेशकों को भुगतान किए गए पारिश्रमिक का विवरण**

**(अ) एनईडी**

(₹ लाख में)

निदेशक का नाम	सिटिंग फ़ीस (₹)	कमीशन (₹)	धारित शेयर्स/परिवर्तनीय विपत्रों की संख्या
मधुर बजाज	७.००	७.००	८१५०३५ इक्विटी शेयर
हर्ष वर्धन गोयंका	६.५०	६.००	कुछ नहीं
अशोक जालान	१८.००	१२.००	कुछ नहीं
डॉ. राजेंद्र प्रसाद सिंह	७.५०	७.००	कुछ नहीं
डॉ. (श्रीमती) इन्दु शहानी	१६.००	१२.००	कुछ नहीं
अनुज पोद्दार <sup>१</sup>	६.००	५.००	कुछ नहीं
सिद्धार्थ मेहता	१३.००	१०.००	कुछ नहीं
मुनीश खेत्रपाल <sup>२</sup>	४.५०	४.००	कुछ नहीं
पूजा बजाज <sup>३</sup>	५.००	४.००	१३०००० इक्विटी शेयर

**टिप्पणियाँ :**

- <sup>१</sup> कंपनी की आईडी के रूप में उनकी सेवाओं के लिए उन्हें देय पारिश्रमिक।
- <sup>२</sup> १ नवंबर २०१८ से प्रभावी होने के साथ कंपनी के मंडल में निदेशक के रूप में नियुक्त।
- <sup>३</sup> दिनांक ७ अगस्त, २०१९ को आयोजित होने के लिए निर्धारित एजीएम में शेयरधारकों द्वारा वित्तीय विवरणों को अपनाए जाने के बाद एनईडी को कमीशन का भुगतान किया जाएगा।

## (ब) कार्यकारी निदेशक

वित्त वर्ष २०१८-१९ के दौरान कार्यकारी निदेशकों को भुगतान किए गए/देय पारिश्रमिक का विवरण 'फॉर्म एमजीटी -९' में निदेशकों के रिपोर्ट के अनुलग्नक में दिया गया है।

### प्रदर्शन मूल्यांकन

अधिनियम के प्रावधानों और सूचीबद्धता विनियमों के अनुसार, मंडल ने अपने स्वयं, अपनी समितियों और अलग-अलग निदेशकों के प्रदर्शन का वार्षिक मूल्यांकन किया है। मंडल के कामकाज के विभिन्न पहलुओं जैसे कि मंडल और उसकी समितियों की संरचना की पर्याप्तता, मंडल की संस्कृति, विशिष्ट कर्तव्यों, दायित्वों और नियंत्रण के निष्पादन और प्रदर्शन को शामिल करते हुए, प्रारूप फॉर्म संचालित करने के बाद एक संरचित प्रश्नावली तैयार की गई थी। तब प्रत्येक निदेशक द्वारा दी गई रेटिंग का समेकित सारांश तैयार किया गया था। तब मंडल द्वारा प्रदर्शन मूल्यांकन के रिपोर्ट पर चर्चा और टिप्पणियाँ की गई थीं।

आईडी द्वारा अध्यक्ष और प्रबंध निदेशक और एनईडी का प्रदर्शन मूल्यांकन किया गया था। निदेशकों ने मूल्यांकन की प्रक्रिया के प्रति अपनी संतुष्टि व्यक्त की।

## (ग) हितधारकों की संबंध समिति (एसआरसी)

### संरचना और उपस्थिति

सूचीबद्धता विनियम के विनियम २० के साथ पठित अधिनियम की धारा १७८ (५) के प्रावधानों के अनुसार, मंडल की एसआरसी का गठन किया गया है।

समीक्षाधीन वर्ष के दौरान अध्यक्ष और प्रबंध निदेशक, श्री शेखर बजाज और एनईडी, श्रीमती पूजा बजाज को शामिल करके एसआरसी का पुनर्गठन किया गया। पुनश्च, श्री अशोक जालान कंपनी के निदेशक के रूप में अपनी सेवा समाप्ति के फलस्वरूप एसआरसी के सदस्य नहीं रह गए हैं।

१ अप्रैल, २०१९ से प्रभावी इस समिति में तीन निदेशक शामिल हैं। डॉ. (श्रीमती) इन्दु शहानी, आईडी इस समिति की अध्यक्ष हैं। एसआरसी के अन्य सदस्यों में अध्यक्ष और प्रबंध निदेशक श्री शेखर बजाज और एनईडी, श्रीमती पूजा बजाज शामिल ह।

कंपनी सचिव, श्री मंगेश पाटिल को कंपनी का अनुपालन अधिकारी पदनामित किया गया है।

वित्तीय वर्ष २०१८-१९ के दौरान, समिति २८ मार्च २०१९ को एक बार मिली थी और इसमें विद्यमान सदस्य शामिल हुए थे।

९ अगस्त, २०१८ को आयोजित कंपनी की अंतिम एजीएम में एसआरसी के पूर्व अध्यक्ष श्री अशोक जालान उपस्थित थे।

## एसआरसी की संदर्भ की शर्तें

२८ मार्च, २०१९ को, मंडल ने एसआरसी की संदर्भ की संशोधित शर्तों को स्वीकृति प्रदान की। परिचालन संबंधी सुविधा के लिए शेयर आवंटन समिति को भंग कर दिया गया और शेयर आवंटन समिति की भूमिकाएँ और जिम्मेदारियाँ एसआरसी को सौंप दी गईं।

### एसआरसी की संदर्भ की संशोधित शर्तें इस प्रकार हैं :

- शेयरों के हस्तांतरण/सौंपने, वार्षिक रिपोर्ट प्राप्त न होने, घोषित लाभांश प्राप्त न होने, नए/डुप्लिकेट प्रमाणपत्रों के निर्गमन, सामान्य बैठकों आदि से संबंधित शिकायतों सहित कंपनी के प्रतिभूति धारकों की शिकायतों का समाधान।
- शेयरधारकों द्वारा मताधिकार के प्रभावी प्रयोग के लिए किए गए उपायों की समीक्षा।
- रजिस्ट्रार और शेयर ट्रांसफर एजेंट द्वारा प्रदान की जा रही विभिन्न सेवाओं के संबंध में कंपनी द्वारा अपनाए गए सेवा मानकों के पालन की समीक्षा।
- दावारहित लाभांशों की मात्रा को कम करने और कंपनी के शेयरधारकों द्वारा लाभांश वारंट/वार्षिक रिपोर्ट/सांविधिक नोटिसों की समय पर प्राप्ति सुनिश्चित करने के लिए कंपनी द्वारा किए गए विभिन्न उपायों और पहलों की समीक्षा।
- इक्विटी और/या प्रेफरेन्स शेयरों का निर्गमन और आवंटन।
- आवंटन पर नए शेयर प्रमाणपत्र का निर्गमन।
- डुप्लिकेट/विभाजित/समेकित शेयर प्रमाण पत्र का निर्गमन।
- शेयरधारकों के किसी भी प्रश्न, कठिनाई या संदेह का समाधान करना जो शेयरों के निर्गमन और आवंटन के संबंध में पैदा हो सकते हैं।
- आवश्यक होने पर शेयरों के निर्गमन, आवंटन, हस्तांतरण और शेयरधारकों की किन्हीं शिकायतों के संबंध में किसी भी प्रश्न, संदेह या समस्या की स्थिति में निदेशक मंडल को संदर्भ।

कंपनी का सचिवालय विभाग और रजिस्ट्रार और शेयर ट्रांसफर एजेंट, लिंक इन्स्टाइम इंडिया प्राइवेट लिमिटेड सीधे या सेबी, शेयर बाजारों, कॉर्पोरेट मामलों के मंत्रालय, कंपनी रजिस्ट्रार, आदि के माध्यम से प्राप्त शेयरधारकों की सभी शिकायतों पर ध्यान देते हैं। एसआरसी की बैठकों के कार्यवृत्त मंडल द्वारा संचालित और नोट किए जाते हैं।

यह सुनिश्चित करने का निरंतर प्रयास किया जाता है कि निवेशकों की पूर्ण संतुष्टि के लिए शिकायतों का अधिक तेजी से निवारण किया जाए। शेयरधारकों से अनुरोध है कि वे त्वरित कार्रवाई की सुविधा के लिए अपना अद्यतन टेलीफोन नंबर और ई-मेल पता जमा करें।

शेयरधारकों की प्राप्त, निपटाई गई और लंबित शिकायतों का विवरण

वित्त वर्ष २०१८-१९ के दौरान प्राप्त, ध्यान दिए गए और निपटाई गई शिकायतें :

### निवेशकों की शिकायतें

वर्ष के आरंभ में अनिर्णीत

वर्ष के दौरान प्राप्त

वर्ष के दौरान सुलझायी गयी

वर्ष के अंत में शेष अनसुलझी

### शिकायतों की संख्या

कुछ नहीं

४

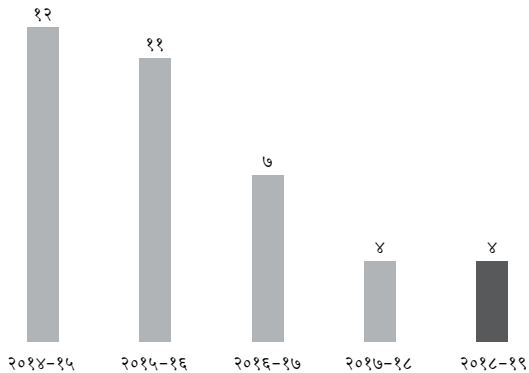
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\* इस रिपोर्ट की तिथि को, उक्त लंबित शिकायत का भी समाधान हो गया है।

गत ५ वर्षों के दौरान शेरों से संबंधित शिकायतों का स्वरूप इस प्रकार रहा है :

#### शिकायतों की संख्या



#### (घ) कॉर्पोरेट सामाजिक दायित्व (सीएसआर) समिति

##### संरचना और उपस्थिति

कंपनी हमेशा से उन समुदायों की तरफ जिन्हें ये प्रभावित करती है, अपनी जिम्मेदारियों के प्रति जागरूक रही है और कानून द्वारा अनिवार्य बनाए जाने के लंबे समय पूर्व से विभिन्न सीएसआर गतिविधियां करती आ रही है। जैसा कि अधिनियम के तहत आवश्यक है, कंपनी की सीएसआर गतिविधियों की देखरेख और उसे दिशा देने के लिए, मार्च, २०१४ में मंडल की एक औपचारिक समिति का गठन किया गया था।

समीक्षाधीन वर्ष के दौरान, १० अगस्त, २०१८ को अपने निधन के परिणामस्वरूप सीएसआर समिति का सदस्य नहीं रह गए स्वर्गीय श्री अनंत बजाज के स्थान पर, श्री सिद्धार्थ मेहता को समिति के सदस्य के रूप में शामिल करके सीएसआर समिति का पुनर्गठन किया गया।

३१ मार्च, २०१९ को, इस समिति में तीन निदेशक शामिल थे। समिति के अध्यक्ष के रूप में श्री शेखर बजाज और समिति के सदस्य के रूप में डॉ. (श्रीमती) इन्दु शहानी और श्री सिद्धार्थ मेहता, जो दोनों आईडी हैं।

वित्त वर्ष २०१८-१९ के दौरान, समिति ने २८ मार्च, २०१९ को एक बार बैठक की और उक्त बैठक में सभी सदस्यों ने भाग लिया था।

##### संदर्भ की शर्तें

सीएसआर मामलों के संबंध में समिति की जिम्मेदारियों में शामिल हैं:

- मंडल की सीएसआर नीति और कार्यक्रमों का निरूपण एवं संस्तुति;
- सीएसआर परियोजनाओं या कार्यक्रमों या गतिविधियों को लागू करना एवं उनकी देखरेख;
- सीएसआर कार्यक्रमों के संबंध में वार्षिक बजट की समीक्षा;
- सीएसआर के मामलों में कंपनी के रणनीतिक ढांचे और उद्देश्यों को स्थापित करने और विकसित करने के लिये प्रबंधन के साथ काम करना;
- महत्वपूर्ण सतत विकास और समुदाय संबंधों सहित कंपनी के सीएसआर कार्यक्रम पर प्रबंधन से रिपोर्ट प्राप्त करना;
- सीएसआर के क्षेत्र में वर्तमान एवं उभरते हुये मुद्दों और प्रवृत्तियों के साथ कंपनी पर उनके संभावित प्रभाव पर चर्चा की प्रबंधन से रिपोर्ट प्राप्त करना;

- सीएसआर कार्यक्रमों के प्रभाव का आकलन करने के लिए कंपनी के सीएसआर के प्रदर्शन पर प्रबंधन से रिपोर्ट प्राप्त करना;
- कंपनी के सीएसआर मामलों के विषय में लेखा परीक्षकों से या नियामक एजेंसियों या सलाहकार द्वारा दिये गये निष्कर्षों और सिफारिशों की समीक्षा करना; और
- मंडल की रिपोर्ट में कंपनी के सीएसआर मामलों के प्रकटीकरण की समीक्षा करना।

सीएसआर नीति पत्रक और सीएसआर रिपोर्ट कंपनी के सदस्यों के लिये रिपोर्ट का हिस्सा है।

#### (च) जोखिम प्रबंधन समिति

##### संरचना

सूचीबद्धता विनियम के विनियम २१ के अनुसार, २८ मार्च, २०१९ को आयोजित अपनी बैठक में कंपनी के मंडल ने १ अप्रैल, २०१९ से प्रभावी होने वाली जोखिम प्रबंधन समिति का इसके सदस्यों के रूप में निम्नलिखित के साथ गठन किया:

- श्री शेखर बजाज, अध्यक्ष और प्रबंध निदेशक
- श्री अनुज पोद्दार, कार्यकारी निदेशक
- डॉ (श्रीमती) इन्दु शहानी, स्वतंत्र निदेशक
- श्री सिद्धार्थ मेहता, स्वतंत्र निदेशक
- श्री अनंत पुरंदरे, अध्यक्ष और मुख्य वित्तीय अधिकारी
- श्री ऋषिराज हल्दनकर, उपाध्यक्ष और प्रमुख - आंतरिक लेखा परीक्षा

कंपनी सचिव समिति के संयोजक के रूप में कार्य करते हैं।

समिति की संरचना सूचीबद्धता विनियमों के अनुरूप है, जिसमें अधिकांश सदस्य कंपनी के निदेशक हैं। समीक्षाधीन वर्ष के दौरान, उक्त समिति की कोई बैठक नहीं हुई थी।

##### संदर्भ की शर्तें

समिति की निम्नलिखित जिम्मेदारियाँ हैं। हालाँकि, समिति इन जिम्मेदारियों से हट सकती है और ऐसी अन्य जिम्मेदारियाँ ग्रहण कर सकती है जैसा कि वह अपने कार्यों को कार्यान्वित करने के लिए आवश्यक या उचित समझती है।

- कंपनी के लिए वर्तमान और साथ ही संभावित जोखिमों (साइबर सुरक्षा और वित्तीय जोखिम से जुड़े जोखिमों सहित) की पहचान, आकलन, शमन और निगरानी करना, उन्हें दूर करने के लिए मंडल से रणनीतियों की अनुशंसा करना और इस संबंध में प्रमुख अग्रणी संकेतकों की समीक्षा करना।
- कंपनी की जोखिम प्रबंधन प्रक्रियाओं और प्रथाओं सहित जोखिम प्रबंधन ढांचे की समय-समय पर समीक्षा और अनुमोदन करना।
- कंपनी के लिए महत्वपूर्ण जोखिमों का मूल्यांकन करना और सम्योचित ढंग से जोखिमों का शमन करने के लिए प्रबंधन की कार्यवाही का आकलन करना।
- जोखिमों का शमन करने के लिए कार्य योजनाएँ विकसित और कार्यान्वित करना।
- ऐसी अवस्थाओं में लेखा परीक्षा समिति के साथ अपनी गतिविधियों का समन्वय करना जहाँ लेखा परीक्षा गतिविधियों (जैसे जोखिम प्रबंधन नीति या प्रथा से संबंधित आंतरिक या बाहरी लेखा परीक्षा मुद्दे) के साथ कोई अतिव्यापन है।



- छ) ऐसे अंतरालों पर, जैसा कि आवश्यक हो सकता है, अपनी जोखिम प्रबंधन जिम्मेदारियों का निर्वहन करने और अपने उद्देश्यों की प्राप्ति के लिए कंपनी के संसाधनों की पर्याप्तता की देखरेख करना।
- ज) कंपनी के पहचाने गए जोखिमों के विरुद्ध कंपनी के प्रदर्शन की समीक्षा करना और समय-समय पर आकलन करना।
- झ) इस सनद की पर्याप्तता की समय-समय पर समीक्षा करना और अनुमोदन के लिए मंडल को किसी भी प्रस्तावित परिवर्तन की अनुशंसा करना।
- ट) नियमित रूप से महत्वपूर्ण व्यवसायिक जोखिमों की वर्तमान सूची की समीक्षा और अद्यतन करना।
- ठ) जोखिम प्रबंधन और न्यूनतमीकरण प्रक्रियाओं के संबंध में मंडल को नियमित रिपोर्ट देना।
- ड) जोखिम प्रबंधन योजना से संबंधित ऐसी अन्य गतिविधियाँ संपन्न करना, जैसा कि मंडल द्वारा अनुरोध किया गया है या इसकी संदर्भ की शर्तों के अधीन किसी भी महत्वपूर्ण विषय से संबंधित मुद्दों को हल करना।

जोखिम प्रबंधन समिति की भूमिकाओं और जिम्मेदारियों में ऐसी अन्य मदें शामिल होंगी जैसा कि समय-समय पर लागू कानून या लागू कानून का पालन करते हुए मंडल द्वारा निर्धारित किया जा सकता है।

समय-समय पर मंडल द्वारा समिति के प्रदर्शन की समीक्षा की जाएगी।

#### (छ) वित्त समिति-

##### रचना और उपस्थिति

श्री अनंत बजाज के निधन और श्री अशोक जालान द्वारा विभिन्न अन्य गतिविधियों में संलग्न होने और कंपनी के लिए समय नहीं दे पाने के नाते ३१ मार्च २०१९ को आईडी के रूप में ५ वर्षों का अपना पहला कार्यकाल समाप्त होने के बाद कंपनी के मंडल में सेवा करने की अपनी अनिच्छा व्यक्त करने के कारण रिक्ति के मद्देनजर मंडल ने २८ मार्च, २०१९ को आयोजित बैठक में सदस्यों के रूप में निम्नलिखित निदेशकों के साथ वित्त समिति का पुनर्गठन किया :

क्र. सं.	निदेशक का नाम	पद
१.	श्री. शेखर बजाज	अध्यक्ष तथा प्रबंध निदेशक
२.	डॉ. राजेंद्र प्रसाद सिंह	स्वतंत्र निदेशक
३.	श्रीमती पूजा बजाज	गैर-कार्यकारी निदेशक

कंपनी सचिव इस समिति के संयोजक के रूप में कार्य करते हैं।

वित्त वर्ष २०१८-१९ के दौरान, समिति ने ऊपर संदर्भित विभिन्न मामलों पर विचार-विमर्श करने के लिए ९ मई, २०१८ को एक बार बैठक की और उक्त बैठक में तत्कालीन समिति के सदस्यों ने भाग लिया।

##### संदर्भ की शर्तें

वित्त समिति की भूमिकाएँ और जिम्मेदारियाँ निम्नानुसार हैं :

- बैंकिंग और व्यापार व्यवस्था :** समिति की जिम्मेदारी होगी कि वह कंपनी की राजकोषीय गतिविधियों का सामान्य निरीक्षण करे। इस संबंध में, समिति कंपनी की इसके बैंकिंग और राजकोषीय प्राधिकरण सहित प्रमुख वाणिज्यिक और निवेश बैंकिंग संबंधों और कंपनी की परिचालन रणनीति, जोखिम संपर्क, वित्तीय नीतियों और लागू कानूनों या लेखांकन आवश्यकताओं में

परिवर्तनों के प्रकाश में कंपनी की क्रेडिट सुविधाओं की महत्वपूर्ण शर्तों की समीक्षा करेगी।

बैंकिंग लेनदेन के संबंध में समिति की निम्नलिखित शक्तियाँ/प्राधिकार होंगे:

- उधारियाँ - निदेशक मंडल की किन्हीं भी दो बैठकों के बीच ₹ ५०० करोड़ की राशि से अधिक सुरक्षित और/या असुरक्षित अल्पाविधिक या दीर्घाविधिक ऋण/सुविधाएँ और (i) ऋण/सुविधा (ओं) की ब्याज की दर के नियम और शर्तों की बातचीत करना और अंतिम रूप देना; (ii) इस तरह की प्रतिभूतियाँ प्रदान करना जैसा कि वह सुरक्षित उधारियों के संबंध में आवश्यक मान सकती है; और (iii) चर्चा करना, व्यवस्था करना और दस्तावेज(जों) को निष्पादित करना जैसा कि कंपनी के संस्था अंतर्नियमों के संदर्भ में कंपनी की आम मुहर के अंतर्गत किसी भी बैंक (बैंकों)/वित्तीय संस्थान(नों) द्वारा प्रदान किए गए/प्रदान किए जाने वाले किसी भी ऋण/सुविधा का लाभ लेने के लिए आवश्यक हो सकता है और ऐसे सभी कार्य करना जो प्रत्यायोजित मामलों को कार्यान्वित करने के प्रयोजनों के लिए आवश्यक हो सकते हैं।
- किसी भी अन्य बैंक (बैंकों)/वित्तीय संस्थान(नों), आदि से किसी भी बिल में छूट और/या किन्हीं अन्य वित्तीय सुविधाओं का लाभ उठाना।
- बैंक खाता खोलना और विभिन्न बैंक खातों के परिचालन के लिए कंपनी के अधिकारियों को अधिकार सौंपना;

२. **बीमा सुरक्षा :** समिति कंपनी के बीमा कार्यक्रम की वार्षिक समीक्षा करेगी, जिसमें उसके बीमाकर्ताओं और पुनर्बीमाकर्ताओं की क्रेडिट गुणवत्ता, बीमा सुरक्षा का दायरा और सीमाएँ शामिल हैं।

३. **अधिग्रहण और हरण :** समिति महत्वपूर्ण अधिग्रहणों या अन्य इक्विटी निवेशों और कंपनी के किन्हीं भी महत्वपूर्ण परिचालनों के हरण की वित्तीय शर्तों की समीक्षा कर सकती है जिसे प्राधिकरण के संबंध में कंपनी की कॉर्पोरेट प्रशासन नीति के अंतर्गत अनुमोदन के लिए निदेशक मंडल को प्रस्तुत किया जाता है। समिति लेनदेनों के वित्तीय नियमों को भी स्वीकृति प्रदान कर सकती है जो निदेशक मंडल द्वारा सिद्धांततः अनुमोदित हैं, यदि मंडल द्वारा ऐसा करने के लिए प्रत्यायोजित किया गया है।

४. **प्रत्यायोजन :** उपयुक्त होने पर, जैसा कि लागू कानून और सेबी सूचीबद्धता विनियमों के अंतर्गत अनुमत है, मंडल या समिति उप-समिति को अपनी कोई जिम्मेदारी सौंप सकते हैं जिसमें मंडल के एक या एक से अधिक सदस्य, समिति या प्रबंधन के सदस्य शामिल होंगे।

५. **अन्य कर्तव्य :** समिति ऐसे अन्य कर्तव्यों की भी पूर्ती करेगी जैसा कि समय-समय पर मंडल द्वारा उसे सौंपे जा सकते हैं।

#### (ज) ईएसओपी के अंतर्गत शेरों के आवंटन के लिए शेयर आवंटन समिति

ईएसओपी के अंतर्गत प्रदान किए गए अपने स्टॉक विकल्पों के प्रयोग पर कंपनी के पात्र कर्मचारियों को शेयर आवंटन और निर्गमन की प्रक्रिया में तेजी लाने के लिए शेयर आवंटन समिति का गठन किया गया है।

समीक्षाधीन वर्ष के दौरान, १० अगस्त, २०१८ को, श्री अनंत बजाज के निधन के कारण शेयर आवंटन समिति का १ नवंबर, २०१८ को पुनर्गठन किया गया, जिसमें तीन निदेशक अर्थात् इसके अध्यक्ष के रूप में श्री शेखर बजाज, इसके सदस्य के रूप में श्री अशोक जालान और श्रीमती पूजा बजाज शामिल हैं।

कंपनी सचिव समिति के संयोजक के रूप में कार्य करते हैं।

वित्त वर्ष २०१८-१९ के दौरान, समिति ने चार बार अर्थात्, १५ जून, २०१८, ३० अगस्त, २०१८, २६ नवंबर, २०१८ और ७ फरवरी, २०१९ को बैठकें कीं।

**वित्त वर्ष २०१८-१९ के दौरान आयोजित बैठकों में समिति के सदस्यों की उपस्थिति**

निदेशक	उपस्थित बैठकों की संख्या
शेखर बजाज	४
अनंत बजाज <sup>१</sup>	१
अशोक जालान	४
पूजा बजाज <sup>१</sup>	२

**टिप्पणियाँ :**

- श्री अनंत बजाज, प्रबंध निदेशक की निदेशकता को १० अगस्त, २०१८ को उनकी मृत्यु होने पर समाप्त कर दिया गया है।
- १ नवंबर २०१८ से प्रभावी होने के साथ शेयर आवंटन समिति के सदस्य के रूप में शामिल किया गया।

मंडल के प्रस्ताव दिनांकित २८ मार्च, २०१९ के अनुसार, शेयर आवंटन समिति को १ अप्रैल, २०१९ को प्रभावी होने के साथ भंग कर दिया गया और इसके प्राधिकार और जिम्मेदारियाँ हितधारक संबंध समिति को प्रत्यायोजित कर दिए गए।

**(झ) ऋणपत्र (डिबेंचर) समिति**

अपने अंशदाताओं/आवंटियों को अपरिवर्तनीय ऋणपत्र (एनसीडी) आवंटित करने के उद्देश्य से ऋणपत्र समिति का गठन किया गया है। इसकी संरचना में समिति के अध्यक्ष के रूप में श्री शेखर बजाज, इसके सदस्यों के रूप में कार्यकारी निदेशक श्री अनुज पोद्दार और कंपनी निदेशक श्री सिद्धार्थ मेहता शामिल हैं।

कंपनी के कंपनी सचिव इस समिति के संयोजक के रूप में कार्य करते हैं। एक्सिस ट्रस्टी सर्विसेज लिमिटेड ऋणपत्र धारकों के लिए ऋणपत्र ट्रस्टी है। ऋणपत्र ट्रस्टी का विवरण इस रिपोर्ट का भाग है।

२१ फरवरी, २०१९ को इस समिति की बैठक हुई थी, जिसमें समिति के अध्यक्ष श्री शेखर बजाज और समिति के सदस्य श्री सिद्धार्थ मेहता ने भाग लिया था। श्री अनुज पोद्दार को अनुपस्थिति अवकाश दिया गया था।

**(ट) आईडी की बैठक**

समीक्षाधीन वर्ष के दौरान, २८ मार्च, २०१९ को आईडी की, अन्य बातों के साथ, बैठक हुई थी :

- समग्र रूप से निदेशक मंडल और गैर-स्वतंत्र निदेशकों के प्रदर्शन का मूल्यांकन करने के लिए;
- कार्यकारी और एनआईडी के विचारों को ध्यान में रखते हुए, कंपनी के अध्यक्ष के प्रदर्शन का मूल्यांकन करने के लिए;
- मंडल के अपने कर्तव्यों का प्रभावी और उचित ढंग से निष्पादन करने के लिए आवश्यक प्रबंधन और मंडल के बीच सूचना प्रवाह की गुणवत्ता, सामग्री और समयबद्धता के मूल्यांकन के लिए।

इस बैठक में सभी आईडी उपस्थित थे।

**सहायक कंपनियाँ**

कंपनी की यथा संशोधित सूचीबद्धता विनियमों के अनुरूप महत्वपूर्ण सहायक कंपनियाँ निर्धारित करने की नीति है और इसे कंपनी के वेबसाइट [www.bajajelectricals.com](http://www.bajajelectricals.com) पर भी अपलोड किया गया है। कंपनी की कोई महत्वपूर्ण सहायक कंपनी नहीं है और इसलिए असूचीबद्ध महत्वपूर्ण सहायक कंपनी के निदेशक मंडल की संरचना से संबंधित आवश्यकताएँ कंपनी पर लागू नहीं होती हैं।

**अभिपुष्टि और प्रकटीकरण :**

**ए. नियंत्रण ढांचे का अनुपालन**

कंपनी सूचीबद्धता विनियमों के अंतर्गत सभी अनिवार्य आवश्यकताओं का पालन करती है।

**बी. संबंधित पक्ष लेनदेन**

जैसा कि अधिनियम और सूचीबद्धता विनियमों के विनियम २३ के अंतर्गत परिभाषित किया गया है, वित्त वर्ष के दौरान संबंधित पक्षों के साथ किए गए सभी लेन-देन निष्पक्ष वाणिज्यिक आधार पर थे और अधिनियम की धारा १८८ के प्रावधानों को आकर्षित नहीं करते हैं। वित्त वर्ष के दौरान संबंधित पक्षों के साथ वस्तुतः कोई महत्वपूर्ण लेनदेन नहीं हुआ था। महत्वपूर्ण लेखांकन नीतियों और टिप्पणियों के अंतर्गत संबंधित पक्ष लेन-देन का प्रकटीकरण किया गया है और “आईएनडी एएस” के अनुसार वित्तीय विवरणों का भाग हैं। व्यवसाय के सामान्य क्रम में और निष्पक्ष वाणिज्यिक आधार पर संबंधित पक्षों के साथ किए गए लेन-देनों का विवरण समय-समय पर लेखा परीक्षा समिति के समक्ष समीक्षा के लिए और मंडल के समक्ष उसके अनुमोदन के लिए अनुशंसा हेतु रखा जाता है।

जैसा कि सूचीबद्धता विनियमों के विनियम २३ (१) के अंतर्गत आवश्यक है, कंपनी ने संबंधित पक्ष लेनदेन से व्यवहार करने की नीति तैयार की है। यह नीति कंपनी की वेबसाइट [www.bajajelectricals.com](http://www.bajajelectricals.com) पर उपलब्ध है।

सभी लेनदेन निष्पक्ष वाणिज्यिक या उचित मूल्य आधार पर किए गए हैं और उनका कंपनी के हित के साथ कोई संभावित टकराव नहीं है।

**सी. पिछले तीन वित्तीय वर्षों के दौरान पूँजी बाजारों से संबंधित किसी भी मामले पर कंपनी द्वारा गैर-अनुपालन, स्टॉक एक्सचेंज या सेबी या किसी भी सांविधिक प्राधिकरण द्वारा कंपनी पर आरोपित अर्थदंडों और व्यवहार को नियंत्रित करने वाले नियमों का विवरण।**

कंपनी ने सूचीबद्धता विनियमों के साथ-साथ अन्य विनियमों और सेबी के दिशानिर्देशों के अंतर्गत निर्दिष्ट सभी आवश्यकताओं का अनुपालन किया है। फलस्वरूप, पिछले तीन वित्त वर्षों के दौरान पूँजी बाजारों से संबंधित किसी भी मामले के गैर-अनुपालन के लिए सेबी या स्टॉक एक्सचेंज या किसी भी सांविधिक प्राधिकरण द्वारा कंपनी पर आरोपित कोई अर्थदंड और व्यवहार को नियंत्रित करने वाला नियम नहीं था।

**डी. चौकसी तंत्र/व्हिसिल ब्लोअर नीति**

अधिनियम की धारा १७७ (९) और (१०) और सूचीबद्धता विनियमों के विनियम २२ के अनुसार, कंपनी ने प्रबंधन को अनैतिक व्यवहार, धोखाधड़ी या कंपनी की आचार संहिता के उल्लंघन के बारे में सूचना देने के लिए व्हिसिल ब्लोअर नीति तैयार की है। यह तंत्र इस तंत्र का उपयोग करने वाले कर्मचारियों और निदेशकों के उत्पीड़न के विरुद्ध पर्याप्त रक्षोपाय प्रदान करती है और असाधारण मामलों में लेखा परीक्षा समिति के अध्यक्ष तक सीधी पहुँच का प्रावधान करती है। कंपनी के किसी भी कार्मिक को लेखा परीक्षा समिति तक पहुँच से वंचित नहीं किया गया है। व्हिसिल ब्लोअर नीति कंपनी की वेबसाइट [www.bajajelectricals.com](http://www.bajajelectricals.com) पर प्रदर्शित है।

## ई. लेखांकन व्यवहार का प्रकटीकरण

वित्तीय विवरण तैयार करते हुए, कंपनी ने अधिनियम की धारा १३३ में संदर्भित लेखांकन मानकों का पालन किया है। निरंतर लागू की जाने वाली महत्वपूर्ण लेखांकन नीतियाँ वित्तीय विवरणों की टिप्पणियों में प्रदर्शित की गई हैं।

## एफ. जोखिम प्रबंधन

व्यवसाय जोखिम मूल्यांकन और प्रबंधन कंपनी के भीतर एक सतत प्रक्रिया है। समय-समय पर मंडल द्वारा मूल्यांकन की जाँच की जाती है।

## जी. कमोडिटी मूल्य जोखिम और हेजिंग गतिविधियाँ

कंपनी में कमोडिटी के लिए पर्याप्त जोखिम मूल्यांकन और न्यूनतमीकरण प्रणाली है। कंपनी का किसी भी कमोडिटी से महत्वपूर्ण संपर्क नहीं है और तदनुसार इसके लिए कोई हेजिंग गतिविधियाँ नहीं की जाती हैं। इसलिए, सेबी के परिपत्र संख्या सेबी/एचओ/सीएफडी/सीएमडी१/सीआईआर/पी/२०१८/०००००००१४१ दिनांकित १५ नवंबर, २०१८ के संदर्भ में प्रस्तुत करने के लिए कोई प्रकटीकरण नहीं है।

## एच. जैसा कि विनियम ३२ (७ ए) के अंतर्गत निर्दिष्ट है, अधिमानी आवंटन या अर्हताप्राप्त संस्थानों के प्लेसमेंट के माध्यम से जुटाई गई निधियों के उपयोग का विवरण।

प्राइवेट प्लेसमेंट के आधार पर वर्ष के दौरान जारी किए गए अपरिवर्तनीय ऋणपत्रों का विवरण निदेशकों के रिपोर्ट में दिया गया है।

## आई. व्यवसायरत कंपनी सचिव से प्रमाण पत्र कि कंपनी के मंडल में कोई भी निदेशक मंडल/कॉरपोरेट मामलों के मंत्रालय या ऐसे किसी भी सांविधिक प्राधिकरण द्वारा कंपनी के निदेशक के रूप में नियुक्त किए जाने या बने रहने से विवर्जित नहीं किया गया या अयोग्य नहीं ठहराया गया है।

व्यवसायरत कंपनी सचिव का प्रमाण पत्र इस रिपोर्ट के भाग के रूप में इसके साथ संलग्न है।

## जे. जहाँ प्रासंगिक वित्त वर्ष में मंडल ने मंडल की किसी भी समिति की किसी भी अनुशंसा को स्वीकार नहीं किया था जो अनिवार्य रूप से आवश्यक थी। लागू नहीं

## के. सांविधिक आधार पर सांविधिक लेखा परीक्षक और नेटवर्क फर्म में सभी संस्थाओं/नेटवर्क संस्था जिसके सांविधिक लेखा परीक्षक भाग हैं को समेकित आधार पर, सूचीबद्ध संस्था और उसकी सहायक कंपनियों द्वारा सभी सेवाओं के लिए भुगतान किया गया कुल शुल्क।

सांविधिक लेखा परीक्षकों को भुगतान किए गए शुल्कों से संबंधित विवरण स्वचलित वित्तीय विवरणों की टिप्पणी ३० (ए) में दिए गए हैं।

## एल. कार्यस्थल पर महिलाओं के यौन उत्पीड़न (रोकथाम, निषेध और निवारण) अधिनियम, २०१३ के संबंध में प्रकटीकरण।

वर्ष के दौरान दाखिल और निपटाई गई और और ३१ मार्च, २०१९ को लंबित शिकायतों की संख्या का विवरण निदेशकों के रिपोर्ट में दिया गया है।

## एम. गैर-अनिवार्य आवश्यकताएँ

सूचीबद्धता विनियमों की गैर-अनिवार्य आवश्यकताओं के अंगीकरण की मंडल द्वारा समय-समय पर समीक्षा की जा रही है।

## जोखिम प्रबंधन ढांचा

निदेशकों के रिपोर्ट के पैरा 'जोखिम प्रबंधन' का संदर्भ लें जो इस वार्षिक रिपोर्ट का भाग है।

## गैर-अनिवार्य (विवेकाधीन) आवश्यकताओं के अंगीकरण का विवरण

सूचीबद्धता विनियमों के विनियम २७ के अंतर्गत गैर-अनिवार्य आवश्यकताओं के अनुपालन की स्थिति निम्नानुसार है :

### • मंडल

गैर-कार्यकारी अध्यक्ष के कार्यालय के रखरखाव और खर्चों की प्रतिपूर्ति से संबंधित आवश्यकता कंपनी पर लागू नहीं होती है क्योंकि कंपनी का अध्यक्ष एक कार्यकारी निदेशक है।

### • शेयरधारकों के अधिकार

कंपनी ने शेयरधारकों को वित्तीय प्रदर्शन की छमाही घोषणा भेजने की प्रथा को नहीं अपनाया है। मंडल द्वारा यथा अनुमोदित तिमाही परिणाम शेयर बाजारों को प्रसारित किए जाते हैं और कंपनी की वेबसाइट पर अद्यतन किए जाते हैं।

### • लेखा परीक्षा रिपोर्ट में संशोधित राय

लेखा परीक्षा रिपोर्ट में कोई संशोधित राय नहीं है।

### • आंतरिक लेखा परीक्षक की रिपोर्टिंग

अधिनियम की धारा १३८ के प्रावधानों के अनुसार, कंपनी ने एक आंतरिक लेखा परीक्षक नियुक्त किया है जो लेखापरीक्षा समिति को रिपोर्ट देता है। त्रैमासिक आधार पर प्रस्तुत आंतरिक लेखा परीक्षा के रिपोर्ट की लेखा परीक्षा समिति द्वारा समीक्षा की जाती है और आवश्यक कार्रवाई के लिए सुझाव/निर्देश, यदि कोई हो, दिए जाते हैं।

**विनियम १७ से २७ और विनियम ४६ (२) में निर्दिष्ट कॉर्पोरेट प्रशासन आवश्यकताओं के अनुपालन का प्रकटीकरण**

क्र.सं.विवरण	विनियम	विनियमों का संक्षिप्त विवरण	अनुपालन स्थिति (हाँ/नहीं/लागू नहीं)
१. निदेशक मंडल	१७(१)	मंडल की संरचना	हाँ
	१७(२)	निदेशक मंडल की बैठक	हाँ
	१७(३)	अनुपालन प्रतिवेदन की समीक्षा	हाँ
	१७(४)	नियुक्तियों के लिए क्रमिक पदारोहण की योजना	हाँ, किसी भी समय जैसा कि लागू हो
	१७(५)	आचरण संहिता	हाँ
	१७(६)	शुल्क/क्षतिपूर्ति	हाँ
	१७(७)	मंडल के समक्ष रखी जाने वाली न्यूनतम जानकारी	हाँ
	१७(८)	अनुपालन प्रमाण पत्र	हाँ
	१७(९)	जोखिम मूल्यांकन और प्रबंधन	हाँ
	१७(१०)	प्रदर्शन मूल्यांकन	हाँ
२. लेखा परीक्षा समिति	१८(१)	लेखा परीक्षा समिति की संरचना और एजीएम में लेखा परीक्षा समिति के अध्यक्ष की उपस्थिति	हाँ
	१८(२)	लेखा परीक्षा समिति की बैठक	हाँ
	१८(३)	लेखा परीक्षा समिति की भूमिका और लेखापरीक्षा समिति द्वारा सूचना की समीक्षा	हाँ
३. नामांकन और पारिश्रमिक समिति (एनआरसी)	१९(१) और (२)	एनआरसी की संरचना	हाँ
	१९(३)	एजीएम में एनआरसी के अध्यक्ष की उपस्थिति	हाँ
	१९(४)	एनआरसी की भूमिका	हाँ
४. हितधारकों की संबंध समिति (एसआरसी)	२०(१), (२) और (३)	एसआरसी की संरचना	हाँ
	२०(४)	एसआरसी की भूमिका	हाँ
५. जोखिम प्रबंधन समिति (आरएमसी)	२१(१),(२) और (३)	आरएमसी की संरचना	हाँ
	२१(४)	आरएमसी की भूमिका	हाँ
६. चौकसी तंत्र	२२	निदेशकों और कर्मचारियों के लिए चौकसी तंत्र का गठन	हाँ
७. संबंधित पक्ष लेनदेन (आरपीटी)	२३(१),(५),(६),(७) और (८)	आरपीटी के लिए नीति	हाँ
	२३(२) और (३)	सभी आरपीटी के लिए लेखा परीक्षा समिति के बहुप्रयोजन अनुमोदन सहित अनुमोदन और लेखा परीक्षा समिति द्वारा लेनदेन की समीक्षा	हाँ
	२३(४)	महत्वपूर्ण आरपीटी के लिए स्वीकृति	लागू नहीं
८. कंपनी की सहायक कंपनियाँ	२४(१)	असूचीबद्ध महत्वपूर्ण सहायक कंपनी के निदेशक मंडल की संरचना	लागू नहीं
	२४(२),(३),(४),(५) और (६)	सूचीबद्ध संस्था की महत्वपूर्ण सहायक कंपनी सहित सहायक कंपनी के संबंध में अन्य कॉर्पोरेट प्रशासन आवश्यकताएँ	लागू नहीं
९. आईडी के संबंध में दायित्व	२५(१) और (२)	अधिकतम निदेशकता और कार्यकाल	हाँ
	२५(३)	आईडी की बैठक	हाँ
	२५(४)	आईडी द्वारा प्रदर्शन की समीक्षा	हाँ
	२५(७)	आईडी का परिचितीकरण	हाँ
१०. निदेशकों और वरिष्ठ प्रबंधन के संबंध में दायित्व	२६(१) और (२)	समितियों में सदस्यता और अध्यक्षता	हाँ
	२६(३)	निदेशक मंडल के सदस्यों और वरिष्ठ प्रबंधन कार्मिक से आचार संहिता के अनुपालन की अभिपुष्टि	हाँ
	२६(४)	एनईडी द्वारा शेरधारिता का प्रकटीकरण	हाँ
	२६(५)	हित के संभावित टकरावों के बारे में वरिष्ठ प्रबंधन द्वारा प्रकटीकरण	हाँ
११. अन्य कॉर्पोरेट प्रशासन आवश्यकताएँ	२७(१)	विवेकाधीन आवश्यकताओं का अनुपालन	हाँ
	२७(२)	कॉर्पोरेट प्रशासन पर तिमाही अनुपालन रिपोर्ट दाखिल करना	हाँ

क्र.सं.विवरण	विनियम	विनियमों का संक्षिप्त विवरण	अनुपालन स्थिति (हाँ/नहीं/लागू नहीं)
१२. कंपनी की वेबसाइट पर प्रकटीकरण	४६(२)(ख)	आईडी की नियुक्ति के नियम और शर्तें	हाँ
	४६(२)(ग)	निदेशक मंडल की विभिन्न समितियों की संरचना	हाँ
	४६(२)(घ)	निदेशक मंडल और वरिष्ठ प्रबंधन कार्मिकों की आचार संहिता	हाँ
	४६(२)(च)	चौकसी तंत्र की स्थापना/व्हिसिल ब्लोअर नीति का विवरण	हाँ
	४६(२)(छ)	एनईडी को भुगतान करने का मानदंड	हाँ
	४६(२)(ज)	आरपीटी से व्यवहार करने की नीति	हाँ
	४६(२)(झ)	महत्वपूर्ण सहायक कंपनियों के निर्धारण के लिए नीति	हाँ
	४६(२)(ल)	आईडी को दिए गए परिचयकरण कार्यक्रमों का विवरण	हाँ

## शेयरधारकों के लिए सूचनाएं

पूर्व तीन एजीएम (वार्षिक आम सभा) का विवरण :

एजीएम	वित्तीय वर्ष	एजीएम का दिन, तिथि और समय	स्थान	विशेष प्रस्ताव का विवरण पारित
७७ वीं एजीएम	२०१५-१६	गुरुवार, ०४ अगस्त २०१६ सुबह ११.०० बजे	वालचंद हिराचंद हॉल, ४ थी मंज़िल, इंडियन मर्चेन्ट्स चेम्बर, आईएमसी	कुछ नहीं
७८ वीं एजीएम	२०१६-१७	गुरुवार, ०३ अगस्त २०१७ सुबह ११.३० बजे	मार्ग, चर्चगेट, मुंबई-४०० ०२०.	- लागत लेखा परीक्षकों को देय पारिश्रमिक की संपुष्टि - प्राइवेट प्लेसमेंट आधार पर मोचनयोग्य अपरिवर्तनीय ऋणपत्रों का निर्गमन.
७९ वीं एजीएम	२०१७-१८	गुरुवार, ०९ अगस्त २०१८ दोपहर १२.०० बजे	कमलनयन बजाज हॉल, बजाज भवन, जमनालाल बजाज मार्ग, नरीमन पॉइंट, मुंबई-४०० ०२१	- लागत लेखा परीक्षकों को देय पारिश्रमिक की संपुष्टि - प्रतिभूति निर्गमन के माध्यम से उधारी - कंपनी के प्रबंध निदेशक के रूप में श्री अनंत बजाज की प्रोन्नति और पुनः पदनामितकरण; - कंपनी के पंजीकृत कार्यालय से भिन्न स्थान पर सांविधिक पंजिकाओं का रखरखाव; तथा - कंपनी अधिनियम, २०१३ के अनुरूप कंपनी के संस्था अंतर्नियम के नए सेट का अंगीकरण.

## सामान्य निकाय बैठकें

समीक्षाधीन वर्ष के दौरान, माननीय राष्ट्रीय कंपनी कानून न्यायाधिकरण, मुंबई बेंच के निर्देशों के अनुसार, हिंद लैम्प्स लिमिटेड और कंपनी व उसके संबंधित शेयरधारकों और लेनदारों के बीच इस व्यवस्था की योजना पर विचार करने और अनुमोदन करने के लिए इक्विटी शेयरधारकों, कंपनी के सुरक्षित लेनदारों और असुरक्षित लेनदारों की बैठक इस प्रकार आयोजित की गई :

बैठक का प्रकार	दिनांक	समय	स्थान
इक्विटी शेयरधारक	गुरुवार, २१ फरवरी २०१९	सुबह १०.३० बजे	वालचंद हिराचंद हॉल, ४ थी मंज़िल,
सुरक्षित लेनदार	गुरुवार, २१ फरवरी २०१९	दोपहर ०३.३० बजे	इंडियन मर्चेन्ट्स चेम्बर, आईएमसी मार्ग,
असुरक्षित लेनदार	शुक्रवार, २२ फरवरी २०१९	सुबह १०.३० बजे	चर्चगेट, मुंबई-४०० ०२०, महाराष्ट्र.
स्थगित सुरक्षित लेनदार	मंगलवार, १९ मार्च २०१९	शाम ०४.३० बजे	मुल्ला हाउस, ५१ एम.जी. रोड, फोर्ट, मुंबई - ४००००१, महाराष्ट्र.

## डाक मतपत्र

समीक्षाधीन वर्ष के दौरान, कंपनी द्वारा अधिनियम की धारा ११० के प्रावधानों के अनुसार एक डाक मतपत्र संचालित किया गया था। प्रैक्टिसिंग कंपनी सचिव श्री अनंत बी. खमनकर को निष्पक्ष और पारदर्शी तरीके से डाक मतपत्र का संचालन करने के लिए संवीक्षक के रूप में नियुक्त किया गया था। मतदान भौतिक प्रणाली के साथ-साथ इलेक्ट्रॉनिक प्रणाली के माध्यम से भी आयोजित किया गया था। कंपनी ने अपने सदस्यों को ई-वोटिंग की सुविधा प्रदान करने के लिए लिंक इनटाइम इंडिया प्राइवेट लिमिटेड (एलआईआईपीएल) की सेवाएं ली थीं। पोस्टल बैलेट की नोटिस के साथ विस्तृत निर्देश किट थी ताकि सदस्यों को डाक मतपत्र के माध्यम से मतदान (दूरस्थ ई-वोटिंग सहित) की प्रक्रिया और उसके तरीके को समझने में सक्षम किया जा सके। ई-वोटिंग की अंतिम तिथि और डाक मतपत्र फॉर्मों की प्राप्ति की तिथि अर्थात् मंगलवार, २६ मार्च, २०१९ को निम्नलिखित प्रस्तावों को पारित माना गया है। संवीक्षक की रिपोर्ट के साथ उपरोक्त मतदान के परिणाम कंपनी के पंजीकृत कार्यालय और कॉर्पोरेट कार्यालय और कंपनी की वेबसाइट [www.bajajelectricals.com](http://www.bajajelectricals.com) और LIIPL यानी <https://instavote.linkintime.co.in> पर प्रदर्शित किए गए थे।

सभी प्रस्तावों को अपेक्षित बहुमत से अनुमोदित किया गया था। डाक मतपत्र के परिणामों का विवरण निम्नलिखित है :

विवरण	प्राप्त मतों की संख्या	पक्ष में पड़े मतों की संख्या और (%)	विपक्ष में पड़े मतों की संख्या और (%)
<b>विशेष प्रस्ताव :</b> कंपनी के मंडल में पाँच (५) वर्षों की लगातार दूसरी अवधि अर्थात १ अप्रैल, २०१९ से ३१ मार्च, २०२४ तक के लिए एक आईडी के रूप में श्री हर्ष वर्धन गोयंका की पुनः नियुक्ति।	७१६२३३०९	६९८९२७८२ (९७.५८%)	१७३०५२७ (२.४२%)
<b>विशेष प्रस्ताव:</b> कंपनी के मंडल में पाँच (५) वर्षों की लगातार दूसरी अवधि अर्थात १ अप्रैल, २०१९ से ३१ मार्च, २०२४ तक के लिए एक आईडी के रूप में डॉ (श्रीमती) इन्दु शहानी की पुनः नियुक्ति।	७१६२२८८७	६९९२०३४९ (९७.६२%)	१७०२५३८ (२.३८%)
<b>विशेष प्रस्ताव:</b> कंपनी के मंडल में पाँच (५) वर्षों की लगातार दूसरे कार्यकाल अर्थात १ अप्रैल, २०१९ से ३१ मार्च, २०२४ तक के लिए आईडी के रूप में डॉ राजेंद्र प्रसाद सिंह की नियुक्ति और साथ ही ७५ वर्ष से अधिक आयु तक नॉन-एक्ज़िक्यूटिव आईडी के पद पर बने रहेंगे।	७१६२२८९६	७०११६३२२ (९७.९०%)	१५०६५७४ (२.१०%)
<b>विशेष प्रस्ताव:</b> कंपनी अधिनियम, २०१३ की धारा १८५ के तहत निर्दिष्ट कंपनी के किसी भी सहायक या अन्य व्यक्ति द्वारा लिए गए ऋण के संबंध में ऋण या गारंटी देने या सुरक्षा प्रदान करने की स्वीकृति।	७१५९१७४४	६६६३१९९६ (९३.०७%)	४९६०५४८ (६.९३%)

इसके अलावा, आगामी ८०वें एजीएम में संपादन के लिए प्रस्तावित व्यवसायों में से किसी को भी डाक मतपत्र के माध्यम से एक विशेष प्रस्ताव पारित करने की आवश्यकता नहीं है।

### वित्त वर्ष २०१८-१९ के लिए एजीएम

दिन और तारीख	बुधवार, ०७ अगस्त २०१९
समय	दोपहर १२.३० बजे
स्थान	कमलनयन बजाज हॉल, बजाज भवन, जमनालाल बजाज मार्ग, नरीमन पॉइंट, मुंबई-४०० ०२१
वित्तीय वर्ष	१ अप्रैल २०१८ से ३१ मार्च २०१९ तक
लाभांश के लिए बही-खाता समामी तिथि	शनिवार, २७ जुलाई २०१९ से बुधवार, ७ अगस्त २०१९
प्रॉक्सि फॉर्म प्राप्त करने की अंतिम तिथि	सोमवार, ०५ अगस्त २०१९ को दोपहर १२. ३० बजे से पहले

### ३१ मार्च, २०२० को समाप्त होने वाले वित्तीय वर्ष के लिए संभावित कैलेंडर

त्रैमासिक वित्तीय परिणामों पर विचार के लिए मंडल की बैठक की संभावित तारीखें इस प्रकार हैं :

क्र. विवरण	विनियम
१. पहली तिमाही के परिणाम	अगस्त २०१९ के दूसरे हफ्ते में
२. दूसरी तिमाही तथा छमाही के परिणाम	नवंबर २०१९ के दूसरे हफ्ते में
३. तीसरी तिमाही के परिणाम	फरवरी २०२० के दूसरे हफ्ते में
४. चौथी तिमाही तथा वार्षिक परिणाम	मई २०२० के चौथे हफ्ते में

### लाभांश

२२ मई, २०१९ को आयोजित अपनी बैठक में निदेशक मंडल ने कंपनी के इकटिरी शेयरों पर वित्त वर्ष २०१८-१९ के लिए ₹३.५० प्रति शेयर लाभांश भुगतान की सिफारिश की है, जो कि आगामी एजीएम में शेयरधारकों की मंजूरी के अधीन है। भौतिक शेयरधारकों के संबंध में लाभांश का भुगतान उन सदस्यों को किया जाएगा, जिनके नाम २६ जुलाई, २०१९ को कंपनी के सदस्यों के रजिस्टर में दर्ज हैं और जिनका नाम २६ जुलाई, २०१९ को नेशनल सिक्योरिटीज़ डिपॉजिटरी लिमिटेड (एनएसडीएल) और सेंट्रल डिपॉजिटरी सर्विसेज (इंडिया) लिमिटेड (सीडीएसएल) द्वारा इस उद्देश्य के लिए प्रस्तुत लाभार्थी स्वामियों की सूची में दिखाई देता है। लाभांश, यदि एजीएम में घोषित किया जाता है, तो १४ अगस्त, २०१९ को या उसके बाद भुगतान किया जाएगा।

### लाभांश वितरण नीति

कंपनी ने सूचीबद्धता विनियमों की अपेक्षाओं के अनुसार लाभांश वितरण नीति अपनाई है जो इस वार्षिक रिपोर्ट के साथ संलग्न है और साथ ही, कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर भी उपलब्ध है।

**पिछले १० वित्तीय वर्षों का लाभांश इतिहास**

निम्नलिखित तालिका में पिछले १० वित्तीय वर्षों में कंपनी द्वारा घोषित और भुगतान किए गए लाभांश का इतिहास दिया गया है :

क्र. वित्त वर्ष	लाभांश घोषणा की तिथि	प्रति शेयर लाभांश
१. २००८-०९	जुलाई ३०, २००९	₹ १०.००
२. २००९-१०	जुलाई २८, २०१०	₹ २.४०
३. २०१०-११	जुलाई २८, २०११	₹ २.८०
४. २०११-१२	जुलाई २६, २०१२	₹ २.८०
५. २०१२-१३	अगस्त ६, २०१३	₹ २.००
६. २०१३-१४	जुलाई ३१, २०१४	₹ १.५०
७. २०१४-१५	अगस्त ६, २०१५	₹ १.५०
८. २०१५-१६	मार्च १०, २०१६	₹ २.८०
९. २०१६-१७	अगस्त ३, २०१७	₹ २.८०
१०. २०१७-१८	अगस्त ९, २०१८	₹ ३.५०

**दावा-रहित लाभांश/शेयर**

अधिनियम की धारा १२४(५) के प्रावधानों के अनुसार, यदि कंपनी के अनपेड डिविडेंड अकाउंट में हस्तांतरित किया गया लाभांश हस्तांतरण की तारीख से सात साल की अवधि तक अदेय रहता है या उस पर दावा नहीं किया जाता है तो इस तरह के दावा-रहित या अदेय लाभांश को कंपनी द्वारा ब्याज सहित, यदि कोई हो तो, अधिनियम की धारा १२५ की उप-धारा (१) के तहत स्थापित निधि, 'निवेशक शिक्षा और संरक्षण निधि' ('आईईपीएफ') में हस्तांतरित कर दिया जाता है। दावा-रहित/अप्रदत्त लाभांश का विवरण कंपनी की वेबसाइट [www.bajajelectricals.com](http://www.bajajelectricals.com) पर उपलब्ध है।

**सात वर्षों की लगातार अवधि तक शेयरों पर अप्रदत्त/दावा-रहित लाभांश के मामले में निवेशक शिक्षा और संरक्षण निधि प्राधिकरण (आईईपीएफ) के डीमैट खाते में शेयरों का अनिवार्य हस्तांतरण**

अधिनियम की धारा १२४ (६) के नियम ६ के संदर्भ में निवेशक शिक्षा और सुरक्षा निधि प्राधिकरण (लेखा, लेखा परीक्षा, स्थानांतरण और वापसी) नियम, २०१६ (समय-समय पर संशोधित) (आईईपीएफ नियम) शेयर या उसके लाभांश पर यदि सात वर्षों या उससे अधिक की अवधि तक शेयरधारक द्वारा भुगतान या दावा नहीं किया जाता है, तो ऐसे शेयरों को तीस दिनों की अवधि के भीतर निवेशक शिक्षा और सुरक्षा निधि प्राधिकरण (आईईपीएफ) के डीमैट खाते में जमा कर दिया जाएगा। ऐसे शेयरों के हस्तांतरण पर, सभी लाभ (जैसे बोनस, आदि), यदि कोई हो तो, ऐसे शेयरों पर उपाजित राशि भी उसी डीमैट खाते में जमा की जाएगी और ऐसे शेयरों पर वोटिंग अधिकार तब तक अवरुद्ध रहेंगे जब तक कि सही मालिक शेयरों पर दावा नहीं करता।

जिन शेयरों को आईईपीएफ के डीमैट खाते में हस्तांतरित किया गया है, उन्हें पूर्वोक्त नियमों के तहत निर्धारित प्रक्रिया का पालन करके शेयरधारकों द्वारा आईईपीएफ से वापस लेने का दावा किया जा सकता है।

कंपनी संबंधित सदस्यों को व्यक्तिगत संदेश भेजने की प्रक्रिया में है, जिनके शेयर २५ अगस्त, २०१९ (नियत तारीख) को आईईपीएफ में हस्तांतरित किए जाने वाले हैं, ताकि वह इस मामले में तत्काल कार्रवाई कर सकें। जैसा कि आईईपीएफ नियमों के तहत आवश्यक है, कंपनी उन सदस्यों को, जिन्होंने ७ साल की अवधि तक अपने लाभांश पर दावा नहीं किया है, सूचित करने वाला एक नोटिस भी प्रकाशित करेगी ताकि वह आईईपीएफ में हस्तांतरित होने से पहले कंपनी से उस पर दावा कर सकें।

शेयरधारकों को अपने हित में, कंपनी द्वारा समय-समय पर घोषित लाभांश पर नियमित रूप से दावा किया जाना चाहिए।

**३१ मार्च २०१९ को बिना दावे के लाभांशों का विवरण तथा हस्तांतरण की नियत तिथि नीचे दी गयी है :**

क्र. वित्त वर्ष	लाभांश घोषणा की तिथि	बिना दावे के लाभांश (₹)	आईईपीएफ खाते के हस्तांतरण के लिए नियत तारीख
१. २०११-१२	जुलाई २६, २०१२	११,७९,४९७.२०	अगस्त २५, २०१९
२. २०१२-१३	अगस्त ६, २०१३	८,२६,९९४.००	सितंबर ५, २०२०
३. २०१३-१४	जुलाई ३१, २०१४	८,७३,०८५.५०	अगस्त ३०, २०२१
४. २०१४-१५	अगस्त ६, २०१५	९,६४,३६३.५०	सितंबर ५, २०२२
५. २०१५-१६	मार्च १०, २०१६	१८,२६,७९८.४०	अप्रैल ९, २०२३
६. २०१६-१७	अगस्त ३, २०१७	१७,२८,६६९.६०	सितंबर १, २०२४
७. २०१७-१८	अगस्त ९, २०१८	२०,८१,४७१.००	सितंबर ७, २०२५

## दावा न किए गए शेयर

कंपनी के पास किसी भी सार्वजनिक निर्गम से इसके पास पड़े कोई दावा न किये गये शेयर्स नहीं है। हालांकि कंपनी द्वारा जारी बोनस शेयरों के परिणामस्वरूप कुछ शेयरों पर शेयरधारकों द्वारा दावा नहीं किया गया है। सूचीबद्धता विनियमों के विनियम ३९(४) के तहत जैसा कि आवश्यक है, इन शेयरों पर दावा करने के लिए कंपनी द्वारा संबंधित शेयरधारकों को अनुस्मारक भेजे जाने वाले हैं और इन शेयरों को सर्पेंस खाते में जमा करने की प्रक्रिया में है।

सूचीकरण विनियमों की अनुसूची त के साथ पठित विनियम ३४(३) के तहत, सर्पेंस अकाउंट में शेयरों के विवरण निम्नानुसार हैं :

वर्ष के प्रारंभ में सर्पेंस अकाउंट में पड़े बकाया शेयरों एवं शेयरधारकों की समेकित संख्या	उन शेयरधारकों की संख्या, जिन्होंने वर्ष के दौरान सर्पेंस अकाउंट से शेयर अंतरित करने हेतु कंपनी से संपर्क किया है	उन शेयरधारकों की संख्या, जिनके शेयर वर्ष के दौरान सर्पेंस अकाउंट से अंतरित किए गए थे	वर्ष के समापन पर सर्पेंस अकाउंट में पड़े बकाया शेयरों एवं शेयरधारकों की समेकित संख्या	इन शेयरों पर वोटिंग अधिकार तब तक अवरुद्ध रहेंगे, जब तक ऐसे शेयरों के सही स्वामी द्वारा शेयरों का दावा नहीं किया जाता
शून्य	शून्य	शून्य	शून्य	शून्य

ऐसे शेयरों पर सभी कॉर्पोरेट लाभ जैसे बोनस शेयर इत्यादि आईईपीएफ नियमों के साथ पठित अधिनियम की धारा १२४(६) के प्रावधानों के अनुसार हस्तांतरित किए जाएंगे। पात्र शेयरधारकों से इस पर ध्यान देने और आवश्यक दस्तावेज देने पर उक्त खाते से शेयरों का दावा करने के लिए कार्रवाई करने का अनुरोध किया जाता है।

## ३१ मार्च, २०१९ को शेयरधारिता का वितरण :

इक्विटी शेयरों की संख्या	शेयरधारकों की संख्या	कुल शेयरधारकों का %	धारीत शेयरों की संख्या	कुल शेयरों का %
१ से ५००	३८९०१	८८.७२	३८३२१५४	३.७४
५०१ से १०००	२१५३	४.९१	१६१४७३६	१.५८
१००१ से २०००	११३६	२.५९	१६६०७२१	१.६२
२००१ से ३०००	५४२	१.२४	१३५३४०३	१.३२
३००१ से ४०००	२५४	०.५८	८९७६७५	०.८८
४००१ से ५०००	१८४	०.४२	८५१०७६	०.८३
५००१ से १००००	३०८	०.७०	२२५८३११	२.२१
१०००१ और उससे अधिक	३६८	०.८४	८९९३१४४५	८७.८२
<b>कुल</b>	<b>४३८४६</b>	<b>१००.००</b>	<b>१०२३९९६०१</b>	<b>१००.००</b>

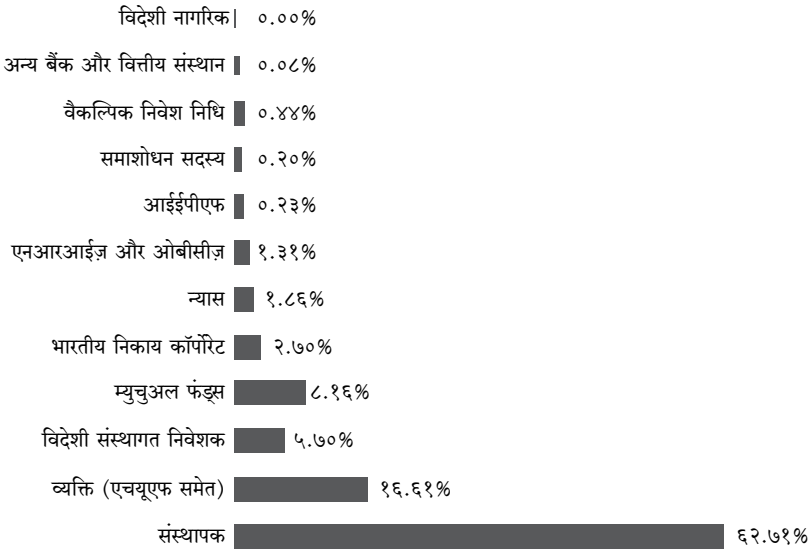
## ३१ मार्च, २०१९ को शेयरधारिता का वितरण :

श्रेणियाँ	३१ मार्च २०१९		३१ मार्च २०१८	
	शेयरों की संख्या	कुल पूँजी का %	शेयरों की संख्या	कुल पूँजी का %
प्रोत्साहक	६४२१८४८५	६२.७१	६४२१८४८५	६२.९४
व्यक्ति (एचयूएफ सहित)	१७००५८८९	१६.६१	१५०७४१३२	१४.७७
एफआईआईज़	५८३४७१७	५.७०	९९९९६४७	९.७२
म्युचुअल फंड्स	८३५२२९४	८.१६	५४७६०१३	५.३७
भारतीय निकाय निगम	२७६५१८५	२.७०	३८९४२५७	३.७४
न्यास	१९०३६७२	१.८६	१८९६७१८	१.८६
एनआरआईज़ और ओबीसीज़	१३३९२३९	१.३१	९५२९४३	०.९३
आईईपीएफ	२३४०१६	०.२३	२२५६८०	०.२२
समाशोधन सदस्य	२०६९६३	०.२०	१८५३०७	०.१८
वैकल्पिक निवेश निधि	४४९४०५	०.४४	१८००००	०.१८
बैंक तथा एफआईज़	८९६९१	०.०८	५१७१९	०.०५
विदेशी नागरिक	४५	०.००	४२६००	०.०४
<b>कुल</b>	<b>१०२३९९६०१</b>	<b>१००.००</b>	<b>१०२०३७५०१</b>	<b>१००.००</b>



### ३१ मार्च, २०१९ को आकार वर्ग के अनुसार शेयरधारिता का वितरण

#### ३१ मार्च, २०१९ को शेयरधारिता



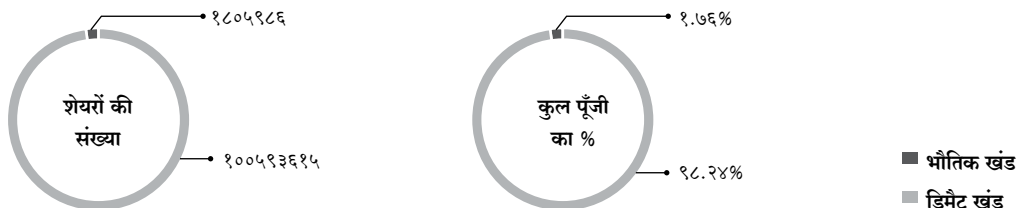
### शेयरों और नकदी का डिमटेरियलाइजेशन

३१ मार्च, २०१९ तक कंपनी के ९८.२३% इक्विटी शेयरों का डिमटेरियलाइजेशन (एनएसडीएल ९५.०२% और सीडीएसएल ३.२१%) हो गया है। कंपनी ने एनएसडीएल और सीडीएसएल के साथ समझौतों पर हस्ताक्षर किए हैं, जिसके तहत शेयरधारकों के पास किसी भी डिपॉजिटरी में अपने शेयरों के डिमटेरियलाइजेशन कराने का विकल्प है।

भौतिक और इलेक्ट्रॉनिक रूप में धारण किए गए शेयर्स :

श्रेणियाँ	३१ मार्च २०१९		३१ मार्च २०१८	
	शेयरों की संख्या	कुल पूँजी का %	शेयरों की संख्या	कुल पूँजी का %
भौतिक (ए)	१८०५९८६	१.७६	२०८३६५६	२.०४
डिमैट				
एनएसडीएल	९७३०९३२७	९५.०३	९७१२४६८०	९५.१९
सीडीएसएल	३२८४२८८	३.२१	२८२९१६५	२.७७
<b>कुल डिमैट (बी)</b>	<b>१००५९३६१५</b>	<b>९८.२४</b>	<b>९९९५३८४५</b>	<b>९७.९६</b>
<b>कुल (ए) + (बी)</b>	<b>१०२३९९६०१</b>	<b>१००.००</b>	<b>१०२०३७५०१</b>	<b>१००.००</b>

### ३१ मार्च, २०१९ को शेयरधारिता का तरीका



शेयरों का डिमटेरियलाइजेशन - प्रक्रिया

शेयरधारक जिनके पास अभी भी भौतिक शेयर हैं, उनसे अनुरोध किया जाता है कि वे अपने शेयरों का डिमटेरियलाइजेशन जल्द से जल्द करवाएँ और डीमैट रूप में शेयरों में काम करने का लाभ उठाएँ। शेयरधारकों की सुविधा के लिए, शेयरों के डिमटेरियलाइजेशन की प्रक्रिया नीचे दी गई है :

- अ) किसी भी डिपॉजिटरी पार्टिसिपेंट (डीपी) के साथ एक डीमैट खाता खोला जाना चाहिए।
- ब) शेयरधारकों को अपने डीपी को शेयर प्रमाण-पत्रों की मूल प्रति के साथ डिमटेरियलाइजेशन रिक्वेस्ट फॉर्म (डीआरएफ) जमा करना चाहिए।
- क) डीपी डीआरएफ को संसाधित करेगा और एक डीमटेरियलाइजेशन रिक्वेस्ट नंबर (डीआरएन) उत्पन्न करेगा।
- ड) डीपी, डीआरएफ और मूल शेयर प्रमाण पत्रों को रजिस्ट्रार और ट्रांसफर एजेंट (आरटीए) जो कि लिंक इनटाइम इंडिया प्राइवेट लिमिटेड है, के पास जमा करेगा।
- ई) आरटीए, डीआरएफ को संसाधित करेगा और डीपी/डिपॉजिटरी के अनुरोध की पुष्टि करेगा या तो उसे अस्वीकार करेगा।
- फ) अनुरोध की पुष्टि होने पर, शेयरधारक के शेयर्स डीपी के साथ खोले गए उसके डीमैट खाते में जमा हो जाएंगे।

### फोलियोज़ का एकीकरण और कई मेल करने से बचना

निवेशकों को सेवाएं प्रदान करने के लिए कंपनी को लागत और दोहरेपन को कम करने में सक्षम बनाने के लिए, जिन सदस्यों के नाम एक ही क्रम में एक से अधिक फोलियो में हैं, उनसे अनुरोध है कि वे एक ही फोलियो के तहत अपनी होल्डिंग को समेकित करें। सदस्य अपने जिन फोलियो संख्याओं को समेकित करना चाहते हैं उनकी संख्या और मूल शेयर प्रमाणपत्रों के साथ आरटीए को लिख भी सकते हैं।

### शेयर पूंजी लेखा परीक्षा रिपोर्ट का मिलान

सेबी द्वारा निर्धारित अनुबंध के अनुसार, एक योग्य प्रैक्टिसिंग कंपनी सेक्रेटरी, एनएसडीएल और सीडीएसएल के साथ कुल जमा की गई पूंजी और कुल जारी और सूचीबद्ध पूंजी के मिलान के लिए सचिवीय लेखा परीक्षण करता है। यह लेखा परीक्षण प्रत्येक तिमाही में किया जाता है और इसकी रिपोर्ट एनएसई और बीएसई को भेजी जाती है, जहाँ कंपनी के शेयर सूचीबद्ध होते हैं। यह लेखा परीक्षण इस बात की पुष्टि करता है कि कंपनी की कुल सूचीबद्ध और चुकता शेयर पूंजी भौतिक रूप में शेयरों की कुल संख्या और अभौतिक रूप में (एनएसडीएल और सीडीएसएल के साथ) शेयरों की कुल संख्या के बराबर है।

### साचिविक मानकों का अनुपालन

कंपनी ने कॉर्पोरेट लॉ के विभिन्न पहलुओं और इंस्टीट्यूट ऑफ कंपनी सेक्रेटरीज़ ऑफ इंडिया द्वारा जारी किए गए कार्यप्रणाली के संबंध में सचिवीय मानकों का अनुपालन किया है।

### लेखा परीक्षकों द्वारा अनुपालन प्रमाण पत्र

कंपनी के लेखा परीक्षकों मेसर्स एस आर बी सी एंड कंपनी एलएलपी का प्रमाणपत्र, कॉर्पोरेट प्रशासन की शर्तों, जो सूचीकरण नियमों की त अनुसूची के खंड ई के तहत निर्धारित है, के अनुपालन की पुष्टि करता है और इस रिपोर्ट के साथ संलग्न है।

### ३१ मार्च, २०१९ को कंपनी के एनसीडी धारक

क्रम संख्या	डिबेंचर धारकों के नाम	अंकित मूल्य ₹ १०,००,०००/- प्रत्येक के धारीत एनसीडीज़ की संख्या	कूपन दर	आईएसआईएन
१.	एचडीएफसी क्रेडिट रिस्क डेट फंड	३५०	परिपक्वता तक ११% प्र. व.	आईएनई१९३ई०८०३८
२.	एचडीएफसी क्रेडिट रिस्क डेट फंड	७५०	प्राप्ति, शून्य कूपन के साथ	आईएनई१९३ई०८०२०
३.	एचडीएफसी क्रेडिट रिस्क डेट फंड	७५०		आईएनई१९३ई०८०१२

बकाया वैश्विक डिपॉजिटरी रसीदें या अमेरिकी डिपॉजिटरी रसीदें या वारंट या किसी भी तरह के परिवर्तनीय इंस्ट्रूमेंट, परिवर्तन तारीख और इकटि पर संभावित प्रभाव: लागू नहीं

कंपनी के शेयर/जीडीआर्स, निम्नलिखित स्टॉक एक्सचेंजों में सूचीबद्ध हैं और उन स्टॉक एक्सचेंजों को इसका शुल्क भर दिया गया है :

स्टॉक एक्सचेंज	स्टॉक कोड
बीएसई लिमिटेड (बीएसई)	५०००३१
पी.जी. टॉवर्स, दलाल स्ट्रीट, मुंबई ४००००१	
नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड (एनएसई)	BAJAJELEC
एक्सचेंज प्लाजा, ५वीं मंजिल, बांद्रा-कुर्ला काम्प्लेक्स, बांद्रा (पूर्व), मुंबई ४०००५१	

₹१०,००,०००/- प्रत्येक अंकित मूल्य के असुरक्षित प्रतिदेय गैर-परिवर्तनीय डिबेंचर (एनसीडीज़) नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड के थोक ऋण बाजार खंड में सूचीबद्ध हैं:

सिरीज़	कूपन दर %	आईएसआईएन	मूलधन राशि (य करोड़ में)	परिपक्वता तिथि	डिबेंचर ट्रस्टी	क्रेडिट रेटिंग
ए	एनसीडीज़	आईएनई१९३ई०८०३८	३५	१९ फरवरी, २०२१	एक्सिस ट्रस्टी सर्विसेज़	[आईसीआरए] ए+
बी	शून्य कूपन के साथ ११% प्र.व.	आईएनई१९३ई०८०२०	७५	२० अगस्त, २०२१	लिमिटेड	
सी	परिपक्वता राशि	आईएनई१९३ई०८०१२	७५	१८ फरवरी, २०२२		

डिबेंचर ट्रस्टी के पतो का व्यौरा : एक्सिस ट्रस्टी सर्विसेज़ लिमिटेड, दूसरी मंजिल 'इ', एक्सिस हाऊस, बॉम्बे डाईंग मिल्स कंपाउंड, पांडुरंग बुधकर मार्ग, वरली, मुंबई - ४०० ०२५। फोन नं. : ०२२-२४२५ ५२१५/५२१६, फैक्स : ०२२-२४२५ ४२००. ई-मेल : [debenturetrustee@axistrustee.com](mailto:debenturetrustee@axistrustee.com) वेबसाइट : [www.axistrustee.com](http://www.axistrustee.com)

#### शेयर मूल्य आँकड़े

वित्त वर्ष २०१८-१९ दरमियान बीएसई तथा एनएसई पर कंपनी के इक्विटी शेयरों की हर माह की उच्च तथा निम्न कीमतों एवं ट्रेडिंग परिमाणों का विवरण :

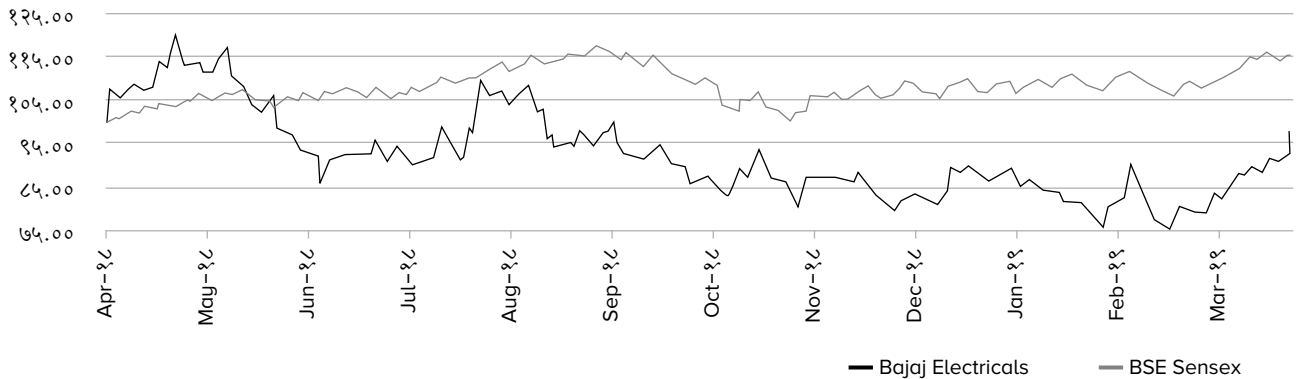
माह	बीएसई		एनएसई	
	उच्च (₹)	निम्न (₹)	उच्च (₹)	निम्न (₹)
अप्रैल २०१८	७०६.३५	५६९.००	१७९२०६५	७०५.८०
मई २०१८	६७५.४५	५२४.५५	११७६५८४	६७६.२०
जून २०१८	५५९.९०	४६९.१५	१०४६८८९	५५४.००
जुलाई २०१८	६५८.७०	५१०.२५	१६३०८५३	६५७.४०
अगस्त २०१८	६४६.००	५३९.००	११६९९५५	६४८.००
सितंबर २०१८	५७६.००	४८०.२०	५०६३७५	५७६.४०
अक्टूबर २०१८	५४२.६०	४५४.००	३४४२३१	५४४.००
नवंबर २०१८	५२७.००	४५१.००	९९३१२९	५२३.००
दिसंबर २०१८	५२५.४०	४५०.००	४०८८०२	५२६.५०
जनवरी २०१९	५२१.००	४१७.९०	३६५५२०	५२१.४०
फरवरी २०१९	५२४.६५	३७९.००	६२१४१२	५२४.८०
मार्च २०१९	५७२.००	४४८.००	८५७३३४	५७१.८०

(स्रोत : बीएसई तथा एनएसई वेबसाइट)

बीएसई सूचकांक, एनएसई निफ्टी और बीएसई ५०० सूचकांक की तुलना में प्रदर्शन

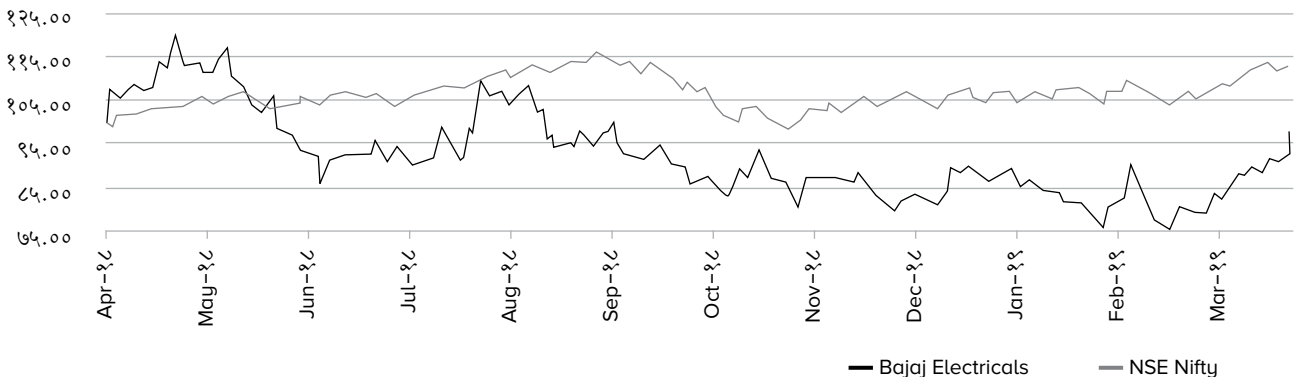
माह	महीने के आखिरी कारोबारी दिन एनएसई पर कंपनी का समापन मूल्य (₹)	महीने के आखिरी कारोबारी दिन के समापन पर बीएसई सूचकांक (₹)	महीने के आखिरी कारोबारी दिन के समापन पर एनएसई निफ्टी (₹)	महीने के आखिरी कारोबारी दिन के समापन पर बीएसई ५०० सूचकांक (₹)
अप्रैल २०१८	६५४.८५	२९,९१८.४०	६५६.१५	१२,९७९.२०
मई २०१८	५३२.०५	३१,१४५.८०	५३३.६०	१३,१९९.२०
जून २०१८	५४४.०५	३०,९२१.६१	५४३.६०	१३,१७८.५०
जुलाई २०१८	६१३.००	३२,५१४.९४	६१२.४५	१३,८९७.२०
अगस्त २०१८	५६४.४५	३१,७३०.४९	५६६.७०	१३,७६२.१०
सितंबर २०१८	४९९.९५	३१,२८३.७२	५०२.५५	१३,६१०.७०
अक्टूबर २०१८	४८६.५०	३३,२१३.१३	४८४.६०	१४,४८५.६०
नवंबर २०१८	४७१.९०	३३,१४९.३५	४७२.८५	१४,४९३.६०
दिसंबर २०१८	५०३.७०	३४,०५६.८३	५०४.५०	१५,००२.७०
जनवरी २०१९	४६२.२५	३५,९६५.०२	४५८.२०	१५,३४७.२०
फरवरी २०१९	४५२.२०	३४,१८४.०४	४५३.००	१४,६७०.५०
मार्च २०१९	५५८.८५	३२,९६८.६८	५५८.१०	१४,१२५.५०

बीएसई सूचकांक बनाम कंपनी का शेयर मूल्य प्रदर्शन :



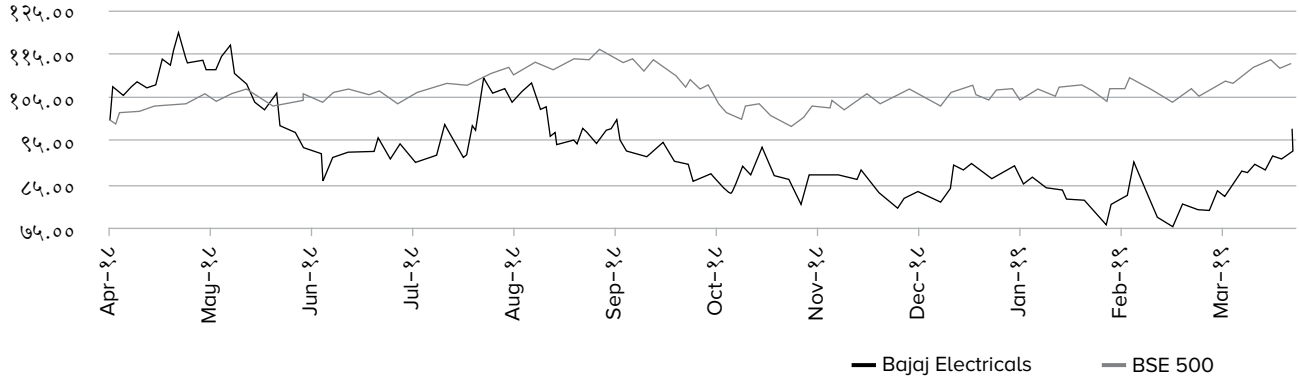
ध्यान दें : कंपनी का शेयर मूल्य और बीएसई सूचकांक १ अप्रैल, २०१८ को १०० तक अनुक्रमित किया गया था।

एनएसई निफ्टी बनाम कंपनी का शेयर मूल्य प्रदर्शन :



ध्यान दें : कंपनी का शेयर मूल्य और एनएसई निफ्टी १ अप्रैल, २०१८ को १०० तक अनुक्रमित किया गया था।

## बीएसई ५०० बनाम कंपनी का शेयर मूल्य प्रदर्शन :



ध्यान दें : कंपनी का शेयर मूल्य और बीएसई ५०० १ अप्रैल, २०१८ को १०० तक अनुक्रमित किया गया था।

## शेयरधारकों के साथ संचार के साधन

- अ-लेखापरीक्षित तिमाही/छमाही परिणाम, तिमाही की समाप्ति के पैंतालीस दिनों के भीतर घोषित कर दिए जाते हैं। लेखा परीक्षण किए हुए वार्षिक परिणाम, सूचीकरण विनियमों की आवश्यकता के अनुसार वित्तीय वर्ष के समापन से साठ दिनों के भीतर घोषित किए जाते हैं।
- स्वीकृत वित्तीय परिणाम उसी समय स्टॉक एक्सचेंजों को भेजे जाते हैं और 'फ्री प्रेस जर्नल' (अंग्रेजी समाचार पत्र) और 'नवशक्ति' (स्थानीय भाषा मराठी अखबार) में इसके अनुमोदन के अड़तालीस घंटे के भीतर प्रकाशित होते हैं। फिलहाल इसे शेयरधारकों को अलग से नहीं भेजा जाता है।
- कंपनी के वित्तीय परिणाम और आधिकारिक प्रेस विज्ञप्तियाँ कंपनी की वेबसाइट- [www.bajajelectricals.com](http://www.bajajelectricals.com) पर प्रदर्शित की जाती हैं।
- संस्थागत निवेशकों या/और विश्लेषकों के लिए बनाई गई कोई प्रस्तुति भी कंपनी की वेबसाइट पर प्रदर्शित की जाती है।
- प्रबंधन चर्चा और विश्लेषण रिपोर्ट वार्षिक रिपोर्ट का हिस्सा हैं, जिन्हें कंपनी के शेयरधारकों को भेजा जाता है।
- तिमाही परिणाम, शेयरधारिता शैली, त्रैमासिक अनुपालन और अन्य सभी कॉर्पोरेट संचार, स्टॉक एक्सचेंजों जैसे की, बीएसई लिमिटेड और नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड को इलेक्ट्रॉनिक रूप से प्रस्तुत किया जाता है। कंपनी ने बीएसई के बीएसई सूचीकरण केंद्र के माध्यम से सबमिशन दाखिल करने का अनुपालन किया है। इसी तरह, एनएसई के एसईएपीएस पोर्टल के माध्यम से एनएसई के साथ भी उक्त जानकारी को इलेक्ट्रॉनिक रूप से साझा किया जाता है।
- कंपनी की वेबसाइट पर एक अलग समर्पित अनुभाग, "इन्वेस्टर्स रिलेशन" दावा-रहित लाभांश, शेयरधारिता शैली, तिमाही/छमाही परिणाम और ब्याज की प्रासंगिक जानकारी निवेशकों/जनता को देता है।

- सेबी एक केंद्रीकृत वेब-आधारित शिकायत निवारण प्रणाली यानी एससीओआरआईएस में निवेशकों की शिकायतों को संसाधित करता है। इस प्रणाली के माध्यम से एक शेयरधारक अपनी शिकायत के निवारण के लिए कंपनी के खिलाफ शिकायत दर्ज कर सकता है। कंपनी शिकायत पर की गई कार्रवाई को अपलोड करती है जिसे शेयरधारक द्वारा देखा जा सकता है। कंपनी और शेयरधारक, सेबी के माध्यम से ऑनलाइन स्पष्टीकरण मांग सकते हैं और दे सकते हैं।
- कंपनी ने निवेशक से संपर्क के लिए ईमेल आईडी : [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com) को नामित किया है, और इसे कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर प्रमुखता से दर्शाया गया है।

## शेयर हस्तांतरण प्रणाली

भौतिक शेयरों का हस्तांतरण आरटीए द्वारा प्राप्ति की तारीख से सात दिनों की अवधि के भीतर को संसाधित और पूरा किया जाता है बशर्ते कि सभी दस्तावेज मान्य हों। इलेक्ट्रॉनिक शेयरों के मामले में, हस्तांतरण एनएसडीएल/सीडीएसएल द्वारा संबंधित डिपॉजिटरी प्रतिभागियों के माध्यम से संसाधित किए जाते हैं। सूचीकरण विनियमों के अनुपालन में, एक प्रैक्टिसिंग कंपनी सचिव शेयर हस्तांतरण की प्रणाली का लेखा परीक्षण करता है और उस आशय का एक प्रमाण पत्र जारी किया जाता है।

## नामांकन

व्यक्तिगत रूप से या संयुक्त रूप से भौतिक शेयर रखने वाला व्यक्तिगत शेयरधारक किसी व्यक्ति को नामित कर सकता है, जिसके नाम पर पंजीकृत शेयरधारक(कों) की मृत्यु हो जाने पर शेयर हस्तांतरणीय होंगे। इलेक्ट्रॉनिक रूप में रखे गए शेयरों के संबंध में नामांकन सुविधा एनएसडीएल और सीडीएसएल पर लागू उपनियमों और व्यवसायिक नियमों के अनुसार डिपॉजिटरी प्रतिभागियों के पास भी उपलब्ध है। नामांकन फॉर्म आरटीए से प्राप्त किए जा सकते हैं।

## इलेक्ट्रॉनिक समाशोधन सेवा

भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) ने सभी कंपनियों के लिए लाभांश जमा करने के लिए डिपॉजिटरी द्वारा प्रस्तुत बैंक खाते के विवरण का उपयोग करना अनिवार्य कर दिया है। जहाँ जहाँ कंपनी के पास पूरा कोर बैंकिंग विवरण उपलब्ध है, लाभांश सदस्यों के बैंक खाते में ईसीएस के माध्यम से जमा किया जाएगा। अगर कंपनी के पास कोर बैंकिंग विवरण उपलब्ध नहीं है तो, उन सदस्यों को कंपनी के रिकॉर्ड में उपलब्ध बैंक विवरण मुद्रित कर लाभांश वारंट जारी किए जाएंगे। इससे यह सुनिश्चित होता है कि लाभांश वारंट, भले ही खो जाए या चोरी हो जाय, लाभांश वारंट पर निर्दिष्ट खातों

में धन जमा करने के अलावा किसी अन्य उद्देश्य के लिए उपयोग नहीं किया जा सकता है और निवेशकों के लिए सुरक्षा सुनिश्चित होती है। कंपनी सेबी की अपेक्षाओं का अनुपालन करती है।

## इलेक्ट्रॉनिक मोड के ज़रिए दस्तावेजों की सेवा

ग्रीन इनिशिएटिव के एक भाग के रूप में, जो सदस्य ई-मेल के माध्यम से नोटिस/दस्तावेज प्राप्त करना चाहते हैं, वे कृपया अपने ई-मेल पते आरटीए की ई-मेल आईडी : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) पर सूचित कर सकते हैं।

**पत्र व्यवहार हेतु पता :** शेयरधारकों के समस्त पत्र आरटीए या कंपनी को भिजवाए जाने चाहिए, जिनके पते नीचे दिए गये हैं :

लिक इनटाइम इंडिया प्राइवेट लिमिटेड  
सी १०१, २४७ पार्क, एल बी एस मार्ग,  
विक्रमोली (पश्चिम),  
मुंबई - ४०० ०८३.  
फ़ोन : ०२२-४९१८ ६०००  
फैक्स : ०२२-४९१८ ६०६०  
ई-मेल : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
वेबसाइट : [www.linkintime.com](http://www.linkintime.com)

मंगेश पाटील, अनुपालन अधिकारी  
वैधानिक व सेक्रेटेरियल विभाग  
बजाज इलेक्ट्रिकल्स लिमिटेड  
४५/४७, वीर नरीमन रोड,  
मुंबई - ४०० ००१.  
फ़ोन : ०२२-६११० ७८०० / ६१४९ ७०००  
ई-मेल : [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com)  
वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com)

## कारखानों / प्लांट्स की अवस्थिति :

### चाकण इकाई :

ग्राम महालुंगे, चाकण,  
चाकण-तलेगांव मार्ग,  
तालुका : खेड, जिला : पुणे,  
महाराष्ट्र - ४१० ५०१.

### रांजनगांव इकाई :

एमआईडीसी-रांजनगांव,  
ग्राम : ढोकसांगवी,  
तालुका : शिरूर, जिला : पुणे,  
महाराष्ट्र-४१२ २१०.

### विंड फ़ार्म :

ग्राम : वंकुसावडे  
तालुका : पाटण,  
जिला : सातारा,  
महाराष्ट्र-४१५ २०६.



# Financial Statements



# Independent Auditor's Report

To the Members of Bajaj Electricals Limited

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

1. We have audited the accompanying standalone Ind AS financial statements of Bajaj Electricals Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

2. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit

of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Key Audit Matters

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.
4. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.



## Key audit matters

## How our audit addressed the key audit matter

- A. Cost to complete estimates in the EPC business segment and receivable in respect of the Madhyanchal and Purvanchal projects [Refer Note 1D (3) of the standalone Ind AS financial statements]

Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of 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.

Further, for the year ended March 31, 2019, ₹1,60,893 lakh of the revenue from the EPC business segment pertains to the Madhyanchal and Purvanchal projects in Uttar Pradesh ('UP projects'). Also, as at March 31, 2019, ₹1,21,852 lakh of 'Trade receivables' and ₹657 lakh 'Amounts due to customers for contract work' relates to the aforesaid projects. The revenue and receivables of the UP projects are material to the financial statements.

Accordingly, cost to come estimates and receivables in respect of UP projects have been considered as a key audit matter.

Our audit procedures included the following:

- Evaluation of the design and operating effectiveness of controls relating to cost estimation;
- Selected projects by applying audit sampling techniques and examining whether the cost estimates for these projects are in line with the supplier quotations obtained by the management and other internal estimates where latest supplier quotations are not available. Further, examining the contingencies identified by the management in these projects and corroborating the same with internal / external evidence available with the management.
- Evaluation of delay analysis performed by the Company and testing with corroborative evidence like contractual terms and correspondences with the customers.
- For the UP projects, examined whether the recognition and measurement of the receivables are in line with terms and conditions of the contract entered into with the customer, including management assessment of recoverability of the outstanding balance as at March 31, 2019.

## Key audit matters

## How our audit addressed the key audit matter

- B. Impairment allowance on trade receivables pertaining to operationally closed projects in Power Distribution (PD) and Transmission Line Tower (TLT) business [Refer Note 1D (2) and Note 5 of the standalone Ind AS financial statements]

As at March 31, 2019, trade receivables of ₹23,968 lakh (net of impairment allowance of ₹6,694 lakh) related to amounts collectible in respect of operationally closed projects in the PD and TLT business.

In determining whether an impairment allowance is required, the management takes into consideration the aging status and likelihood of collection based on contractual terms, past experience, customer claims etc. Based on such assessment, specific allowances are made for receivables that are unlikely to be collected.

Due to the involvement of high level of management judgement and materiality of the amounts involved, we considered the same as a key audit matter.

Our audit procedures included the following

- Examined management basis for identification of amounts which are 'overdue' and 'not due' for operationally closed projects where the receivables were material. For these samples, assessed whether the rationale behind the management's judgment in determining the impairment provisions are adequate.
- Examined the provisions made for these receivables by evaluating the overdue balances, customer's historical payment patterns, and post year-end payments. Additionally, we also examined corroborative evidence including correspondence supporting any disputes between the parties involved, attempts by management to recover the amounts outstanding and the credit status of significant counterparties where available.

**Key audit matters****How our audit addressed the key audit matter**

- C. Recoverability of advances, investments in associates and recognition of liability for guarantee given for loans taken by associate [Refer Note 4.1, 4.2 and Note 40(a)(ix) of the standalone Ind AS financial statements]

As at March 31, 2019, the Company has the following in respect of Starlite Lighting Limited ('SLL'):-

- Equity investment of ₹1,637 lakh, fully impaired.
- Preference investment of ₹1,358 lakh measured at fair value through profit and loss
- Preference investment of ₹4,294 lakh measured at amortised cost, fully impaired
- Trade advances of ₹4,646 lakh (net of impairment allowance of ₹2,200 lakh)
- Loans of ₹280 lakh, fully impaired
- Financial guarantee of ₹24,200 lakh given by the Company for loans taken by SLL from the banks

SLL has been making losses over the past several years. Management has performed a fair value assessment by forecasting and discounting future cash flows which involve significant estimates and judgment and determined that:-

- a) No further impairment is required to be recorded for the year ended March 31, 2019.
- b) No liability is probable on the financial guarantee given by the Company for loans taken by SLL.

Accordingly, it has been determined as a key audit matter.

Our audit procedures included the following

- Obtained management's future cash flow forecasts for SLL and testing the mathematical accuracy of the underlying value-in-use calculations and agreeing them to the approved one-year financial budget and future forecasts.
- Comparing historical actual results to those budgeted and understanding the reasons for significant deviations in assessing the quality of management's forecasts.
- Assessing the key assumptions used in the fair value assessment, comprising sales growth rates, gross profit margin, net profit margin, perpetual growth rate and discount rates.
- Obtained the valuation report prepared by external valuation specialists from the management and assessed the reasonableness of the above assumptions used by management.
- Assessing the headroom calculation performed by the management based on the recoverable value determined above and by performing sensitivity testing of key assumptions used.

**Other Information**

5. The Company's Board of Directors is responsible for the other information. The other information comprises business responsibility report, corporate governance report and management discussion and analysis but does not include the standalone Ind AS financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the message from chairman, financial snapshot and directors' report which is expected to be made available to us after that date.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and shall comply with the relevant applicable requirements of the Standard on Audit for The Auditor's Responsibility in relation to Other Information in Documents containing audited financial statements.

**Responsibilities of Management for the Standalone Ind AS Financial Statements**

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of

the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order;
14. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of accounts required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting

Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 to the standalone Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Registration number: 324982E/E300003

**per Vikram Mehta**

Partner

Membership No.: 105938

Place: Mumbai

Date: May 22, 2019

## **Annexure 1 To The Independent Auditors Report Referred To In Paragraph 13 Under The Heading ‘Report On Other Legal And Regulatory Requirements’ Of Our Report Of Even Date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including
  - (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
  - (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
  - (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

(₹ lakh)

Matter	Year	Forum where dispute is pending				Total
		Dy. Commissioner / Commissioner / Jt. Commissioner Appeals	Appellate/ Revision	Tribunal	High court	
Entry Tax	2010-13	1.15	-	9.41	-	10.56
	2013-15	86.16	-	-	-	86.16
	2015-16	25.86	-	-	-	25.86
Sales tax	2005-07	37.80	-	9.38	-	47.18
	2007-10	27.08	-	1.82	-	28.89
	2010-12	19.60	-	-	6.40	26.00
	2012-14	667.68	211.48	881.51	309.80	2,070.47
	2014-15	1,041.38	-	19.38	-	1,060.76
	2015-17	240.15	-	5.75	-	245.90
Service Tax	2005-10	149.40	-	-	-	149.40
Customs	2016-17	15.49	-	-	-	15.49
<b>Grand total</b>		<b>2,311.75</b>	<b>211.48</b>	<b>927.25</b>	<b>316.20</b>	<b>3,766.68</b>

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders. The Company did not have any outstanding loans or borrowing dues to government during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the

financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible

debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Registration number: 324982E/E300003

**per Vikram Mehta**  
Partner

Membership No.: 105938

Place: Mumbai  
Date: May 22, 2019

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## **Annexure 2 To The Independent Auditors Report Of Even Date On The Standalone Financial Statements of Bajaj Electricals Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Bajaj Electricals Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and

detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Registration number: 324982E/E300003

**per Vikram Mehta**

Partner

Membership No.: 105938

Place: Mumbai

Date: May 22, 2019



# Balance Sheet

as at 31st March 2019

(₹ in lakh)

Particulars	Notes	As at 31-Mar-19	As at 31-Mar-18
<b>ASSETS</b>			
<b>Non -Current Assets</b>			
Property, plant and equipment	2	31,801.26	31,254.99
Capital work in progress	2	693.19	350.20
Intangible assets	3	427.42	327.98
Intangible assets under development	3	239.31	283.52
Investments in subsidiary, associate and joint venture	4.1	3,999.85	684.53
<b>Financial Assets</b>			
i) Investments	4.2	1,074.33	764.92
ii) Trade receivables	5	51,962.54	26,338.62
iii) Loans	6	1,606.76	6.17
iv) Other financial assets	7	2,326.25	1,906.05
Deferred tax assets (net)	8	6,376.66	7,353.18
Income tax assets (net)		5,349.84	828.12
Other non-current assets	9	12,146.49	9,530.49
<b>Total Non-Current Assets</b>		<b>118,003.90</b>	<b>79,628.77</b>
<b>Current Assets</b>			
Inventories	10	82,102.84	57,916.06
<b>Financial Assets</b>			
i) Trade receivables	5	262,294.08	174,875.13
ii) Cash and cash equivalents	11	1,119.74	2,181.97
iii) Bank balances other than (ii) above	11	482.52	392.20
iv) Loans	6	2.02	4.97
v) Other current financial assets	12	258.88	255.24
Other current assets	13	32,559.25	31,796.51
Contract assets	41	18,987.43	-
Assets classified as held for sale	14	219.41	219.41
<b>Total Current Assets</b>		<b>398,026.17</b>	<b>267,641.49</b>
<b>Total Assets</b>		<b>516,030.07</b>	<b>347,270.26</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	2,047.99	2,040.75
Other Equity	16	105,721.61	92,412.82
Share application money pending allotment		7.84	21.45
<b>Total Equity</b>		<b>107,777.44</b>	<b>94,475.02</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	17	21,262.12	1,147.14
ii) Trade payables	21	-	14.47
iii) Other financial liabilities	18	658.98	372.12
Provisions	19	1,644.33	1,130.24
Employee benefit obligations	20	6,133.02	6,372.50
<b>Total Non-Current Liabilities</b>		<b>29,698.45</b>	<b>9,036.47</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	17	136,491.98	70,615.33
ii) Trade payables	21		
Total Outstanding dues of micro enterprises & small enterprises		2,241.67	2,689.49
Total Outstanding dues of other than micro enterprises & small enterprises		106,971.37	82,752.87
iii) Other current financial liabilities	18	38,381.09	30,477.63
Provisions	19	8,963.78	6,468.13
Employee benefit obligations	20	6,069.91	8,111.86
Current tax liabilities (net)		962.56	2,292.90
Contract liabilities	41	63,123.25	-
Other current liabilities	22	15,348.57	40,350.56
<b>Total Current Liabilities</b>		<b>378,554.18</b>	<b>243,758.77</b>
<b>Total Liabilities</b>		<b>408,252.63</b>	<b>252,795.24</b>
<b>Total Equity &amp; Liabilities</b>		<b>516,030.07</b>	<b>347,270.26</b>
<b>Summary of significant accounting policies</b>	1B		
<b>The accompanying notes are an integral part of the Financial Statements</b>			

As per our report attached of even date

**For S R B C & CO LLP**

Firm Registration No. 324982E/E300003

Chartered Accountants

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

**Shekhar Bajaj**

Chairman & Managing Director  
DIN: 00089358

**Anuj Poddar**

Executive Director  
DIN: 01908009

**per Vikram Mehta**

Partner

Membership No.105938

Mumbai, May 22, 2019

**Mangesh Patil**

Executive Vice President

Legal & Company Secretary

**Anant Purandare**

President &

Chief Financial Officer

**Dr. Indu Shahani**

Chairman - Audit Committee

DIN: 00112289

# Statement of Profit and Loss

for the year ended 31st March 2019

(₹ In Lakh)

Particulars	Notes	31-Mar-19	31-Mar-18
<b>Income:</b>			
Revenue from operations	23	667,314.19	471,638.99
Other income	24	6,542.85	5,319.38
<b>Total Income</b>		<b>673,857.04</b>	<b>476,958.37</b>
<b>Expenses:</b>			
Cost of raw materials consumed	25	46,921.03	32,712.84
Purchases of traded goods		446,134.80	277,723.11
Changes in inventories of work-in-progress, finished goods, traded goods	25	(21,670.75)	10.89
Erection & subcontracting expenses	26	44,375.75	31,042.67
Excise duty	27	-	894.05
Employee benefit expenses	28	35,665.73	31,787.90
Depreciation and amortisation expense	29	3,846.31	3,394.49
Other expenses	30	81,052.77	68,123.02
Finance cost	31	11,587.66	5,886.47
<b>Total Expenses</b>		<b>647,913.30</b>	<b>451,575.44</b>
<b>Profit before exceptional items and tax</b>		<b>25,943.74</b>	<b>25,382.93</b>
Exceptional Items	42	-	8,936.26
<b>Profit before tax</b>		<b>25,943.74</b>	<b>16,446.67</b>
<b>Income tax expense:</b>			
Current tax	32	8,030.00	10,060.00
Deferred tax	8	1,207.06	(1,977.47)
Adjustment of tax relating to earlier periods	32	-	1.98
<b>Total tax expenses</b>		<b>9,237.06</b>	<b>8,084.51</b>
<b>Profit for the year</b>		<b>16,706.68</b>	<b>8,362.16</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss in subsequent periods	20		
Remeasurement (gains)/losses on defined benefit plans		659.75	(627.39)
Tax impacts on above		(230.54)	219.24
<b>Other comprehensive income, net of tax</b>		<b>429.21</b>	<b>(408.15)</b>
<b>Total Comprehensive Income, net of tax</b>		<b>16,277.47</b>	<b>8,770.31</b>
<b>Earnings per equity share before exceptional items (face value per share ₹ 2)</b>			
Basic		16.34	16.17
Diluted		16.30	16.09
<b>Earnings per equity share after exceptional items (face value per share ₹ 2)</b>			
Basic		16.34	8.23
Diluted		16.30	8.19
<b>Summary of significant accounting policies</b>	1B		
<b>The accompanying notes are an integral part of the Financial Statements</b>			

As per our report attached of even date

**For S R B C & CO LLP**

Firm Registration No. 324982E/E300003

Chartered Accountants

**For and on behalf of the Board of directors****Shekhar Bajaj**

Chairman &amp; Managing Director

DIN: 00089358

**Anuj Poddar**

Executive Director

DIN: 01908009

**per Vikram Mehta**

Partner

Membership No.105938

**Mangesh Patil**

Executive Vice President

Legal &amp; Company Secretary

**Anant Purandare**

President &amp;

Chief Financial Officer

**Dr. Indu Shahani**

Chairman - Audit Committee

DIN: 00112289

Mumbai, May 22, 2019

# Statement of Changes in Equity

for the year ended 31st March 2019

## A. Equity share capital (Note 15)

Particulars	Year Ended		Year Ended 31st March 2018
	31st March 2019	31st March 2019	
At the beginning of the year	2,040.75		2,025.80
Issue of equity share capital during the year	7.24		14.95
At the end of the year	<b>2,047.99</b>		<b>2,040.75</b>

(₹ In lakh)

## B. Other equity (Note 16)

Particulars	Reserves and surplus					Other reserves			Total
	Securities premium reserve	Debt redemption Reserve	Shares Outstanding	General Reserve	Retained earnings	Total	Capital Redemption Reserve	Capital Reserve	
<b>Balance at March 31, 2017</b>	<b>22,029.16</b>	<b>2,500.00</b>	<b>1,199.00</b>	<b>45,158.03</b>	<b>14,092.02</b>	<b>84,978.21</b>	<b>135.71</b>	<b>10.00</b>	<b>85,123.92</b>
Profit for the year	-	-	-	-	8,362.16	8,362.16	-	-	8,362.16
Other comprehensive income	-	-	-	-	408.15	408.15	-	-	408.15
<b>Total comprehensive income for the year</b>	<b>22,029.16</b>	<b>2,500.00</b>	<b>1,199.00</b>	<b>45,158.03</b>	<b>22,862.33</b>	<b>93,748.52</b>	<b>135.71</b>	<b>10.00</b>	<b>93,894.23</b>
Exercise of options - proceeds received	1,650.33	-	-	-	-	1,650.33	-	-	1,650.33
Exercise of options - transferred from shares options outstanding account	459.60	-	(459.60)	-	-	-	-	-	-
Employee stock option expense for the year	-	-	285.88	-	-	285.88	-	-	285.88
Transferred to General reserve for vested cancelled options	-	-	(6713)	6713	-	-	-	-	-
Dividend on equity shares	-	-	-	-	(2,839.50)	(2,839.50)	-	-	(2,839.50)
Dividend distribution tax	-	-	-	-	(578.12)	(578.12)	-	-	(578.12)
Transfer from Debt redemption reserve to General Reserve	-	(2,500.00)	-	2,500.00	-	-	-	-	-
<b>Balance at March 31, 2018</b>	<b>24,139.09</b>	<b>-</b>	<b>958.15</b>	<b>47,725.16</b>	<b>19,444.71</b>	<b>92,267.11</b>	<b>135.71</b>	<b>10.00</b>	<b>92,412.82</b>

(₹ In lakh)

# Statement of Changes in Equity

for the year ended 31st March 2019

## B. Other equity (Note 16) (Contd..)

(₹ In lakh)

Particulars	Reserves and surplus				Other reserves			Total
	Securities premium reserve	Debtenture Redemption Reserve	Shares Option Outstanding	General Reserve	Retained earnings	Capital Redemption Reserve	Capital Reserve	
<b>Balance at March 31, 2018</b>	<b>24,139.09</b>	-	<b>958.15</b>	<b>47,725.16</b>	<b>19,444.71</b>	<b>135.71</b>	<b>10.00</b>	<b>92,412.82</b>
Profit for the year	-	-	-	-	16,706.68	-	-	16,706.68
Other comprehensive income	-	-	-	-	(429.21)	-	-	(429.21)
<b>Total comprehensive income for the year</b>	<b>24,139.09</b>	-	<b>958.15</b>	<b>47,725.16</b>	<b>35,722.18</b>	<b>135.71</b>	<b>10.00</b>	<b>108,690.29</b>
Exercise of options - proceeds received	951.99	-	-	-	-	-	-	951.99
Exercise of options - transferred from shares options outstanding account	370.06	-	(370.06)	-	-	-	-	-
Employee stock option expense for the year	-	-	389.30	-	-	-	-	389.30
Transferred to General reserve for vested cancelled options	-	-	(63.62)	63.62	-	-	-	-
Dividend on equity shares	-	-	-	-	(3,574.96)	-	-	(3,574.96)
Dividend distribution tax	-	-	-	-	(735.01)	-	-	(735.01)
Transfer to Debenture redemption reserve from General Reserve	-	4,625.00	-	(4,625.00)	-	-	-	-
<b>Balance at March 31, 2019</b>	<b>25,461.14</b>	<b>4,625.00</b>	<b>913.77</b>	<b>43,163.78</b>	<b>31,412.21</b>	<b>135.71</b>	<b>10.00</b>	<b>105,721.61</b>

### Summary of significant accounting policies (Note 1B)

The accompanying notes are an integral part of the Financial Statements

### For S R B C & CO LLP

Firm Registration No. 324982E/E300003

Chartered Accountants

For and on behalf of the Board of directors

<b>per Vikram Mehta</b> Partner Membership No.105938 Mumbai, May 22, 2019	<b>Mangesh Patil</b> Executive Vice President Legal & Company Secretary	<b>Anant Purandare</b> President & Chief Financial Officer	<b>Dr. Indu Shahani</b> Chairman - Audit Committee DIN: 00112289	<b>Shekhar Bajaj</b> Chairman & Managing Director DIN: 00089358	<b>Anuj Poddar</b> Executive Director DIN: 01908009
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# Cash Flow Statement

for the year ended 31st March 2019

(₹ In lakh)

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
<b>Cash flow from operating activities</b>		
<b>Profit before income tax</b>	<b>25,943.74</b>	<b>16,446.67</b>
Adjustments for:		
Depreciation and amortisation expense	3,846.31	3,394.49
Employee share-based payment expense	389.30	285.88
(Gain)/Loss on disposal of property, plant and equipment	31.37	(135.74)
Measurement of financial assets held at fair value through Profit or Loss	28.54	2,128.66
Measurement of financial assets and liabilities held at amortised cost	(406.00)	2,961.89
Measurement of provisions at fair value	(162.65)	(60.00)
Impairment of investment in joint venture	-	1,637.18
Income from financial guarantee contracts	(676.01)	(239.42)
Impairment of property, plant & equipment	729.36	-
Finance costs	11,587.66	5,886.47
Interest income	(1,225.19)	(2,466.79)
Impairment allowance for doubtful debts & advances (net of write back)	(2,405.50)	4,369.17
Bad debts and other irrecoverable debit balances written off	1,606.63	2,492.78
	<b>39,287.56</b>	<b>36,701.24</b>
<b>Change in operating assets and liabilities:</b>		
(Increase)/decrease in trade receivables (current & non-current)	(111,757.14)	(39,963.61)
(Increase)/decrease in financial and other assets (current & non-current)	(21,654.62)	(15,086.90)
(Increase)/decrease in inventories	(24,186.78)	(796.46)
Increase/(decrease) in trade payables , provisions, employee benefit obligations, other financial liabilities and other liabilities (current & non-current)	72,002.19	14,299.34
	<b>(46,308.79)</b>	<b>(4,846.39)</b>
<b>Cash generated from / (used in ) operations</b>	<b>(46,308.79)</b>	<b>(4,846.39)</b>
Income taxes paid	(13,882.06)	(5,440.64)
	<b>(60,190.85)</b>	<b>(10,287.03)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment including capital work in progress and capital advances	(5,460.34)	(3,152.04)
Purchase of intangible assets including intangible assets under development	(245.19)	(653.40)
Proceeds from sale of property, plant and equipment including advances received	98.69	257.67
Proceeds from sale of non current assets held for sale	-	34.16
Loans and advances (given) / repaid by subsidiary, associate and joint ventures (net)	(3,442.21)	(44.49)
Purchase of investments	(3,572.97)	(3.50)
(Increase)/decrease in Bank Deposits	(81.00)	6,100.91
Interest received	16.91	1,069.32

# Cash Flow Statement

for the year ended 31st March 2019

(₹ In Lakh)

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(12,686.11)</b>	<b>3,608.63</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares including shares pending allotment	945.62	1,686.73
Proceeds from borrowings	101,966.09	34,480.77
Repayment of borrowings	(16,003.31)	(18,775.40)
Interest paid	(10,789.60)	(7,628.32)
Dividends paid to company's shareholders	(3,569.06)	(2,833.52)
Tax on dividend paid	(735.01)	(578.12)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>71,814.73</b>	<b>6,352.14</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,062.23)</b>	<b>(326.26)</b>
Cash and cash equivalents at the beginning of the financial year	2,181.97	2,508.23
<b>Cash and cash equivalents at end of the year</b>	<b>1,119.74</b>	<b>2,181.97</b>

## Change in liability arising from financing activities

(₹ in Lakh)

<b>Borrowings as on April 1, 2018</b>	<b>71,762.47</b>
Proceeds from borrowings	101,966.09
Repayment of borrowings	(16,003.31)
Foreign exchange movement	28.85
<b>Borrowings as on March 31, 2019</b>	<b>157,754.10</b>

## Summary of significant accounting policies (Note 1B)

The accompanying notes are an integral part of the Financial Statements

### For S R B C & CO LLP

Firm Registration No. 324982E/E300003

Chartered Accountants

### For and on behalf of the Board of directors

#### Shekhar Bajaj

Chairman &amp; Managing Director

DIN: 00089358

#### Anuj Poddar

Executive Director

DIN: 01908009

#### per Vikram Mehta

Partner

Membership No.105938

#### Mangesh Patil

Executive Vice President

Legal &amp; Company Secretary

#### Anant Purandare

President &amp;

Chief Financial Officer

#### Dr. Indu Shahani

Chairman - Audit Committee

DIN: 00112289

Mumbai, May 22, 2019

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

## 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).



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

## 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 contracts 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 not 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 its corresponding asset, the component is depreciated over its 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.

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

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

# Notes to Financial Statements

for the year ended 31st March 2019

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 recognised 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.

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

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 substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

## 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 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



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

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 (RPF 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

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

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 or 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.

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

## **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	Plant & Furniture & Installations	Electrical & Installations	Office Equipment	Vehicles	Dies & Jigs	Leasehold Improvements	Temporary Structures	Roads & Borewell	IT Hardware	Total
<b>Opening gross block as at 1st April 2017</b>	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	-	-
<b>Closing gross block as at 31st March 2018</b>	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)	(4.26)	(83.59)	-	-	-	-	(56.82)	(217.66)
<b>Closing gross block as at 31st March 2019</b>	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
<b>Opening accumulated depreciation as at 1st April 2017</b>	-	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	2,010.7	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	-	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation as at 31st March 2018</b>	-	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	2,010.7	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)
<b>Closing accumulated depreciation as at 31st March 2019</b>	-	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
<b>Impairment allowance as on April 1, 2018</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	Lease	Building	Ownership	Plant & Furniture	Electrical	Office	Vehicles	Dies &	Leasehold	Temporary	Roads &	IT	Total
	Land	hold	Land	Premises	Machinery	& Installations	Equipment		Jigs	Improvements	Structures	Borewell	Hardware	
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	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	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:

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

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

### 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
<b>Investment in equity instruments of subsidiary, associate &amp; joint venture (fully paid up)</b>		
<b>Unquoted</b>		
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	-
	<b>3,315.32</b>	-
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)
	<b>684.53</b>	<b>684.53</b>
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)
	-	-
<b>Total investments in subsidiary, associate &amp; joint venture</b>	<b>3,999.85</b>	<b>684.53</b>



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

## Note 4.2 : Financial assets (Investments)

### 4.2 (a) Investment in equity instruments

	31-Mar-19	31-Mar-18
(₹ In lakh)		
<b>Investment in equity shares</b>		
<b>Unquoted</b>		
<b>Measured at fair value through profit and loss</b>		
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
<b>Total equity instruments</b>	<b>0.10</b>	<b>0.10</b>

### 4.2 (b) Investment in debt instruments

	31-Mar-19	31-Mar-18
(₹ In lakh)		
<b>Investment in venture capital fund</b>		
<b>Unquoted</b>		
<b>Measured at fair value through profit and loss</b>		
Units of Bharat Innovation Fund	229.10	-
<b>Investment in preference shares (fully paid up)</b>		
<b>Unquoted</b>		
<b>Measured at fair value through profit and loss</b>		
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)
	-	-
<b>Measured at amortised cost</b>		
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

	31-Mar-19	31-Mar-18
		(₹ In lakh)
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)
	-	-
<b>Total debt instruments</b>	<b>1,074.23</b>	<b>764.82</b>
<b>Total non-current investments</b>	<b>1,074.33</b>	<b>764.92</b>

\* 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

	31-Mar-19	31-Mar-18
		(₹ In lakh)
Current	262,294.08	174,875.13
Non-current	51,962.54	26,338.62
	<b>314,256.62</b>	<b>201,213.75</b>
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
<b>Total</b>	<b>328,627.84</b>	<b>217,947.70</b>
Impairment allowance (allowance for bad and doubtful debts)	(14,371.22)	(16,733.95)
<b>Total trade receivables (net of impairment allowance)</b>	<b>314,256.62</b>	<b>201,213.76</b>

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

## 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.

	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

(₹ In lakh)

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)

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

(₹ In lakh)

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 its working capital requirements.

	31-Mar-19	31-Mar-18
<b>Current</b>		
Secured, considered good (gross)	2.02	4.97
<b>Total current loans</b>	<b>2.02</b>	<b>4.97</b>

(₹ In lakh)

# 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)
	<b>2,201.52</b>	<b>1,881.04</b>
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
<b>Total non-current other financial assets</b>	<b>2,326.25</b>	<b>1,906.05</b>

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)
<b>Total deferred tax assets</b>	<b>6,376.66</b>	<b>7,353.18</b>

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
<b>Total deferred tax assets</b>	<b>9,710.09</b>	<b>10,508.55</b>

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

## 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
<b>At 31st March, 2017</b>	<b>143.26</b>	<b>1,636.75</b>	<b>5,898.58</b>	<b>395.15</b>	-	<b>789.40</b>	<b>8,863.14</b>
(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
<b>At 31st March, 2018</b>	<b>-</b>	<b>1,307.72</b>	<b>7,133.17</b>	<b>267.94</b>	<b>485.09</b>	<b>1,314.63</b>	<b>10,508.55</b>
(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
<b>At 31st March, 2019</b>	<b>206.65</b>	<b>966.80</b>	<b>6,295.07</b>	<b>143.60</b>	<b>466.76</b>	<b>1,631.21</b>	<b>9,710.09</b>

### 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
<b>Total deferred tax liabilities</b>	<b>3,333.43</b>	<b>3,155.37</b>

### 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
<b>At 31st March, 2017</b>	<b>2,965.71</b>	<b>192.42</b>	<b>82.49</b>	<b>-</b>	<b>27.57</b>	<b>3,268.19</b>
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
<b>At 31st March, 2018</b>	<b>2,977.35</b>	<b>79.76</b>	<b>66.53</b>	<b>31.73</b>	<b>-</b>	<b>3,155.37</b>
Charged / (credited) :						
to Statement of Profit or Loss	170.19	27.17	12.43	(31.73)	-	178.06
to other comprehensive income	-	-	-	-	-	-
<b>At 31st March, 2019</b>	<b>3,147.54</b>	<b>106.93</b>	<b>78.96</b>	<b>-</b>	<b>-</b>	<b>3,333.43</b>

# Notes to Financial Statements

for the year ended 31st March 2019

## Note 9 : Other non-current assets

	31-Mar-19	31-Mar-18
	(₹ In lakh)	
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
	<b>14,867.02</b>	<b>12,237.39</b>
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)
<b>Total other non-current assets</b>	<b>12,146.49</b>	<b>9,530.49</b>

\*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

	31-Mar-19	31-Mar-18
	(₹ In lakh)	
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
<b>Total Inventories</b>	<b>82,102.84</b>	<b>57,916.06</b>

### 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

	31-Mar-19	31-Mar-18
	(₹ In lakh)	
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
<b>Total cash and cash equivalents</b>	<b>1,119.74</b>	<b>2,181.97</b>

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

## Note 11 : Bank balances

	31-Mar-19	31-Mar-18
	(₹ In lakh)	
Unpaid Dividend Accounts	94.81	88.91
Deposits with maturity of more than three months & less than twelve months	387.71	303.29
<b>Total other bank balances</b>	<b>482.52</b>	<b>392.20</b>

## Note 12 : Other current financial assets

	31-Mar-19	31-Mar-18
	(₹ In lakh)	
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
<b>Total other current financial assets</b>	<b>258.88</b>	<b>255.24</b>

## Note 13 : Other current assets

	31-Mar-19	31-Mar-18
	(₹ In lakh)	
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
<b>Total other current assets</b>	<b>32,559.25</b>	<b>31,796.51</b>

\*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

	31-Mar-19	31-Mar-18
	(₹ In lakh)	
Building	219.41	219.41
<b>Total assets classified as held for sale</b>	<b>219.41</b>	<b>219.41</b>

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

	31-Mar-19 Amount	31-Mar-18 Amount
	(₹ In lakh)	
<b>Authorised</b>		
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
<b>As at 31st March 2017</b>	<b>101,290,176</b>	<b>2,025.80</b>
Exercise of Options under employee stock option scheme	747,325	14.95
<b>As at 31st Mar 2018</b>	<b>102,037,501</b>	<b>2,040.75</b>
Exercise of Options under employee stock option scheme	362,100	7.24
<b>As at 31st Mar 2019</b>	<b>102,399,601</b>	<b>2,047.99</b>

### 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.



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

## 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
Jamnallal 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
<b>Total reserves and surplus</b>	<b>105,721.61</b>	<b>92,412.82</b>

### i) Securities premium reserve

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
<b>Opening Balance</b>	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
<b>Closing Balance</b>	<b>25,461.14</b>	<b>24,139.09</b>

### ii) Debenture redemption reserve

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
<b>Opening Balance</b>	-	2,500.00
Add / (Less): Transferred from / to General Reserve	4,625.00	(2,500.00)
<b>Closing Balance</b>	<b>4,625.00</b>	<b>-</b>

# 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
<b>Opening Balance</b>	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
<b>Closing Balance</b>	<b>43,163.78</b>	<b>47,725.16</b>

### iv) Shares options outstanding account

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
<b>Opening Balance</b>	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)
<b>Closing Balance</b>	<b>913.77</b>	<b>958.15</b>

### v) Retained earnings

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
<b>Opening Balance</b>	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)
<b>Closing Balance</b>	<b>31,412.21</b>	<b>19,444.71</b>

### vi) Capital reserve

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
Opening Balance	10.00	10.00
Closing Balance	<b>10.00</b>	<b>10.00</b>

### vii) Capital redemption reserve

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
Opening Balance	135.71	135.71
Closing Balance	<b>135.71</b>	<b>135.71</b>

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

## 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

Particulars	(₹ In lakh)	
	31-Mar-19	31-Mar-18
<b>Cash dividends on equity shares declared and paid:</b>		
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
<b>Non-current</b>			
<b>Unsecured</b>			
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	-
<b>Total unsecured non-current borrowings</b>		<b>21,262.12</b>	<b>1,147.14</b>
<b>Total non-current borrowings</b>		<b>21,262.12</b>	<b>1,147.14</b>
<b>Current</b>			
<b>Secured</b>			
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	-
<b>Total secured current borrowings</b>		<b>12,379.10</b>	<b>13,142.43</b>
<b>Unsecured</b>			
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
<b>Total unsecured current borrowings</b>		<b>124,112.88</b>	<b>57,472.90</b>
<b>Total current borrowings</b>		<b>136,491.98</b>	<b>70,615.33</b>

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:

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

### 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	Redeemable at premium at ₹ 13,66,517 per debenture	18,500.00
	₹ 7500 lakh - 20-08-2021	Redeemable at premium at ₹ 12,98,956 per debenture	
	₹ 3500 lakh - 19-02-2021	Redeemable at premium at ₹ 12,31,431 per debenture	

\* 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	6M LIBOR + 225 bps	2,081.41
	9-May-21		

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

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

## 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
			<b>29,000.00</b>

### 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
			<b>22,202.50</b>

### 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

- First pari passu charge by way of hypothecation of inventories, book debts and all movable assets under the head 'property, plant and equipment'.
- First pari passu charge on the Company's immovable properties at

- Wardha premises - Plot no. 36, Block no. 17, Mouza no. 225, Bacharaj road, Gandhi Chowk, Wardha
- Hari Kunj - Flat No. 103 and 104, 'B' wing, Sindhi Society, Chembur East, Mumbai - 400071
- Showroom on Ground floor and Office Premises on Second Floor at Bajaj Bhawan 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.
- Delhi Office : No. DSM-514 to DSM-521, DLF Tower, 5th Floor, 15 Shivaji Marg, Nazafgarh Road Industrial Area, Delhi - West, Delhi -110015
- Office Premises No : 001, 502, 701 and 801, 'Rustomjee Aspiree', Bhanu Shankar Yagnik Marg, Off Eastern Highway, Sion (East), Mumbai - 400 022
- 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

	31-Mar-19	31-Mar-18
(₹ In lakh)		
<b>Non Current</b>		
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	-
<b>Total other non-current financial liabilities</b>	<b>658.98</b>	<b>372.12</b>

	31-Mar-19	31-Mar-18
(₹ In lakh)		
<b>Current</b>		
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
<b>Total other current financial liabilities</b>	<b>38,381.09</b>	<b>30,477.63</b>

All the above financial liabilities are carried at amortised cost except for derivative liabilities (forward exchange contracts) which are fair valued through profit and loss and financial guarantee contracts which are initially recognised at fair value.



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

## 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
<b>Total Provisions</b>	<b>8,963.78</b>	<b>1,644.33</b>	<b>10,608.11</b>	<b>6,468.13</b>	<b>1,130.24</b>	<b>7,598.37</b>

Movement in provisions is as given below:

Particulars	Service Warranties	Legal Claims	Other matters
<b>Opening balance as on 1st April, 2017</b>	<b>6,766.38</b>	<b>473.38</b>	<b>652.00</b>
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)	-
<b>Closing balance as on 31st March, 2018</b>	<b>5,723.20</b>	<b>525.17</b>	<b>1,350.00</b>
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)	-	-
<b>Closing balance as on 31st March, 2019</b>	<b>7,038.19</b>	<b>542.92</b>	<b>3,027.00</b>

\*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
<b>Total employee benefit obligations</b>	<b>6,069.91</b>	<b>6,133.02</b>	<b>12,202.93</b>	<b>8,111.86</b>	<b>6,372.50</b>	<b>14,484.36</b>

# 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

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

## 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	<b>Service</b>	<b>Benefits</b>
	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	<b>Service</b>	<b>Benefits</b>
	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
<b>Present Value of Obligation as at the beginning</b>	<b>489,564,944</b>	<b>508,365,669</b>
Current Service Cost	61,005,839	65,694,967
Interest Cost	37,180,525	34,036,423
<b>Re-measurement (or Actuarial) (gain) / loss arising from:</b>		
- 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)
<b>Present Value of Obligation as at the end</b>	<b>507,442,068</b>	<b>489,564,944</b>

# 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
<b>Fair Value of Plan Assets as at the beginning</b>	<b>32,114,822</b>	<b>34,051,747</b>
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
<b>Fair Value of Plan Assets as at the end</b>	<b>32,280,217</b>	<b>32,114,822</b>

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

Particulars	For the year ending	
	31-Mar-19	31-Mar-18
<b>Fair Value of Reimbursement Right as at the beginning</b>	<b>466,633,252</b>	<b>432,920,189</b>
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
<b>Fair Value of Reimbursement Right as at the end</b>	<b>416,256,896</b>	<b>466,633,252</b>

\* 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
<b>Surplus / (Deficit)</b>	<b>(475,161,851)</b>	<b>(457,450,122)</b>
Effects of Asset Ceiling, if any	-	-
<b>Net Actuarially Valued Asset / (Liability)</b>	<b>(475,161,851)</b>	<b>(457,450,122)</b>
<b>Liability on an actual basis for employees at foreign branches</b>	<b>(233,575)</b>	<b>(101,856)</b>
<b>Total Net Asset / (Liability)</b>	<b>(475,395,426)</b>	<b>(457,551,978)</b>

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

## 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
<b>Costs charged to statement of profit and loss :</b>		
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)
<b>Expense recognised in statement of profit and loss</b>	<b>60,308,417</b>	<b>68,466,387</b>
<b>Re-measurement (or Actuarial) (gain) / loss arising from:</b>		
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)
<b>(Income) / Expense recognised in Other Comprehensive Income</b>	<b>9,612,944</b>	<b>(65,910,683)</b>
<b>Total Expense Recognised during the year</b>	<b>69,921,361</b>	<b>2,555,704</b>

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%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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.

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

## 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) RPF 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
<b>Present Value of Obligation as at the beginning</b>	<b>1,254,066,329</b>	<b>1,107,106,009</b>
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)
<b>Re-measurement (or Actuarial) (gain) / loss arising from:</b>		
- experience variance (i.e. Actual experience vs assumptions), loss if positive	2,564,505	3,171,338
<b>Present Value of Obligation as at the end</b>	<b>1,356,553,733</b>	<b>1,254,066,329</b>

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
<b>Fair Value of Plan Assets as at the beginning</b>	<b>1,283,207,575</b>	<b>1,131,585,274</b>
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
<b>Fair Value of Plan Assets as at the end</b>	<b>1,315,938,179</b>	<b>1,283,207,575</b>



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

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

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	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
<b>Surplus / (Deficit)</b>	<b>(76,356,807)</b>	<b>(3,615,297)</b>
Effects of Asset Ceiling, if any	-	-
<b>Net Asset / (Liability)</b>	<b>(76,356,807)</b>	<b>(3,615,297)</b>

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	31-Mar-18
<b>Costs charged to statement of profit and loss :</b>		
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)
<b>Expense recognised in statement of profit and loss</b>	<b>68,568,910</b>	<b>73,378,274</b>
<b>Re-measurement (or Actuarial) (gain) / loss arising from:</b>		
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)
<b>Expense recognised in Other Comprehensive Income</b>	<b>67,704,089</b>	<b>(19,396,247)</b>
<b>Total Expense Recognised during the year</b>	<b>136,272,999</b>	<b>53,982,027</b>

\* 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		31-Mar-18	
	HO Unit	Chakan Unit	HO Unit	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)			

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

## Note 20 : Employee Benefit Obligations (Contd..)

Particulars	As on	
	31-Mar-19	31-Mar-18
	Live Employees	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	<b>5,288</b>	<b>5,094</b>
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%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### 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%

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

## 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

	31-Mar-19	31-Mar-18
(₹ In lakh)		
<b>Current</b>		
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
<b>Total current trade payables</b>	<b>109,213.04</b>	<b>85,442.36</b>
<b>Non-Current</b>		
Retention payable to contractor	-	14.47
<b>Total non-current trade payables</b>	<b>-</b>	<b>14.47</b>

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:

	31-Mar-19	31-Mar-18
(₹ In lakh)		
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..)

	31-Mar-19	31-Mar-18
		(₹ In lakh)
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

	31-Mar-19	31-Mar-18
		(₹ In lakh)
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
<b>Total other current liabilities</b>	<b>15,348.57</b>	<b>40,350.56</b>

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

## Note 23 : Revenue from operations

	31-Mar-19	31-Mar-18
		(₹ In lakh)
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
<b>Total revenue from operations (Refer Note 41(i))</b>	<b>667,314.19</b>	<b>471,638.99</b>

\* 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)	
	<b>31-Mar-19</b>	<b>31-Mar-18</b>
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
<b>Total other income</b>	<b>6,542.85</b>	<b>5,319.38</b>

\* 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)	
	<b>31-Mar-19</b>	<b>31-Mar-18</b>
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
<b>Total cost of raw material consumed</b>	<b>46,921.03</b>	<b>32,712.84</b>

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

	(₹ In lakh)	
	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>Opening balance</b>		
Work in progress	1,195.61	726.54
Finished Goods	7,006.62	5,445.94
Traded goods	40,064.13	42,104.77
<b>Total opening balance</b>	<b>48,266.36</b>	<b>48,277.25</b>
<b>Closing balance</b>		
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
<b>Total Closing balance</b>	<b>69,937.11</b>	<b>48,266.36</b>
<b>Total Changes in inventories of work in progress, traded goods and finished goods</b>	<b>(21,670.75)</b>	<b>10.89</b>

# Notes to Financial Statements

for the year ended 31st March 2019

## Note 26 : Erection & subcontracting expenses

	31-Mar-19	31-Mar-18
		(₹ In lakh)
Erection and subcontracting expense	44,375.75	31,042.67
<b>Total Erection &amp; subcontracting expense</b>	<b>44,375.75</b>	<b>31,042.67</b>

## Note 27 : Excise duty

	31-Mar-19	31-Mar-18
		(₹ In lakh)
Excise Duty	-	894.05
<b>Total Excise Duty</b>	<b>-</b>	<b>894.05</b>

## Note 28 : Employee benefit expenses

	31-Mar-19	31-Mar-18
		(₹ In lakh)
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
<b>Total employee benefit expense</b>	<b>35,665.73</b>	<b>31,787.90</b>

## Note 29 : Depreciation and amortisation expense

	31-Mar-19	31-Mar-18
		(₹ In lakh)
Depreciation of property, plant and equipment	3,656.35	3,350.20
Amortisation of intangible assets	189.96	44.29
<b>Total depreciation and amortisation expense</b>	<b>3,846.31</b>	<b>3,394.49</b>



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

## Note 30 : Other expenses

	31-Mar-19	31-Mar-18
		(₹ In lakh)
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
<b>Total other expenses</b>	<b>81,052.77</b>	<b>68,123.02</b>

# Notes to Financial Statements

for the year ended 31st March 2019

## Note 30(a) : Details of payment to auditors

	31-Mar-19	31-Mar-18
	(₹ In lakh)	
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-imburement of expenses	6.27	5.01
<b>Total payment to auditors</b>	<b>145.67</b>	<b>130.04</b>

## Note 30(b) : Corporate social responsibility expenditure

	31-Mar-19	31-Mar-18
	(₹ In lakh)	
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

	31-Mar-19	31-Mar-18
	(₹ In lakh)	
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
<b>Total</b>	<b>11,587.66</b>	<b>5,886.47</b>

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

## Note 32 : Income Tax Expense

### (a) Income Tax Expense

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

### (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	<b>25,943.99</b>	<b>16,446.67</b>
Income Tax @ standard tax rate of 34.944% (March 31, 2018 - 34.608%)	9,065.87	5,691.86
<b>Tax effect of amounts which are not deductible in calculating taxable income :</b>		
- 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
<b>Other items affecting effective tax rate:</b>		
- 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)
<b>Income Tax Expense reported in statement of profit and loss</b>	<b>9,237.06</b>	<b>8,084.51</b>

\* 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
<b>I. Details of the ESOS :</b>				
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 exercised 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.		

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

## 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
<b>Range of Exercise Price</b>	<b>Weighted average contractual life (years) as on March 31, 2019</b>		
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

	<b>Weighted average contractual life (years) as on March 31, 2018</b>		
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

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

## 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	No options granted during	6.89%
2. Expected Life (in years)	the year	the year	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 dividend 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 :

Particulars	(₹ In lakh)	
	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



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

## 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
<b>A. Financial assets</b>		
<b>I. Measured at amortized cost</b>		
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
<b>II. Measured at fair value through profit and loss (FVTPL)</b>		
Other Financial Assets		
- Forward contracts	7.04	19.65
- Fair value of call option	108.95	-
Investments	229.20	0.10
	<b>321,127.12</b>	<b>206,725.27</b>
<b>B. Financial liabilities</b>		
<b>I. Measured at amortized cost</b>		
Borrowings	157,754.10	71,762.47
Trade Payables	109,213.04	85,456.83
Other Financial Liabilities	38,457.65	30,830.96
<b>II. Measured at fair value through profit and loss (FVTPL)</b>		
Other Financial Liabilities		
- Forward contracts	146.93	18.79
- Fair value of put option	435.49	-
	<b>306,007.21</b>	<b>188,069.05</b>

(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
<b>As at March 31, 2019</b>						
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
		<b>927.61</b>	<b>2,285.23</b>	<b>-</b>	<b>153.97</b>	<b>2,131.26</b>
<b>As at March 31, 2018</b>						
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	
		<b>38.54</b>	<b>1,396.06</b>	<b>-</b>	<b>38.44</b>	<b>1,357.62</b>

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.

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

## 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

Particulars	(₹ In lakh)
	<b>31-Mar-18</b>
<b>Impairment allowance on 31 March 2018</b>	<b>17,933.13</b>
Created during the year	403.70
Reversed during the year	(2,802.13)
<b>Impairment allowance on 31 March 2019</b>	<b>15,534.70</b>

### 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.

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

## 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

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

(₹ In lakh)

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:

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
<b>Total</b>	<b>306,007.21</b>	<b>284,086.11</b>	<b>4,685.13</b>	<b>23,037.04</b>	<b>-</b>	<b>311,808.28</b>

(₹ 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
<b>Total</b>	<b>188,069.04</b>	<b>186,857.51</b>	<b>622.49</b>	<b>823.36</b>	<b>16.65</b>	<b>188,320.01</b>

(₹ In lakh)

## (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

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 lakh)

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

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

## 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

Particulars	(₹ In lakh)	
	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)
<b>Operating Segment Profit</b>	<b>37,503.81</b>	<b>30,283.39</b>
<b>Unallocated income / (expenses)</b>		
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
<b>Profit before income tax</b>	<b>25,943.74</b>	<b>16,446.67</b>

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:

Particulars	(₹ In lakh)	
	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
<b>Sub-total</b>	<b>667,314.19</b>	<b>471,638.99</b>
Less: Inter Segment Revenue	-	-
<b>Net Sales / Income from Operations</b>	<b>667,314.19</b>	<b>471,638.99</b>

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:



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

## NOTE 37: Segment reporting (Contd..)

Particulars	(₹ In lakh)	
	31-Mar-19	31-Mar-18
India	658,144.56	466,102.24
Outside India	9,169.63	5,536.75
<b>Total</b>	<b>667,314.19</b>	<b>471,638.99</b>

### 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.

Particulars	(₹ In lakh)	
	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
<b>Total Segment Assets</b>	<b>470,269.88</b>	<b>305,483.10</b>
<b>Unallocated</b>		
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
<b>Total assets as per balancesheet</b>	<b>516,030.07</b>	<b>347,270.26</b>

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:

Particulars	(₹ In lakh)	
	As at March 31, 2019	As at March 31, 2018
India	31,799.33	31,250.40
Outside India	1.93	4.59
<b>Total</b>	<b>31,801.26</b>	<b>31,254.99</b>

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.

Particulars	(₹ In lakh)	
	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	-	-
<b>Total Segment Liabilities</b>	<b>244,808.26</b>	<b>173,859.60</b>
<b>Unallocated</b>		
Borrowings	158,220.52	72,310.41
Others	5,223.85	6,625.23
<b>Total liabilities as per balancesheet</b>	<b>408,252.63</b>	<b>252,795.24</b>

## Note 38: Disclosure of transactions with related parties

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
<b>(A) Parent Entities</b>					
	Not Applicable				
<b>(B) Subsidiaries</b>					
	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)	-	-
<b>(C) Associate - Hind Lamps Limited</b>					
	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

# 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
	Finance Income of preference shares (financial asset at amortised cost)	80.31	-	72.68	-
<b>(D) Joint Venture - Starlite Lighting Limited</b>					
	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	-
<b>(E) Key Mangement Personnel #</b>					
	Short-term employee benefits	1,562.25	(657.30)	1,645.80	(942.82)
	Gratuity settlement	647.00	-	-	-
	Post- employment benefits (contribution to super annuation fund)	51.63	-	53.95	-
	Long-term employee benefits (contribution to provident fund)	39.22	-	43.16	-
	Perquisite value of ESOPs exercised during the year	7.34	-	25.01	-
	<b>Total Compensation</b>	<b>2,307.43</b>	<b>(657.30)</b>	<b>1,767.92</b>	<b>(942.82)</b>
<b>(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</b>					
	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.

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

## 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
<b>Earnings Per Share in ₹ :-</b>		
(a) Basic before exceptional items (A/C)	16.34	16.17
(b) Diluted before exceptional items (A/D)	16.30	16.09
<b>Earnings Per Share in ₹ :-</b>		
(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
<b>Contingent Liabilities not provided for :</b>		
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.

Particulars	(₹ In lakh)	
	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

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

## 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
<b>A. Revenue from contracts with customers</b>	
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
<b>Total</b>	<b>665,754.90</b>
<b>B. Reconciliation of contracted price with (A) above</b>	
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)
<b>Revenue from contracts with customers (a)</b>	<b>665,754.90</b>
Add: Other revenue (b)	
Claims received, export incentives, etc	1,559.29
<b>Revenue from operations (a+b)</b>	<b>667,314.19</b>

### (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:

Particulars	(₹ In lakh)	
	31-Mar-19	
Consumer products	8,155.15	
EPC	2,62,057.10	
<b>Total</b>	<b>270,212.25</b>	



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

## 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.

Particulars	(₹ In lakh)
	<b>31-Mar-19</b>
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:

Particulars	(₹ In lakh)
	<b>Impairment Amount</b>
<b>Non-current equity investments (unquoted)</b>	
5,875,000 (March 31, 2017 - 2,375,000) equity shares of ₹10 each of Starlite Lighting Ltd	1,637.19
<b>Non-current debt instruments (preference shares)</b>	
<b>At fair value through profit and loss</b>	
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
<b>Non-current loans and advances</b>	
Loan	280.00
Advances	2,200.00
<b>Total</b>	<b>9,237.42</b>
- disclosed under 'other expenses' (Note 30) *	<b>301.16</b>
- disclosed as exceptional item	<b>8,936.26</b>

\* 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.

Particulars	(₹ In lakh)	
	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
<b>Total Spent on CSR</b>	<b>224.95</b>	<b>195.30</b>
Amount unspent by Bajaj Electricals Foundation (BEF) to be carried forward to the next Financial year	14.89	-
<b>Total</b>	<b>239.84</b>	<b>195.30</b>

**Note 44:** Previous year's figures have been regrouped / reclassified 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

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

**Shekhar Bajaj**

Chairman & Managing Director  
DIN: 00089358

**Anuj Poddar**

Executive Director  
DIN: 01908009

**per Vikram Mehta**

Partner

Membership No.105938

**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

# Independent Auditor's Report

To the Members of Bajaj Electricals Limited

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Bajaj Electricals Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), its associate and joint venture comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of

the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

**Key audit matters****How our audit addressed the key audit matter**

- A. Cost to complete estimates in the EPC business segment and receivable in respect of the Madhyanchal and Purvanchal projects [Refer Note 1D (3) of the consolidated Ind AS financial statements]

Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of 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.

Further, for the year ended March 31, 2019, ₹1,60,893 lakh of the revenue from the EPC business segment pertains to the Madhyanchal and Purvanchal projects in Uttar Pradesh ('UP projects'). Also, as at March 31, 2019, ₹1,21,852 lakh of 'Trade receivables' and ₹657 lakh 'Amounts due to customers for contract work' relates to the aforesaid projects. The revenue and receivables of the UP projects are material to the financial statements.

Accordingly, cost to come estimates and receivables in respect of UP projects have been considered as a key audit matter.

Our audit procedures included the following:

- Evaluation of the design and operating effectiveness of controls relating to cost estimation;
- Selected projects by applying audit sampling techniques and examining whether the cost estimates for these projects are in line with the supplier quotations obtained by the management and other internal estimates where latest supplier quotations are not available. Further, examining the contingencies identified by the management in these projects and corroborating the same with internal / external evidence available with the management.
- Evaluation of delay analysis performed by the Company and testing with corroborative evidence like contractual terms and correspondences with the customers.
- For the UP projects, examined whether the recognition and measurement of the receivables are in line with terms and conditions of the contract entered into with the customer, including management assessment of recoverability of the outstanding balance as at March 31, 2019.

**Key audit matters****How our audit addressed the key audit matter**

- B. Impairment allowance on trade receivables pertaining to operationally closed projects in Power Distribution (PD) and Transmission Line Tower (TLT) business [Refer Note 1D (2) and Note 5 of the consolidated Ind AS financial statements]

As at March 31, 2019, trade receivables of ₹23,968 lakh (net of impairment allowance of ₹6,694 lakh) related to amounts collectible in respect of operationally closed projects in the PD and TLT business.

In determining whether an impairment allowance is required, the management takes into consideration the aging status and likelihood of collection based on contractual terms, past experience, customer claims etc. Based on such assessment, specific allowances are made for receivables that are unlikely to be collected.

Due to the involvement of high level of management judgement and materiality of the amounts involved, we considered the same as a key audit matter.

Our audit procedures included the following

- Examined management basis for identification of amounts which are 'overdue' and 'not due' for operationally closed projects where the receivables were material. For these samples, assessed whether the rationale behind the management's judgment in determining the impairment provisions are adequate.
- Examined the provisions made for these receivables by evaluating the overdue balances, customer's historical payment patterns, and post year-end payments. Additionally, we also examined corroborative evidence including correspondence supporting any disputes between the parties involved, attempts by management to recover the amounts outstanding and the credit status of significant counterparties where available.

## Key audit matters

## How our audit addressed the key audit matter

C. Recoverability of advances, investments in associates and recognition of liability for guarantee given for loans taken by associate [Refer Note 4.1, 4.2 and Note 40(a)(ix) of the standalone Ind AS financial statements]

As at March 31, 2019, the Company has the following in respect of Starlite Lighting Limited ('SLL'):-

- Equity investment of ₹579 lakh, fully impaired.
- Preference investment of ₹1,358 lakh measured at fair value through profit and loss
- Preference investment of ₹4,294 lakh measured at amortised cost, fully impaired
- Trade advances of ₹4,646 lakh (net of impairment allowance of ₹2,200 lakh)
- Loans of ₹280 lakh, fully impaired
- Financial guarantee of ₹24,200 lakh given by the Company for loans taken by SLL from the banks

SLL has been making losses over the past several years. Management has performed a fair value assessment by forecasting and discounting future cash flows which involve significant estimates and judgment and determined that:-

- a) No further impairment is required to be recorded for the year ended March 31, 2019.
- b) No liability is probable on the financial guarantee given by the Company for loans taken by SLL.

Accordingly, it has been determined as a key audit matter.

Our audit procedures included the following

- Obtained management's future cash flow forecasts for SLL and testing the mathematical accuracy of the underlying value-in-use calculations and agreeing them to the approved one-year financial budget and future forecasts.
- Comparing historical actual results to those budgeted and understanding the reasons for significant deviations in assessing the quality of management's forecasts.
- Assessing the key assumptions used in the fair value assessment, comprising sales growth rates, gross profit margin, net profit margin, perpetual growth rate and discount rates.
- Obtained the valuation report prepared by external valuation specialists from the management and assessed the reasonableness of the above assumptions used by management.
- Assessing the headroom calculation performed by the management based on the recoverable value determined above and by performing sensitivity testing of key assumptions used.

## Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the business responsibility report, corporate governance report and management discussion and analysis but does not include the consolidated Ind AS financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the message from chairman, financial snapshot and directors' report, which is expected to be made available to us after that date.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are

required to report that fact. We have nothing to report in this regard.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and shall comply with the relevant applicable requirements of the Standard on Audit for The Auditor's Responsibility in relation to Other Information in Documents containing audited financial statements.

## Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated

Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including

the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 239 lakh for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements, other financial information have

been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of such other auditor.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

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

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, associate and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors, except for matters given in Qualified Opinion in Annexure 1 to this report;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March

- 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Holding Company, subsidiary, its associate and joint venture incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary, associate and joint venture incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, associate and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiary, associate and joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, associate and joint venture, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint venture – Refer Note 40 to the consolidated Ind AS financial statements;
  - ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associate and joint venture incorporated in India during the year ended March 31, 2019.

For **S R B C & CO LLP**  
Chartered Accountants

ICAI Registration number: 324982E/E300003

**per Vikram Mehta**

Partner

Place: Mumbai

Date: May 22, 2019

Membership No.: 105938



# Annexure 1 To The Independent Auditor's Report Of Even Date On The Consolidated Financial Statements Of Bajaj Electricals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Bajaj Electricals Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Bajaj Electricals Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, its associate company and joint ventures, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company, its associate company and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

## Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

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

### **Qualified Opinion**

According to the information and explanations given to us and based on the report issued by us on internal financial controls over financial reporting with reference to these consolidated financial statements in case of the subsidiary company, which is a Company incorporated in India, the following material weaknesses have been identified as at March 31, 2019:

The subsidiary company did not have an appropriate internal financial control system over the financial statement closure process and internal controls relating to maintenance of a fixed asset register for its property, plant and equipment which could potentially result in the subsidiary company not recording items of assets, liabilities, income or expenses on a timely basis.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria in respect of a subsidiary company, the Holding Company, its subsidiary company, its associate company and joint venture which are companies incorporated in India, have, maintained in all material respects, adequate internal financial over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements insofar as it relates to the subsidiary company, associate company and joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These material weaknesses were considered in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2019 consolidated financial statements of the Holding Company and this report does not affect our report dated May 22, 2019, which expressed an unqualified opinion on these financial statements.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Registration number: 324982E/E300003

**per Vikram Mehta**

Partner

Place: Mumbai

Date: May 22, 2019

Membership No.: 105938

# Consolidated Balance Sheet

as at 31st March 2019

(₹ in lakh)

Particulars	Notes	As at 31-Mar-19	As at 31-Mar-18
<b>ASSETS</b>			
<b>Non -Current Assets</b>			
Property, plant and equipment	2	34,634.31	31,254.99
Capital work in progress	2	705.67	350.20
Intangible assets	3	2,149.81	327.98
Intangible assets under development	3	239.31	283.52
Goodwill on consolidation	44	2,494.39	-
Investments in associate and joint venture	41	-	-
<b>Financial Assets</b>			
i) Investments	4.2	1,076.62	764.92
ii) Trade receivables	5	51,962.54	26,338.62
iii) Loans	6	6.76	6.17
iv) Other financial assets	7	2,258.11	1,906.05
Deferred tax assets (net)	8	5,754.93	7,353.18
Income tax assets (net)		5,370.66	828.12
Other non-current assets	9	12,192.95	9,531.17
<b>Total Non-Current Assets</b>		<b>1,18,846.06</b>	<b>78,944.92</b>
<b>Current Assets</b>			
Inventories	10	83,024.82	57,916.06
<b>Financial Assets</b>			
i) Trade receivables	5	2,62,419.92	1,74,875.13
ii) Cash and cash equivalents	11	1,120.72	2,181.97
iii) Bank balances other than (ii) above	11	518.48	392.20
iv) Loans	6	2.02	4.97
v) Other current financial assets	12	259.74	255.24
Other current assets	13	32,498.48	31,796.51
Contract assets	41	18,987.43	-
Assets classified as held for sale	14	219.41	219.41
<b>Total Current Assets</b>		<b>3,99,051.02</b>	<b>2,67,641.49</b>
<b>Total Assets</b>		<b>5,17,897.08</b>	<b>3,46,586.41</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	2,047.99	2,040.75
Other Equity	16	1,03,537.05	91,589.01
Share application money pending allotment		7.84	21.45
Non-controlling interest	44	-	-
<b>Total Equity</b>		<b>1,05,592.88</b>	<b>93,651.21</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	17	21,262.12	1,147.14
ii) Trade payables	21	-	14.47
iii) Other financial liabilities	18	1,245.33	372.12
Provisions	19	1,698.71	1,130.24
Employee benefit obligations	20	6,300.05	6,372.50
<b>Total Non-Current Liabilities</b>		<b>30,506.21</b>	<b>9,036.47</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	17	1,37,269.94	70,615.33
ii) Trade payables	21		
Total Outstanding dues of micro enterprises & small enterprises		2,241.67	2,689.49
Total Outstanding dues of other than micro enterprises & small enterprises		1,08,166.82	82,752.87
iii) Other current financial liabilities	18	38,390.15	30,477.63
Provisions	19	8,977.60	6,468.13
Employee benefit obligations	20	6,216.61	8,111.86
Current tax liabilities (net)		962.72	2,292.90
Contract liabilities	41	63,123.25	-
Other current liabilities	22	16,449.23	40,490.52
<b>Total Current Liabilities</b>		<b>3,81,797.99</b>	<b>2,43,898.73</b>
<b>Total Liabilities</b>		<b>4,12,304.20</b>	<b>2,52,935.20</b>
<b>Total Equity &amp; Liabilities</b>		<b>5,17,897.08</b>	<b>3,46,586.41</b>
<b>Summary of significant accounting policies</b>	1B		

The accompanying notes are an integral part of the Financial Statements

As per our report attached of even date

For S R B C & CO LLP

Firm Registration No. 324982E/E300003

Chartered Accountants

For and on behalf of the Board of directors

**Shekhar Bajaj**  
Chairman & Managing Director  
DIN: 00089358

**Anuj Poddar**  
Executive Director  
DIN: 01908009

**per Vikram Mehta**  
Partner  
Membership No.105938  
Mumbai, May 22, 2019

**Mangesh Patil**  
Executive Vice President  
Legal & Company Secretary

**Anant Purandare**  
President &  
Chief Financial Officer

**Dr. Indu Shahani**  
Chairman - Audit Committee  
DIN: 00112289

# Consolidated Statement of Profit and Loss

for the year ended 31st March 2019

(₹ In lakh)

Particulars	Notes	31-Mar-19	31-Mar-18
<b>Income:</b>			
Revenue from operations	23	6,67,941.20	4,71,638.99
Other income	24	6,494.98	5,319.38
<b>Total Income</b>		<b>6,74,436.18</b>	<b>4,76,958.37</b>
<b>Expenses:</b>			
Cost of raw materials consumed	25	49,735.15	32,712.84
Purchases of traded goods		4,44,142.70	2,77,723.11
Changes in inventories of work-in-progress, finished goods, traded goods	25	(21,909.04)	10.89
Erection & subcontracting expenses	26	44,375.75	31,042.67
Excise duty	27	-	894.05
Employee benefit expenses	28	36,056.09	31,787.90
Depreciation and amortisation expense	29	4,394.39	3,394.49
Other expenses	30	81,530.16	68,123.02
Finance cost	31	11,759.53	5,886.47
<b>Total Expenses</b>		<b>6,50,084.73</b>	<b>4,51,575.44</b>
<b>Profit before share of profit / (loss) of an associate and a joint venture, exceptional items and tax</b>		<b>24,351.45</b>	<b>25,382.93</b>
Exceptional Items	42	-	7,878.50
<b>Profit before share of profit / (loss) of an associate and a joint venture and tax</b>		<b>24,351.45</b>	<b>17,504.43</b>
Share of profit / (loss) of associate and joint venture		(238.97)	(1,056.43)
<b>Profit before tax</b>		<b>24,112.48</b>	<b>16,448.00</b>
Income tax expense:			
Current tax	32	7,965.00	10,060.00
Deferred tax	8	779.80	(1,977.47)
Adjustment of tax relating to earlier periods	32	9.75	1.98
<b>Total tax expenses</b>		<b>8,754.55</b>	<b>8,084.51</b>
<b>Profit for the year</b>		<b>15,357.93</b>	<b>8,363.49</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss in subsequent periods	20		
Remeasurement (gains)/losses on defined benefit plans		665.72	(627.39)
Tax impacts on above		(232.39)	219.24
Share of other comprehensive income of associates and joint ventures after tax accounted for using equity method		-	(13.60)
<b>Other comprehensive income, net of tax</b>		<b>433.33</b>	<b>(421.75)</b>
<b>Total Comprehensive Income, net of tax</b>		<b>14,924.60</b>	<b>8,785.24</b>
<b>Profit for the year attributable to</b>			
Shareholders of the company		15,639.54	8,363.49
Non-controlling interest		(281.61)	-
<b>Other comprehensive income for the year attributable to</b>			
Shareholders of the company		432.50	(421.75)
Non-controlling interest		0.83	-
<b>Total comprehensive income for the year attributable to</b>			
Shareholders of the company		15,207.04	8,785.24
Non-controlling interest		(282.44)	-
<b>Earnings per equity share before exceptional items (face value per share ₹ 2)</b>	39		
Basic		15.02	15.13
Diluted		14.98	15.06
<b>Earnings per equity share after exceptional items (face value per share ₹ 2)</b>	39		
Basic		15.02	8.23
Diluted		14.98	8.19
<b>Summary of significant accounting policies</b>	1B		
<b>The accompanying notes are an integral part of the Financial Statements</b>			

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

Mumbai, May 22, 2019

**Mangesh Patil**

Executive Vice President

Legal &amp; Company Secretary

**Anant Purandare**

President &amp;

Chief Financial Officer

**For and on behalf of the Board of directors****Shekhar Bajaj**

Chairman &amp; Managing Director

DIN: 00089358

**Anuj Poddar**

Executive Director

DIN: 01908009

**Dr. Indu Shahani**

Chairman - Audit Committee

DIN: 00112289

# Statement of Changes in Equity

for the year ended 31st March 2019

## A. Equity share capital (Note 15)

Particulars	Year Ended		Year Ended 31st March 2018
	31st March 2019	31st March 2019	
At the beginning of the year	2,040.75		2,025.80
Issue of equity share capital during the year	7.24		14.95
At the end of the year	<b>2,047.99</b>		<b>2,040.75</b>

(₹ In lakh)

## B. Other equity (Note 16)

Particulars	Reserves and surplus					Other reserves			Total
	Securities premium reserve	Debt redemption Reserve	Shares Outstanding	General Reserve	Retained earnings	Total	Capital Redemption Reserve	Capital Reserve	
<b>Balance at March 31, 2017</b>	<b>22,029.16</b>	<b>2,500.00</b>	<b>1,199.00</b>	<b>45,158.03</b>	<b>13,253.28</b>	<b>84,139.47</b>	<b>135.71</b>	<b>10.00</b>	<b>84,285.18</b>
Profit for the year	-	-	-	-	8,363.49	8,363.49	-	-	8,363.49
Other comprehensive income	-	-	-	-	421.75	421.75	-	-	421.75
<b>Total comprehensive income for the year</b>	<b>22,029.16</b>	<b>2,500.00</b>	<b>1,199.00</b>	<b>45,158.03</b>	<b>22,038.52</b>	<b>92,924.71</b>	<b>135.71</b>	<b>10.00</b>	<b>93,070.42</b>
Exercise of options - proceeds received	1,650.33	-	-	-	-	1,650.33	-	-	1,650.33
Exercise of options - transferred from shares options outstanding account	459.60	-	(459.60)	-	-	-	-	-	-
Employee stock option expense for the year	-	-	285.88	-	-	285.88	-	-	285.88
Transferred to General reserve for vested cancelled options	-	-	(6713)	6713	-	-	-	-	-
Dividend on equity shares	-	-	-	-	(2,839.50)	(2,839.50)	-	-	(2,839.50)
Dividend distribution tax	-	-	-	-	(578.12)	(578.12)	-	-	(578.12)
Transfer from Debt redemption reserve to General Reserve	-	(2,500.00)	-	2,500.00	-	-	-	-	-
<b>Balance at March 31, 2018</b>	<b>24,139.09</b>	<b>-</b>	<b>958.15</b>	<b>47,725.16</b>	<b>18,620.90</b>	<b>91,443.30</b>	<b>135.71</b>	<b>10.00</b>	<b>91,589.01</b>

(₹ In lakh)

# Statement of Changes in Equity

for the year ended 31st March 2019

## B. Other equity (Note 16) (Contd..)

(₹ In lakh)

Particulars	Reserves and surplus				Other reserves			Total
	Securities premium reserve	Debt redemption Reserve	Shares Outstanding	General Reserve	Retained earnings	Capital Redemption Reserve	Capital Reserve	
<b>Balance at March 31, 2018</b>	<b>24,139.09</b>	-	<b>958.15</b>	<b>47,725.16</b>	<b>18,620.90</b>	<b>135.71</b>	<b>10.00</b>	<b>91,589.01</b>
Profit for the year	-	-	-	-	15,639.54	-	-	15,639.54
Other comprehensive income	-	-	-	-	(432.50)	-	-	(432.50)
<b>Total comprehensive income for the year</b>	<b>24,139.09</b>	-	<b>958.15</b>	<b>47,725.16</b>	<b>33,827.94</b>	<b>135.71</b>	<b>10.00</b>	<b>106,796.05</b>
Exercise of options - proceeds received	951.99	-	-	-	-	-	-	951.99
Exercise of options - transferred from shares options outstanding account	370.06	-	(370.06)	-	-	-	-	-
Employee stock option expense for the year	-	-	389.30	-	-	-	-	389.30
Transferred to General reserve for vested cancelled options	-	-	(63.62)	63.62	-	-	-	-
Dividend on equity shares	-	-	-	-	(3,574.96)	-	-	(3,574.96)
Dividend distribution tax	-	-	-	-	(735.01)	-	-	(735.01)
Transfer from General reserve to Debenture redemption reserve	-	4,625.00	-	(4,625.00)	-	-	-	-
Fair value of non-controlling interest put option (Note 44)	-	-	-	-	(126.90)	-	-	(126.90)
Call option on non-controlling interest (Note 44)	-	-	-	-	(163.42)	-	-	(163.42)
<b>Balance at 31st March 31, 2019</b>	<b>25,461.14</b>	<b>4,625.00</b>	<b>913.77</b>	<b>43,163.78</b>	<b>29,227.65</b>	<b>135.71</b>	<b>10.00</b>	<b>103,537.05</b>

### Summary of significant accounting policies (Note 1B)

### The accompanying notes are an integral part of the Financial Statements

### For S R B C & CO LLP

Firm Registration No. 324982E/E300003

Chartered Accountants

### For and on behalf of the Board of directors

<b>per Vikram Mehta</b> Partner Membership No.105938 Mumbai, May 22, 2019	<b>Mangesh Patil</b> Executive Vice President Legal & Company Secretary	<b>Anant Purandare</b> President & Chief Financial Officer	<b>Shekhar Bajaj</b> Chairman & Managing Director DIN: 00089358	<b>Anuj Poddar</b> Executive Director DIN: 01908009
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# Consolidated Cash Flow Statement

for the year ended 31st March 2019

(₹ In lakh)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Cash flow from operating activities</b>		
<b>Profit before income tax</b>	<b>24,112.48</b>	<b>16,448.00</b>
Adjustments for:		
Depreciation and amortisation expense	4,394.39	3,394.49
Employee share-based payment expense	389.30	285.88
(Gain)/Loss on disposal of property, plant and equipment	31.37	(135.74)
Measurement of financial assets held at fair value through Profit or Loss	28.54	2,128.66
Measurement of financial assets and liabilities held at amortised cost	(407.23)	2,961.89
Measurement of provisions at fair value	(162.65)	(60.00)
Share of loss of associate and joint venture	238.97	1,056.43
Impairment allowance of investment in joint venture	-	579.42
Income from financial guarantee contracts	(676.01)	(239.42)
Finance costs	11,759.53	5,886.47
Interest income	(1,176.33)	(2,466.79)
Impairment of property, plant and equipment	729.36	-
Impairment allowance for doubtful debts & advances (net of write back)	(2,218.04)	4,369.17
Bad debts and other irrecoverable debit balances written off	1,606.87	2,492.78
	<b>38,650.55</b>	<b>36,701.24</b>
<b>Change in operating assets and liabilities:</b>		
(Increase)/decrease in trade receivables (current & non-current)	(109,595.44)	(39,963.61)
(Increase)/decrease in financial and other assets (current & non-current)	(21,851.73)	(15,086.90)
(Increase)/decrease in inventories	(24,028.76)	(796.46)
Increase/(decrease) in trade payables , provisions, employee benefit obligations, other financial liabilities and other liabilities (current & non-current)	68,661.10	14,299.34
	<b>(48,164.28)</b>	<b>(4,846.39)</b>
<b>Cash generated from / (used in ) operations</b>	<b>(62,050.62)</b>	<b>(10,287.03)</b>
Income taxes paid	(13,886.34)	(5,440.64)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(62,050.62)</b>	<b>(10,287.03)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment including capital work in progress and capital advances	(5,480.63)	(3,152.04)
Purchase of intangible assets including intangible assets under development	(245.19)	(653.40)
Proceeds from sale of property, plant and equipment including advances received	98.69	257.67
Proceeds from sale of non current assets held for sale	-	34.16
Loans and advances (given) / repaid by associate and joint ventures (net)	(1,342.21)	(44.49)
Increase in investment in joint venture	-	(3.50)
Acquisitions by Group	(3,070.42)	-
Purchase of investments	(259.93)	-
(Increase)/decrease in Bank Deposits	(116.96)	6,100.91
Interest received	16.65	1,069.32
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(10,400.00)</b>	<b>3,608.63</b>

# Consolidated Cash Flow Statement

for the year ended 31st March 2019

(₹ In lakh)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	945.62	1,686.73
Proceeds from borrowings	101,671.25	34,480.77
Repayment of borrowings	(16,032.16)	(18,775.40)
Interest paid	(10,960.89)	(7,628.32)
Dividends paid to company's shareholders	(3,569.06)	(2,833.52)
Tax on dividend paid	(735.01)	(578.12)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>71,319.75</b>	<b>6,352.14</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,130.87)</b>	<b>(326.26)</b>
Cash and cash equivalents at the beginning of the financial year	2,181.97	2,508.23
Acquired on business combination (Note 44)	69.62	-
<b>Cash and cash equivalents at end of the year</b>	<b>1,120.72</b>	<b>2,181.97</b>

## Change in liability arising from financing activities

(₹ In lakh)

<b>Borrowings as on April 1, 2018</b>	<b>71,762.47</b>
Proceeds from borrowings	101,671.25
Repayment of borrowings	(16,032.16)
Acquired in business combination (Note 44)	1,101.65
Foreign exchange movement	28.85
<b>Borrowings as on March 31, 2019</b>	<b>158,532.06</b>

## Summary of significant accounting policies (Note 1B)

The accompanying notes are an integral part of the Financial Statements

### For S R B C & CO LLP

Firm Registration No. 324982E/E300003

Chartered Accountants

### For and on behalf of the Board of directors

#### Shekhar Bajaj

Chairman &amp; Managing Director

DIN: 00089358

#### Anuj Poddar

Executive Director

DIN: 01908009

#### per Vikram Mehta

Partner

Membership No.105938

#### Mangesh Patil

Executive Vice President

Legal &amp; Company Secretary

#### Anant Purandare

President &amp;

Chief Financial Officer

#### Dr. Indu Shahani

Chairman - Audit Committee

DIN: 00112289

Mumbai, May 22, 2019



# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note : 1

### 1A GENERAL INFORMATION.

Bajaj Electricals Limited ('the Company') is an existing public limited company incorporated on 14th July 1938 under the provisions of the Indian Companies Act, 1913 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at 45/47, Veer Nariman Road, Mumbai-400 001.

The Group deals in Consumer Segments (CP) (which includes appliances, fan and consumer lighting products). The Group 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 consolidated financial statements are presented in Indian Rupee (₹).

The consolidated 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 consolidated financial statements. These policies have been consistently applied to all the years presented.

#### 1 Basis of preparation

The consolidated 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 consolidated financial statements are prepared under the historical cost convention except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- assets held for sale which are measured at lower of carrying value and fair value less cost to sell;
- defined benefit plans where plan assets are measured at fair value; and
- share-based payments at fair value as on the grant date of options given to employees.

Estimates, judgements and assumptions used in the preparation of the consolidated financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements, which may differ from the actual results at a subsequent date. The critical estimates, judgements and assumptions are presented in Note no. 1D.

All assets and liabilities have been classified as current or non-current as per the Group'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 Group has identified twelve months as its operating cycle.

#### Basis of consolidation

The consolidated financial statements includes financial statements of Bajaj Electricals Limited and its subsidiary (together referred as a Group) and results of an associate and a joint venture, consolidated in accordance with Ind

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

AS 28 - Investments in associate and joint venture, Ind AS 111 – Joint Arrangements and Ind AS 110 – Consolidated financial statements as given below:

Name of the Company	Country of Incorporation	% share holding of the Company	Consolidated as
Starlite Lighting Limited	India	47%	Joint Venture
Hind Lamps Limited	India	19%	Associate
Nirlep Appliances Pvt Ltd	India	79.85%	Subsidiary

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the

Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and other events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statement of all entities used for the purpose of consolidation are drawn upto same reporting date as that of the parent company i.e year ended 31st March.

## Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Put options held by non-controlling interests in the Group's subsidiaries entitle the non-controlling interest to sell its interest in the subsidiary to the Group at pre-determined values and on contracted dates. In such cases, the Group consolidates the non-controlling interest's share of the equity in the subsidiary and recognises the fair value of the non-controlling interest's put option, being the present value of the estimated future purchase price, as a financial liability in the statement of financial position. In raising this liability, the non-controlling interest is derecognised and any excess or shortfall is charged or realised directly in retained earnings in the statement of changes in equity.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Interest in associate and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition the consolidated financial statements include the groups share of profit and loss and OCI of equity accounted investee until the date on which significant influence or joint control ceases

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

## 2 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values (including related deferred tax). For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date

### 3 Revenue from contract with customers:

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The recognition criteria for sale of products and construction contracts is described below

#### (1) Sale of products

Revenue from sale of products is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the product to the customer's destination. The Group considers whether

there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points). In determining the transaction price for the sale of product, the Group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

The Group provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group has a loyalty points program, "Retailer Bonding Program", which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as deferred revenue until the points are redeemed. Revenue is recognized upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Group considers the

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the deferred revenue are charged against revenue.

## (2) Construction contracts

Performance obligation in case of construction contracts is satisfied over a period of time, as the Group creates an asset that the customer control and the Group has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of technical, political, regulatory and other related contract risks and their financial estimation; scope of deliveries and services required for fulfilling the contractually defined obligations and expected delays, if any. Provision for foreseeable losses/ construction contingencies on said contracts is made based on technical assessments of costs to be incurred and revenue to be accounted for. The Group pays insurance and bank guarantee charges for each contract that they obtain for supply of materials and erection services. The Group amortizes the same over the period of the contract. The Group has long-term receivables from customers. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component

## (3) Contract balances

### Contract asset

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer

before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### Trade receivables

A receivable represents the Group right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

## (4) 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 contracts 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

The Group 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 Group 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 not 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

## 4 Other income:

(1) Interest income on financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instruments.

## (2) Others:

The Group 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.

## 5 Property, plant and equipment :

### A) Asset class:

- i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.
- ii) All other items of property, plant and equipment (including capital work in progress) are stated at historical cost less accumulated depreciation

and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

- iii) Capital goods manufactured by the Group for its own use are carried at their cost of production (including duties and other levies, if any) less accumulated depreciation and impairment losses if any.
- iv) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit and loss during the year in which they are incurred.
- v) Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipments which are carried at cost are recognised in the consolidated statement of profit and loss.

### 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 its corresponding asset, the component is depreciated over its estimated useful life.
- iv) The Group, based on internal technical assessments and management estimates, depreciates certain items of property, plant & equipment over the

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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:

<b>Asset block</b>	<b>Useful Lives (in years)</b>
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	2 to 10
Improvements	
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.

## 6 Intangible assets:

**An intangible asset shall be recognised if, and only if:**

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group; and
- the cost of the asset can be measured reliably.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

## Asset class & depreciation:

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

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

Brand (Nirlep) is recognised on business combination and is amortised over a period of 5 years.

## 7 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.

## 8 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,

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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 Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as

at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value



# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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 Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

## C) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is

measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## D) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## II. Financial Liabilities

### A) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### B) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss.

- Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

- Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the

specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the contractual payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

### C) De-recognition

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

### III. Reclassification of financial assets / liabilities

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## IV. Offsetting of financial instruments

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

## V. Derivatives and hedging activities

The Group enters derivatives like forwards contracts to hedge its foreign currency risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently marked to market at the end of each reporting period with profit/loss being recognised in consolidated statement of profit and loss. Derivative assets/liabilities are classified under “other financial assets/other financial liabilities”. Profits and losses arising from cancellation of contracts are recognised in the consolidated statement of profit and loss.

## 9. Fair value measurements:

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## 10. Cash and cash equivalents:

Cash and cash equivalents in the consolidated balance sheet and for the purpose of the consolidated statement of cash flows, include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 11. 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.

## 12. Foreign currency transactions:

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (₹), which is the Group functional and presentation currency.

- a) On initial recognition, all foreign currency transactions are recorded at the functional currency spot rate at the date the transaction first qualifies for recognition.
- b) Monetary assets and liabilities in foreign currency outstanding at the close of reporting date are translated at the functional currency spot rates of exchange at the reporting date.

- c) Exchange differences arising on settlement of translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

## 13. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and unabsorbed depreciation.

Current and deferred tax is recognized in the consolidated Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

### A. Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Group establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

### B. Deferred tax

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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.

## 14. 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 Group are classified as a finance lease. Payments made under operating leases are charged to the Consolidated Statement of Profit & Loss on a straight line basis over the period of the lease.

### As a lessor

The Group has leased certain tangible assets and such leases where the Group 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 Consolidated 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 Consolidated Statement of Profit and Loss in the period in which they are incurred.

## 15. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs also include exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

## 16. Provisions, contingent liabilities and contingent assets

### A. Provisions

#### A provision is recognised if

- the Group has present legal or constructive obligation as a result of an event in the past;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation has been reliably estimated.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## B. Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## C. Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognised but disclosed where an inflow of economic benefit is probable.

## 17. Employee benefits

### A. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in the same period in which the employees renders the related service and are measured at the amounts expected to be paid when the liabilities are settled.

### B. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes

in actuarial assumptions are recognised in the consolidated statement of profit or loss.

### C. Post-employment obligations

The Group operates the following post-employment schemes

- (a) defined benefit plans - gratuity and obligation towards shortfall of Provident Fund Trusts
- (b) defined contribution plans - Provident fund (RPF Contributions), superannuation and pension

#### Defined benefit plans :

The liability or asset recognised in the consolidated balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets excluding non-qualifying asset (reimbursement right). The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the balance sheet.

Insurance policy held by the Group from insurers who are related parties are not qualifying insurance policies and hence the right to reimbursement is recognised as a separate assets under other non-current and/or current assets as the case may be.

Changes in the present value of the defined benefit obligation resulting from plan amendments

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

or curtailments are recognised immediately in consolidated profit or loss as past service cost.

## Defined contribution plans :

In respect of certain employees, the Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group 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 Group.. Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority whereas the contributions for National Pension Scheme is made to Stock Holding Corporation of India Limited.

## 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 the consolidated profit or loss, with a corresponding adjustment to equity.

If at any point of time after the vesting of the share options, the right to the same expires (either by virtue of lapse of the exercise period or the employee leaving the 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.

## 18. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. Two or more operating segments are aggregated by the Group into a single operating segment if aggregation is consistent with the core principle of Ind AS 108, the segments have similar economic characteristics, and the segments are similar in aspects as defined by Ind AS.

The Group reports separately, information about an operating segment that meets any of quantitative thresholds as defined by Ind AS. Operating segments that do not meet any of the quantitative thresholds, are considered reportable and separately disclosed, only if management of the Group believes that information about the segment would be useful to users of the consolidated financial statements. Information about other business activities and operating segments that are not reportable separately are combined and disclosed in an 'all other segments' category.

## 19. 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.

## 20. 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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

number of equity shares outstanding during the period. Earnings considered in ascertaining the Group 's earnings per share is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit of loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

- 21.** All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakh (upto two decimals) as per the requirement of Schedule III, unless otherwise stated.

## 1C 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 Group's consolidated financial statements are disclosed below. The Group 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 Group 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 Group will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, prospectively. On the transition date, the Group 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 Group 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 Group 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 Group is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements. The Group 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 Group 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 Group will recognise a right-of-use asset and a corresponding lease liability. The Group is in the process of identifying the impact on 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 Group does not expect any impact from this pronouncement. It is relevant to note that the



# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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 Group does not expect any significant impact of the amendment on its consolidated 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 Group does not expect this amendment to have any impact on its consolidated 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 Group does not expect this amendment to have any significant impact on its consolidated 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 Group does not expect any impact from this amendment.

## F) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group applies equity method and hence there is no impact.

## G) Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group does not expect any impact from this amendment.

## 1D SUMMARY OF CRITICAL ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgment in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

originally assessed. Detailed information about each of these estimates and judgments is included below.

## 1 Warranty provision

The Group generally offers 1 to 2 year warranties for its consumer products. Based on the evaluation of the past warranty trends, management has estimated that warranty costs for 25% of sales arises in the year of sale itself, warranty costs for 50% of the sales in Year 1 and the balance 25% in Year 2. Based on the same, the related provision for future warranty claims has been determined. The 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 Group makes allowances for doubtful accounts receivable using a simplified approach which is a dual policy of an ageing based provision and historical / anticipated customer experience. Management believes that this simplified model closely represents the expected credit loss model to be applied on financial assets as per Ind AS 109. Further, in case of operationally closed projects, Group makes specific assessment of the overdue balances by considering the customer's historical payment patterns, latest correspondences with the customers for recovery of the amounts outstanding and credit status of the significant counterparties where available. Accordingly, a best judgment estimate is made to record the impairment allowance in respect of operationally closed projects.

## 3 Project revenue and costs

Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. The percentage-of-completion method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for

fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Group re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

## 4 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. Refer Note 34 of consolidated financial statements for the fair value disclosures.

## 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 Consolidated Financial Statements

for the year ended 31st March 2019

## Note 2 : Property, plant and equipment

(₹ in lakhs)

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
<b>Opening gross block as at 1st April 2017</b>	<b>2,098.22</b>	<b>2,822.49</b>	<b>3,941.67</b>	<b>11,228.42</b>	<b>6,776.67</b>	<b>1,459.64</b>	<b>387.67</b>	<b>635.77</b>	<b>503.10</b>	<b>1,845.06</b>	<b>194.02</b>	<b>80.42</b>	<b>91.11</b>	<b>4,546.83</b>	<b>36,611.09</b>
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	-	-
<b>Closing gross block as at 31st March 2018</b>	<b>2,098.22</b>	<b>2,822.49</b>	<b>4,166.88</b>	<b>11,228.42</b>	<b>7,560.16</b>	<b>1,660.66</b>	<b>571.04</b>	<b>1,261.36</b>	<b>622.33</b>	<b>2,120.87</b>	<b>194.02</b>	<b>106.25</b>	<b>123.77</b>	<b>5,538.17</b>	<b>40,074.64</b>
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)
Acquired in business combination (Note 44)	523.38	-	778.18	-	1,530.56	-	12.15	17.86	-	67.39	-	-	-	-	2,929.52
<b>Closing gross block as at 31st March 2019</b>	<b>4,251.44</b>	<b>2,822.49</b>	<b>4,957.28</b>	<b>11,228.42</b>	<b>9,435.38</b>	<b>1,748.04</b>	<b>606.92</b>	<b>1,576.69</b>	<b>923.36</b>	<b>2,798.48</b>	<b>194.02</b>	<b>120.66</b>	<b>126.66</b>	<b>7,058.70</b>	<b>47,848.54</b>
<b>Opening accumulated depreciation as at 1st April 2017</b>	-	<b>91.68</b>	<b>246.58</b>	<b>394.04</b>	<b>1,639.36</b>	<b>322.26</b>	<b>72.25</b>	<b>224.11</b>	<b>112.46</b>	<b>659.26</b>	<b>85.86</b>	<b>80.42</b>	<b>27.32</b>	<b>1,651.69</b>	<b>5,607.29</b>
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	1,080.08	3,350.20
Disposals	-	-	-	-	(28.31)	(0.08)	-	(0.61)	(33.77)	-	-	-	-	(75.07)	(137.84)
Adjustment*	-	-	(46.02)	46.02	-	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation as at 31st March 2018</b>	-	<b>129.06</b>	<b>353.86</b>	<b>641.13</b>	<b>2,523.87</b>	<b>509.16</b>	<b>126.02</b>	<b>415.20</b>	<b>144.13</b>	<b>1,054.50</b>	<b>123.44</b>	<b>106.25</b>	<b>36.33</b>	<b>2,656.70</b>	<b>8,819.65</b>
Depreciation charge during the year	-	37.38	163.59	201.07	990.48	210.87	61.07	224.59	81.19	510.79	17.54	14.41	9.57	1,230.27	3,752.82
Disposals	-	-	-	-	(1.94)	(20.66)	(0.33)	(5.03)	(7.94)	-	-	-	-	(51.70)	(87.60)
Adjustment*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation as at 31st March 2019</b>	-	<b>166.44</b>	<b>517.45</b>	<b>842.20</b>	<b>3,512.41</b>	<b>699.37</b>	<b>186.76</b>	<b>634.76</b>	<b>217.38</b>	<b>1,565.29</b>	<b>140.98</b>	<b>120.66</b>	<b>45.90</b>	<b>3,835.27</b>	<b>12,484.87</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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

Particulars	(₹ in lakh)											Total				
	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	
Impairment allowance as on April 1, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment charge during the year (refer note v below)	-	-	-	-	729.36	-	-	-	-	-	-	-	-	-	-	729.36
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	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	4,251.44	2,656.05	4,439.83	10,386.22	5,193.61	1,048.67	941.93	705.98	1,233.19	53.04	80.76	3,223.43	34,634.31			

\*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:

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

### (ii) Property, plant and equipment pledged as security

Refer to note 17 for information on property, plant and equipment pledged as security by the Group.

### (iii) Contractual obligations

Refer to note 40(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

### (iv) Capital work-in-progress

Capital work-in-progress mainly comprises of 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 Group 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 Consolidated Financial Statements

for the year ended 31st March 2019

## Note 3: Other Intangible Assets

(₹ In lakh)

Particulars	Trade Marks	Computer Software	Brand	Distributor / Dealer Network	Customer Relationships	Total
<b>Opening gross block as at 1st April 2017</b>	0.51	7.51	-	-	-	8.02
Additions	-	369.88	-	-	-	369.88
<b>Closing gross block as at 31st March 2018</b>	<b>0.51</b>	<b>377.39</b>	-	-	-	<b>377.90</b>
Additions	-	289.40	-	-	-	289.40
Acquired in Business Combination (Note 44)	-	-	1,952.33	195.57	26.10	2,174.00
<b>Closing gross block as at 31st March 2019</b>	<b>0.51</b>	<b>666.79</b>	<b>1,952.33</b>	<b>195.57</b>	<b>26.10</b>	<b>2,841.30</b>
<b>Opening accumulated depreciation as at 1st April 2017</b>	0.10	5.53	-	-	-	5.63
Amortisation charge for the year	0.05	44.24	-	-	-	44.29
<b>Closing accumulated depreciation as at 31st March 2018</b>	<b>0.15</b>	<b>49.77</b>	-	-	-	<b>49.92</b>
Amortisation charge for the year *	0.05	189.91	229.94	195.57	26.10	641.57
<b>Closing accumulated depreciation as at 31st March 2019</b>	<b>0.20</b>	<b>239.69</b>	<b>229.95</b>	<b>195.57</b>	<b>26.10</b>	<b>691.49</b>
<b>Closing Net carrying amount as at 31st March 2018</b>	<b>0.36</b>	<b>327.62</b>	-	-	-	<b>327.98</b>
<b>Closing Net carrying amount as at 31st March 2019</b>	<b>0.31</b>	<b>427.10</b>	<b>1,722.38</b>	-	-	<b>2,149.81</b>

### Notes

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

\* Distributor / Dealer Network and Customer relationships of Nirlep Appliances Pvt Ltd acquired on business combination has been written off during the year as the same is not utilised by the Group

## Note 4.1 : Investments in associates and joint venture

(₹ In lakh)

	31-Mar-19	31-Mar-18
<b>Investment in equity instruments of associate &amp; joint venture (fully paid up)</b>		
<b>Unquoted</b>		
Non-current equity investments (unquoted) in Hind Lamps Limited.		
- 1,140,000 (March 31, 2018 - 1,140,000) equity shares of ₹25 each **	1,000.00	1,000.00
Accumulated impairment allowance in value of investments in Hind Lamps Limited	(1,000.00)	(1,000.00)
	-	-
Non-current equity investments (unquoted) in Starlite Lighting Ltd.		
- 5,875,000 (March 31, 2018 - 5,875,000) equity shares of ₹10 each	579.42	579.42
Accumulated impairment allowance in value of investments in Starlite Lighting Ltd (refer note 42)	(579.42)	(579.42)
	-	-
<b>Total investments in associate &amp; joint venture</b>	<b>-</b>	<b>-</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 4.2 : Financial assets (Investments)

### 4.2 (a) Investment in equity instruments

	31-Mar-19	31-Mar-18
		(₹ In lakh)
<b>Investment in equity shares</b>		
<b>Unquoted</b>		
<b>Measured at fair value through profit and loss</b>		
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
Investment in equity shares of co-operative banks	2.29	-
<b>Total equity instruments</b>	<b>2.39</b>	<b>0.10</b>

### 4.2 (b) Investment in debt instruments

	31-Mar-19	31-Mar-18
		(₹ In lakh)
<b>Investment in venture capital fund</b>		
<b>Unquoted</b>		
<b>Measured at fair value through profit and loss</b>		
Units of Bharat Innovation Fund	229.10	-
<b>Investment in preference shares (fully paid up)</b>		
<b>Unquoted</b>		
<b>Measured at fair value through profit and loss</b>		
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)
	-	-
<b>Measured at amortised cost</b>		
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 Consolidated Financial Statements

for the year ended 31st March 2019

	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)
	-	-
<b>Total debt instruments</b>	<b>1,074.23</b>	<b>764.82</b>
<b>Total non-current investments</b>	<b>1,076.62</b>	<b>764.92</b>

\* 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.

## Note 5 : Trade receivables

	31-Mar-19	31-Mar-18
Current	262,419.92	174,875.13
Non-current	51,962.54	26,338.62
	<b>314,382.46</b>	<b>201,213.75</b>
Secured, considered good	-	-
Unsecured, considered good	314,382.46	201,213.75
Unsecured, with significant increase in credit risk	-	-
Unsecured, credit impaired	14,758.88	16,733.95
<b>Total</b>	<b>329,141.34</b>	<b>217,947.70</b>
Impairment allowance (allowance for bad and doubtful debts)	(14,758.88)	(16,733.95)
<b>Total trade receivables (net of impairment allowance)</b>	<b>314,382.46</b>	<b>201,213.75</b>

## 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 5 : Trade receivables (Contd..)

	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)

	31-Mar-19	31-Mar-18
<b>Non Current</b>		
Unsecured, considered good	6.76	6.17
Unsecured, credit impaired	280.00	280.00
<b>Total</b>	<b>286.76</b>	<b>286.17</b>
Impairment allowance (refer note 42)	(280.00)	(280.00)
<b>Total Non-current loans</b>	<b>6.76</b>	<b>6.17</b>

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

	31-Mar-19	31-Mar-18
<b>Current</b>		
Secured, considered good (gross)	2.02	4.97
<b>Total current loans</b>	<b>2.02</b>	<b>4.97</b>

## Note 7 : Other financial assets (Unsecured, considered good unless otherwise stated)

	31-Mar-19	31-Mar-18
Security deposits, considered good	2,242.33	1,881.04
Security deposits, credit impaired	642.95	692.28
Impairment allowance for credit impaired security deposits	(642.95)	(692.28)
	<b>2,242.33</b>	<b>1,881.04</b>
Fixed deposit under lien	12.93	22.25
Interest accrued on fixed deposits	2.85	2.76
<b>Total non-current other financial assets</b>	<b>2,258.11</b>	<b>1,906.05</b>

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



# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 8 : Deferred tax assets (net)

	31-Mar-19	31-Mar-18
Deferred tax assets	10,319.26	10,508.55
Deferred tax liabilities	(4,564.33)	(3,155.37)
<b>Total deferred tax assets</b>	<b>5,754.93</b>	<b>7,353.18</b>

### Deferred tax assets comprise of the following:

	31-Mar-19	31-Mar-18
Employee benefit obligations (gratuity)	252.32	-
Employee benefit obligations (leave obligations)	972.53	1,307.72
Impairment allowance (allowance for doubtful debts and advances)	6,429.01	7,133.18
Financial assets measured at amortised cost	143.60	267.94
Assets held for sale	466.76	485.10
Others	1,658.48	1,314.61
Carry forward losses of Subsidiary	396.56	-
<b>Total deferred tax assets</b>	<b>10,319.26</b>	<b>10,508.55</b>

### Movement in deferred tax assets

	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	Carry forward losses of Subsidiary	Total
<b>At 31st March, 2017</b>	<b>143.26</b>	<b>1,636.75</b>	<b>5,898.58</b>	<b>395.15</b>	<b>-</b>	<b>789.40</b>	<b>-</b>	<b>8,863.14</b>
(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
<b>At 31st March, 2018</b>	<b>-</b>	<b>1,307.72</b>	<b>7,133.17</b>	<b>267.94</b>	<b>485.09</b>	<b>1,314.63</b>	<b>-</b>	<b>10,508.55</b>
(Charged) / Credited :								
to statement of profit and loss	216.88	(335.19)	(704.16)	(124.34)	(18.33)	146.90	396.56	(421.68)
to other comprehensive income	35.44	-	-	-	-	196.95	-	232.39
<b>At 31st March, 2019</b>	<b>252.32</b>	<b>972.53</b>	<b>6,429.01</b>	<b>143.60</b>	<b>466.76</b>	<b>1,658.48</b>	<b>396.56</b>	<b>10,319.26</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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

Deferred tax liabilities comprise of the following:

	31-Mar-19	31-Mar-18
Property, plant and equipment	3,776.57	2,977.33
Intangible assets on business combination	601.87	-
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
<b>Total deferred tax liabilities</b>	<b>4,564.33</b>	<b>3,155.37</b>

### Movement in deferred tax liabilities

	Property, plant and equipment	Intangible assets	Financial Assets measured at Amortised Cost	Financial Liabilities measured at Amortised Cost	Employee benefit obligations (gratuity)	Others	Total
<b>At 31st March, 2017</b>	<b>2,965.71</b>	<b>-</b>	<b>192.42</b>	<b>82.49</b>	<b>-</b>	<b>27.57</b>	<b>3,268.19</b>
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
<b>At 31st March, 2018</b>	<b>2,977.35</b>	<b>-</b>	<b>79.76</b>	<b>66.53</b>	<b>31.73</b>	<b>-</b>	<b>3,155.37</b>
Charged / (credited) :							
to Statement of Profit or Loss	799.22	601.87	27.17	12.43	(31.73)	-	1,408.96
to other comprehensive income	-	-	-	-	-	-	-
<b>At 31st March, 2019</b>	<b>3,776.57</b>	<b>601.87</b>	<b>106.93</b>	<b>78.96</b>	<b>-</b>	<b>-</b>	<b>4,564.33</b>

## Note 9 : Other non-current assets

	31-Mar-19	31-Mar-18
Capital advances	358.93	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 *	4,435.98	1,853.86
	<b>15,040.96</b>	<b>12,238.07</b>
Impairment allowance for doubtful advances	(648.01)	(506.90)
Impairment allowance for advances to Starlite Lighting Limited (refer note 42)	(2,200.00)	(2,200.00)
<b>Total other non-current assets</b>	<b>12,192.95</b>	<b>9,531.17</b>

\*Others include prepaid expenses of ₹ 73.62 lakh (31 March 2018 ₹ 663.97 lakh) and advances to suppliers of ₹ 4,362.36 lakh (31 March 2018 ₹ 1,189.98 lakh)

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 10 : Inventories

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
Raw material	12,633.01	9,447.80
Work-in-progress	1,844.66	1,195.61
Finished goods	3,157.82	7,006.62
Traded goods	61,907.91	38,165.81
Material in Transit (traded goods)	3,265.01	1,898.32
Stores and spares	216.41	201.90
Others	-	-
<b>Total Inventories</b>	<b>83,024.82</b>	<b>57,916.06</b>

### Amounts recognised in profit or loss

Write-downs of inventories to net realisable value amounted to ₹ 3,413.78 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	781.89	1,490.14
in cash credit accounts	29.40	280.73
Cheques in Hand	214.63	310.52
Cash on hand	94.80	100.58
<b>Total cash and cash equivalents</b>	<b>1,120.72</b>	<b>2,181.97</b>

## 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	423.67	303.29
<b>Total other bank balances</b>	<b>518.48</b>	<b>392.20</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 12 : Other current financial assets

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
Interest accrued on fixed deposits	13.22	8.36
Security deposits	189.46	227.23
Receivable from Gratuity Fund	50.02	-
Derivative Asset	7.04	19.65
<b>Total other current financial assets</b>	<b>259.74</b>	<b>255.24</b>

## 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
Export benefits	284.38	88.45
Balances with government authorities	19,032.71	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*	5,028.48	5,050.70
<b>Total other current assets</b>	<b>32,498.48</b>	<b>31,796.51</b>

\*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)

## Note 14 : Assets classified as held for sale

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
Building	219.41	219.41
<b>Total assets classified as held for sale</b>	<b>219.41</b>	<b>219.41</b>

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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 15 : Equity share capital

	31-Mar-19 Amount	31-Mar-18 Amount
(₹ In lakh)		
<b>Authorised</b>		
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
<b>As at 31st March 2017</b>	<b>101,290,176</b>	<b>2,025.80</b>
Exercise of Options under employee stock option scheme	747,325	14.95
<b>As at 31st Mar 2018</b>	<b>102,037,501</b>	<b>2,040.75</b>
Exercise of Options under employee stock option scheme	362,100	7.24
<b>As at 31st Mar 2019</b>	<b>102,399,601</b>	<b>2,047.99</b>

### ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	As at 31st March 2019		As at 31st March 2018	
	Nos.	% Holding	Nos.	% Holding
<b>Jamnallal Sons Private Limited</b>	20,172,830	19.70	19,872,830	19.48
<b>Bajaj Holdings &amp; Investment Limited</b>	16,697,840	16.31	16,697,840	16.36
<b>Kiran Bajaj</b>	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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 16 : Other Equity

	31-Mar-19	31-Mar-18
		(₹ In lakh)
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	29,227.65	18,620.90
vi) Capital reserve	10.00	10.00
vii) Capital redemption reserve	135.71	135.71
<b>Total reserves and surplus</b>	<b>103,537.05</b>	<b>91,589.01</b>

### i) Securities premium reserve

	31-Mar-19	31-Mar-18
		(₹ In lakh)
<b>Opening Balance</b>	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
<b>Closing Balance</b>	<b>25,461.14</b>	<b>24,139.09</b>

### ii) Debenture redemption reserve

	31-Mar-19	31-Mar-18
		(₹ In lakh)
<b>Opening Balance</b>	-	2,500.00
Add / (Less): Transferred from / to General Reserve	4,625.00	(2,500.00)
<b>Closing Balance</b>	<b>4,625.00</b>	<b>-</b>

### iii) General Reserve

	31-Mar-19	31-Mar-18
		(₹ In lakh)
<b>Opening Balance</b>	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
<b>Closing Balance</b>	<b>43,163.78</b>	<b>47,725.16</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 16 : Other Equity (Contd..)

### iv) Shares options outstanding account

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
<b>Opening Balance</b>	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)
<b>Closing Balance</b>	<b>913.77</b>	<b>958.15</b>

### v) Retained earnings

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
<b>Opening Balance</b>	18,620.90	13,253.28
Net profit for the period	15,639.54	8,363.49
Other comprehensive income (net of tax)	(432.50)	421.75
Less: Dividend on equity shares	(3,574.96)	(2,839.50)
Less: Dividend distribution tax	(735.01)	(578.12)
Less: Fair value of non-controlling interest put option (Note 44)	(126.90)	-
Less: Call option on non-controlling interest (Note 44)	(163.42)	-
<b>Closing Balance</b>	<b>29,227.65</b>	<b>18,620.90</b>

### vi) Capital reserve

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
Opening Balance	10.00	10.00
Closing Balance	<b>10.00</b>	<b>10.00</b>

### vii) Capital redemption reserve

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
Opening Balance	135.71	135.71
Closing Balance	<b>135.71</b>	<b>135.71</b>

### 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 16 : Other Equity (Contd..)

### 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 Group creates DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the Group. The amounts credited to the debenture redemption reserve will not be utilised except to redeem debentures.

### General Reserve

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

Particulars	(₹ In lakh)	
	31-Mar-19	31-Mar-18
<b>Cash dividends on equity shares declared and paid:</b>		
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 Consolidated Financial Statements

for the year ended 31st March 2019

## Note 17 : Borrowings

		(₹ In lakh)	
	Note No.	31-Mar-19	31-Mar-18
<b>Non-current</b>			
<b>Unsecured</b>			
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	-
<b>Total unsecured non-current borrowings</b>		<b>21,262.12</b>	<b>1,147.14</b>
<b>Total non-current borrowings</b>		<b>21,262.12</b>	<b>1,147.14</b>
<b>Current</b>			
<b>Secured</b>			
Cash credits	Note b	9,960.57	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	-
Rupee Loans	Note g	178.82	-
<b>Total secured current borrowings</b>		<b>13,157.06</b>	<b>13,142.43</b>
<b>Unsecured</b>			
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
<b>Total unsecured current borrowings</b>		<b>124,112.88</b>	<b>57,472.90</b>
<b>Total current borrowings</b>		<b>137,269.94</b>	<b>70,615.33</b>

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 Consolidated 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:

Particulars	(₹ In lakh)
	31-Mar-19
<b>Non-current</b>	
FY 2020-21	327.93
FY 2021-22	228.51
FY 2022-23	107.63
FY 2023-24	16.65
	<b>680.72</b>
<b>Current (note 18)</b>	
FY 2019-20	466.42
	<b>1,147.14</b>

### 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	Redeemable at premium at ₹ 13,66,517 per debenture	18,500.00
	₹ 7500 lakh - 20-08-2021	Redeemable at premium at ₹ 12,98,956 per debenture	
	₹ 3500 lakh - 19-02-2021	Redeemable at premium at ₹ 12,31,431 per debenture	

\*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	6M LIBOR + 225 bps	2,081.41
	9-May-21		

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

# Notes to Consolidated 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: Rupee Loans**

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ lakh as on 31-Mar-19
Bank of Maharashtra	60 instalments of ₹3.34 lakh starting from Jan 2019	12.25%	178.82

**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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 17 : Borrowings (Contd..)

Name of the Subscriber	Date of Maturity	Interest rate %	Liability In ₹ lakh as on 31-Mar-19
Axis Bank Ltd.	13-Jun-19	8.45%	2,500.00
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
			<b>29,000.00</b>

### 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
			<b>22,202.50</b>

### 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.
- 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;

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 17 : Borrowings (Contd..)

- iii) Wind Farm : Village Vankusawade, Tal. Patan, Dist. Satara, Maharashtra 415206;
- d) The below assets of the subsidiary have been kept on charge for the secured borrowings.
- i) First and exclusive charge by way of mortgage of Non-Agriculture factory land and building at Plot No B - 5,6,7, MIDC, Railway Station Aurangabad owned by Umasons Equipment and Accessories and exclusive charge by way of mortgage land & building at Gut No. 16Naigavhan, Khandewadi, Tq. Paithan, Paithan Road, Aurangabad.
- ii) First and exclusive charge by way of mortgage of open land at Gut No 09, situated at Naighavan Khandewadi, Paithan District, Aurangabad
- iii) First and exclusive charge by way of hypothecation of plant and machinery at Gut No 16, Naighavan Khandewadi, Paithan , Aurnagabad
- iv) First and exclusive charge by way of hypothecation of inventory and receivables of the company.
- All the above loans are also secured by the personal guarantee of Director - Shri Mukund N. Bhogale and ex-directors Mr Ramchandra N Bhogale & Mr Nityanand J Bhogale.
- e) These securities also extend to the various credit facilities including Bank Guarantees and Letters of Credit of ₹ 229,208.96 lakh (Previous year ₹155,799.05 lakh) executed on behalf of the Company in the normal course of business.
- The Group has not defaulted on any loans which were due for repayment during the year.

## Note 18 : Other Financial Liabilities

	31-Mar-19	31-Mar-18
(₹ In lakh)		
<b>Non Current</b>		
Deposits received	6.05	6.05
Accrued premium on redemption of non convertible debenture but not due	217.44	-
Financial guarantee contracts	-	366.07
Redemption liability of non-controlling interest at fair value (Note 44)	1,021.84	-
<b>Total other non-current financial liabilities</b>	<b>1,245.33</b>	<b>372.12</b>

	31-Mar-19	31-Mar-18
(₹ In lakh)		
<b>Current</b>		
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.)	959.82	937.08
Interest (payable) accrued and not due	407.57	75.51
Interest accrued and due on borrowings	189.01	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
<b>Total other current financial liabilities</b>	<b>38,390.15</b>	<b>30,477.63</b>

All the above financial liabilities are carried at amortised cost except for derivative liabilities (forward exchange contracts) which are fair valued through profit and loss and financial guarantee contracts which are initially recognised at fair value.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 19 : Provisions

(₹ In Lakh)

	31-Mar-19			31-Mar-18		
	Current	NonCurrent	Total	Current	NonCurrent	Total
Service warranties*	5,393.86	1,698.71	7,092.57	4,592.96	1,130.24	5,723.20
Legal claims	542.92	-	542.92	525.17	-	525.17
Other matters**	3,040.82	-	3,040.82	1,350.00	-	1,350.00
<b>Total Provisions</b>	<b>8,977.60</b>	<b>1,698.71</b>	<b>10,676.31</b>	<b>6,468.13</b>	<b>1,130.24</b>	<b>7,598.37</b>

Movement in provisions is as given below:

Particulars	Service Warranties	Legal Claims	Other matters
<b>Opening balance as on 1st April, 2017</b>	<b>6,766.38</b>	<b>473.38</b>	<b>652.00</b>
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)	-
<b>Closing balance as on 31st March, 2018</b>	<b>5,723.20</b>	<b>525.17</b>	<b>1,350.00</b>
Arising during the year	5,362.91	17.75	1,690.82
Unwinding of discount (finance cost)	92.09	-	-
Utilised during the year	(4,085.63)	-	-
<b>Closing balance as on 31st March, 2019</b>	<b>7,092.57</b>	<b>542.92</b>	<b>3,040.82</b>

\*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	590.71	2,198.09	2,788.80	1,087.46	2,654.86	3,742.32
Interest rate guarantee on provident fund	-	230.08	230.08	-	204.49	204.49
Gratuity	1,070.58	3,829.02	4,899.60	1,062.37	3,513.15	4,575.52
Employee benefit liabilities	4,555.32	42.86	4,598.18	5,962.03	-	5,962.03
<b>Total employee benefit obligations</b>	<b>6,216.61</b>	<b>6,300.05</b>	<b>12,516.66</b>	<b>8,111.86</b>	<b>6,372.50</b>	<b>14,484.36</b>

# Notes to Consolidated 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 liability of subsidiary is unfunded.

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.

The gratuity liability of subsidiary is guided by provisions of the Payment of Gratuity Act, 1972, refer (i) 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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## 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	<b>Service</b>	<b>Benefits</b>
	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	<b>Service</b>	<b>Benefits</b>
	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
<b>Present Value of Obligation as at the beginning</b>	<b>507,974,047</b>	<b>508,365,669</b>
Current Service Cost	61,755,035	65,694,967
Interest Cost	38,597,019	34,036,423
<b>Re-measurement (or Actuarial) (gain) / loss arising from:</b>		
- 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)	1,013,615	(11,015,587)
Benefits Paid	(95,095,680)	(52,957,437)
<b>Present Value of Obligation as at the end</b>	<b>522,007,382</b>	<b>489,564,944</b>



# Notes to Consolidated 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
<b>Fair Value of Plan Assets as at the beginning</b>	<b>32,114,822</b>	<b>34,051,747</b>
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
<b>Fair Value of Plan Assets as at the end</b>	<b>32,280,217</b>	<b>32,114,822</b>

Subsidiary's gratuity liability is unfunded

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

Particulars	For the year ending	
	31-Mar-19	31-Mar-18
<b>Fair Value of Reimbursement Right as at the beginning</b>	<b>466,633,252</b>	<b>432,920,189</b>
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
<b>Fair Value of Reimbursement Right as at the end</b>	<b>416,256,896</b>	<b>466,633,252</b>

\* 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	522,007,382	489,564,944
Fair Value of Plan Assets	32,280,217	32,114,822
<b>Surplus / (Deficit)</b>	<b>(489,727,165)</b>	<b>(457,450,122)</b>
Effects of Asset Ceiling, if any	-	-
<b>Net Asset / (Liability)</b>	<b>(489,727,165)</b>	<b>(457,450,122)</b>
<b>Liability on an actual basis for employees at foreign branches</b>	<b>(233,575)</b>	<b>(101,856)</b>
<b>Total Net Asset / (Liability)</b>	<b>(489,960,740)</b>	<b>(457,551,978)</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## 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
<b>Costs charged to statement of profit and loss :</b>		
Current Service Cost	61,775,035	65,694,967
Interest Expense or Cost	38,597,105	34,036,423
Investment Income	(37,877,947)	(31,265,003)
<b>Expense recognised in statement of profit and loss</b>	<b>62,474,107</b>	<b>68,466,387</b>
<b>Re-measurement (or Actuarial) (gain) / loss arising from:</b>		
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)	1,103,615	(11,015,587)
Return on plan assets , excluding amount recognised in interest expense/ (income)	1,433,372	(336,005)
<b>(Income) / Expense recognised in Other Comprehensive Income</b>	<b>10,210,333</b>	<b>(65,910,683)</b>
<b>Total Expense Recognised during the year</b>	<b>72,684,440</b>	<b>2,555,704</b>

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%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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% - 7.70%	7.60%
Salary growth rate (per annum)	5.00% - 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 Consolidated Financial Statements

for the year ended 31st March 2019

## Note 20 : Employee Benefit Obligations (Contd..)

### Summary of Membership Status - Company

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.

### Summary of Membership Status - Subsidiary (Nirlep)

Particulars	As on	
	31-Mar-19	31-Mar-18
Number of employees	122	N.A.
Total monthly salary (₹)	1,953,778	N.A.
Average past service (years)	13.77	N.A.
Average age (years)	41.66	N.A.
Average remaining working life (years)	16.35	N.A.
Number of completed years valued	1,680	N.A.
Decrement adjusted remaining working life (years)	13.09	N.A.
Normal retirement age	58 years #	N.A.

# The retirement date for Nirlep employee is the 58th date of birth of the employee

### Sensitivity Analysis

The sensitivity analysis is determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	31-Mar-19	31-Mar-18
Defined Benefit Obligation (Base)	522,007,382	489,564,944

# Notes to Consolidated 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%)	549,013,839	497,871,965	513,538,080	468,102,725
(% change compared to base due to sensitivity)	5.2%	-4.6%	4.9%	-4.4%
Salary Growth Rate (- / + 1%)	499,465,463	546,692,262	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)	568,811,942	496,708,754	529,205,058	467,759,189
(% change compared to base due to sensitivity)	9.0%	-4.8%	8.1%	-4.5%
Mortality Rate (- / + 10% of mortality rates)	521,856,913	522,157,310	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.

### 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 for BEL and 6 years for Nirlep	5 years

Expected cash flows over the next (valued on undiscounted basis):	31-Mar-19	31-Mar-18
1 year	139,338,612	138,351,451
More than 1 and upto 2 years	56,493,041	57,454,545
More than 2 and upto 5 years	152,872,404	145,079,275
More than 5 and upto 10 years	194,860,580	177,708,215
More than 10 years	279,838,522	255,997,803

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 20 : Employee Benefit Obligations (Contd..)

### d) Asset liability matching strategies

For gratuity, the Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy terms, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)

### B. Provident Fund (Defined Benefit Plan) :

Bajaj Electricals Limited operates in two schemes for the compliance of provident fund statute - (i) Bajaj Electricals Limited Employees' Provident Fund Trust & Matchwel Electricals (India) Ltd Employees' Provident Fund Trust (defined benefit plan) and (ii) RPF 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 subsidiary operates in only one scheme via RPF Contributions for provident fund (defined contribution plan)

The net defined benefit obligation as at the valuation date represents the excess of accumulated fund value (determined on actuarial basis) plus interest rate guaranteed liability over the fair value of plan assets or vice-a-versa

#### The benefit valued under PF obligation are summarised below:

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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.

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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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 20 : Employee Benefit Obligations (Contd..)

Changes in the Present Value of Obligation of Trusts are as given below :

Particulars	For the year ending	
	31-Mar-19	31-Mar-18
<b>Present Value of Obligation as at the beginning</b>	<b>1,254,066,329</b>	<b>1,107,106,009</b>
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)
<b>Re-measurement (or Actuarial) (gain) / loss arising from:</b>		
- experience variance (i.e. Actual experience vs assumptions), loss if positive	2,564,505	3,171,338
<b>Present Value of Obligation as at the end</b>	<b>1,356,553,733</b>	<b>1,254,066,329</b>

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
<b>Fair Value of Plan Assets as at the beginning</b>	<b>1,283,207,575</b>	<b>1,131,585,274</b>
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
<b>Fair Value of Plan Assets as at the end</b>	<b>1,315,938,179</b>	<b>1,283,207,575</b>

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

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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 20 : Employee Benefit Obligations (Contd..)

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	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
<b>Surplus / (Deficit)</b>	<b>(76,356,807)</b>	<b>(3,615,297)</b>
Effects of Asset Ceiling, if any	-	-
<b>Net Asset / (Liability)</b>	<b>(76,356,807)</b>	<b>(3,615,297)</b>

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 (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	31-Mar-18
<b>Costs charged to statement of profit and loss :</b>		
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)
<b>Expense recognised in statement of profit and loss</b>	<b>68,568,910</b>	<b>73,378,274</b>
<b>Re-measurement (or Actuarial) (gain) / loss arising from:</b>		
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)
<b>Expense recognised in Other Comprehensive Income</b>	<b>67,704,089</b>	<b>(19,396,247)</b>
<b>Total Expense Recognised during the year</b>	<b>136,272,999</b>	<b>53,982,027</b>

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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 20 : Employee Benefit Obligations (Contd..)

The significant actuarial assumptions are as follows :

### Financial and Demographic Assumptions

Particulars	As on			
	31-Mar-19		31-Mar-18	
	HO Unit	Chakan Unit	HO Unit	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)			

Particulars	As on	
	31-Mar-19	31-Mar-18
	Live Employees	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	<b>5,288</b>	<b>5,094</b>
Average age (years)	37.36	37.08



# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 20 : Employee Benefit Obligations (Contd..)

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%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### 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

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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 20 : Employee Benefit Obligations (Contd..)

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%

## 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	17,220,513	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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 21 : Trade Payables

	31-Mar-19	31-Mar-18
(₹ In lakh)		
<b>Current</b>		
Trade payable	102,814.72	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	-	209.36
<b>Total current trade payables</b>	<b>110,408.49</b>	<b>85,442.36</b>
<b>Non-Current</b>		
Retention payable to contractor	-	14.47
<b>Total non-current trade payables</b>	<b>-</b>	<b>14.47</b>

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:

	31-Mar-19	31-Mar-18
(₹ In lakh)		
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
ii) 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.	-	-
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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## 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	5,706.47	3,740.13
Deferred revenue *	8,155.15	3,241.20
Advance received from customer (Refer Note 41(ii))	-	11,245.50
Others	2,587.61	1,585.56
<b>Total other current liabilities</b>	<b>16,449.23</b>	<b>40,490.52</b>

\* 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) *	328,499.58	281,776.85
Contract Revenue	335,389.38	187,819.42
Other operating revenue **	4,052.24	2,042.72
<b>Total revenue from operations (Refer Note 41(i))</b>	<b>667,941.20</b>	<b>471,638.99</b>

\* 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 ₹ 1,027.45 lakh (March 31, 2018 - ₹1,097.77 lakh) and ₹ 1,056.57 lakh (March 31, 2018 - ₹466.56 lakh) respectively.

## Note 24 : Other income

	(₹ In lakh)	
	31-Mar-19	31-Mar-18
Interest income on bank deposits and others	1,176.33	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	552.05
<b>Total other income</b>	<b>6,494.98</b>	<b>5,319.38</b>

\* 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 25 : Cost of raw materials consumed

	(₹ In lakh)	
	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Raw materials at the beginning of the year	9,447.80	8,533.71
Add : Purchases	52,920.36	33,626.93
Less : Raw materials at the end of the year	12,633.01	9,447.80
<b>Total cost of raw material consumed</b>	<b>49,735.15</b>	<b>32,712.84</b>

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

	(₹ In lakh)	
	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>Opening balance</b>		
Work in progress	1,195.61	726.54
Finished Goods	7,006.62	5,445.94
Traded goods	40,064.13	42,104.77
<b>Total opening balance</b>	<b>48,266.36</b>	<b>48,277.25</b>
<b>Closing balance</b>		
Work in progress	1,844.66	1,195.61
Finished Goods	3,157.82	7,006.62
Traded goods	65,172.92	40,064.13
<b>Total Closing balance</b>	<b>70,175.40</b>	<b>48,266.36</b>
<b>Total Changes in inventories of work in progress, traded goods and finished goods</b>	<b>(21,909.04)</b>	<b>10.89</b>

## Note 26 : Erection & subcontracting expenses

	(₹ In lakh)	
	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Erection and subcontracting expense	44,375.75	31,042.67
<b>Total Erection &amp; subcontracting expense</b>	<b>44,375.75</b>	<b>31,042.67</b>

## Note 27 : Excise duty

	(₹ In lakh)	
	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Excise Duty	-	894.05
<b>Total Excise Duty</b>	<b>-</b>	<b>894.05</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 28 : Employee benefit expenses

	31-Mar-19	31-Mar-18
		(₹ In lakh)
Salaries, wages and bonus	32,880.56	28,893.12
Contribution to provident and other funds	1,662.67	1,531.88
Employees share based payment expense	389.30	285.88
Gratuity (Note 20)	617.30	686.73
Staff welfare expenses	506.26	390.29
<b>Total employee benefit expense</b>	<b>36,056.09</b>	<b>31,787.90</b>

## Note 29 : Depreciation and amortisation expense

	31-Mar-19	31-Mar-18
		(₹ In lakh)
Depreciation of property, plant and equipment	3,752.82	3,350.20
Amortisation of intangible assets	641.57	44.29
<b>Total depreciation and amortisation expense</b>	<b>4,394.39</b>	<b>3,394.49</b>

## Note 30 : Other expenses

	31-Mar-19	31-Mar-18
		(₹ In lakh)
Consumption of stores & spares	1,113.00	1,046.52
Packing material consumed	982.30	864.83
Excise duty on increase/(Decrease) in stocks of finished goods	-	-
Power and fuel	1,434.33	1,068.25
Rent	4,902.87	4,377.81
Repairs and maintenance		
Plant and machinery	872.79	895.12
Buildings	9.21	12.95
Others	278.01	324.13
Telephone and communication charges	995.08	1,117.45
Rates and taxes	105.26	90.27
Lease rent	191.89	211.86
Travel and conveyance	8,560.86	7,049.35
Insurance	2,225.20	1,172.21
Printing and stationery	345.64	271.33
Directors fees & travelling expenses	92.12	63.04
Non executive directors commission	67.00	42.23
Advertisement & publicity	9,938.08	10,455.92
Freight & forwarding	9,921.29	7,396.01
Product promotion & service charges	8,817.12	8,038.89
Sales commission	2,299.31	2,509.52

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 30 : Other expenses (Contd..)

	31-Mar-19	31-Mar-18
		(₹ In lakh)
Provisions		
Service warranties	1,222.90	(1,139.51)
Impairment allowance for doubtful debts and advances	591.16	1,889.17
Bad debts and other irrecoverable debit balances written off	1,606.87	2,492.78
Payments to auditors	161.68	130.04
Corporate social responsibility expenditure	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	4,680.56	4,304.45
Site support charges	5,187.71	2,421.60
Sales tax expenses	1,705.39	1,091.35
Security service charges	2,176.60	1,426.39
Miscellaneous expenses	10,048.19	7,231.45
<b>Total other expenses</b>	<b>81,530.16</b>	<b>68,123.02</b>

## Note 31 : Finance cost

	31-Mar-19	31-Mar-18
		(₹ In lakh)
Interest expense on borrowings	9,501.92	4,583.45
Interest expense on mobilization advances	1,683.72	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	189.64	208.95
<b>Total</b>	<b>11,759.53</b>	<b>5,886.47</b>

## Note 32 : Income Tax Expense

### (a) Income Tax Expense

	31-Mar-19	31-Mar-18
		(₹ In lakh)
<b>Current Tax</b>		
Current income tax charge	7,965.00	10,060.00
Adjustments of tax relating to earlier periods	9.75	1.98
<b>Total Current tax expense</b>	<b>7,974.75</b>	<b>10,061.98</b>
<b>Deferred Tax (refer note 8)</b>		
Decrease / (increase) in deferred tax assets	554.63	(1,634.33)
(Decrease) / increase in deferred tax liabilities	225.17	(343.14)
<b>Total deferred tax expense / (benefit)</b>	<b>779.80</b>	<b>(1,977.47)</b>
<b>Income tax expense in the statement of profit and loss</b>	<b>8,754.55</b>	<b>8,084.51</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 32 : Income Tax Expense (Contd..)

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

	31-Mar-19	31-Mar-18
	(₹ In lakh)	
Profit / (Loss) from continuing operations before income tax expense	24,112.37	16,448.47
Income Tax @ standard tax rate of 34.944% (March 31, 2018 - 34.608%)	8,425.83	5,692.49
<b>Tax effect of amounts which are not deductible in calculating taxable income :</b>		
- 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*	-	2,135.12
<b>Other items affecting effective tax rate:</b>		
- Reversal of Deferred Tax Asset on Impairment allowance on Investment in Hind Lamps Limited	-	346.08
- Share of results of associates and joint ventures (net of tax)	83.51	365.50
- Effects of changes in statutory tax rate	-	(66.18)
- Deferred Tax Asset recognised on Asset held for Sale	18.34	(485.10)
- Others	(51.95)	(104.67)
<b>Income Tax Expense reported in statement of profit and loss</b>	<b>8,754.55</b>	<b>8,084.51</b>

\* 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.

## 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
<b>I. Details of the ESOS :</b>				
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.



# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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

Sr. No.	Particulars	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
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 exercised 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.		

## 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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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

### 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

### III. Weighted Average remaining contractual life

	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
<b>Range of Exercise Price</b>	<b>Weighted average contractual life (years) as on March 31, 2019</b>		
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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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

Range of Exercise Price	Weighted average contractual life (years) as on March 31, 2018			
0 to 100	Nil	Nil	Nil	Nil
No. of Options Outstanding	Nil	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	Nil
No. of Options Outstanding	Nil	Nil	Nil	Nil
601 to 700	Nil	Nil	Nil	Nil
No. of Options Outstanding	Nil	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

### 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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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

### 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
	Weighted Average	Weighted Average	Weighted Average
1. Risk Free Interest Rate	No options granted during	No options granted during	7.62%
2. Expected Life (in years)	the year	the year	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

### 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	No options granted during	6.89%
2. Expected Life (in years)	the year	the year	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 dividend yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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

### VII Effect of Share-Based Payment Transactions on the Entity's Profit or Loss for the year :

Particulars	(₹ In lakh)	
	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

Particulars	(₹ In lakh)	
	As at March 31, 2019	As at March 31, 2018
<b>A. Financial assets</b>		
<b>I. Measured at amortized cost</b>		
Investments	845.14	764.82
Trade Receivables	314,382.46	201,213.75
Loans	8.78	11.14
Cash and Cash Equivalents	1,120.72	2,181.97
Bank Balances other than above	518.48	392.20
Other Financial Assets	2,510.80	2,141.64
<b>II. Measured at fair value through profit and loss (FVTPL)</b>		
Other Financial Assets (Derivative Assets)	7.04	19.65
Investments	231.49	0.10
	<b>319,624.91</b>	<b>206,725.27</b>
<b>B. Financial liabilities *</b>		
<b>I. Measured at amortized cost</b>		
Borrowings	158,532.06	71,762.47
Trade Payables	110,408.49	85,456.83
Other Financial Liabilities	38,466.71	30,830.96
<b>II. Measured at fair value through profit and loss (FVTPL)</b>		
Other Financial Liabilities (Derivative Liability)	146.93	18.79
	<b>307,554.19</b>	<b>188,069.05</b>

\* Does not include redemption liability of non-controlling interest of ₹ 1,021.84 lakh, changes of which are recognised directly in equity.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 34 : Fair value measurements (Contd..)

(ii) Set out below, is a fair value measurement hierarchy and comparison by class of carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts which are reasonable approximations of their fair values:

Particulars	Valuation Techniques	Carrying values	Fair Values	Fair Values Measurement using		
				Level 1	Level 2	Level 3
<b>As at March 31, 2019</b>						
Other Financial Assets (Derivative Assets)	Mark to Market	7.04	7.04		7.04	
Investments	Discounted Cash Flow / Net Asset Value	231.49	1,589.01			1,589.01
Other Financial Liabilities (Derivative Liability)	Mark to Market	146.93	146.93		146.93	-
		<b>385.45</b>	<b>1,742.98</b>	<b>-</b>	<b>153.97</b>	<b>1,589.01</b>

Particulars	Valuation Techniques	Carrying values	Fair Values	Fair Values Measurement using		
				Level 1	Level 2	Level 3
<b>As at March 31, 2018</b>						
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	
		<b>38.54</b>	<b>1,396.06</b>	<b>-</b>	<b>38.44</b>	<b>1,357.62</b>

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

\* 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

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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 35: Financial risk management objectives and policies

The Group's principal financial liabilities comprise of borrowings, trade and other payables, channel financing liability and financial guarantee contracts. The main purpose of these financial liabilities is to finance the entity's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group 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 Group is exposed to credit risk, liquidity risk and market risk, which are explained in detail below:

### (A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risk from its operating activities mainly in relation to trade and other receivables and bank deposits. Further, the Group is also exposed to credit risk arising from its loans, advances and investment in preference shares of its affiliate companies.

#### Trade and other receivables

Trade and other receivables of the Group are typically unsecured and credit risk is managed through credit approvals and periodical monitoring of the creditworthiness of customers to which the Group grants credit terms.

In respect of trade receivables, the Group typically operates in two segments:

#### Consumer products

The Group 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 Group. In case of government sector, the credit risk is low.

#### Engineering and projects

The Group undertake projects for government institutions (including local bodies) and private institutional customers. The credit concentration is more towards government institutions. These projects are normally of long term duration of two to three years. Such projects normally are regular tender business with the terms and conditions agreed as per the tender. These projects are fully funded by the government of India through Rural Electrification Corporation, Power Finance Corporation, and Asian Development Bank etc. The Group enters into such projects after careful consideration of strategy, terms of payment, past experience etc.

In case of private institutional customers, before tendering for the projects Group evaluate the creditworthiness, general feedback about the customer in the market, past experience, if any with customer, and accordingly negotiates the terms and conditions with the customer.

The Group assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from such trade and other receivables. In respect of trade receivables the Group has a provisioning policy that is commensurate to the expected losses. The provisioning policy is based on past experience, customer creditability, and also on the nature and specifics of business especially in the engineering and projects division. In case of engineering projects, the Group also provides on more case-to-case basis, since they are large projects in individuality.

# Notes to Consolidated Financial Statements

for the year ended 31st March 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

Particulars	(₹ In lakh)
	<b>Amount</b>
<b>Impairment allowance on 31 March 2018</b>	<b>17,933.13</b>
Created during the year	918.84
Reversed during the year	(2,802.13)
<b>Impairment allowance on 31 March 2019</b>	<b>16,049.84</b>

### Bank deposits

The Group maintains its cash and bank balances with credit worthy banks and financial institutions and reviews it on an on-going basis. Moreover, the interest-bearing deposits are with banks and financial institutions of reputation, good past track record and high-quality credit rating. Hence, the credit risk is assessed to be low. The maximum exposure to credit risk as at 31 March 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 (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 consolidated financial statements (Refer Note 42).

### (B) Liquidity risk

The Group has a central treasury department, which is responsible for maintaining adequate liquidity in the system to fund business growth, capital expenditures, as also ensure the repayment of financial liabilities. The department obtains business plans from business units including the capex budget, which is then consolidated and borrowing requirements are ascertained in terms of Long term funds and short-term funds. Considering the peculiar nature of EPC business, which is very working capital intensive, treasury maintains flexibility in funding by maintaining availability under committed credit lines in the form of fund based and non-fund based (LC and BG) limits.

The limits sanctioned and utilised are then monitored monthly, fortnightly and daily basis to ensure that mismatches in cash flows are taken care of, all operational and financial commitments are honoured on time and there is proper movement of funds between the banks from cashflow and interest arbitrage perspective.



# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

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

### (i) Financing arrangements

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

	31-Mar-19	31-Mar-18
Floating / Fixed Rate		
- Expiring within One year (Bank overdraft and other facilities)	106,081	237,581

(₹ In lakh)

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 Group's financial liabilities based on contractual undiscounted payments:

Particulars	(₹ In lakh)					Total
	Carrying value as at March 31, 2019	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	
Borrowings	158,532.05	137,269.94	4,637.94	22,425.24	-	164,333.12
Trade payables	110,408.49	110,408.49	-	-	-	110,408.49
Other financial liabilities	39,635.49	38,390.17	47.18	1,198.14	-	39,635.49
<b>Total</b>	<b>308,576.03</b>	<b>286,068.60</b>	<b>4,685.12</b>	<b>23,623.38</b>	<b>-</b>	<b>314,377.10</b>

(₹ In lakh)

Particulars	(₹ In lakh)					Total
	Carrying value as at March 31, 2018	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	
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
<b>Total</b>	<b>188,069.04</b>	<b>186,857.51</b>	<b>622.49</b>	<b>823.36</b>	<b>16.65</b>	<b>188,320.01</b>

## (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 Consolidated Financial Statements

for the year ended 31st March 2019

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

The Group operates in the global market and is therefore exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar ('USD'), Euro ('EUR'), Great Britain Pound ('GBP'), Chinese Yuan Renminbi ('RMB'), United Arab Emirates Dirham ('AED'), Kenyan Shillings ('KES'), Zambian Kwacha ('ZMW') and Canadian Dollar ('CAD'). 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 Group 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 for the period which matches the maturity date of the forex liability which is proposed to be hedged. On maturity date, the forward contracts are utilized for settlement of the underlying transactions.

### (a) Foreign currency risk exposure:

The Group'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	93.95	-	-	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 Group 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

Particulars	Impact on profit after tax & Equity	
	31-Mar-19	31-Mar-18
(₹ In lakh)		
<b>USD sensitivity</b>		
₹ appreciates by 4%(31 March 2018 - 4%)	210.95	668.11
₹ depreciated by 4%(31 March 2018 - 4%)	(210.95)	(668.11)

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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders (buy-back) or issue new shares.

The Group'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 Group 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 Group 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 Group'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	158,998.48	72,310.41
Total equity	100,822.17	93,505.50
Total debt to equity ratio	1.58	0.77

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 37: Segment reporting

The Group 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

Particulars	(₹ In lakh)	
	31-Mar-19	31-Mar-18
a) Consumer Products	16,586.37	10,868.45
b) EPC	19,530.98	19,460.09
c) Others	(34.26)	(45.15)
<b>Operating Segment Profit</b>	<b>36,083.09</b>	<b>30,283.39</b>
<b>Unallocated income / (expenses)</b>		
Depreciation & amortisation expenses	(159.14)	(128.82)
Finance Cost	(11,759.54)	(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	182.58
Employee share based payment expenses	(389.30)	(285.88)
Interest on Income Tax refund	-	947.31
Exceptional items	-	(7,878.50)
Share of profit / (loss) of associate and joint venture	(238.97)	(1,056.43)
Others	1,030.13	515.81
<b>Profit before income tax</b>	<b>24,112.48</b>	<b>16,448.00</b>

The operating segment results includes depreciation and amortization of ₹2,225.80 (March 31, 2018 – ₹1,551.16) for consumer products, ₹1,971.12 (March 31, 2018 – ₹1,676.25) for EPC and ₹38.33 (March 31, 2018 – ₹38.26) for others.

### 2) Segment Revenue:

Particulars	(₹ In lakh)	
	31-Mar-19	31-Mar-18
a) Consumer Products	274,702.80	222,845.89
b) EPC	393,188.47	248,756.15
c) Others	49.93	36.95
<b>Sub-total</b>	<b>667,941.20</b>	<b>471,638.99</b>
Less: Inter Segment Revenue	-	-
<b>Net Sales / Income from Operations</b>	<b>667,941.20</b>	<b>471,638.99</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Note 37: Segment reporting (Contd..)

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 its revenue from external customers broken down by location of the customers is shown in table below:

Particulars	(₹ In lakh)	
	31-Mar-19	31-Mar-18
India	658,306.50	466,102.24
Outside India	9,634.70	5,536.75
<b>Total</b>	<b>667,941.20</b>	<b>471,638.99</b>

### 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.

Particulars	(₹ In lakh)	
	As at March 31, 2019	As at March 31, 2018
a) Consumer Products	138,971.29	93,378.72
b) EPC	337,480.14	211,803.31
c) Others	247.82	301.07
<b>Total Segment Assets</b>	<b>476,699.25</b>	<b>305,483.10</b>
<b>Unallocated</b>		
Deferred tax assets	5,754.93	7,353.18
Income tax assets (net)	5,370.66	828.12
Investments	1,076.61	764.92
Property, Plant & Equipments	23,993.78	22,490.06
Cash & cash equivalents	1,639.21	2,574.17
Others	3,362.64	7,092.86
<b>Total assets as per balance sheet</b>	<b>517,897.08</b>	<b>346,586.41</b>

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:

Particulars	(₹ In lakh)	
	As at March 31, 2019	As at March 31, 2018
India	34,632.38	31,250.40
Outside India	1.93	4.59
<b>Total</b>	<b>34,634.31</b>	<b>31,254.99</b>

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 Consolidated 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 Group's borrowings and derivative financial instruments are not considered to be segment liabilities but are managed by the treasury function.

Particulars	(₹ In lakh)	
	As at March 31, 2019	As at March 31, 2018
a) Consumer Products	91,439.93	73,238.84
b) EPC	156,641.77	100,620.76
c) Others	-	-
<b>Total Segment Liabilities</b>	<b>248,081.70</b>	<b>173,859.60</b>
<b>Unallocated</b>		
Borrowings	158,998.48	72,310.41
Others	5,224.02	6,765.19
<b>Total liabilities as per balancesheet</b>	<b>412,304.20</b>	<b>252,935.20</b>

## Note 38: Disclosure of transactions with related parties

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
<b>(A) Parent Entities</b>					
	Not Applicable				
<b>(B) Associate - Hind Lamps Limited</b>					
	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
	Finance Income of preference shares (financial asset at amortised cost)	80.31	-	72.68	-
<b>(C) Joint Venture - Starlite Lighting Limited</b>					
	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	-

# Notes to Consolidated 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
	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	-
<b>(D) Key Management Personnel #</b>					
	Short-term employee benefits	1,562.25	(657.30)	1,645.80	(942.82)
	Gratuity settlement	647.00	-	-	-
	Post- employment benefits (contribution to super annuation fund)	51.63	-	53.95	-
	Long-term employee benefits (contribution to provident fund)	39.22	-	43.16	-
	Perquisite value of ESOPs exercised during the year	7.34	-	25.01	-
	<b>Total Compensation</b>	<b>2,307.43</b>	<b>(657.30)</b>	<b>1,767.92</b>	<b>(942.82)</b>
<b>(E) Transactions with the Entities which is Controlled or Jointly Controlled by a person identified in para 9 (a) of Ind AS 24 - Related Party Disclosures</b>					
	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	-	21.08	-	27.00
	Sales	705.70	299.46	962.99	306.33
	Purchases	1,048.19	(187.31)	-	(0.05)
	Interest	33.64	-	-	-
	Unsecured Loan	185.90	-	-	-
	Sale of Property	1,014.57	-	-	-
<b>(F) 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</b>					
	Advance for Insurance premium	-	647.78	-	474.07
	Claims Received	157.31	-	76.39	-
	Insurance Premium paid	754.21	-	664.30	(0.13)

# Notes to Consolidated 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
	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	-

### (G) Transactions with the entities which are the post employment benefit plans as identified in para 9 (b) (v) of Ind AS

#### 24 - Related Party Disclosures

Trustees Bajaj Electricals Ltd Employees Provident Fund	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)

### (H) 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.



# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## 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)	15,357.93	15,375.47
Profit for the year after exceptional items and tax on exceptional items (B) (₹ In lakh)	15,357.93	8,363.49
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
<b>Earnings Per Share in ₹ :-</b>		
(a) Basic before exceptional items (A/C)	15.02	15.13
(b) Diluted before exceptional items (A/D)	14.98	15.06
<b>Earnings Per Share in ₹ :-</b>		
(a) Basic after exceptional items (B/C)	15.02	8.23
(b) Diluted after exceptional items (B/D)	14.98	8.19

## Note 40. Commitments and contingencies

### a. Contingent liabilities

Particulars	31-Mar-19	31-Mar-18
		(₹ In lakh)
<b>Contingent Liabilities not provided for :</b>		
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 x below)	23,491.94	17,640.43
iii) Excise and Customs duty - matters under dispute	15.49	0.00
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	4,136.86	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 disposal of E-Waste.

# Notes to Consolidated 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 Group has made a provision on a prospective basis from the date of the SC order. The Group 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 ₹ 5,094.76 lakh (March 31, 2018 – ₹4,589.67 lakh). The total minimum lease rentals payable over the lease term are as below.

Particulars	(₹ In lakh)	
	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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## 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
<b>A. Revenue from contracts with customers</b>	
Consumer products (includes appliances, lighting and fans)	273,542.89
Engineering, procurement and construction (EPC) (includes power distribution, transmission line towers and illumination)	392,685.88
Others	49.93
<b>Total</b>	<b>666,278.70</b>
<b>B. Reconciliation of contracted price with (A) above</b>	
Revenue at contracted price	662,882.39
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	(6,903.26)
Others	(785.93)
<b>Revenue from contracts with customers (a)</b>	<b>666,278.70</b>
Add: Other revenue (b)	
Claims received, export incentives, etc	1,662.50
<b>Revenue from operations (a+b)</b>	<b>667,941.20</b>

### (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 Consolidated Financial Statements

for the year ended 31st March 2019

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

Contract liabilities are relates to payments received in advance of performance under the contract and billing in excess of contract revenue recognised. Contract liabilities are recognised as revenue when the Company satisfies the performance obligation under the contract.

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 standalone 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)
	<b>31-Mar-19</b>
Consumer products	8,155.15
EPC	2,62,057.10
<b>Total</b>	<b>270,212.25</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## 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.

Particulars	(₹ In lakh)
	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 and consolidated financial statements.

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

Particulars	(₹ In lakh)
	Impairment Amount
<b>Non-current equity investments (unquoted)</b>	
5,875,000 (March 31, 2017 - 2,375,000) equity shares of ₹10 each of Starlite Lighting Ltd	579.42
<b>Non-current debt instruments (preference shares)</b>	
<b>At fair value through profit and loss</b>	
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	3,762.62
<b>Non-current loans and advances</b>	
Loan	280.00
Advances	2,200.00
<b>Total</b>	<b>8,179.66</b>
- disclosed under 'other expenses' (Note 30) *	301.16
- disclosed as exceptional item	7,878.50

\* 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 Consolidated Financial Statements

for the year ended 31st March 2019

## Note 43: Disclosure of Interest in entities

### i) Summarised financial information for joint venture and associate

The tables below provide summarised financial information for the Group's joint ventures and associates. The information disclosed reflects the amounts presented in the consolidated financial statements of the relevant associates and joint ventures and not Company's share of those amounts.

#### Summarised balance sheet

Summarised balancesheet	Starlite Lighting Limited (Joint Venture)		Hind Lamps Limited (Associate)	
	31-03-2019 (Audited)	31-03-2018 (Audited)	31-03-2019 (Audited)	31-03-2018 (Audited)
<b>Current assets</b>				
Cash and cash equivalents	79.20	78.37	6.15	4.22
Other assets	8,511.65	10,365.87	1,653.18	1,120.47
<b>Total current assets</b>	<b>8,590.85</b>	<b>10,444.24</b>	<b>1,659.33</b>	<b>1,124.69</b>
<b>Total non-current assets</b>	<b>12,914.11</b>	<b>14,656.74</b>	<b>2,666.98</b>	<b>2,659.59</b>
<b>Current liabilities</b>				
Financial liabilities (excluding trade payables)	31,198.01	16,854.48	2,412.99	353.33
Other liabilities	6,651.78	5,672.82	4,358.10	4,725.02
<b>Total Current liabilities</b>	<b>37,849.79</b>	<b>22,527.30</b>	<b>6,771.09</b>	<b>5,078.35</b>
<b>Non-current liabilities</b>				
Financial liabilities (excluding trade payables)	8,809.86	17,313.02	3,042.88	2,940.92
Other liabilities	118.49	68.85	850.89	866.36
<b>Total non-current liabilities</b>	<b>8,928.35</b>	<b>17,381.87</b>	<b>3,893.77</b>	<b>3,807.29</b>
<b>Net Assets</b>	<b>(25,273.18)</b>	<b>(14,808.19)</b>	<b>(6,338.55)</b>	<b>(5,101.34)</b>

#### Reconciliation to carrying amounts

Particulars	Starlite Lighting Limited (Joint Venture)		Hind Lamps Limited (Associate)	
	31-03-2019 (Audited)	31-03-2018 (Audited)	31-03-2019 (Audited)	31-03-2018 (Audited)
Opening net assets	579.42	550.50	1,000.00	1,366.82
Add: Investment during the year	-	3.50	-	-
Profit / (Loss) for the year	-	(554.00)	(238.97)	(519.24)
Other comprehensive income	-	-	-	13.61
Add: Guarantee given during the year	-	579.42	-	-
Less: Accumulated impairment	(579.42)	(579.42)	(1,000.00)	(1,000.00)
<b>Closing net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Recognised as liability*</b>	<b>-</b>	<b>-</b>	<b>238.97</b>	<b>138.80</b>

\* As per the rehabilitation scheme approved by the BIFR, the Company has a legal or constructive obligation to support Hind Lamps Ltd. Accordingly, the group's share in losses of the associate in excess of the investment value has been recorded under 'Other current liabilities' in Note 22.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## Summarised statement of profit and loss

Particulars	Starlite Lighting Limited (Joint Venture)		Hind Lamps Limited (Associate)	
	31-03-2019 (Audited)	31-03-2018 (Audited)	31-03-2019 (Audited)	31-03-2018 (Audited)
Revenue from operations	13,884.61	16,199.95	5,737.50	4,160.15
Other income	61.35	28.84	33.96	57.65
Cost of manufacturing	11,888.16	14,136.95	4,261.43	2,866.41
Employee benefits expense	913.96	732.80	1,737.50	1,574.73
Depreciation and amortisation	1,610.28	1,618.23	28.11	29.99
Other expenses	2,018.18	1,862.64	406.26	472.52
Finance Cost	3,850.05	3,908.92	574.62	496.14
Exceptional items	3,416.99	4,955.93	-	-
Income tax expense	-	-	21.29	(304.64)
<b>Profit for the year from continuing operations</b>	<b>(9,751.66)</b>	<b>(10,986.69)</b>	<b>(1,257.75)</b>	<b>(917.36)</b>
Other comprehensive income	(37.32)	0.74	20.54	71.58
<b>Total comprehensive income</b>	<b>(9,788.98)</b>	<b>(10,985.95)</b>	<b>(1,237.21)</b>	<b>(845.78)</b>
Dividends received	NIL	NIL	NIL	<b>NIL</b>

## ii) Commitments and contingent liabilities in respect of associate

Bajaj Electricals Limited, being promoter for Hind Lamps Limited under rehabilitation scheme approved by Hon'ble BIFR, is entitled to support Hind Lamps Limited and entitled to bring in the funds in the form of unsecured loans irrespective of any statutory provisions in any of the acts prevailing which may stop Bajaj Electricals Limited to do so.

For commitment and contingencies relating to Starlite Lighting Limited, refer note 40.

## iii) Disclosure in terms of Schedule III of the Companies Act, 2013 as at and for the year ended March 31, 2019.

Particulars	(₹ in lakh)							
	Net Assets (i.e Total assets minus total liabilities)		Share in Profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
<b>1. Parent</b>								
Bajaj Electricals Limited	102.07%	107,777.42	108.78%	16,706.87	99.05%	(429.21)	109.07%	16,277.66
<b>2. Subsidiary</b>								
Nirlep Appliances Pvt Ltd	(1.68%)	(1,776.28)	(12.79%)	(1,964.40)	0.95%	(4.13)	(13.19%)	(1,968.53)
<b>3. Joint Venture</b>								
Starlite Lighting Limited	-	-	-	-	-	-	-	-
<b>4. Associate</b>								
Hindlamps Limited	-	-	(1.56%)	(238.97)	-	-	(1.60%)	(238.97)
<b>5. Intercompany eliminations and consolidation adjustments</b>								
	(0.39%)	(408.25)	5.56%	854.44	-	-	5.73%	854.44
<b>Total</b>	<b>100.00%</b>	<b>105,592.88</b>	<b>100.00%</b>	<b>15,357.93</b>	<b>100.00%</b>	<b>(433.33)</b>	<b>100.00%</b>	<b>14,924.60</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## NOTE 44: Business Combinations

During the year, the Company has acquired controlling equity stake of 79.85 in Nirlep Appliances Private Limited ('Nirlep') for a cash consideration of ₹3,070.45 lakh to further augment the product range available under the consumer products segment. Further, in terms of the share purchase agreement, the Company has a perpetual call option to buy the remaining equity stake at an exercise price as determined in the agreement and the non-controlling interest (NCI) have a put option to sell the remaining equity stake for a period of 60 after expiry of 3 years from the closing date, at an exercise price as determined in the agreement. The Company has accounted for the acquisition as a business combination under Ind AS 103. Accordingly, the fair value of the assets acquired and the liabilities assumed as at the acquisition date (i.e August 31, 2018) have been recorded as below:-

Particulars	₹ In lakh
<b>Assets</b>	
Property, plant and equipment	2,929.52
Intangible assets (brands, customer relationships and distributor / dealer network)	2,174.01
Investments	2.29
Inventories	1,080.00
Trade receivables	417.85
Cash and bank balances	69.62
Other financial assets	46.19
Other current assets	260.81
<b>Liabilities</b>	
Borrowings	(1,101.65)
Trade payables	(2,123.63)
Provisions	(54.38)
Employee benefit obligations	(356.88)
Other current liabilities	(664.04)
Deferred tax liabilities	(1,050.84)
Current tax liabilities	(38.87)
<b>Fair value of net assets acquired</b>	<b>1,590.00</b>

The measurement of the fair value of the property, plant and equipment for the purpose of this business combination accounting has been carried out on a provisional basis as per provisions of Ind AS 103.

The non-controlling interest on acquisition date has been measured at fair value, being the present value of the estimated future purchase price of ₹1,177.38 lakh. Further, the fair value of the call option on the non-controlling interest of ₹163.42 lakh on the acquisition date is recognised in equity considering it is an option over the non-controlling interest which is regarded as 'equity' in the financial statements. The goodwill has been recognised as follows:

Particulars	₹ In lakh
Fair value of consideration)	3,070.45
Non-controlling interest at fair value *	1,177.38
Less: Fair value of net assets acquired	(1,590.00)
Less: Fair value of the call option on the non-controlling interest	(163.42)
<b>Goodwill on acquisition</b>	<b>2,494.41</b>

\* Present value of the estimated future purchase price



# Notes to Consolidated Financial Statements

for the year ended 31st March 2019

## NOTE 44: Business Combinations (Contd..)

During the year ended March 31, 2019, the Group has performed its annual impairment test and determined that there is no impairment. The recoverable amounts of the CGU's have been determined on the basis of the value in use calculations. The calculation uses cash flow projections based on budgets approved by the management. Management believes that any reasonably possible change in the key assumptions on which the specific CGU's recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

Movement in NCI from acquisition date to reporting date is as given below:

Particulars	₹ In lakh
Non-controlling interest as on acquisition date	1,177.38
Share in profit / loss attributable to NCI as per the statement of profit and loss	(281.61)
Share in other comprehensive income attributable to NCI	(0.83)
<b>Non- controlling interest after above adjustments (A)</b>	<b>894.94</b>
Redemption liability of non-controlling interest as at March 31, 2019 (being the present value of the estimated future purchase price) (B)	1,021.84
<b>Differential recognised in equity (A-B)</b>	<b>126.90</b>

Revenue and profit / (loss) of Nirlep included in the consolidated financial statements for the year ended March 31, 2019 is ₹ 2,910.39 lakh and ₹1,110.08 lakh respectively.

**Note 45:** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signature to note 1 to note 45

As per our report attached of even date

**For S R B C & CO LLP**

Firm Registration No. 324982E/E300003

Chartered Accountants

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

**Shekhar Bajaj**

Chairman & Managing Director  
DIN: 00089358

**Anuj Poddar**

Executive Director  
DIN: 01908009

**per Vikram Mehta**

Partner

Membership No.105938

**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

## Kitchen Appliances

• <b>Toasters</b>	- <b>Pop-up</b> – ATX 21, ATX 4, ATX 3 <b>Sandwich Toaster</b> – Majesty New SWX 7 Sandwich, Majesty New SWX 8 Grill, Majesty New SWX 3 Sandwich, Majesty New SWX 4 Grill, Majesty New Grill Ultra, Bajaj Sandwich & Grill Maker
• <b>Mixer Grinders</b>	- <b>750W</b> – Twister, GX 11, Classic, GX 8, PX 74, Twister DLX, Twister Fruity, Stormix, Maverick <b>600W</b> – Hexagrind and Trio <b>500W</b> – Bravo Dlx 3 jar, GX7, Easy, GX3, GX 4, GX 6, and Glory MG, Ruby, Maxio, Popular (450W),Gx8, Ion, Pluto, GX1, Rex, PX 7 <b>550 W</b> – GX 21, Tornado
• <b>Food Processors</b>	- MasterChef 3.0, FX 11, and New FX9, FX-1000, FX-7
• <b>Juicer Mixer Grinders</b>	- JX 10, JX 5, and Fresh sip, JX 4 and JX7, JX4 Neo
• <b>Juicers</b>	- Majesty JEX 15, Majesty JEX16, Majesty Juice Extractor, Juicer one
• <b>Choppers &amp; Hand Blender</b>	- Presto XL, HC 01, Hand Blender HB 10, HB 11, HB 12 and HM01
• <b>Wet Grinder</b>	- WX 9 with arm, WX 3 without arm, WX 1 without arm
• <b>OTGs</b>	- 4500TMCSS, 3500TMCSS, 2800TMCSS, 2200TMSS, 2200T, 1603TSS, 1603T, 1000TSS
• <b>Microwave Ovens</b>	- 2504 ETC, 2310 ETC, 2005 ETB, 2016 MTBX ,1701 MT, 1701MT DLX,
• <b>Electric Kettles</b>	- TMX 3 Tea Maker, Majesty KTX 9 Multifunction, Majesty KTX 15 SS, Majesty Travel Kettle KTX2, 1.7L Non-Strix, 1.0L Non-Strix, Majesty New KTX7 1L Cordless Kettle, Majesty New KTX7 1.7L Cordless Kettle, Majesty 1.2L SS kettle, Juvel double walled Kettle
• <b>Induction Cookers</b>	- Bajaj Splendid, Majesty ICX Neo, Majesty ICX Pearl, Majesty ICX 7, Popular Ultra, Majesty ICX3, Majesty Slim
• <b>Rice Cookers</b>	- Majesty RCX 42, Majesty RCX 28 Deluxe, Majesty RCX 28, Majesty New RCX 21 Deluxe, Majesty New RCX 7, Majesty New RCX 5, Majesty New RCX 3, Majesty RCX 1 Mini, RCX 1.8 Duo Green
• <b>Pressure Cookers</b>	- <b>Inner Lid</b> – PCX 32, PCX 33, PCX 35 <b>Inner Lid with induction</b> – PCX 42, PCX 43, PCX 45 <b>Handi Anodized</b> – PCX 63H, PCX 65H <b>Handi Anodized Induction Base</b> – 3L - PCX 63HD, 5L - PCX 65HD <b>Handi Induction Base</b> – PCX 63D, PCX 65D <b>Outer Lid</b> – PCX 3, PCX 5
• <b>Gas Stoves</b>	- Popular-Eco, CX 8, CX 9, CX 10D, CGX 2 ECO, CGX 3 ECO, CGX 4 SS, CGX 10 SS, IX 2
• <b>Non Electric Kitchen Aid (NEKA)</b>	- Induction Frying Pan 240mm, Frying Pan 240mm Hard Anodized Majesty Duo Cookware Set 3 Pcs, Hard Anodized Sauce Pan 1/1.5 / Induction Kadai 240mm, Induction Tawa 250/ 280mm, Tawa Hard Anodised 220/ 260 mm, Hard Anodized Kadai 240 mm

## Domestic Appliances

• <b>Irons</b>	- <b>Dry Irons</b> – DX 2 Grey, DX 2 Black, Popular Plus, Popular 1000, DX 11, DX 4, DX 6, DX 7, DX 8, Esteela, Majesty One, DHX 9, Auto standard, New Popular 750, New Popular 1000, DX 4 Neo, 7 Neo, Majesty Canvas Green <b>Steam Irons</b> – MX 3, MX 4, MX 15, MX 25, MX 16
• <b>Water Heaters</b>	- <b>Storage Water Heaters</b> – <b>5 star series Glassline:</b> Calenta 6, 10, 15 & 25 ltrs, Calenta Digi 15 & 25L, Bajaj Calenta Mechanical 15L & 25 L <b>5 star series Glassline:</b> Caldia 6,10,15 & 25ltrs <b>5 star series Glassline:</b> Shakti GPV 10, 15 & 25ltrs <b>4 star series Glassline:</b> New Shakti 10, 15 & 25ltrs; Shakti PC Deluxe 10, 15 & 25L <b>5 star Horizontal Glassline:</b> Majesty Horizontal 10, 15, 25 Litres <b>Gas Water Heaters</b> – Majesty Duetto (low and high pressure applications available LPG/PNG connection) <b>Instant Water Heaters</b> – Flora: 1 & 3 litres - 3kw/ 4.5kw ; New Majesty Instant WH 1 & 3 litres - 3kw/ 4.5kw
• <b>Room Heaters</b>	- <b>Oil Filled Radiator</b> – Majesty Rh 9 Plus OFR, Majesty RH 9F Plus OFR, Majesty RH 11F Plus OFR, Majesty RH 13F Plus. <b>Fan Heater</b> – Blow Hot, Rx 10, Rx 11, Rx 8 Heat Convector, Majesty Rfx 2, Heat Convector Rx 7, Majesty Rx 17 Heat Convector, Majesty Rx 19 Heat Convector. <b>Radiant Heater</b> – Flashy Room Heater, Minor Room Heater, Del Room Heater. HALOGEN HEATER: RX2 Halogen Heater, Majesty RHX 3 New. <b>Carbon Heater</b> – Majesty CHX Duo Room Heater
• <b>Air Coolers</b>	- DC 2016 Glacier, DC 55 DLX, MD 2020, SB2003, TC 2007, Frio, DC 2015 Icon, DC 2015 Icon Digital, TC 2008, PC 2012, PC 2000 DLX, PCF 25 DLX, DC 2050 DLX, Bajaj Cool.iNXT, TC 103 DLX Digital DC 102 DLX Digital, TMH12, TMH20 and TMH35 <b>Platini</b> – PX 100 DC and PX 97 Torque

## Fans

• <b>Ceiling Fans</b>	- Magnifique FL-01, Magnifique AL-01, Ornio, Cruzair Décor, Shinto, Leatrim Max 250 x 250, Euro, Harrier, Regal Gold 4 Blade, Regal Gold NXG, Elegance, Regal Gold, Grace Gold DX, Esteem, Ark, Ark HS Bajaj-Disney Kids Fan Range (Mickey Mouse & Friends, Minnie Mouse, Cars, Spiderman), Speedster X, Pride Neo, Ultima D'ziner 2T, Ultima, Grace LX, Grace DLX, Speedster, Energy Efficient Fans (Excel Star, Kassels Star, Electra 50 & Kassels 50 ISI), Edge, New Bahar Deco, Tezz, New Panther, New Bahar, Small Fans with 600 mm sweep (Regal Gold, Speedster, Maxima), Euro NXG, Harrier Anti-germ, Elegance Royale anti-germ, Edge HS
• <b>Pedestal Fans</b>	- Neo-Spectrum, Bajaj Midea(BP2200/BP07), Tez Farrata, Tez MK II Farrata, Victor (VP 01-18, VP R-01), Elite Neo, Esteem
• <b>Table Fans</b>	- Neo-Spectrum, Bajaj Midea (BT07), Elite Neo, Esteem
• <b>Wall Fans</b>	- Neo-Spectrum, Bajaj Midea (BW2200/BW07), Victor, Elite Neo, Esteem
• <b>Personal Fans</b>	- Ultima Table, Wall & Cabin fan
• <b>Domestic Exhaust Fans</b>	- Freshee MK II, Maxio, Maxima DX, Bahar, Maxima DX-G02
• <b>Heavy duty Exhaust Fans</b>	- Supreme DLX, Supreme Plus & MAXX AIR Industrial Exhaust Fans
• <b>Air Circulators</b>	- Supreme Plus and Supreme MK II range of Air Circulators

## Lighting

• <b>Lamps</b>	- <b>General Lighting Service Lamps</b> – Available in 40W, 60W & 100W (clear & milky) & 200W <b>Special Incandescent Lamps</b> – 15W Clear, Night, Decoration Lamps
• <b>Tubes (Fluorescent Lamps)</b>	- T8 Tube in 18W and 36W, T5 Tube in 14W, 24W & 28W, T12 Tube in 40W
• <b>CFL (Compact Fluorescent Lamps)</b>	- <b>Non-retrofit Range</b> – 11W & 18W (D Type) - Both in 2 pin & 4 pin, 36W BLL <b>Retrofit Range (Tubular)</b> – T4 linear Available in 15W, 20W, 45W, 65W & 85W
• <b>D-Lite (LED Torches, LED Lanterns &amp; LED Table Lamp)</b>	- <b>Torches</b> – Smart glow range of Torches in 12, 6 and 4 LED variants; Smart glow 0.5W Sleek, Smart glow 0.5W NM-RC, Raftaar Series Rechargeable <b>Torches</b> – Jumbo, Max, Mini and Duo, Dosti Torch, Chamak Torch regular, Chamak Radium body torch, <b>Lantern</b> – LEDGLOW range of Lanterns in Re-chargeable and Battery driven models, Asha rechargeable Solar Lantern with Li-ion battery, <b>Emergency Lights Range</b> – ELX 16, ELX 36(LED) and ELX 10 (CFL); <b>Table Lamp</b> – Softlite Table Lamp
• <b>CL (Consumer Luminaires)</b>	- Range of luminaires suitable for compact fluorescent lamps and Linear fluorescent lamps (both in electromagnetic and electronic ballasts) T5 Fittings, T8/T12 fittings, Decorative, Strip type, box type; Ballasts & Starters
• <b>LED</b>	- <b>Lamp</b> – LED night Lamp 0.5W – White, Red, Green, Blue, Yellow: LED Bulbs-3W, 4.5W, 5W, 7W, 9W, 12W, 15W, 18W LEDZ range and 7W, 9W, 12W & 15W Corona Range, Dimmable 8W & 12W, LED high Wattages 20W, 30W, 40W & 50W, Ivora Linear Lamp 10W <b>Batten</b> – LED batten 5W, 10W, 20W, 6W, 9W, 18W & 25W; LED Tube Light 20W with Fitting; Multi CCT LED Batten 22W LED <b>Panel</b> – LED recess mount panels Circa & Squadra 3W, 6W, 9W, 12W, 15W & 18W; Ivora Series Panels 3W, 6W, 9W, 12W, 15W & 18W along with surface rim <b>Down Light</b> – LED Spot Lights 2W in 5 different colours White, Yellow, Red, Green & Blue <b>LED Outdoor</b> – LED Flood Lights 50W, Ivora LED Bulk Head 10W
• <b>Electrical Accessories</b>	- Spike & Surge Guard (4+1) basic model with 1.5Mtr wire

## Morphy Richards

• <b>Chopper</b>	- Vivo Chopper
• <b>Coffee Makers</b>	- New Europa Espresso / Cappuccino Coffee maker, Fresco coffee maker
• <b>Sandwich/Pop-up Toasters</b>	- New Toast & Grill, SM 3006, SM 3006 (G), SM 3006 (T&G), SM 3006 (Toast, waffle & grill), SM 3007, SM 3007 (G) & AT 401, AT-204, AT 202, AT 201
• <b>Irons: Dry Irons</b>	- Senora, Inspira, Desira, Marvel, Daisy
• <b>Steam Irons</b>	- Glide, Super Glide, Ultra Glide
• <b>OTGs</b>	- 60 RC SS, 52 RC SS, Besta Black 52, 40 RC SS, Besta Black 40, 28 R SS, 24 R SS, 18 R SS, Besta Black 18
• <b>Microwave Ovens</b>	- 20MS, 20MBG, 23MCG, 25CG, 30MCGR Dlx
• <b>Kettles</b>	- <b>Travel Kettle</b> – Voyager 200 <b>Travel Jug (PP)</b> – Voyager 100 <b>Travel Kettle (SS)</b> – Voyager 300, Electric Kettle Rapido 1.8L, InstaCook, Electric Kettle Impresso 1.0L, Tea Maker, Puro 1.8 L, Flamio 1.8L
• <b>Hand Blenders</b>	- Pronto, Pronto Super, Pronto Dlx, Pronto Ultra, HBCP, HBCS, HBCD SS
• <b>Hand Mixers</b>	- Hand Mixer HM02
• <b>Food Processors</b>	- Essentials 600, Icon Dlx, Icon Superb
• <b>Mixer Grinders</b>	- Superb, Elite Essential, Aero New, Champ Essentials, Aero Plus, Icon Essentials, Icon Royal Orchid, Icon Royal Sapphire, Ace Plus, Icon Classique, Primo Classique, Icon Supreme, Icon DLX, Marvel Supreme Kitchen Machine & Cutie
• <b>Juicer Mixer Grinders</b>	- <b>Divo Essentials 3</b> – Jar, Cutie JMG
• <b>Electric Cookers</b>	- D55W 1.5ltr., Health Rice & Pasta, Rice +, Cook +, Steamacook, Bistro
• <b>Centrifugal Juicers</b>	- <b>Juice Extractor</b> – Maximo, Juice Xpress
• <b>Room Heaters</b>	- <b>Oil Filled Radiator</b> – OFR 09, OFR 09F, OFR 11F, OFR 13F, Orbit PTC, Aristo PTC
• <b>Induction Cookers</b>	- Icon Essentials 1600 IC, Chef Xpress 400i
• <b>Water Heaters</b>	- Storage WH Salvo (6, 10,15, and 25 Ltr), WH Lavo EM (6,10,15 and 25 Ltr Storage), WH LavoDigi (15 and 25 Ltr Storage), Instant WH Quente - 1 & 3 Ltr.
• <b>Hair Dryer</b>	- <b>HD</b> – 031
• <b>Global Range</b>	- <b>Prism</b> – Kettle & Toaster (Black, White, Orange, Yellow) <b>Redefine</b> – Glass Kettle & Glass Toaster <b>Total control</b> – Stand Mixer (Red & White), Hand Mixer, Hand Blender Prep Set, Hand Blender Workcentre, Hand Blender Pro Set, Hand Blender, Table Blender

## EPC- Illumination Supply :

### 1. Industrial Lighting

#### “Verdant Nano” LED Well Glass Luminaire for heavy industry application areas:

Lighting can do much more than illuminating the area and showing you the path. It enhances safety, security and flexibility in order to adapt to the task at hand. As energy costs rise, it becomes imperative to implement energy-efficient lighting solutions that reduce downtime, make the facility environment-friendly and a better place to work for employees. Introducing Verdant LED energy-efficient well glass solutions for cement, steel and power plant applications.

It has the following features:

- More than 60% energy saving
- Rugged design to withstand rough industrial environment conditions.
- Less than 10% THD for higher power factor and higher efficiency
- IP 65 rating for protection from dust & water.
- Available in 30W & 40W.

#### “Cosmo” Under Canopy LED Luminaire

The new Cosmo under canopy luminaire is made for applications in petrol stations, refineries and manufacturing industries having low bay application areas. Available in 80W and 100W they have the unique advantage of being a dimmable luminaire. It also has other benefits like:

- RELIABILITY – Potted Drivers, IP65, IK 07, Higher Surge protections (5KV Internal & 10KV external)
- ENERGY EFFICIENT – With Higher lumens, Direct replacement for conventional 250W MH HID Luminaire
- OPTIMUM LIGHTING EFFECTS – Designed with special secondary optics (lenses) for better uniformity

- EASE OF INSTALLATION – Light Weight, Suitable for Recess & Surface applications and Mounting and Mounting brackets (L brackets) will be provided.

### 2. Commercial Lighting

#### “Freedom Series” designer troffer luminaires for commercial spaces

As the name suggests Freedom range of lighting solutions are used to create artful ceilings with a touch of class and elegance. These stunning lights are a visual masterpiece. The Freedom range consists of five distinctive designs Delta, Petal, Diamond, Frameless and Trapezoid. These designers delight come with a host of functional benefits too:

- Freedom from design monotony because of designer product offering.
- Unique aesthetic looking design patterns can be created easily.
- Enhanced performance with upto 60% energy saving over conventional luminaires.
- Ideal replacement of 4x14W T5 troffer luminaires.
- Controllable light intensity and Dynamic lighting option makes it more energy saving also catering to human well being. Easy plug-in and plug-out luminaire.
- Unique design creating volumetric distribution of lighting on the ceilings adhering to LG7 guidelines of uniform light distribution.

#### “RADIANCE PRO”– RECESSED DOWN LIGHT Luminaire for commercial spaces

A professional series of LED down light was launched in the commercial luminaires segment.

- White color plastic round recessed mounted non-integral down lights for soft down lighting.
- Construction in engg. plastic housing & frame.
- Mid power LEDs.
- Connected in series and parallel combination with better heat dissipation arrangement.

- Highly efficient constant current electronic Driver provided with high voltage and short circuit protection.
- SS spring loaded clips provided for easy installation.
- Available in 9/12/15/18 W in square, round shapes with recessed and surface mounting options.

### 3. Area Lighting

#### Amaze high wattage Sports & Stadium Lighting

The primary goal of the event lighting system is to illuminate the event to digital video quality for the media without creating nuisance glare for the players/officials and adding spill light/glare to the spectators and surrounding environment. Permanent lighting, temporary lighting and a combination of both systems should be considered.

Special care should be taken to limit the spill light and glare off the field, both inside and outside the stadium. The players and officials must be able to perform to their fullest ability within an illuminated environment that enhances play.

The principal goal of the lighting system is to ensure symmetrical lighting for both touch line and goal line conditions. Both fixed and field cameras can be added without affecting the digital video quality.

Bajaj has introduced a Amaze 240/300/350W flood lights for these special sports applications.

It has a few salient features like

- Integral / Non Integral versions – For ease of maintenance
- Instant Start for fast illumination in comparison to conventional HID luminaries
- Emergency Version for UPS Possible for backups during power failures.
- Low Flicker For Slow Motion TV Broadcast
- CRI 70 / 80 / 90 (For HDTV Broadcast) 5700K for best quality and true colour rendering.

### EPC- Illumination Projects :

1. **Bogibeel Bridge, Guwahati**
2. **Mahalaxmi Temple, Kolhapur, Maharashtra**
3. **Mohun Bagan Football Stadium, Kolkata**
4. **Noida Smart City- Smart Street Lighting, Solar Lighting**

**EPC SERVICES** – Design, engineering, procurement, supply, execution, testing and commissioning of following types of projects:

#### a) Power Distribution :

1. Rural electrification, RAPDRP & IPDS projects
2. Substations up to 33 KV
3. Feeder Separation
4. Bore well pump Connections
5. HV underground cabling work

#### b) Power Transmission :

1. EPC of transmission lines upto 765 KV double circuit for Central, State & Private Utilities
2. EPC of EHV AIS & GIS Substations upto 220 kV for Central, State & Private Utilities
3. EPC of Transmission lines on monopoles upto 400 kV
4. EPC of EHV underground cabling work
5. EPC of Railway Electrification work
6. Manufacturing of Transmission line towers
7. Manufacturing of Monopoles
8. Manufacturing of Sub-station structures



**Corporate Identity Number (CIN):** L31500MH1938PLC009887  
**Registered Office:** 45/47, Veer Nariman Road, Mumbai 400001  
**Tel.:** 022-6149 7000/6110 7800  
**Email:** legal@bajajelectricals.com **Website:** www.bajajelectricals.com

**BANK ACCOUNT PARTICULARS / ECS MANDATE FORM**

I/We \_\_\_\_\_ do hereby authorise Bajaj Electricals Limited to:

- Print the following details on my/our dividend warrant.
- Email my/our dividend amount directly to my/our Bank Account by ECS. (\*strike out whichever is not applicable)

**Particulars of Bank Account**

- A. Bank Name : \_\_\_\_\_
- B. Branch Name and Address : \_\_\_\_\_
- C. 9 Digit Code number of the Bank & Branch as  
 appearing on the MICR cheque : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- D. Account Type (Saving/Current/Overdraft) : \_\_\_\_\_
- E. Account No. as appearing on the cheque book : \_\_\_\_\_
- F. STD Code & Telephone No. : \_\_\_\_\_

I/We shall not hold the Bank responsible, if the ECS could not be implemented or the Bank discontinue(s) the ECS, for any reason.

Mail To:  
 LINK INTIME INDIA PRIVATE LIMITED  
 C 101, 247 PARK,  
 L.B.S. MARG,  
 VIKHROLI WEST  
 MUMBAI – 400083

\_\_\_\_\_  
 (Signature of first shareholder/ Joint Shareholder(s))

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

In case you are holding shares in demat form, kindly advise your Depository Participant to take note of your Bank Account particulars/ECS mandate.









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## PROXY FORM

### Form No.MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L31500MH1938PLC009887  
Name of the Company : BAJAJ ELECTRICALS LIMITED  
Registered office : 45/47, Veer Nariman Road, Mumbai 400 001

Name of the member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

Email ID : \_\_\_\_\_

Folio No./Client ID : \_\_\_\_\_

DP ID : \_\_\_\_\_

I/We, being the member(s) holding \_\_\_\_\_ shares of the above-named Company, hereby appoint:

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

(2) Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 80th Annual General Meeting of the Company, to be held on Wednesday, 7 August 2019 at 12.30 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description	For	Against
1.	Adoption of standalone and consolidated financial statements for the year ended 31 March 2019 and the Directors' and Auditors' Reports thereon		
2.	Declaration of dividend of ₹ 3.50 per equity share (175%) of face value of ₹ 2 each, for the year ended 31 March 2019		
3.	Re-appointment of Shri Madhur Bajaj (DIN 00014593), who retires by rotation		
4.	Appointment of Smt. Pooja Bajaj (DIN: 08254455) as a Non-Executive Director		
5.	Appointment of Shri Munish Khetrpal (DIN: 08263282) as an Independent Director		

6.	Appointment of Shri Rajiv Bajaj (DIN: 00018262) as a Non-Executive Director		
7.	Appointment of Shri Anuj Poddar (DIN 01908009) as a Director		
8.	Appointment of Shri Anuj Poddar (DIN 01908009) as an Executive Director		
9.	Alteration of Articles of Association of the Company		
10.	Ratification of Remuneration payable to Cost Auditors		
11.	Borrowing by way of Issue of Securities		
12.	Approval for payment of remuneration to Non-Executive Directors		
13.	Further Issue of Securities		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Affix revenue stamp of ₹ 1
-------------------------------------

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of proxy holder(s)

**Notes:**

1. This form of proxy in order to be effective should be duly completed, signed, stamped and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. As provided under Regulation 44 of the SEBI Listing Regulations, 2015, a shareholder may vote either for or against each resolution.



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**ANNUAL GENERAL MEETING ON WEDNESDAY AUGUST 7, 2019**

**ATTENDANCE SLIP**

<b>Registered Folio No./ *DP ID and Client ID</b> (*Applicable to Members holding shares in dematerialized form)	
<b>Name and address of the Member(s)</b>	
<b>Joint Holder 1</b>	
<b>Joint Holder 2</b>	
<b>Number of shares held</b>	
<b>Name of proxyholder (if applicable)</b>	

I/We hereby record my/our presence at the Annual General Meeting of the Company at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021 on Wednesday, August 7, 2019 at 12.30 p.m.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Please hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

**ELECTRONIC VOTING PARTICULARS**

<b>EVSN (Electronic Voting Sequence Number)</b>	<b>*Default PAN / Sequence No</b>
190116	

\* Only members who have not updated their PAN with Company / Depository Participant shall use default PAN/Sequence No. in the PAN field.

**Note:** Please read the instructions printed to the Notice of Annual General Meeting dated May 22, 2019. The E-Voting period starts from 09.00 a.m. (IST) on Sunday, August 4, 2019 and ends at 5.00 p.m. (IST) on Tuesday, August 6, 2019. The E-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.





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### BALLOT FORM

- Name & Registered Address : \_\_\_\_\_  
of the sole/first named \_\_\_\_\_  
shareholder \_\_\_\_\_
- Name of joint holder(s) : \_\_\_\_\_  
(if any) \_\_\_\_\_
- Folio No./Client ID DP ID : \_\_\_\_\_
- No. of share(s) held : \_\_\_\_\_
- E-voting Event Number (EVSN) : 190116

I/ We hereby exercise my/ our votes in respect of the Resolutions set out in the Notice of the Annual General Meeting dated May 22, 2019 by sending my/ our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Resolution No.	Description	No. of shares	For	Against
<b>Ordinary Business</b>				
1.	Adoption of standalone and consolidated financial statements for the year ended March 31, 2019 and the Directors' and Auditors' Reports thereon			
2.	Declaration of dividend of ₹3.50 per equity share (175%) of face value of ₹2 each, for the year ended March 31, 2019			
3.	Re-appointment of Shri Madhur Bajaj (DIN 00014593), who retires by rotation			
<b>Special Business</b>				
4.	Appointment of Smt. Pooja Bajaj (DIN: 08254455) as a Non-Executive Director			
5.	Appointment of Shri Munish Khetrpal (DIN: 08263282) as an Independent Director			
6.	Appointment of Shri Rajiv Bajaj (DIN: 00018262) as a Non-Executive Director			
7.	Appointment of Shri Anuj Poddar (DIN 01908009) as a Director			
8.	Appointment of Shri Anuj Poddar (DIN 01908009) as an Executive Director			
9.	Alteration of Articles of Association of the Company			
10.	Ratification of Remuneration payable to Cost Auditors			
11.	Borrowing by way of Issue of Securities			
12.	Approval for payment of remuneration to Non-Executive Directors			
13.	Further Issue of Securities			

Place:

Date:

Signature of the Shareholder/ Authorised Representative

Note: Please read the instructions carefully before exercising your vote.

## INSTRUCTIONS

### General Instructions:

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility, to enable them to send their assent or dissent by post.
2. A Member can opt for only one mode of voting, i.e. either by e-voting or through Ballot. In case of Member(s) who cast their votes by both modes, then voting done through e-voting shall prevail and the Ballot Form of that Member shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Annual General Meeting (AGM) Notice.
4. Facility of voting through Poll paper shall also be made available at the AGM. Members attending the AGM and who have not already cast their vote by remote e-voting or through Ballot Form shall be able to exercise their right at the AGM.
5. The Scrutinizer will collate the votes cast at the AGM, votes downloaded from the e-voting system and votes received through post and through Tab Voting at AGM venue to declare the final result for each of the Resolutions forming part of the AGM Notice.
6. Members who have cast their vote by remote e-voting or through Ballot Form prior to the AGM may also attend the AGM, but shall not be entitled to vote again at the AGM.

### Process and manner for Members opting to vote by using the Physical Ballot Form:

1. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and sent by courier or registered/ speed post at the expense of the Member so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Shri Anant B. Khamankar, Practicing Company Secretary at Link Intime India Private Limited, Unit: Bajaj Electricals Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.
2. The Form should be signed by the Member as per the specimen signature registered with the Company/ Depository Participants. In case of joint holding, the Form should be completed and signed by the first named Member and in his/ her absence, by the next named joint holder. There will be one Form for every Folio/ Client ID irrespective of the number of joint holders. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA or enclosing an attested copy of the POA. Exercise of vote is not permitted through proxy.
3. For shares held by Financial Institutions, companies, bodies corporate, trusts, societies, etc. the duly completed Form should be accompanied by a certified true copy of the Board Resolution/ Authorisation together with attested specimen signature(s) of the duly authorised signatory(ies).
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided for assent/ dissent. Members may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the Member's total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted under either head.
5. The voting rights of the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on August 1, 2019 ("Cut-Off Date") as per the Register of Members of the Company and as informed to the Company by the Depositories in case of Beneficial Owners. A person whose name is recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by Depositories as on the Cut-Off Date only shall be entitled to cast their vote.
6. Duly completed Forms should reach the Scrutinizer not later than the close of working hours (5.00 p.m.) on August 6, 2019. Ballot Forms received after this date will be strictly treated as if the reply from the Members has not been received.
7. A Member may request for a duplicate Ballot Form, if so required. However, the duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date specified at Sr. No.6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or the number of votes or as to whether the votes are in favour or against or if the signature cannot be verified.
9. The Scrutinizer's decision on the validity of a Ballot will be final.
10. Members are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope would be destroyed by him. They are also requested not to write anything on the Ballot Form except giving their assent or dissent and putting their signature.
11. The results of the voting shall be declared not later than two days from the conclusion of the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website [www.bajajelectricals.com](http://www.bajajelectricals.com) and communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd. and National Stock Exchange of India Ltd.
12. Members may address any query to Shri Mangesh Patil, Company Secretary, at Tel. No. 91 22 6149 7000 or by e-mail to [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com).









**Bajaj Electricals Limited**  
*Inspiring Trust*

45/47, Veer Nariman Road, Mumbai - 400 001 | CIN: L31500MH1938PLC009887  
[www.bajajelectricals.com](http://www.bajajelectricals.com)

