



**BAJAJ**

**Bajaj Electricals Ltd.**

*Inspiring Trust*

**82<sup>nd</sup>  
Annual  
Report  
2020-21**

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## Our relentless pursuit

to chart new trajectories of growth keeps us motivated to broaden our pursuit for excellence and consistently expand the scale of our operations.

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About Bajaj Group

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Awards and Accolades



Scan the QR code to know more about us



Read our Annual Report online at <https://www.bajajelectricals.com/annual-reports/>



# Corporate Information



## BOARD OF DIRECTORS

**Shekhar Bajaj**  
Chairman & Managing Director

**Anuj Poddar**  
Executive Director

**Madhur Bajaj**

**Rajiv Bajaj**

**Pooja Bajaj**

**Harsh Vardhan Goenka**

**Shailesh Haribhakti**

**Munish Khetrpal**

**Dr. Indu Shahani**

**Dr. Rajendra Prasad Singh**

## COMPANY SECRETARY

**Ajay Nagle**

## AUDITORS

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

## SECRETARIAL AUDITOR

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

## COST AUDITOR

**R. Nanabhoj & 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 | Shikohabad Unit |  
Parwanoo Unit

## BRANCHES

Ahmedabad | Bengaluru |  
Bhubaneswar | Chandigarh |  
Chennai | Delhi | Guwahati | Hyderabad |  
Indore | Jaipur | Kolkata | Kochi |  
Kundali | Lucknow | Mumbai | Nagpur |  
Noida | Patna | Pune | Raipur | Ranchi

## DEPOTS

Ahmedabad | Coimbatore | Guwahati |  
Hyderabad | Indore | Jaipur | Kolkata |  
Lucknow | Mumbai | Nagpur | Noida |  
Patna | Pune | Ranchi | Zirakpur

## CENTRAL WAREHOUSES

Banur | Mumbai | Vapi

## REGIONAL DISTRIBUTION CENTRES

Bengaluru | Kolkata

## OVERSEAS REPRESENTATIVE / LIAISON OFFICES

China | Dubai | Kenya | Togo | Zambia

## ANNUAL GENERAL MEETING

On Wednesday, the 11th day of August 2021 at 03:00 PM (IST) through Video Conferencing / Other Audio Visual Means



# Key Highlights Flourish & Lead

**4,585**

Revenue from operations  
(₹ in crore)

**8.1%** YoY  
de-growth

**372**

EBITDA  
(₹ in crore)

**46.3%** YoY  
Growth

**189**

PAT  
(₹ in crore)

Swung by **199** crore

**658**

Cash flow from operations  
(₹ in crore)

**5.1%** YoY  
Growth

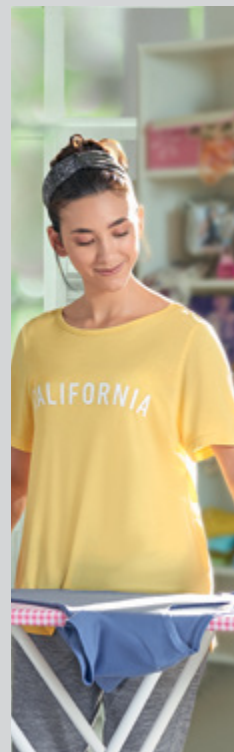
**471**

Debt as on 31st March 2021  
(₹ in crore)

**491** crore YoY  
Reduction

**479**

SKUs launched in  
Consumer Products and  
Illumination



**2,956**

Employees

**36+**

Countries of presence



Bajaj Electricals' products occupy

**No.1**

Position in 3 out of 12 high potential categories (Mixing Appliances, Water Heaters, Irons)

**Leading position**

In Outdoor Lighting (Street, Area & Stadium) and High Mast & Poles segment

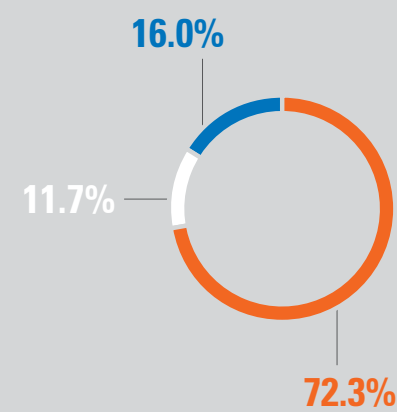
**No.2**

Position in the overall B2B Illumination segment

**Amongst Top searched and discovered brands**

on various e-commerce platforms, including Amazon and Flipkart

Sales Mix in FY 2020-21  
(in %)



- Consumer Products
- Illumination
- Power Transmission and Distribution

**Sustaining Excellence, Consistently**



# About Bajaj Group

India's leading business conglomerate 'Bajaj Group' was founded by late Shri Jamnalal Bajaj over 90 years ago. Over the years, the group has grown to be globally acclaimed as one of India's largest industry players with an extensive range of products and solutions developed for multiple industries. The group also plays a catalytic role to ensure positive change in communities through concerted efforts that ensure sustainable development.



## INDUSTRIES COVERED



Home Appliance



Automobile (2 & 3 wheelers)



Fans



Insurance



Lighting



NBFC / Financial Services



EPC - Illumination



Iron and Steel



EPC - Power Transmission and Distribution



Travel



# Bajaj Electricals Defining quality through convenience

Since its inception in 1938, Bajaj Electricals has grown to become a globally renowned and trusted brand, recognised for its unique and innovative solutions for customers and businesses.

Listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and headquartered in Mumbai, India, our exclusive range of products and solutions across consumer products and EPC segments meet the diverse needs of customers in more than 36 countries worldwide. Our customer-centric business model and commitment to innovate underpins every strategic decision we make. This has enabled us to sustain our performance, swiftly adapt to challenging market conditions, develop new products and solutions and respond quickly to the continual changes in customer preferences.



## OUR VISION

**'Enhancing quality of life and bringing happiness with sustainability'**



## OUR VALUES



Integrity



Teamwork



Empowerment



Customer  
 Delight



Innovation



Trust





# Consumer Products

Bajaj Electricals remains committed to design and develop unique, convenient and energy efficient products that add convenience to life. Our range of smart products are specially created for fast-paced lives, enabling customer comfort every step of the way.

## HOME COMFORT



-  Room Heater
-  Air Cooler
-  Irons
-  Water Heater

## HOME ESSENTIALS



-  Fans
-  Lightings

## FOOD PREPARATIONS



-  Mixer Grinder
-  Hand Blender
-  Chopper
-  Food Processor


## BREAKFAST & SNACKS



-  Coffee Maker
-  Juicer
-  Electric Kettles
-  Pop-up Toasters
-  Snack maker

## COOKING ESSENTIALS



-  Electric Cooker
-  Gas stoves
-  Induction Cookers
-  Microwave Oven
-  Non-Stick Cookware
-  Hard Anodised Cookware

For more details refer Page 106



# Illumination

Our indoor and outdoor lighting solutions meet the diverse illumination requirements of varied industries. From economical streetlights to innovative lights, we are building solutions that cater to unique needs of our clients.



## INDOOR SOLUTIONS

Our comprehensive range of value-accretive lighting solutions meet new-age requirements for performance, energy efficiency and innovation.



## OUTDOOR SOLUTIONS

The outdoor solutions from Bajaj Electricals are being widely accepted for infrastructural projects around the country.



## SOLAR SOLUTIONS

Keeping our focus on sustainability and technologically advanced products, we are undertaking solar projects encompassing its design, engineering, supply, installation and commissioning.

For more details refer Page 111



# Power Transmission and Power Distribution

Our Power Transmission and Distribution segments are meeting the growing electricity demands of the country and paving the path for sustainable infrastructure development.

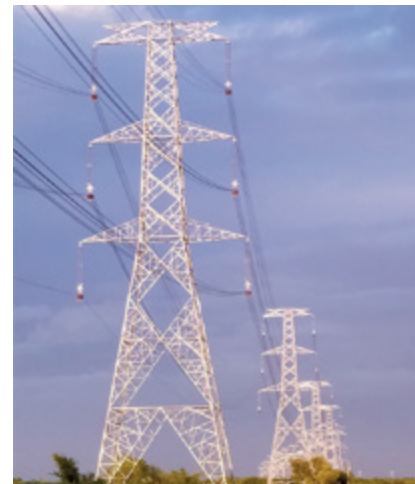
## POWER TRANSMISSION



Monopoles



EHV Substation



Transmission Lines

## POWER DISTRIBUTION



Rural Electrification Works



Feeder Separation Projects



System Strengthening

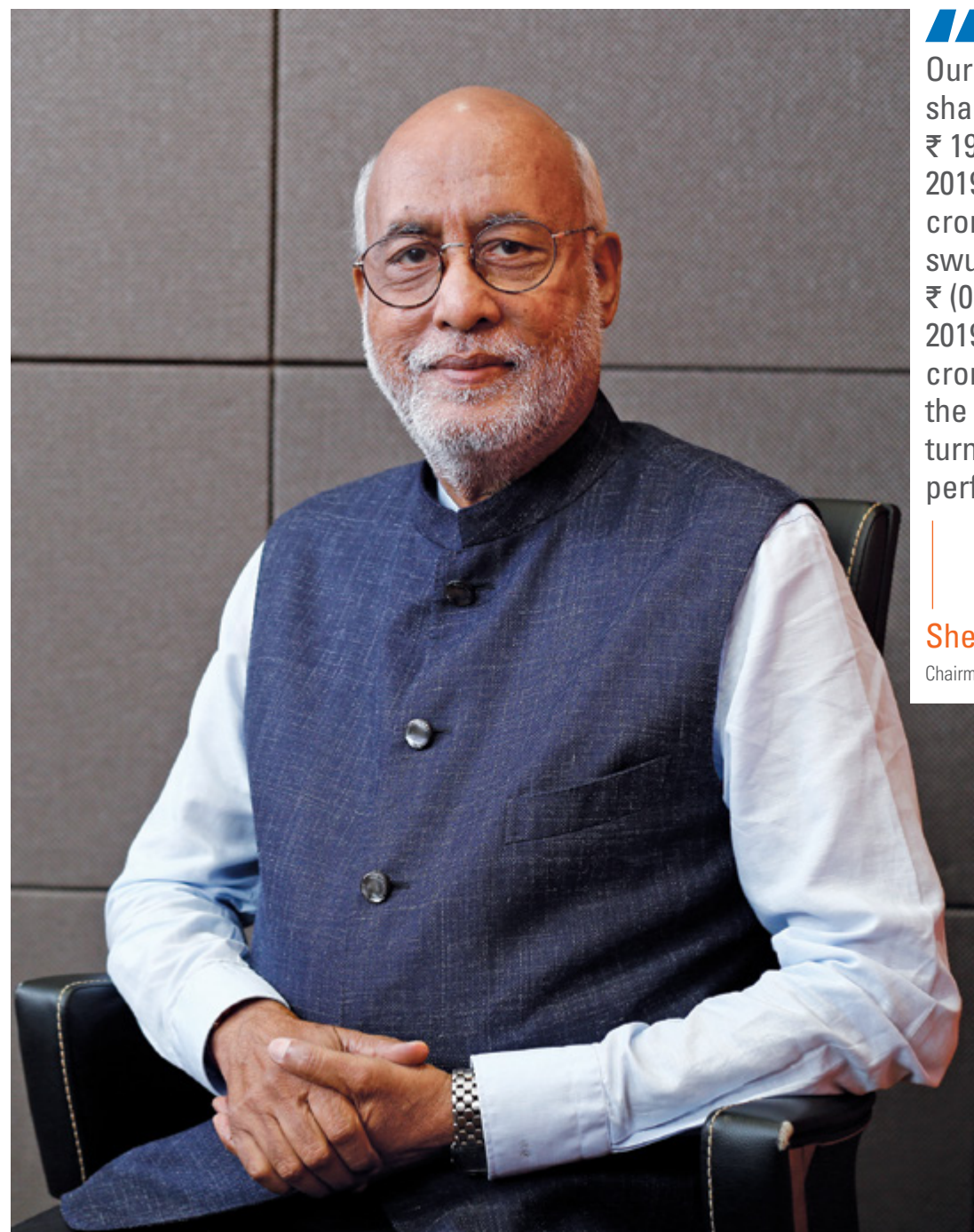


Substation

For more details refer Page 112



# Chairman Communique



Our PBIT grew sharply from ₹ 192 crore in 2019-20 to ₹ 305 crore. Our PAT swung from ₹ (0.1) crore in 2019-20 to ₹ 184 crore, marking the strong turnaround in our performance.

**Shekhar Bajaj**

Chairman & Managing Director

Dear  
Shareholders,

It gives me immense pleasure to share with you, your Company's performance for the year 2020-21.

Fiscal 2020-21 was a significant year for your Company in multiple ways. As I had shared with you last year, that year marked the beginning of a multi-year transformational journey to building the new Bajaj Electricals.

This involved a holistic reinvention of our business model, even as we dealt with multiple challenges, particularly the pressures on our cashflows and balance sheet. Just as we were starting to build momentum on this journey, the economy was laid low by the outbreak of COVID-19 in early 2020 which had the potential to derail our efforts.

However, I am glad to state that not only did we prove our resilience in dealing with the fallout of the pandemic, but also continued to strongly move forward on our transformational journey and delivered a remarkable turnaround on our performance at every level, making this one of the best years in the history of your Company. This vindicates the new vision and strategy adopted by us; but more importantly, it is a testimony to the execution excellence, agility and focus that form the core of the ethos of the new Bajaj Electricals.

During the year under review, we saw a decline in total revenues from operations to ₹ 4,573 crore from ₹ 4,977 crore in the previous fiscal year, primarily due to the impact of the pandemic-induced lockdown in the first quarter as well as the calibration on our EPC Businesses. However, our PBIT grew sharply from ₹ 192 crore in 2019-20 to ₹ 305 crore. Our PAT swung from ₹ (0.1) crore in 2019-20 to ₹ 184 crore, marking a strong turnaround in our performance. During the year, your Company continued to generate strong cashflow from operations of ₹ 660 crore. Total debt reduced sharply from ₹ 957 crore, as on 31st March, 2020 to ₹ 464 crore as on 31st March, 2021, thus further improving our debt-equity ratio to 0.3. This marks another milestone in our turnaround journey.

Our Consumer Products segment delivered growth of 7.1% on a full-year basis, despite the loss of sales in the first quarter due to the lockdown.

The segmental PBIT grew from ₹ 208 crore in 2019-20 to ₹ 324 crore, making it the highest-ever PBIT for the Consumer Products business. This represented an improvement in PBIT margin from 6.8% in 2019-20 to 9.8% in this fiscal. The improved performance of this segment was driven by the launch of several products, focused actions to overcome pandemic-induced disruptions on the supply chain, strong brand push and active sales efforts across all channels.

In our EPC segment, rather than chasing the top-line, our focus has remained to better manage the execution of current projects on hand. We have managed to successfully close certain legacy projects in the Power Distribution business as well as continue to reduce our receivables. Our Power Transmission business commissioned 13 projects during the year which includes the commissioning of our first international project in Zambia. We have been strategically growing



the share of our monopolies business with many pioneering projects. We aspire to stay focused on better capital management and selective bidding of projects that meet our financial parameters, while ensuring superior execution of new projects and efficient risk management.

Our Illumination business has demonstrated strong improvement in a challenging year due to a slowdown in infrastructural spends. We grew our market-share and executed several prestigious projects across airports, highways, smart cities, railways, stadiums, industries, etc. This has been enabled by the introduction of continually refreshed product offerings and a more focused go-to-market approach.

As I shared last year, the core foundation for the new Bajaj Electricals lies in the Organisational Transformation that we have embarked upon. This comprises strengthening of our people, processes and systems as well as our overall organisational culture to drive superior performance in a more institutionalised basis. These initiatives are beginning to bear fruit. In March 2021, your Company was certified as Great Place To Work by Great Place To Work® Institute India. We have also won several other accolades during the year in the areas of supply chain management, quality assurance, technology initiatives and

investor relations. Additionally, we are embarking upon the implementation of a new ERP system with a planned go-live date of 1st April, 2022. I am confident that as the Organisational Transformation initiatives take root, your Company will derive its benefits for many more years to come.

We are also in the process of streamlining our corporate structure and interests across various entities. During the year, we completed the acquisition of the demerged business of Hind Lamps Limited. In April 2021, our Board approved a transaction to acquire control and dominant ownership of Starlite Lighting Limited and thereafter, sanctioned a planned merger of Starlite into Bajaj Electricals. These corporate actions are designed to address legacy issues and create a simpler, leaner and more efficient operating structure.

While we have been driving various business and organisational initiatives, we are conscious of the very difficult times posed by the COVID-19 pandemic, especially the second wave which has hit closer to home. We have lost a few valued team members and many of their loved ones. We express our heartfelt condolences to their families. As a responsible organisation, we have been taking several measures to support

our people during tough times. We have undertaken a complimentary vaccination drive for all our people, their dependants and various associates.

I would like to acknowledge and thank all our employees and business associates for all their contributions and efforts in delivering superior performance. I would like to specially appreciate our Executive Director, Anuj Poddar, and our entire management team for being the drivers of this turnaround journey. I would also like to express my gratitude towards my colleagues on the Board for their support and guidance to the Company. And I remain grateful to you, our shareholders, for trusting us and being a part of the Bajaj Electricals family.

I hope and pray for the health and safety of each one of you and for all of us to emerge from this pandemic stronger, with an enthusiasm to learn from life lessons.

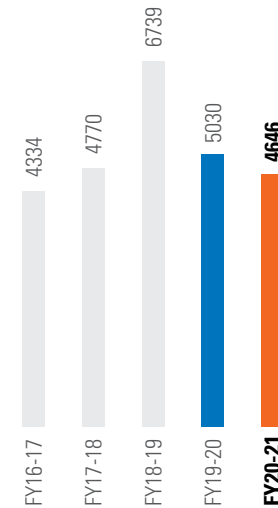
Yours sincerely,

**Shekhar Bajaj**  
Chairman & Managing Director

# Exuberant Numbers Exceptional Performance

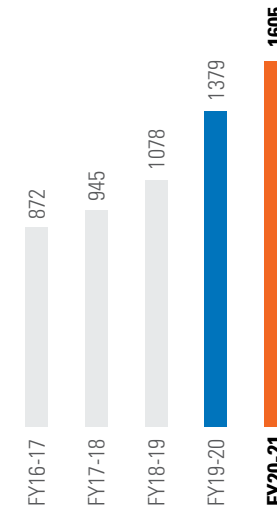
## TOTAL INCOME

(₹ in crore)



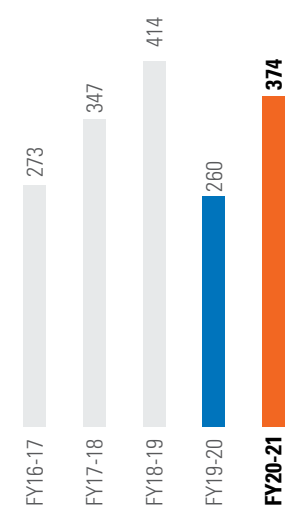
## NET WORTH

(₹ in crore)



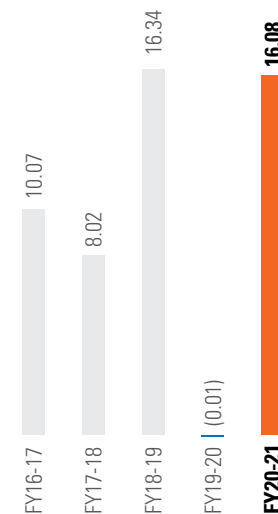
## EBITDA

(₹ in crore)



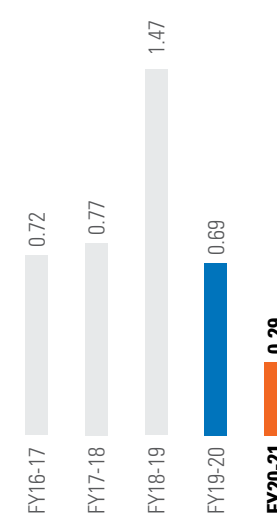
## EPS

(in ₹)



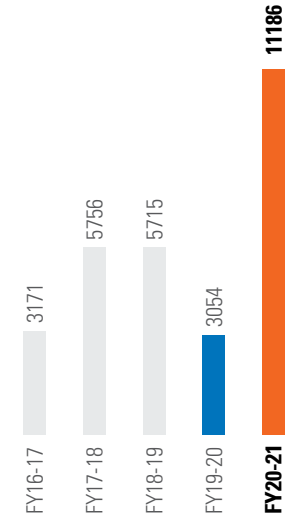
## DEBT EQUITY RATIO

(in times)



## MARKET CAPITALISATION

(₹ in crore)



based on Standalone Financial numbers



The core foundation for the new Bajaj Electricals lies in the Organisational Transformation that we have embarked upon. This comprises strengthening of our people, processes and systems as well as our overall organisational culture to drive superior performance on a more institutionalised basis.





# Board of Directors



Please refer to our website for profile of our Board of Directors <https://www.bajajelectricals.com/board-of-directors/>



**Shekhar Bajaj**

Chairman & Managing Director



**Anuj Poddar**

Executive Director



**Harsh Vardhan Goenka**

Independent Director



**Shailesh Haribhakti**

Independent Director



**Madhur Bajaj**

Non-Executive Director



**Rajiv Bajaj**

Non-Executive Director



**Munish Khetrpal**

Independent Director



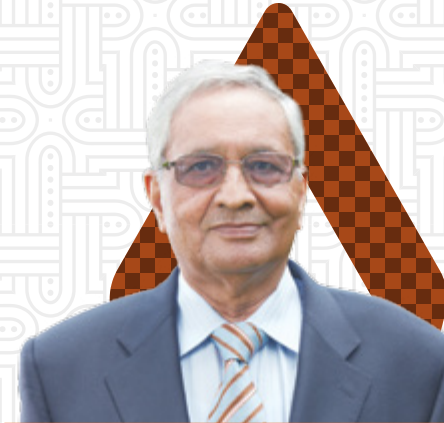
**Dr. Indu Shahani**

Independent Director



**Pooja Bajaj**

Non-Executive Director



**Dr. Rajendra Prasad Singh**

Independent Director



# Creating a Deeper Connect

## KEY BRAND CAMPAIGNS

**Mixer Grinders**  
GRINDS INGREDIENTS, NOT NUTRIENTS



Scan the QR code to know more

**Irons**  
PEACE OF MIND WHILE IRONING



Scan the QR code to know more

**Water Heaters**  
JAB BHI THANDA PAANI SATAYE; EK HI NAAM YAAD AAYE

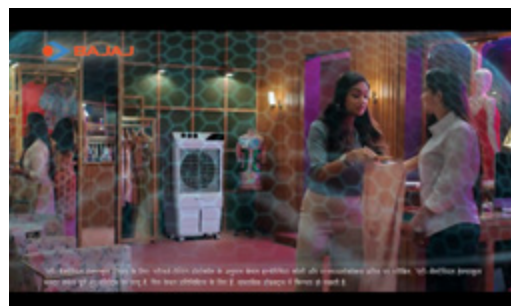


Scan the QR code to know more

**Anti-Germ Fans**  
BACTERIA AUR VIRUS BARDASHT NAHI; ISEY BHI



**Air Coolers**  
BETTER HYGIENE KE LIVE; BETTER HAWA KE LIVE



Scan the QR code to know more

**Nirlep**  
ITNA STRONG; TIKEY VERY LONG



Scan the QR code to know more

## ENGAGING WITH CONSUMERS OVER DIGITAL AND SOCIAL MEDIA



Scan the QR code to know more



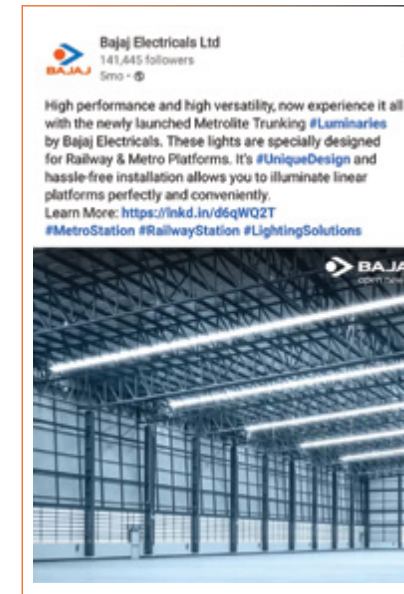
Scan the QR code to know more



Scan the QR code to know more



Scan the QR code to know more



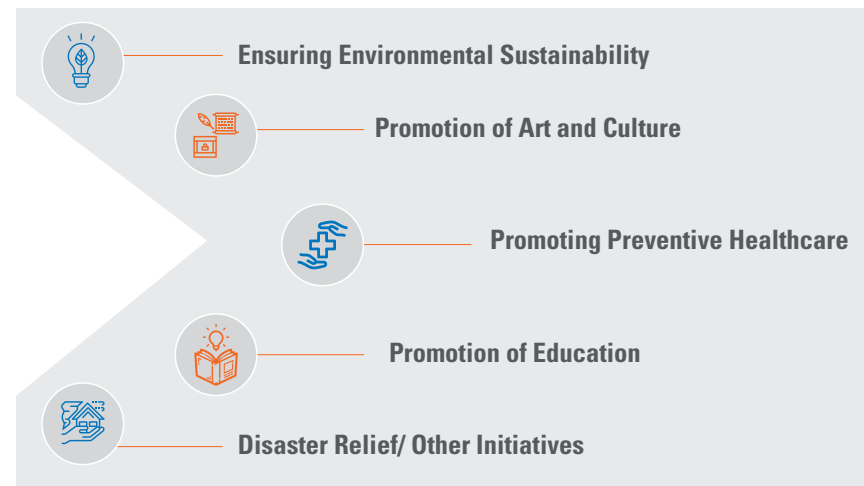


# Encouraging Sustainable Responses, Today and Tomorrow

Our vision of 'Enhancing quality of life and bringing happiness with sustainability' leads us to our future sustainability endeavours with a focus on creating demonstrable, scalable and inclusive programs.

At Bajaj Electricals, we realise our responsibility towards people and the society at large. Our conscious and responsible efforts are directed to make a difference to the communities within our areas of operation. We strive to bring a change through our concerted efforts, by anchoring participatory volunteering activities around our CSR programs. Employees of BEL are also a part of these activities, thus they are empowered to remain connected with our sustainable journey.

Our CSR program revolves around five focus areas:



## ENSURING ENVIRONMENTAL SUSTAINABILITY

We are conscious of our role in conserving the environment – to lay the foundation for a sustainable tomorrow. Therefore, we strive to protect resources and reduce environmental pollution, plant trees and educate and involve diverse stakeholders to be a part of the journey.

Our emphasis has always remained on creating a Green and Clean India. This year, we focused on the urban forestation drive to increase greenery in busy towns and cities. To ensure fruition of these plans, we have also collaborated with NGOs across India to plant trees in local gardens, parks, schools and other public areas.

With our constant prioritisation of ecological sustainability, we have stepped up efforts to improve waste management procedures. We are installing biogas plants, organising awareness session on waste management and segregation and promoting natural waste composting methods in homes.

# 10,000

Trees planted in FY 2020-21



## PROMOTION OF ART AND CULTURE

Art can lift spirits and motivate individuals. It can bring positive changes in our attitude, influence our mood and trigger positive emotions. Thus it becomes necessary to encourage art and culture in the country. We endeavour to support emerging artists in India, including those that are trained as well as self-taught and want to pursue a career in the field of art.



# 525

Artists benefitted across more than 200 cities in FY 2020-21



## PROMOTION OF EDUCATION

Education is one of the primary necessities of life and plays an integral role in improving lives. We believe that learning is a lifelong process and therefore, we aspire to make education easily accessible for the underprivileged.

To provide education from an early age, we have focused on strengthening the school infrastructure through refurbishment of existing infrastructure and/or addition of new facilities

through our Shiksha Vikas program in government aided schools and ashramshalas. We have also improved sanitation facilities in schools and created smart classrooms to assist students. We are also establishing model schools that are equipped to create a conducive learning and teaching environment.



# 700+

School students supported till date through Shiksha Vikas – Bridge the Gap program



## PROMOTING PREVENTIVE HEALTHCARE

We believe in promoting positive lifestyle choices to lay the foundation for safe and healthy lives. To create awareness about the ill-effects of tobacco consumption, we continue to undertake awareness sessions and tobacco cessation programs that help people choose a healthier way of life. With the use of audio-visual content, we try to demonstrate how tobacco consumption can be extremely unhealthy. We also conducted anti-tobacco programs with various stakeholders (schools, colleges, factories, communities, etc.) to create awareness and organise tobacco cessation programs.



## DISASTER RELIEF

Since the outbreak of the COVID-19 pandemic, we have collaborated and supported various NGOs and hospitals/healthcare centres in their fight against COVID-19. We have made best possible efforts to support communities as well as the healthcare ecosystem. We have focused on the following areas with the help of our NGO partners and hospitals.

- 1) Upgradation of Health Infrastructure and facilities
- 2) Safety of Healthcare Workers
- 3) Essential support for the marginalised and low income households

Bajaj Electricals Foundation, in response to the COVID -19 pandemic, has worked with various stakeholders to upgrade infrastructure and set up isolation beds/centres and provide essential equipment to Government and Private hospitals/health centres such as Lata Mangeshkar Medical Foundation in Pune, KEM hospital in Mumbai, K.J. Somaiya Hospital & Research Centre in Mumbai, Rural District Hospital, Chakan, Navghar Urban Primary Health Centre (UPHC) in Vasai, and the Integrated Child Development Services Scheme in Panvel and COVID Care Centre in Ranjangaon. Personal Protective Equipment was also distributed in Nair Dental Hospital.




Besides, migrant and daily wage labourers along with other marginalised sections of society residing near the Bajaj Electricals Ltd. Central Warehouses in Banur, Punjab and Bangalore were offered food grains, essential items and daily meals by our employees. Similar efforts were carried out in Mumbai with the help of various NGO partners such as Rotary Club of Bombay, Seva Sahayog Foundation, Anum Foundation and United Way Mumbai.



# Improved Products Increased Convenience



## CONSUMER APPLIANCES

				
Water Heater - Popular Neo 10/15/25L storage	Water Heater - Verre GL 3L Instant	Mixer Grinder - Glory dlx	Mixer Grinder - GX3 dlx	Mixer Grinder - Herculo
				
Juicer - JEX 20	Hand Blender - HB 20	Hand Blender - Juvel HB	Chopper - Chop Pro	Over Toaster Grill - 50 DCRSS
				
Gas Stove - 2BRGP7	Gas Stove - 2BRSS6	Gas Stove 2BRGP7	Gas Stove 3BJGS7	Pressure Cooker - PCX 65H
				
Samosa & Sandwich Maker	Toaster - SWX 3 Deluxe	Induction - ICX 120 Plus Induction cooker	Neka - Induction Tawa	

## FANS & COOLERS

					
Ceiling Fan - Grace Neo	Ceiling Fan - Junet	Ceiling Fan - Floweret	Ceiling Fan - Trendy	Tower Fan - Tempesta	Table Fan - Rapido
					
Pedestal Fan - Airstream	Exhaust fan - Bajaj Jefe	Air Cooler - DMH 60	Air Cooler - DMH90 Neo	Air Cooler - TMH36 Skive	

## CONSUMER LIGHTING

				
Ivora Plus LED Panels	Ivora Plus Batten	LEDZ Inverter Batten	Ivora Linear Deco Lamp	LEDZ Inverter Lamp
				
Ivora Insect Shield	Hyperion Torch	Hyperion Torch	Softlite Mini LED RC Table Lamp	Dhyiti Mini Lantern



## morphy richards®



Mixer Grinder - Superb



Mixer Grinder - Brut



Mixer Grinder - Lush



Mixer Grinder - Elite



Mini Chopper



Pop-Up Toaster - AT402



Hair Dryer - HD1800DC



Water heater - Lavo Black  
25L/ 15L/ 10L



Oven Toaster Griller- 40RCSS  
40L/ 28RSS 28L/ 25RSS 25L



Oven Toaster Griller -  
48SS DigiChef



Microwave Oven  
- Solo



Microwave Oven - 27CGF  
Convection



Microwave Oven -  
28SS DuoChef

### EPC- ILLUMINATION



Street Light - Edge NXT  
series



Area Lighting - Amaze  
Premium 1000W



Industrial Lighting -  
Blaze Pro



Industrial Lighting -  
Metrolite

# Awards and Accolades

## Cherishing memorable moments



Bajaj Electricals has been recognised by **Great Place to Work (R) Institute India**, reiterating our commitment towards empowering our employees and making our workplaces conducive for personal and professional growth.



**The Frost and Sullivan Project Evaluation and Recognition Program 2020** honoured the Company for reduction in manufacturing process defects by 80% in Octagonal Poles in the 'Quality Excellence Leadership Category'.



**Supply Chain and Logistics Excellence (SCALE) Award** conferred by **CII Institute of Logistics in Consumer Durables Category in December 2020**. Bajaj Electricals has been recognised for best-in-class industry practices across the country and adjudged as 'Most Resilient Supply Chain Team of the Year' and 'Innovation in Supply Chain Management' for having shown an exceptional performance during the COVID-19 pandemic – for both strategic initiatives and operational excellence.



The **IR Society** in association with BSE and KPMG India tagged Bajaj Electricals as the Winner in the '**Stars on Sell side**' category. This is a highly competitive award and only 9 winners were chosen among the BSE 500 companies.





# Notice of the Annual General Meeting

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

NOTICE is hereby given that Eighty-second (82nd) Annual General Meeting ("AGM") of Bajaj Electricals Limited will be held on Wednesday, August 11, 2021 at 3.00 p.m. (IST) through Video Conferencing/Other Audio Visual Means to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt: (a) the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2021 and the report of Auditors thereon.
2. To appoint a Director in place of Shri Madhur Bajaj (DIN: 00014593), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Rajiv Bajaj (DIN: 00018262), who retires by rotation and, being eligible, offers himself for re-appointment.

### Special Business:

4. To approve the revision in the remuneration of Shri Anuj Poddar (DIN: 01908009), Executive Director of the Company, and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s), modification(s), clarification(s), substitution(s) 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 approval of the Members of the Company be accorded for revision in the remuneration of Shri Anuj Poddar (DIN: 01908009), who was appointed as the Executive Director of the Company with effect from November 1, 2018 for a period of 5 (five) years, by including performance-based commission as an additional component to his remuneration, effective January 1, 2021 till remainder of duration of his tenure.

RESOLVED FURTHER THAT all the terms and conditions of his appointment and remuneration existing presently shall remain in force except the performance-based commission which shall be payable as under:

Commission: Commission at the rate of five tenths percent (0.50%) of the Net Profits of the Company calculated in accordance with Section 198 of the Act, payable after adoption of the annual accounts for that financial year by the members in the annual general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise require, any committee of the Board or any director(s) or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) be and is hereby authorised to vary, alter, enhance, or widen the scope of remuneration (including Fixed Salary, Incentives, Commission & Increments thereto and retirement benefits) payable to Shri Anuj Poddar during his tenure to the extent permitted under Section 197 read with Schedule V and other applicable provisions, if any, of the Act, without being required to seek any further consent or approval of the members 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 the Executive Director 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, commission & 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 do all acts, deeds, matters and things, and to take all such steps as may be necessary, proper or expedient to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard."

5. To approve amendments in the 'Bajaj Electricals Limited Employee Stock Option Plan 2015' and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT, in partial modification of earlier special resolutions passed by the Members of the Company through postal ballot dated January 21, 2016 and at the Annual General Meeting held on August 28, 2020 approving/amending the 'Bajaj Electricals Limited Employee Stock Option Plan 2015' ("ESOP 2015"/ "Scheme"), and pursuant to the provisions of Regulation 7 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with the Circular No. CIR/CFD/POLICY CELL/2/2015 issued by the Securities and Exchange Board of India on June 16, 2015 (Collectively referred to as

"SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and Rules made thereunder, the provisions of the Memorandum and Article of Association of the Company, subject further to such other approvals, permissions and sanctions as may be necessary, subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Members be accorded to amend the Scheme by way of increasing the maximum number of employee stock options ("Options") to be granted to an individual employee from 1,00,000 (One Lakh) Options to 2,00,000 (Two Lakh) Options under the Scheme and accordingly update the Sub-clause 3.2 of the Scheme by replacing the 1,00,000 (One Lakh) Options with 2,00,000 (Two Lakh) Options.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise require, any committee of the Board or any director(s) or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to this resolution with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard in conformity with the provisions of the Act, SEBI SBEB Regulations, the Memorandum and Articles of Association of the Company and other applicable laws."

6. To approve the Borrowing by way of Issue of Securities and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Sections 42 and 71 of the Companies Act, 2013 (the "Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions of the Act and the Rules made thereunder, as may be applicable, and other applicable guidelines and regulations issued by the Securities and Exchange Board of India or any other law for the time being in force (including any statutory amendment(s), modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force) and in terms of the Articles of Association of the Company, approval of the Members of the Company be accorded to authorise the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise require, any committee of the Board or any director(s) or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to borrow from time to time, by way of securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures (NCDs) and/or Commercial Papers (CPs) to be issued under private placement basis, in domestic and/or international market, in one or more series/tranches aggregating upto an amount not exceeding ₹ 300 crore (Rupees Three

Hundred Crore only), issuable/redeemable at discount/par/premium, under one or more shelf disclosure documents, during the period of one year from the date of this Annual General Meeting, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs and/or CPs be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto; provided that the said borrowings shall be within the overall borrowing limit of the Company.

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

7. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2022 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), 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 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment(s), modification(s), clarification(s), substitution(s) 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 of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise require, any committee of the Board or any director(s) or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022, amounting to ₹ 1,65,000/- (Rupees One Lakh Sixty Five Thousand only) (excluding all taxes and reimbursement of out-of-pocket expenses) be and is hereby ratified and confirmed.

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

By Order of the Board of Directors

**Ajay Nagle**

EVP and Head – Legal & Company Secretary  
ICSI Membership No. A9855  
Mumbai, May 25, 2021

### Registered Office:

45/47, Veer Nariman Road, Mumbai 400 001, India  
CIN: L31500MH1938PLC009887  
Website: www.bajajelectricals.com  
E-mail: legal@bajajelectricals.com  
Tel.: +91 22 6110 7800 / 6149 7009



**Notes:**

- In view of COVID-19 pandemic, social distancing norms and restrictions on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021, respectively issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as "MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, respectively issued by the Securities and Exchange Board of India ("SEBI") (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 (the "Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
- The statement pursuant to Section 102 of the Act, setting out the material facts in respect of special businesses under Item Nos.4-7 is annexed hereto.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited ("LinkIntime") for assistance in this regard.
- To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participant (DP) in case the shares are held by them in electronic form and with LinkIntime in case the shares are held by them in physical form.
- Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers,

Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held by them in electronic form and to LinkIntime in case the shares are held by them in physical form.

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

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

- SEBI vide its earlier circulars have made the PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction. Members are requested to submit their PAN details to their respective DP in case of holdings in dematerialised form or to LinkIntime in case of holdings in physical form, mentioning the correct folio number.
- As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to LinkIntime in case the shares are held in physical form.
- Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or LinkIntime, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- Members, 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.
- Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred

to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

- It is in the Members' interest to claim any unencashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the investor's account on time. Members who have not yet encashed their dividend warrant(s) from the financial year ended March 31, 2014 and onwards are requested to forward their claims to LinkIntime at Unit: Bajaj Electricals Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company upto the year ended on March 31, 2013, 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).
- In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.bajajelectricals.com](http://www.bajajelectricals.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of LinkIntime at <https://instavote.linkintime.co.in>.
- Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- At the seventy-eighth AGM held on August 3, 2017 the Members approved appointment of S R B C & Co. LLP, Chartered Accountants (Firm Registration No.324982E/E300003) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the eighty-third AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the eighty-second AGM.
- Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their

PAN with the Company/LinkIntime (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [rnt.helpdesk@linkintime.co.in](mailto:helpdesk@linkintime.co.in). Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

- 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.
- Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
- Instructions for e-voting and joining the AGM are as follows:

**A. Voting Through Electronic Means**

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

The remote e-voting period commences on August 8, 2021 (9:00 A.M. IST) and ends on August 10, 2021 (5:00 P.M. IST). During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of August 4, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by LinkIntime for voting thereafter. Once the vote on resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post June 9, 2021. Shareholders are advised to update their mobile number and email ID in their demat accounts to access e-Voting facility.

Remote e-Voting Instructions for shareholders:

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



- If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.
  - After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
  - If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
  - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- b. For Individual Shareholders holding securities in demat mode with CDSL:-
- Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
  - After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.
  - If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- c. For Individual Shareholders (holding securities in demat mode) & login through their depository participants:-
- Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
  - You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.
  - Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- d. For Individual Shareholders holding securities in Physical mode and e-voting service Provider is LINKINTIME:-
1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

    - A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.
    - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
    - D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
      - Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

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

Click "confirm" (Your password is now generated).
  2. Click on 'Login' under 'SHARE HOLDER' tab.
  3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
  4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
  5. E-voting page will appear.
  6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
  7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
- e. For Institutional shareholders:-
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- f. For Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:-
- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
  - Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
  - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- g. For Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:-
- Shareholders/Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".
- h. Helpdesk for Individual Shareholders holding securities in demat mode:-
- In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:
- Individual Shareholders holding securities in demat mode with NSDL: Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30
  - Individual Shareholders holding securities in demat mode with CDSL: Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 or 22-23058542-43.
- i. Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME:-
- In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 –4918 6000.



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

1. For physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
2. For Demat shareholders – Members are requested to update their email address with the depository participants by following the procedure advised by them and then follow the instructions as detailed above to login for e-voting.

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

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

- a. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
- b. Select the 'Company' and 'Event Date' and register with your following details:
  - A. Demat Account No. or Folio No.: Enter your 16 digit Demat Account No. or Folio No
    - Shareholders/Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
    - Shareholders/Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
    - Shareholders/Members holding shares in physical form shall provide Folio Number registered with the Company
  - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.
  - C. Mobile No.: Enter your mobile number.
  - D. Email ID: Enter your email id, as recorded with your DP/Company.
- c. Click 'Go to Meeting' (You are now registered for InstaMeet and your attendance is marked for the meeting).

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

- a. Shareholders/Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at least 3 days in advance with the Company at [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com).
- b. Shareholders/Members will get confirmation on first cum first basis depending on the availability of time for the AGM.
- c. Shareholders will receive 'speaking serial number' once they mark attendance for the meeting.
- d. Shareholders/Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com). The same will be replied by the Company suitably.
- e. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
- f. For a smooth experience of viewing the AGM proceedings, Shareholders/Members who are registered as speakers for the event are requested to download and install the 'Webex Meetings' application by clicking on the link: <https://www.webex.com/downloads.html/>
- g. Shareholders/Members are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.

**Note:** Those Shareholders/Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Shareholders/Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

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

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

- a. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
- b. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/registered email Id) received during registration for InstaMeet and click on 'Submit'.

- c. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- d. Cast your vote by selecting appropriate option i.e. "Favour/ Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under "Favour/Against".
- e. After selecting the appropriate option i.e. "Favour/Against" as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- f. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

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

to the AGM will be eligible to attend/participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

### Other Instructions

1. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than two working days of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutiniser's Report shall be placed on the Company's website [www.bajajelectricals.com](http://www.bajajelectricals.com) and on the website of LinkIntime <https://instavote.linkintime.co.in> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

## Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013

### Item No.4

Shri Anuj Poddar was appointed as an Executive Director of the Company for a period of 5 years effective from November 1, 2018 by the Board of Directors in its meeting held on November 1, 2018 and his appointment was approved by the shareholders of the Company in their Annual General Meeting held on August 7, 2019.

Considering the overall growth achieved by the Company under the dynamic leadership of Shri Anuj Poddar, and on the basis of the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on February 4, 2021 has, subject to the approval of the Members, approved a revision in the remuneration of Shri Anuj Poddar, Executive Director of the Company by including performance-based commission as an additional component to his remuneration, effective January 1, 2021 till remainder of duration of his tenure, at the rate of five tenths percent (0.50%) of the Net Profits of the Company, calculated in accordance with Section 198 of the Companies Act, 2013 (the "Act"), payable after adoption of the annual accounts for that financial year by the Shareholders in the annual general meeting.

The remuneration payable to Shri Anuj Poddar 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 an Executive Director 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.

All documents referred to in the accompanying Notice and Statement setting out material facts on Item No.4 will be made available for inspection of the Members through electronic mode by writing to the Company at [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com) from the date of circulation of the AGM Notice till the date of the AGM i.e. August 11, 2021.

Shri Anuj Poddar and his relatives are interested in the resolution set out at Item No.4 of the Notice. 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 the resolution set out at Item No.4 of the Notice for approval of the Members by way of Special Resolution.

### Item No.5

The Company had implemented the 'Bajaj Electricals Limited Employee Stock Option Plan 2015' ("ESOP 2015"/ "Scheme"), with a view to attract



and retain key talents by way of rewarding their performance and motivate them to contribute to the overall growth and profitability of the Company. The Scheme was originally approved by the Members of the Company by way of a special resolution through postal ballot dated January 21, 2016 in due compliance of the applicable provisions of the Companies Act, 2013 ("Act") read with relevant rules and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with relevant circular issued thereunder ("SEBI SBEB Regulations"). The Scheme was last amended by shareholders at their Annual General Meeting held on August 28, 2020, by increasing the maximum number of employee stock options ("Options") to be granted to an individual employee from 40,000 (Forty Thousand) Options to 1,00,000 (One Lakh) Options under the Scheme.

With a view to retain and incentivise critical talents and create entrepreneurial teams for ensuring superior shareholders' return and to facilitate employee cost rationalisation by use of Options, it is thought expedient to increase the individual limit from 1,00,000 (One Lakh) Options to 2,00,000 (Two Lakh) Options per employee under Sub-clause 3.2 of the Scheme by way of amendment.

As per provisions of Regulation 7 of the SEBI SBEB Regulations, a company may vary the terms of the Scheme provided that such variation is not prejudicial to the interests of the option grantees/employees and that the proposal is approved by the shareholders of the Company by way of a special resolution.

The aforesaid proposed variation is not detrimental to the interests of any option grantees/employees. The beneficiaries of such variation shall be the option grantees to whom options would be granted in future.

Given the details of amendments, rationale thereof and beneficiaries of such variation, consent of the Members is being sought by way of a Special Resolution pursuant to Regulation 7 of the SEBI SBEB Regulations read with Section 62(1)(b) and all other applicable provisions, if any, of the Act.

Features of the Scheme shall remain same as originally approved except as stated above.

Subject to the approval of the Members, the Nomination and Remuneration Committee and Board of Directors of the Company have respectively approved the aforesaid proposed amendment vide their respective resolutions dated May 25, 2021.

All documents referred to in the accompanying Notice and Statement setting out material facts on Item No.5 will be made available for inspection of the Members through electronic mode by writing to the Company at legal@bajajelectricals.com from the date of circulation of the AGM Notice till the date of the AGM i.e. August 11, 2021.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in this resolution, financially or otherwise, in the resolution set out at Item No.5 of the Notice, except to the extent they may be lawfully granted options under the Scheme.

The Board recommends the resolution set out at Item No.5 of the Notice for approval of the Members by way of Special Resolution.

#### Item No.6

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

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

The Company seeks to pass an enabling resolution to borrow funds from time to time by offer of securities including but not limited to Non-Convertible Debentures and/or Commercial Papers for an amount not exceeding ₹ 300 crore (Rupees Three Hundred Crore only), at a discount or at par or at a premium and at such interest as may be appropriate considering the prevailing money market conditions at the time of borrowing.

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

Particulars	(Amount: ₹ in crore)	
	As at 31-Mar-21	As at 31-Mar-20
Paid-up Capital and Free Reserves	910.18	709.46
Outstanding Borrowings	463.73	957.15

The approval sought for offer of securities including but not limited to Non-Convertible Debentures and/or Commercial Papers, shall be within the overall borrowing limit of the Company in terms of Section 180 of the Act. Subject to the approval of the Members, the Board of Directors of the Company (the "Board") has approved the aforesaid proposal vide its resolution dated May 25, 2021.

All documents referred to in the accompanying Notice and Statement setting out material facts on Item No.6 will be made available for inspection of the Members through electronic mode by writing to the Company at legal@bajajelectricals.com from the date of circulation of the AGM Notice till the date of the AGM i.e. August 11, 2021.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, are interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

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

#### Item No.7

The Board of Directors of the Company (the "Board"), at its Meeting held on May 25, 2021, upon the recommendation of the Audit Committee, approved the appointment of Messrs R. Nanabhoj & 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, 2022, at a remuneration of ₹ 1,65,000/- (Rupees One Lakh Sixty Five Thousand only) (excluding all taxes and reimbursement of out-of-pocket expenses).

Pursuant to the provisions of 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.7 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, 2022.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, are interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

The Board recommends the resolution set out at Item No.7 of the Notice for approval of the Members by way of an Ordinary Resolution.

By Order of the Board of Directors

**Ajay Nagle**

EVP and Head – Legal & Company Secretary  
ICSI Membership No. A9855  
Mumbai, May 25, 2021

#### Registered Office:

45/47, Veer Nariman Road, Mumbai 400 001, India  
CIN: L31500MH1938PLC009887  
Website: www.bajajelectricals.com  
E-mail: legal@bajajelectricals.com  
Tel.: +91 22 6110 7800 / 6149 7009

## Annexure-A

### Information pursuant to Regulation 36 of the Securities and Exchange Board of India (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	August 19, 1952
Qualifications	B.Com., MBA from Institute of Management Development, Lausanne, Switzerland. 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.
Experience (including expertise in specific functional area) / Brief Resumes	
Appointment/Re-appointment	Re-appointment on retirement by rotation.
Terms and Conditions of Appointment/ Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Shri Madhur Bajaj who was re-appointed as Non-Executive Director at the Annual General Meeting held on August 7, 2019, is liable to retire by rotation.
Remuneration last drawn (including sitting fees, if any)	₹ 12.00 lakh in the financial year 2020-21 (for remuneration details, please refer the Corporate Governance Report).
Remuneration proposed to be paid	As per existing approved terms and conditions.
Date of first appointment on the Board	November 28, 1994
Shareholding in the Company as on March 31, 2021	703199 (0.61%) equity shares of ₹ 2 each (excluding 206575 (0.18%) equity shares held by him as a Trustee of Nimisha Bajaj Family Trust)
Relationship with other Directors/Key Managerial Personnel	Younger brother of Shri Shekhar Bajaj, Chairman & Managing Director of the Company.
Number of meetings of the Board attended during the year 2020-21	6/6



Shri Madhur Bajaj	
Directorships of other Boards as on March 31, 2021	<ul style="list-style-type: none"> <li>• Bajaj Auto Limited</li> <li>• Bajaj Finance Limited</li> <li>• Bajaj Finserv Limited</li> <li>• Bajaj Holdings &amp; Investment Limited</li> <li>• Emerald Acres Private Limited</li> <li>• Sankalp Resorts Private Limited</li> <li>• Madhur Securities Private Limited</li> <li>• Mahakalpa Arogya Pratisthan</li> </ul>
Membership/Chairmanship of Committees of other Boards as on March 31, 2021	Nil

Shri Rajiv Bajaj	
Director Identification Number	00018262
Date of Birth	December 21, 1966
Qualifications	Shri Rajiv Bajaj, aged 54 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 Resumes	<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	Re-appointment on retirement by rotation.
Terms and Conditions of Appointment/ Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Shri Rajiv Bajaj who was appointed as Non-Executive Director at the Annual General Meeting held on August 7, 2019, is liable to retire by rotation.
Remuneration last drawn (including sitting fees, if any)	₹ 10.00 lakh in the financial year 2020-21 (for remuneration details, please refer the Corporate Governance Report).
Remuneration proposed to be paid	As per existing approved terms and conditions.
Date of first appointment on the Board	November 1, 2018
Shareholding in the Company as on March 31, 2021	Nil (excluding 471052 (0.41%) equity shares held by him as a Trustee of Rishab Family Trust)
Relationship with other Directors/Key Managerial Personnel	Not related to any Director/Key Managerial Personnel.
Number of meetings of the Board attended during the year 2020-21	5/6
Directorships of other Boards as on March 31, 2021	<ul style="list-style-type: none"> <li>• Bajaj Auto Limited</li> <li>• Bajaj Finance Limited</li> <li>• Bajaj Finserv Limited</li> <li>• Bajaj Holdings &amp; Investment Limited</li> <li>• Rahul Securities Private Limited</li> <li>• Kamalnayan Investment And Trading Private Limited</li> <li>• Bhoopati Shikshan Pratisthan</li> <li>• KTM AG (Austrian Company)</li> </ul>
Membership/Chairmanship of Committees of other Boards as on March 31, 2021	Nil

## Annexure-B

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

I. General Information	
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)
	<b>Financial Year 2020-21</b>
	Paid up Capital 22.91
	Reserves excluding Revaluation Reserves 1,573.61
	Total Income 4,645.75
	Total Expenses 4,416.33
	Profit before Tax 241.18
	Tax Expenses 57.54
	Profit after Tax 183.64
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.
II. Information about the Appointee	
1. Background details	<p>Shri Anuj Poddar, aged 46 years, 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, 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> <p>Before joining the Company as an Executive Director in November 2018, 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.</p> <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>



2.	Past remuneration	Remuneration paid/payable to Shri Anuj Poddar for the financial years 2020-21: ₹ 439.42 lakh.
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	Shri Anuj Poddar devotes his full time and attention to the business of the Company, subject to superintendence, control and directions of the Board.  Shri Anuj Poddar has over two decades of experience and has been associated with the Company for more than 4 years, and his candidatures is compatible with the organisational requirements. It is felt that the Company would benefit under his leadership and guidance.
5.	Remuneration proposed	In addition to all the terms and conditions of the appointment and remuneration of Shri Anuj Poddar, as approved by the shareholders at their 80th Annual General Meeting held on August 7, 2019, as existing presently and which shall remain in force, the performance-based commission shall be paid/payable, as an additional component to his remuneration, effective January 1, 2021 till remainder of duration of his tenure, as under:  Commission: Commission at the rate of five tenths percent (0.50%) of the Net Profits of the Company calculated in accordance with Section 198 of the Act, payable after adoption of the annual accounts for that financial year by the members in the annual general meeting.
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 Shri Anuj Poddar, 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.
<b>III. Other Information</b>		
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.
<b>IV. Disclosures</b>		
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 2020-21.		

# Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 82nd Annual Report of the Company, together with the audited financial statements for the financial year ended March 31, 2021. This Report states compliance as per the provisions of the Companies Act, 2013 ("Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI 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 Earnings Per Share ("EPS"))

Particulars	FY 2020-21	FY 2019-20
Revenue from Operations & Other Income	4,645.75	5,029.72
Gross Profit before Finance Cost and Depreciation	374.23	259.56
Less: Finance Cost	75.55	169.16
Less: Depreciation	69.26	68.01
Profit/(Loss) before Exceptional Items and Tax	229.42	22.39
Exceptional Items	11.76	-
Profit/(Loss) before Taxes	241.18	22.39
Less: Provision for Tax expenses	57.54	22.52
Profit/(Loss) after Tax	183.64	(0.13)
Less: Other Comprehensive Income	(6.95)	8.54
Add: Balance in Profit & Loss Account	262.23	314.12
Less: Dividend including Dividend Distribution Tax paid during the year	-	43.22
Add: Transferred to retained earnings for vested cancelled options	1.23	-
Amount transferred to General Reserves	(18.36)	-
Balance available for appropriation	435.68	262.23
Basic EPS (₹)	16.08	(0.01)
Diluted EPS (₹)	16.02	(0.01)

The highlights of the Consolidated Financial Results are as under:

(Amount: ₹ in crore, except for EPS)

Particulars	FY 2020-21	FY 2019-20
Revenue from Operations & Other Income	4,653.81	5,033.39
Profit/(Loss) before Exceptional Items and Tax	220.78	10.01
Exceptional Items	25.49	-
Profit/(Loss) before Taxes	246.27	10.01
Share of Profit/(Loss) of subsidiaries, associates & joint ventures	-	(2.85)
Profit/(Loss) before Taxes	246.27	7.16
Less: Provision for Tax expenses	57.31	17.44
Profit/(Loss) for the period	188.96	(10.29)
Basic EPS (₹)	16.54	(0.99)
Diluted EPS (₹)	16.49	(0.99)



Return on Net Worth, Return on Capital Employed and EPS for the financial year ended March 31, 2021 and for the last four financial years, are given below:

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Return on Net Worth (%)	12.31	(0.01)	15.50	8.85	12.35
Return on Capital Employed (%)	13.85	8.20	14.13	13.43	17.54
Basic EPS (after exceptional items) (₹)	16.08	(0.01)	16.34	8.23	10.65

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

## STATE OF COMPANY AFFAIRS / OPERATIONS

- Revenue from Consumer Product Segment increased by 7.10% to ₹ 3,303.54 crore.
- Revenue from EPC Segment decreased by 32.90% to ₹ 1,268.93 crore.

As at March 31, 2021, the gross property, plant and equipment, investment property and other intangible assets including leased assets, stood at ₹ 694.63 crore and the net property, plant and equipment, investment property and other intangible assets, including leased assets, at ₹ 460.83 crore. Capital Expenditure during the year amounted to ₹ 21.46 crore (₹ 29.21 crore in the previous year).

The Company's cash and cash equivalent as at March 31, 2021 was ₹ 45.63 crore. The Company manages cash and cash flow processes assiduously, involving all parts of the business. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring. Foreign Exchange transactions are partly covered and there are no materially significant uncovered exchange rate risks in the context of Company's imports and exports. The Company accounts for mark-to-market gains or losses every quarter end, are in line with the requirements of Ind AS 21.

The Company has transferred ₹ 18.36 crore to the General Reserves from retained earnings during the current financial year.

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

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

## DIVIDEND & DIVIDEND DISTRIBUTION POLICY

The Board of Directors has not recommended any dividend on the Equity Shares of the Company for the financial year 2020-21.

The Dividend Distribution Policy containing the requirements mentioned in Regulation 43A of the SEBI Listing Regulations is attached as **Annexure A** and forms part of this Report. This Policy can also be accessed on the Company's website at: <https://www.bajajelectricals.com/investors-updates/>.

## SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2021 was ₹ 22.91 crore. The increase in number of shares during the year is on account of (i) allotment of 4,71,420 equity shares of ₹2 each to the shareholders of Hind Lamps Limited ("Demerged Company") pursuant to the Scheme of Arrangement between the Demerged Company and Company and their respective shareholders and creditors, in consideration for the demerger in compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961; (ii) allotment of 7 rights equity shares of ₹ 2/- each, which were kept in abeyance in the Rights Issue-2020; and (iii) allotment of 2,97,485 equity shares of ₹2 each to the employees upon their exercise of stock options. These shares were included, on weighted average basis, for the computation of EPS. The Company has not issued shares with differential voting rights.

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

The equity shares of the Company continue to remain listed on BSE Limited and National Stock Exchange of India Limited (collectively "Stock Exchanges"). The listing fees for financial year 2021-22 have been paid to the Stock Exchanges.

## DEPOSITORY SYSTEM

The Company's shares are compulsorily tradable in electronic form. As on March 31, 2021, 98.59% of the Company's total paid up capital representing 11,29,22,084 equity shares are in dematerialised form.

In light of the provisions of Notification No. SEBI/LAD/NRO/GN/2018/24 dated June 8, 2018 and Press Release dated December 3, 2018 issued by the Securities and Exchange Board of India ("SEBI"), Members may please note that, with effect from April 1, 2019, transfer of shares (except transmission and transposition of shares) will be in dematerialised form only. In view of the above and to avail advantages offered by the Depository system as well as to avoid frauds, Members holding shares in physical mode are advised to avail the facility of dematerialisation from either of the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited.

## DEPOSITS

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

## NON-CONVERTIBLE DEBENTURES ISSUED ON PRIVATE PLACEMENT BASIS

During the financial year 2018-19, the Company had 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 viz., Option A of 350 NCDs, Option B of 750 NCDs and Option C of 750 NCDs, listed on National Stock Exchange of India Limited under ISIN 'INE193E08038', 'INE193E08020' and 'INE193E08012', respectively. Out of the said NCDs, Option A NCDs were redeemed on February 18, 2021. Since the redemption

date (i.e. February 19, 2021) in respect of the said Option A NCDs fell on a day which was not a Business Day, the payment(s) due was made on the previous Business Day (i.e. on February 18, 2021) as per the terms of Information Memorandum dated February 18, 2019.

Axis Trustee Services Limited is the Debenture Trustee for the Debenture holders, whose details are provided in the Corporate Governance Section which forms a part of the Annual Report. Further, pursuant to Regulation 53 of the SEBI Listing Regulations, disclosures in compliance with the Accounting Standard on "Related Party Disclosures" are given in the notes to the financial statements.

## CREDIT RATING

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

Instrument	Rating Agency	Rating	Outlook
Line of Credit (long-term)	ICRA Limited	[ICRA]A	Stable
Line of Credit (short-term)	ICRA Limited	[ICRA]A1	Stable
Non-convertible debentures	ICRA Limited	[ICRA]A	Stable

## RELATED PARTY TRANSACTIONS

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

All related party transactions are placed before the Audit Committee for review and approval. Pursuant to the provisions of the Act and SEBI Listing Regulations with respect to omnibus approval, prior omnibus approval is obtained for related party transactions on a yearly basis for transactions which are of repetitive nature and entered in the ordinary course of business and are at arm's length. Transactions entered into pursuant to omnibus approval are verified and a statement giving details of all related party transactions are 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 the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

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

Pursuant to the provisions of Regulation 34(3) and 53(f) read with clause 2 of Part A of Schedule V of the SEBI Listing Regulations, the listed entity shall make disclosures in respect of loans and advances in compliance with the Accounting Standard on Related Party Disclosures. The required disclosure is as under:

Name	Category	(Amount: ₹ in crore)	
		Balance of loans and advances as on March 31, 2021*	Maximum outstanding during the year*
Nirlep Appliances Private Limited ("Nirlep")	Subsidiary	39.00	39.00
Hind Lamps Limited ("Hind Lamps")	Associate	-	15.77
Starlite Lighting Limited ("Starlite")	Joint Venture	72.40	72.40

\* Excluding trade advances.

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

Name of the person/entity	Shareholding (%)
Jamnallal Sons Private Limited	19.59
Bajaj Holdings and Investment Limited	16.41

Disclosures of transactions pursuant to the provisions of Regulation 34(3) and 53(f) read with clause 2A of Part A of Schedule V of the SEBI Listing Regulations is attached as **Annexure B** and forms part of this Report.

### PARTICULARS OF LOANS AND ADVANCES, GUARANTEES OR INVESTMENTS

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

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

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

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

There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the financial year for the Company, i.e. March 31, 2021 and the date of this Directors' Report, i.e. May 25, 2021.

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

- Datamax Marketing Consultants, sole proprietor – Shri Amit Thaper ("Datamax"), a sub-contractor appointed by the Company for supply of (skilled/semi-skilled/unskilled) manpower at different locations across various states for execution of power distribution work, has filed an application under Section 9 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal, Mumbai Bench, against the Company, claiming an amount of ₹ 2.72 crore from the Company, on account of non-payment of dues by the Company towards services supplied

by Datamax. The Company is contesting the matter on the ground of double billing, non-payment of statutory dues, non-submission of data/records for reconciliation purposes by Datamax. The matter is currently pending.

- Shivpriya Cables Private Limited ("Shivpriya") has filed an application under Section 9 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal, Mumbai Bench, against the Company, claiming an amount of ₹ 0.92 crore from the Company, on account of non-payment of dues by the Company towards goods supplied by Shivpriya. The Company is contesting the matter considering the issues of substandard material supplied, subsequent debarment by Madhyanchal Vidyut Vitran Nigam Limited, and that the Company has legal and equitable hold on the payments of Shivpriya. The matter is currently pending.

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

During the year under review, there was no instance of one-time settlement with banks or financial institutions.

### SCHEME OF MERGER BY ABSORPTION OF STARLITE LIGHTING LIMITED WITH BAJAJ ELECTRICALS LIMITED

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

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

### CORPORATE SOCIAL RESPONSIBILITY

The Company is having a Policy on Corporate Social Responsibility ("CSR") and has constituted a CSR Committee as required under the Act for implementing various CSR activities. The CSR Committee comprised of Shri Shekhar Bajaj, as the Chairperson of the Committee and Dr. (Smt.) Indu Shahani and Shri Siddharth Mehta, as the members of the Committee. The CSR policy is available on the website of the Company: www.bajajelectricals.com.

Other details about the CSR Committee are provided in Corporate Governance Report which forms part of this Report.

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

Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in **Annexure C**, which forms part of this Report.

### BUSINESS RESPONSIBILITY REPORT

Regulation 34(2) of the SEBI Listing Regulations, inter-alia, provides that the Annual Report of the top 1000 listed entities based on market capitalisation (calculated as on March 31 of every financial year), shall include a Business Responsibility Report ("BRR").

The Company, being one of such top 1000 listed entities, has included BRR for financial year 2020-21, as part of this Annual Report, describing initiatives taken from an environmental, social and governance perspective.

### CORPORATE GOVERNANCE

Maintaining high standards of Corporate Governance has been fundamental to the business of the Company since its inception.

As per Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, a separate section on corporate governance practices followed by the Company, together with the following declarations/certifications forms an integral part of this Corporate Governance Reporting:

- A declaration signed by Shri Shekhar Bajaj, Chairman and Managing Director, stating that the members of board of directors and senior management personnel have affirmed compliance with the Company's Code of Business Conduct and Ethics;
- A compliance certificate from the Company's Statutory Auditors confirming compliance with the conditions of Corporate Governance;
- A certificate of Non-Disqualification of Directors from the Secretarial Auditor of the Company; and
- A certificate of the CEO and CFO of the Company, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed to the Report on Corporate Governance.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014,

the Annual Return of the Company for the financial year ended March 31, 2021 can be accessed at <https://www.bajajelectricals.com/investors-updates/>.

### VIGIL MECHANISM

The Company has a Whistle Blower Policy to report genuine concerns or grievances about any poor or unacceptable practice and any event of misconduct and to provide adequate safeguards against victimisation of persons who may use such mechanism. The Whistle Blower Policy has been posted on the website of the Company at: <https://www.bajajelectricals.com/investors-updates/>.

### EMPLOYEES STOCK OPTION SCHEME

The Company implemented the Employees Stock Option Scheme ("ESOP Scheme") in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") as a measure to reward and motivate employees as also to attract and retain talent. During the year under review, the ESOP Scheme was amended by shareholders at their 81st annual general meeting held on August 28, 2020 by increasing the maximum number of employee stock options ("Options") to be granted to an individual employee from 40,000 (Forty Thousand) Options to 1,00,000 (One Lakh) Options under the Scheme. The ESOP Scheme is in compliance with SEBI SBEB Regulations.

During financial year under review, 2,07,500 stock options were granted to the eligible employees at the market price prevailing on the National Stock Exchange of India Limited as on the date of their grant. Details of the shares issued under ESOP Scheme, as also the disclosures in compliance with SEBI SBEB Regulations is uploaded on the website of the Company www.bajajelectricals.com, which forms part of this Report. No employee has been issued stock options, during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant. The issuance of equity shares pursuant to exercise of stock options does not affect the profit and loss account of the Company, as the exercise is made at the market price prevailing as on the date of the grant plus taxes as applicable.

The Company has obtained a Certificate from the Statutory Auditors stating that ESOP Scheme has been implemented in accordance with the SBEB Regulations. The said Certificate will be made available for inspection through electronic mode by writing to the Company at [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com) from the date of circulation of the Annual General Meeting ("AGM") Notice till the date of the AGM i.e. August 11, 2021.

The Board, at its meeting held on May 25, 2021, has approved an amendment to the 'Bajaj Electricals Limited Employee Stock Option Plan 2015' ("Scheme") of the Company by increasing the limit for maximum number of employee stock options ("Options") to be granted to an individual employee from 1,00,000 (One Lakh) Options to 2,00,000 (Two Lakh) Options under the Scheme, subject to the approval of the shareholders at the ensuing 82nd AGM of the Company.



## SUBSIDIARY, JOINT VENTURE AND ASSOCIATE

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

Name	% of shareholding of the Company as on March 31, 2021	Status
Nirlep Appliances Private Limited ("Nirlep")	79.85	Subsidiary
Hind Lamps Limited ("Hind Lamps")	19.00	Associate
Starlite Lighting Limited ("Starlite")	47.00	Joint Venture

### Performance of Subsidiary, Joint Venture and Associate

**Nirlep:** Total income of Nirlep for financial year 2020-21 stood at ₹ 51.37 crore (Previous Year: ₹ 42.21 crore). Loss for the year was at ₹ 4.69 crore (Previous Year Loss: ₹ 4.36 crore).

**Hind Lamps:** Total income of Hind Lamps for financial year 2020-21 stood at ₹ 3.81 crore (Previous Year: ₹ 2.97 crore). Profit for the year was at ₹ 0.17 crore (Previous Year Profit: ₹ 0.16 crore).

**Starlite:** Total income of Starlite for financial year 2020-21 stood at ₹ 181.82 crore (Previous Year: ₹ 173.44 crore). Loss for the year was at ₹ 49.35 crore (Previous Year Loss: ₹ 49.29 crore).

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

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

The Policy for Determining Material Subsidiary as approved by the Board may be accessed on the Company's website at: <https://www.bajajelectricals.com/investors-updates/>.

### Executive of Control Transfer Agreement and Share Subscription Agreement

a. With the approval granted by the Board of Directors at its Meeting held on April 30, 2021 ("Mentioned Meeting"), the Control Transfer Agreement ("CTA") has been executed by and amongst: (i) the Company, (ii) Shri Ravindra Bharati and Shri Arvind Bharati (collectively, the "Outgoing Promoters"), who, along with the Company, were Promoters/ Joint Promoters of Starlite, (iii) some other shareholders of Starlite (related to the Outgoing Promoters or belonging to their business group), and (iv) Starlite, on April 30, 2021 ("Effective Date"), inter-alia:

- to terminate the Shareholders Agreement dated February 22, 2007 by and between the Outgoing Promoters, Company and Starlite; and
  - to record the agreed terms and conditions for the relinquishment and transfer of the joint Control and Management Rights of Starlite by the Outgoing Promoters in favour of the Company such that the Company shall have the sole Control and Management Rights of Starlite from the start of the business hours on the Effective Date.
- b. In consideration of the said relinquishment and transfer of joint Control and Management Rights of Starlite by Outgoing Promoters in favour of the Company, the Company has paid an aggregate control premium of ₹14.80 crore, plus GST as applicable, to the Outgoing Promoters, subject to the terms and conditions of the said CTA.
- c. Consequently, Starlite has become a subsidiary of the Company with effect from the Effective Date.
- d. Further, as per the terms of Share Subscription Agreement dated April 30, 2021 executed by and amongst: (i) the Company, (ii) Starlite, (iii) Shri Ravindra Bharati, and (iv) Shri Arvind Bharati, pursuant to the approval granted by the Board of the Company at its Mentioned Meeting, on May 11, 2021, the Company has acquired 4,49,99,990 Equity Shares of Starlite ("Subscription Shares") at a price of ₹ 10/- per Equity Share ("Price") on private placement/preferential allotment basis ("Mode"). Further, 10 Equity Shares of Starlite were acquired by the Company's ten (10) identified purchasers at the same Price and through the same Mode.
- e. With the aforesaid acquisition of the Subscription Shares, the total equity shareholding of the Company in Starlite has increased from 47% to 88.48%, whereas, Bajaj Group holding in Starlite (i.e. aggregate holdings of the Company along with its promoter group entity – 'Jamnalal Sons Private Limited') has increased from 60% to 91.30%.

## CONSOLIDATED FINANCIAL STATEMENTS

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

## FINANCIAL STATEMENTS

The financial statements of the Company for the year ended March 31, 2021 as per Schedule III to the Act forms part of this Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The Board of Directors of the Company basis the recommendation of the Nomination and Remuneration Committee has appointed Shri Shailesh Haribhakti (DIN: 00007347) as an Independent Director of the Company, not liable to retire by rotation, for a period of five (5) years commencing from August 7, 2019 to August 6, 2024 and the said appointment was approved by the shareholders at their 81st annual general meeting held on August 28, 2020.

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Shri Madhur Bajaj (DIN: 00014593) and Shri Rajiv Bajaj (DIN: 00018262), are the Directors liable to retire by rotation at the forthcoming AGM and being eligible offers themselves for re-appointment.

The Board recommends re-appointments of Shri Madhur Bajaj and Shri Rajiv Bajaj for the consideration of the Members of the Company at the forthcoming AGM. The relevant details including profiles of Shri Madhur Bajaj and Shri Rajiv Bajaj are included separately in the Notice of AGM and Report on Corporate Governance of the Company, forming part of the Annual Report.

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

Shri Siddharth Mehta (DIN: 03072352), an Independent Director of the Company, whose current term is expiring on May 29, 2021, has conveyed his desire not to seek reappointment for the second term, owing to his professional commitments. Accordingly, Shri Siddharth Mehta's tenure as an Independent Director of the Company shall come to an end on May 29, 2021.

### Independent Directors

All Independent Directors of the Company have given declarations under Section 149(7) of the Act that they meet the criteria of independence as

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

The terms and conditions of appointment of the Independent Directors are placed on the website of the Company at: <https://www.bajajelectricals.com/investors-updates/>.

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

### Key Managerial Personnel

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 Ajay Nagle, EVP and Head - Legal & Company Secretary and Compliance Officer, as Key Managerial Personnel of the Company.

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

Further, the Board of Directors of the Company, at its meeting held on May 25, 2021, has:

- a. Taken on record the retirement of Shri Anant Purandare, President & Chief Financial Officer and Key Managerial Personnel of the Company, with effect from the close of business hours on June 30, 2021, upon his attaining the age of superannuation; and
- b. Considered and approved the appointment of Shri E C Prasad, the existing Vice President – Finance and Finance Controller of the Company, as the new Chief Financial Officer and Key Managerial Personnel of the Company with effect from the start of business hours on July 1, 2021.

## NUMBER OF MEETINGS OF THE BOARD

Six (6) Board meetings were held during the financial year 2020-21. The intervening gap between the meetings was within the period prescribed under the Act and SEBI Listing Regulations. The details of meetings of the Board held during the financial year 2020-21 forms part of the Corporate Governance Report.

## COMMITTEES OF THE BOARD

As on March 31, 2021, the Board of Directors had the following Committees:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Risk Management Committee;
- Corporate Social Responsibility Committee; and
- Finance 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 which forms a part of this Annual Report.

## BOARD EVALUATION

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

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

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

whilst taking a decision on the potential candidates. The said Policy was last amended by the Board at its meeting held on February 4, 2021.

The above Policy is given in **Annexure E**, which forms part of this Report, and has also been posted on the website of the Company at: <https://www.bajajelectricals.com/investors-updates/>.

## RISK AND INTERNAL CONTROLS ADEQUACY

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

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

## COMPLIANCE WITH SECRETARIAL STANDARDS

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

## REPORTING OF FRAUD

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

## RISK MANAGEMENT

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

## AUDIT COMMITTEE

The Audit Committee comprises of four Directors viz. Shri Shailesh Haribhakti as the Chairman of the Committee, Dr. (Smt.) Indu Shahani, Dr. Rajendra Prasad Singh and Shri Siddharth Mehta, as the members of the Committee.

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

## AUDITORS AND AUDITOR'S REPORT

### Statutory Auditors

The Members at their 78th Annual General Meeting ("78th AGM") 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 Auditors of the Company to hold office for a term of five years i.e. from the conclusion of 78th AGM till 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 May 7, 2018, by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

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

### Cost Auditors

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

Based on the recommendation of the Audit Committee, the Board of Directors have appointed Messrs R. Nanabhoy & Co. (Firm Registration No.000010), Cost Accountants as Cost Auditors for the financial year 2021-22. The Company has received a certificate from Messrs R. Nanabhoy & Co., confirming that they are not disqualified from being appointed as the Cost Auditors of the Company.

The remuneration payable to the Cost Auditors is required to be placed before the members in the general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to Messrs R. Nanabhoy & Co., Cost Accountants, is included at Item No.7 of the Notice of the ensuing AGM.

The particulars of the Cost Auditors and cost audit conducted by them for financial year 2019-20 are furnished below:

ICWA Membership No.	7464
Registration No. of Firm	000010
Address	Jer Mansion, 70, August Kranti Marg, Mumbai 400036
Cost Audit Report	Financial year 2019-20
Due date of filing of Report	September 30, 2020
Actual date of filing of Report	September 7, 2020

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

### Secretarial Auditors

The Board had appointed Messrs Anant B. Khamankar & Co., Practicing Company Secretaries (Membership No. FCS 3198; CP No. 1860) as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2021, as per the provisions of Section 204 of the Act read with Rules framed thereunder. The Secretarial Audit Report in Form MR-3 is given as **Annexure F** and forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Pursuant to the provisions of Regulation 24A of the SEBI Listing Regulations read with SEBI Circulars issued in this regard, the Company has undertaken an audit for the financial year 2020-21 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Messrs Anant B. Khamankar & Co., Practicing Company Secretaries (Membership No. FCS 3198; CP No. 1860) has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

Pursuant to the provisions of Sections 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended, unpaid and/or unclaimed dividend of ₹ 8,98,552/- pertaining to the financial year ended on March 31, 2013 were transferred during the year to the Investor Education and Protection Fund ("IEPF").

### Transfer of shares to IEPF

Pursuant to the provisions of Section 124 of the Act read with the IEPF Rules, 57,171 equity shares of face value of ₹2 each, in respect of which dividend was not paid or claimed by the members for seven consecutive years or more, have been transferred by the Company to IEPF during the year. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act



read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure G** which forms a part of this Report.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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

## 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 provisions.

Number of cases filed and their disposal under Section 22 of the POSH, as at March 31, 2021, is as follows:

Particulars	Numbers
Number of complaints pending as on the beginning of the financial year	Nil
Number of complaints filed during the financial year	1
Number of complaints pending as on the end of the financial year	Nil

## PARTICULARS OF EMPLOYEES

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

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

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the Annual Accounts for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 loss of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- 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
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## APPRECIATION AND ACKNOWLEDGEMENT

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

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

The Directors regret the loss of life due to COVID-19 pandemic globally and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

## ANNEXURES

The following annexures form part of this Report:

- Dividend Distribution Policy – Annexure A;

- Disclosures of transactions pursuant to the provisions of Regulation 34(3) and 53(f) read with clause 2A of Part A of Schedule V of the SEBI Listing Regulations – Annexure B;
- Annual Report on CSR Activities – Annexure C;
- Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures – Annexure D;
- Policy for Appointment and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company – Annexure E;
- Secretarial Audit Report – Annexure F;
- Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo – Annexure G; and
- Disclosures under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Annexure H.

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

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

**Anant Purandare**  
President & CFO

**Anuj Poddar**  
Executive Director  
DIN: 01908009

**Ajay Nagle**  
EVP & Head - Legal and Company Secretary  
ICSI Membership No. A9855

Mumbai, May 25, 2021

# Annexure A

## Dividend Distribution Policy

### 1. Preamble

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") require the top 500 listed companies, based on market capitalisation as on March 31 of every financial year, to disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Board of Directors ("Board") of Bajaj Electricals Limited ("Company") has adopted this Dividend Distribution Policy ("Policy") to comply with the Listing Regulations.

The Company currently has only one class of shares, i.e. equity, for which this Policy is applicable. The Policy is subject to review if and when the Company issues different classes of shares.

### 2. Dividend distribution philosophy

The Company is deeply committed to driving superior value creation for all its stakeholders'. The Company's focus will continue to be on the sustainable returns, through an appropriate capital strategy for both medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

### 3. Dividend

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

### 4. Circumstances under which shareholders can expect dividend

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this Policy) and declare dividend in any financial year.

The dividend for any financial year shall normally be paid out of the Company's profits for that year which will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 ("Act"). If the circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Listing Regulations, as may be applicable.

### 5. Interim and Final Dividend

The Board may declare one or more interim dividends during the year. Additionally, the Board may recommend final dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the dividend proposal will be considered,

shall be intimated to the stock exchanges and post board meeting, the outcome of the meeting shall also be provided to the stock exchanges, as required under the Listing Regulations.

### 6. Financial parameters and other internal and external factors that would be considered for declaration of Dividend

- Distributable surplus available with the Company;
- Company's liquidity position and future cash flow needs;
- Track record of dividend distribution of the Company;
- Dividend payout ratios of the comparable companies;
- Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Stipulations/covenants of loan agreements;
- Macroeconomic and business conditions in general; and
- Any other relevant factors that the Board may deem fit to consider before recommending/declaring Dividend.

### 7. Utilisation of retained earnings

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

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.;
- Buyback of shares subject to applicable limits;
- Payment of dividend in future years;
- Issue of Bonus Shares; and
- Any other permissible purpose.

### 8. Modification of the Policy

The Board is authorised to change/amend this Policy from time to time at its sole discretion, as it may deem fit, and/or in pursuance of any amendments made in the Act, the Listing Regulations, etc.

### 9. Disclaimer

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

Mumbai  
March 29, 2017

**Shekhar Bajaj**  
Chairman & Managing Director

# Annexure B

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

(Amounts: ₹ in lakh)

Name of the person or entity	Nature of Transaction	FY 2020-21		FY 2019-20	
		Transaction Value for the year	Outstanding receivable / (payable) carried in the Balance Sheet	Transaction Value for the year	Outstanding receivable / (payable) carried in the Balance Sheet
Jamnalal Sons Private Limited	Rent Paid	35.40	(3.21)	35.40	(2.70)
	Rent Deposit Advanced	-	150.00	-	150.00
	Reimbursement of Expenses	4.79	-	5.59	-
	Inter Corporate Deposit taken	-	-	20,000.00	-
	Interest on Inter Corporate Deposit	-	-	676.44	-
	Dividend Paid	-	-	706.05	-
	Right Shares Issued	-	-	6,889.53	-
Bajaj Holdings and Investment Limited	Dividend Paid	-	-	584.42	-
	Right Shares Issued	-	-	6,497.60	-
	Sales	(0.00)	-	2.53	2.53

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

Mumbai  
May 25, 2021

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



# Annexure C

## Annual Report on Corporate Social Responsibilities (CSR) Activities for the Financial Year 2020-21

### 1. Brief outline on CSR Policy of the Company:

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

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

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

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

The four pillars of CSR:

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

CSR Policy:

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

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

The CSR Policy is placed on the Company's website [www.bajajelectricals.com](http://www.bajajelectricals.com).

### 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Shekhar Bajaj	Chairperson – Independent Director		1
2.	Dr. (Smt.) Indu Shahani	Member – Independent Director	1	1
3.	Shri Siddharth Mehta	Member – Independent Director		1

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

- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Nil. Not Applicable.3	

- Average net profit of the Company as per Section 135(5): ₹ 19,245.43 lakh.
- (a) Two percent of average net profit of the Company as per section 135(5): ₹ 384.91 lakh.  
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil.  
(c) Amount required to be set off for the financial year, if any: Nil.  
(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 384.91 lakh.
- (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in lakh)	Amount Unspent (₹ in lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
180.33	204.58	April 30, 2021	NA	Nil	NA

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

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (₹ in lakh)	Amount spent in the current financial year (₹ in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1.	Upgradation of the secondary school, Karjat	Education	Yes	Maharashtra	Raigad	March 2021 to Feb 2022	13.93	6.97	6.96	No	Bajaj Electricals Foundation (BEF)	CSR00003537
2.	Upgradation of WASH Infrastructure and Smart Class, Mumbai	Education	Yes	Maharashtra	Mumbai	March 2021 to Feb 2022	11.00	6.60	4.40	No	BEF	CSR00003537
3.	Upgradation of Ashram School for Girls, Mokahda	Education	Yes	Maharashtra	Thane	March 2021 to Feb 2022	10.88	6.53	4.35	No	BEF	CSR00003537
4.	Kalanand	Art and Culture	Yes	Maharashtra	Mumbai	Nov 2020 to Oct 2021	17.25	15.52	1.73	No	BEF	CSR00003537

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in lakh)	Amount spent in the current financial year (₹ in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
5.	Urban Dense Plantation, Pune	Environment Sustainability	Yes	Maharashtra	Pune	March 2021 to March 2023	17.63	8.81	8.82	No	BEF	CSR00003537
6.	Urban Dense Plantation, Mumbai	Environment Sustainability	Yes	Maharashtra	Mumbai	March 2021 to March 2022	5.01	3.01	2.00	No	BEF	CSR00003537
7.	Waste Management - Innovation in Biogas Technology	Environment Sustainability	No	Uttarakhand	Almora	October 2020 to October 2021	17.39	10.43	6.96	No	BEF	CSR00003537
8.	Awareness on Tobacco Control program	Health Care	Yes	Maharashtra	Mumbai	March 2021 to March 2022	13.28	7.97	5.31	No	BEF	CSR00003537
9.	Model Tobacco Cessation Centres, Maharashtra	Health Care	Yes	Maharashtra	Mumbai	April 2021 to March 2024	114.40	-	114.40	No	BEF	CSR00003537
10.	Tobacco Cessation Program, Navi Mumbai	Health Care	Yes	Maharashtra	Navi Mumbai	April 2021 to March 2022	14.45	-	14.45	No	BEF	CSR00003537
11.	Training and Capacity Building on Tobacco Cessation and Tobacco Free Workplace, Bengaluru	Health Care	Yes	Karnataka	Bengaluru	April 2021 to March 2022	26.40	-	26.40	No	BEF	CSR00003537
12.	Training and Capacity Building of Dental Students, Mumbai	Health Care	Yes	Maharashtra	Mumbai	April 2021 to March 2022	4.01	-	4.01	No	BEF	CSR00003537
13.	Certification of Tobacco Cessation Intervention Initiatives, Mumbai	Health Care	Yes	Maharashtra	Mumbai	April 2021 to March 2022	4.80	-	4.80	No	BEF	CSR00003537
<b>Total</b>							<b>270.42</b>	<b>65.84</b>	<b>204.58</b>			

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

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Upgradation of the Primary Health Centre, Ladakh	COVID-19 response	No	Ladakh	Ladakh	19.51	No	BEF	CSR00003537
2.	Upgradation of hospital infrastructure for COVID preparedness, Pune	COVID-19 response	Yes	Maharashtra	Pune	20.00	No	BEF	CSR00003537
3.	Upgradation of hospital infrastructure for COVID preparedness, Mumbai	COVID-19 response	Yes	Maharashtra	Mumbai	22.18	No	BEF	CSR00003537
4.	Upgradation of hospital infrastructure for COVID preparedness, Pune	COVID-19 response	Yes	Maharashtra	Pune	25.77	No	BEF	CSR00003537
5.	COVID-19 Response-1, Mumbai	COVID-19 response	Yes	Maharashtra	Mumbai	9.26	No	BEF	CSR00003537
6.	COVID-19 Response-2, Mumbai	COVID-19 response	Yes	Maharashtra	Mumbai	2.49	No	BEF	CSR00003537
7.	COVID-19 Response-3, Mumbai	COVID-19 response	Yes	Maharashtra	Mumbai	10.11	No	BEF	CSR00003537
<b>Total</b>						<b>109.32</b>			

(d) Amount spent in Administrative Overheads: ₹ 5.17 lakh.

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 180.33 lakh.

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

Sr. No.	Particular	Amount (₹ in lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	384.91
(ii)	Total amount spent for the Financial Year	180.33
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lakh)	Amount spent in the reporting Financial Year (₹ in lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years. (₹ in lakh)
(1)	(2)	(3)	(4)	(5)	(6)
Not Applicable					



(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in lakh)	Amount spent on the project in the reporting Financial Year (₹ in lakh)	Cumulative amount spent at the end of reporting Financial Year. (₹ in lakh)	Status of the project - Completed / Ongoing
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year- Nil.

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s). - Not Applicable.
- (b) Amount of CSR spent for creation or acquisition of capital asset. - Not Applicable.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Not Applicable.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Not Applicable.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- Not Applicable.

**Shekhar Bajaj**  
Chairman & Managing Director and  
Chairman of CSR Committee

Mumbai, May 25, 2021

# Annexure D

## FORM AOC-1

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

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

#### Part A: Subsidiary

Sr. No.	Particulars	(Amounts: ₹ in lakh)
		<b>Nirlep Appliances Private Limited</b>
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	(3,431.20)
5.	Total assets	5,138.63
6.	Total liabilities	7,826.27
7.	Investments	1.71
8.	Turnover	5,136.76
9.	Profit before taxation	(471.04)
10.	Provision for taxation	(2.04)
11.	Profit after taxation	(469.00)
12.	Proposed dividend	-
13.	% of shareholding of the Company in the subsidiary	79.85

**Names of subsidiaries which are yet to commence operations:** Nil

**Names of subsidiaries which have been liquidated or sold during the year:** Nil

#### Part B: Associate and Joint Venture

Sr. No.	Particulars	Hind Lamps Limited (Associate)	Starlite Lighting 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, 2021	March 31, 2021
3.	Shares of associate/joint venture held by the Company on the year end		
	Number of equity shares	1140000	5875000
	Amount of investment in associate / joint venture	Nil	Nil*
	Extent of holding %	19.00	47.00

4. Description of how there is significant influence  
As per Section 2(6) of the Act, "associate company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary of the Company having such influence and includes a joint venture company.

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.

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.

Sr. No.	Particulars	Hind Lamps Limited (Associate)	Starlite Lighting Limited (Joint Venture)
5.	Reason why the associate / joint venture is not consolidated	Impaired post Demerger.	Since impaired.
6.	Net worth attributable to Shareholding as per latest audited / unaudited Balance Sheet	₹ 23.81 lakh	₹ (16,537.11) lakh
7.	Profit / (Loss) for the year		
	i. Considered in Consolidation	-	-
	ii. Not Considered in Consolidation	₹ 17.17 lakh	₹ (4,934.70) lakh

\*Since impaired.

**Names of associates or joint ventures which are yet to commence operations:** Nil

**Names of associates or joint ventures which have been liquidated or sold during the year:** Nil

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

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

Mumbai  
May 25, 2021

# Annexure E

## Nomination and Remuneration Policy

### 1. Regulatory Framework

- 1.1. This policy ("Policy") of Bajaj Electricals Limited ("Company"/"BEL") has been prepared and adopted in accordance with the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") alongwith circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.
- 1.2. Section 178(3) of the Act and Part D of Schedule II of SEBI LODR Regulations requires the Nomination and Remuneration Committee ("Committee") to formulate the criteria for determining qualifications, positive attributes and independence of a director, recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees, criteria for evaluation of performance, board diversity etc.
- 1.3. The Committee shall review the Policy periodically and may amend the same from time to time, as deemed necessary.

### 2. Objectives of this Policy

This policy aims to formulate certain criteria for the following activities with regards to its directors, key managerial personnel, senior management and employees:

- 2.1. Selection, appointment and removal;
- 2.2. Remuneration;
- 2.3. Evaluation of performance;
- 2.4. Board diversity.

### 3. Definitions

- 3.1. "Key Managerial Personnel" or "KMP" in relation to the Company, means-
  - 3.1.1. the chief executive officer or the managing director or the manager;
  - 3.1.2. the company secretary;
  - 3.1.3. the whole-time director;
  - 3.1.4. the chief financial officer;
  - 3.1.5. such other officer, not more than one level below the directors who is in Whole-time employment, designated as key managerial personnel by the Board; and

3.1.6. such other officer as may be prescribed.

3.2. "Net Profit" shall be calculated as per section 198 of the Act.

3.3. "Senior Management" shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

### 4. Criteria for Appointment of Directors, KMP and Senior Management

- 4.1. The Committee shall formulate criteria for determining qualifications, positive attributes and independence of a director. The Committee may consider this Policy and the below provisions of this Policy as guidance.
- 4.2. The person to be appointed as a Director, KMP or in the senior management should possess adequate qualification, experience and expertise for the position he or she is considered for, considering various factors including the Company's strategy and requirements.
- 4.3. The Committee shall have the discretion to decide whether such qualification, experience and expertise of the person is sufficient for him or her to effectively discharge duties of the concerned position.
- 4.4. The person to be appointed as Director, KMP or in the senior management, should possess impeccable reputation for integrity, efficiency, expertise and insight in sectors or areas relevant to the Company's industry or otherwise demonstrate relevant qualities.
- 4.5. In case of a Director, such person's personal and professional standing must be such that it helps him or her to best complement the other Board members thereby contributing effectively towards Company's growth.
- 4.6. The Committee shall consider the potential candidates on merit alone.
- 4.7. In case of a Director, such person must also fulfil the minimum and/or maximum age criteria as applicable under the provisions of the Act and SEBI LODR Regulations and take necessary approvals from the shareholders in this regard in case of directors above the maximum age criteria as well as comply with other requirements of law at the time.
- 4.8. In case of an Independent Director, he or she should meet the requirements of the Act and SEBI LODR Regulations concerning independence of directors.



## 5. Appointment and Removal of Directors, KMP and Senior Management

- 5.1. The Committee shall ensure that the size and composition of the Board satisfies the applicable law including provisions of the Act and SEBI LODR Regulations.
- 5.2. The Committee shall identify persons who are qualified to become directors, KMP's and who may be appointed in the senior management with regard to the attributes as specified under clause 4 of this Policy and such other qualifications or attributes as the Committee or board may deem necessary from time to time.
- Explanation – For the purpose of this clause, "appointed in the senior management" means:
- induction/appointment of persons/officers/personnel of the Company as members of the core management team of the Company as on date called as the 'Core Management Committee'; and
  - appointment of person/officer/personnel as the company secretary or chief financial officer of the Company.
- 5.3. The Committee while considering a person for appointment as director, shall verify that the said person has not been debarred or disqualified from being appointed as directors of companies by the Securities and Exchange Board of India ("SEBI") and/or Ministry of Corporate Affairs or any other statutory authority.
- 5.4. The Committee shall then recommend the identified candidates to the Board for final selection and appointment.
- 5.5. In case of directors, the Committee shall ensure that the number of directorships held by each director in other companies is below the specified limit under the Act and SEBI LODR Regulations and amendments made from time to time.
- 5.6. The Committee shall also ensure that any person appointed as independent director does not have any material pecuniary relationship with the Company, its holding, subsidiary or associate company, or company's promoters or directors, except receiving remuneration as a director or having transaction not exceeding 10% of his total income or such amount as prescribed, during the current financial year or two immediately preceding financial years and also satisfies other criteria for determining independence as specified under the Act, SEBI LODR Regulations and amendments made from time to time.
- 5.7. A whole-time KMP of the Company shall not hold office at the same time in more than one Company except in its subsidiary company. However, a whole-time KMP can be appointed as a director in any company subject to the provisions of the Act and/or SEBI LODR Regulations and in accordance with the policy of the Company.
- 5.8. The Committee shall review the performance of the Board from time to time.
- 5.9. The Board shall ensure and satisfy itself that plans are in place for orderly succession of the board of directors and senior management.

5.10. The Committee may recommend removal of any director or KMP to the Board with reasons in writing explaining the breach of company policy or any disqualifications or other such criteria for removal in line with the provisions of the Act and/or SEBI LODR Regulations or for other reasons.

5.11. The Board will have the discretion to retain the whole-time directors, KMP and senior management personnel in the same position/remuneration or otherwise, even after attaining the retirement age, if they deem fit for the benefit of the Company.

## 6. Terms of Appointment

### 6.1. Managing Director / Whole – Time Director / Executive Director / Non-executive Director

6.1.1. The Board shall appoint or re-appoint any person as a managing director, whole-time director, executive director or manager for a term not exceeding five years (5 years) at a time subject to approval by the members at the next general meeting.

6.1.2. Not less than two-thirds of the total number of directors (excluding independent directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation and be appointed by the Company in general meeting; and at every annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office as per the provisions of the Act.

6.1.3. The directors retiring by rotation at every annual general meeting shall be those who have been longest in the office since last appointment; the retiring director amongst directors appointed on the same day shall be determined by a lot.

6.1.4. At the annual general meeting at which a director retires by rotation, the Company may fill up the vacancy either by appointing the retiring director or some other person as may be deemed fit.

### 6.2. Independent Director

6.2.1. The term of appointment of an Independent Director shall be up to five (5) years but he or she shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment shall be made in the Board's Report.

6.2.2. No independent director shall hold office for more than two consecutive terms but shall become eligible for appointment after expiration of three years (3 years) cool off period, provided that he or she shall not be appointed or associated with the Company in any other capacity, either directly or indirectly during such period.

### 6.3. KMP and senior management

6.3.1. The term of appointment and subsequent retirement of KMPs and senior management shall be as per the provisions of the law including the Act, SEBI LODR Regulations, and prevailing policy of the Company.

## 7. Criteria for Recommendation of Remuneration

### 7.1. Executive Directors / Whole- Time Directors / Managing Directors

7.1.1. The remuneration to the Managing Director and other Executive directors shall be broadly divided into fixed and variable components. The fixed components shall comprise of monthly salary, allowances, perquisites, amenities and other retirement benefits. The variable component shall comprise of performance based annual commission and/or incentives. The performance criteria are individual performance based on annual targets, Company's performance and recent compensation trends in the industry.

7.1.2. Subject to provisions of the Act and SEBI LODR Regulations, the remuneration payable shall be approved by the Board of Directors at the time of appointment subject to approval by shareholders of the Company.

7.1.3. The overall remuneration payable to all the directors of the Company including managing director and whole-time directors in respect of any financial year shall not exceed 11% of the net profits of the Company.

7.1.4. Remuneration payable to any one managing director; or whole-time director or manager shall not exceed 5% of the net profits of the Company and if there is more than one such director, the remuneration shall not exceed 10% of the net profits of all such directors and manager taken together.

7.1.5. Payment of remuneration in excess of the above statutory limits shall be done by recording of clear reason and justification and obtaining approval of shareholders through special resolution as per the provisions of the Act, SEBI LODR Regulations and amendments made thereto from time to time.

7.1.6. The fees and compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting if –

- The annual remuneration payable to such executive director exceeds rupees five crore (5 crore) or 2.5 percent (2.5%) of the net profits of the Company, whichever is higher; or
- Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent (5%) of the net profits of the Company.

Such approval shall be valid only till the expiry of the term of such director.

7.1.7. In any financial year, if the Company has no profits or its profits are inadequate, the remuneration payable to its directors, including Managing Director and/or other Executive Director(s), shall be governed by the provisions of Schedule V to the Act subject to the approval of the shareholders of the Company.

### 7.2. Independent Directors / Non-executive Directors

7.2.1. The remuneration to Non-Executive Directors shall consist of sitting fees for attending Board/ Committee meetings, commission and other reimbursements.

7.2.2. Non-Executive Directors shall be paid commission upto an aggregate amount not exceeding 1 % of the net profits of the Company for the year. The payment of commission shall be based on their attendance at the board and the committee meetings as member.

7.2.3. All the Non-executive Directors shall be paid commission on uniform basis.

7.2.4. The Independent directors shall not be entitled to any stock options under the stock option scheme of the Company.

7.2.5. The Company shall undertake Directors and Officers insurance ('D and O insurance') for all their independent directors of such quantum and for such risks as may be determined by the board of directors.

### 7.3. KMP, Senior Management and other employees

7.3.1. In respect KMPs, senior management and other employees the remuneration shall be payable based on the person's performance, Company's performance, targets achieved, industry benchmark and compensation trends in the industry.

7.3.2. The remuneration shall consist of monthly salary, bonus, perquisites, KPI and other retirement benefits as per the prevailing policy of the Company.

7.3.3. The Committee shall recommend to the Board and finalise the salary and other perks remuneration in whatever form payable to the senior management.

### 7.4. Employee Stock Options

As permissible under the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 (as re-enacted), the eligible permanent employees and directors (other than promoter directors and independent directors) of the Company shall be eligible for Stock Options pursuant to Employee Stock Option Scheme of the Company.

### 7.5. Other common criteria

The Committee shall also consider the following criteria with regards to recommendation of remuneration:

7.5.1. the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate potential candidates of the quality required to run the Company successfully;

7.5.2. relationship of remuneration to performance shall be clear and able to meet appropriate performance benchmarks;

- 7.5.3. in line with best governance practices and legal requirements;
- 7.5.4. remuneration to directors, KMPs and senior management shall involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and
- 7.5.5. ensure high quality of work.

## 8. Criteria for Evaluation of Performance of Directors

- 8.1. The evaluation process for performance of the Board, its Committees and directors shall be carried out as per the provisions of the Act and the SEBI LODR Regulations.
- 8.2. The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out by the Board and also review its implementation and compliance.
- 8.3. Each director shall be provided with a questionnaire to be filed up, providing feedback on the overall functioning of the Board and its committees.
- 8.4. The questionnaire shall cover various parameters such as composition structure with independent directors and woman director with relevant skills, experience, knowledge and diversity, understanding of members on their respective roles and responsibilities, discharge of key functions & other responsibilities under the law, etc.
- 8.5. The directors shall also be asked to provide their suggestions for areas of improvements to ensure higher degree of engagement with the management.
- 8.6. The Independent Directors shall have a meeting at least once in a year to review the performance and evaluation of the non-independent directors and the entire Board as a whole including the Chairman.
- 8.7. The evaluation of individual directors shall be carried out considering factors such as their attendance & participation, approach to board & senior management especially for risk management & meeting competition challenges, maintaining confidentiality and other related factors as may be deemed necessary in this exercise.
- 8.8. The evaluation of independent directors shall be done by the entire board of directors (excluding the directors being evaluated) with respect to –
- 8.8.1. performance of the directors; and
- 8.8.2. fulfillment of the independence criteria as per the provisions of the Act and SEBI LODR Regulations and their independence from the management.

## 9. Board Diversity

- 9.1. Board diversity is an important aspect that makes use of differences in the skills, regional and industrial experience, background, gender and other distinctions to gain competitive advantage in the market.

- 9.2. Board diversity shall be such that it ensures that the Board is comprised of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company.
- 9.3. The Committee shall periodically review the size and composition of the Board to ensure its structure in terms of different perspectives, skills and expertise in the board room.
- 9.4. The Committee shall strive to maintain a proper balance in terms of diversity in gender, thought, experience, knowledge and perspective when recommending persons for appointment to the Board.

## 10. Disclosure Requirements

- 10.1. The Company shall disclose in its Corporate Governance Report, a chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following:
- 10.1.1. The list of core skills/ expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board; and
- 10.1.2. The names of directors who have such skills/ expertise/ competence.
- 10.2. The Company shall also disclose in its Corporate Governance Report a confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI LODR Regulations and are independent of the management.
- 10.3. The Corporate Governance Report shall also include detailed reasons for the resignation of any independent director who resigns before the expiry of his or her tenure along with a confirmation by such director that there are no other material reasons other than those provided.
- 10.4. This policy shall be uploaded on the website of the Company i.e. www.bajajelectricals.com.
- 10.5. The salient features of this policy and any changes made therein in brief along with a weblink to the policy shall be provided in the Board's Report.

## 11. Limitation and Amendment

- 11.1. In the event of any conflict between the provisions of this policy and the Act or SEBI LODR Regulations or any other statutory requirements, rules, regulations, enactments, the provisions of such Act or SEBI LODR Regulations or any other statutory requirements, rules, regulations, enactments, the provisions shall prevail over this policy.
- 11.2. Any subsequent amendment/modification in SEBI LODR Regulations, Act and/ or applicable laws in this regard shall automatically apply to this policy.

Mumbai, February 4, 2021

**Shekhar Bajaj**  
Chairman & Managing Director

# Annexure F

## FORM NO. MR-3 Secretarial Audit Report

For The Financial Year Ended March 31, 2021

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

To,  
The Members,  
**Bajaj Electricals Limited**  
45/47, Veer Nariman Road,  
Mumbai – 400001,  
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, 2021 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, 2021 according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) 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;
- 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, 2018– Not applicable as the Company has not bought back / proposed to buy back its securities during the financial year under review; and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

### 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;
- xvii. The Payment of Gratuity Act, 1972 & its Central Rules / concerned State Rules, if any;
- xviii. The Maternity Benefit Act, 1961 & its Rules;
- xix. The Industrial Employment (Standing Orders) Act, 1946 & its Rules;
- xx. The Apprentices Act, 1961 & its Rules;
- xxi. The Workmen's Compensation Act, 1923;
- xxii. The Industrial Disputes Act, 1947;
- xxiii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- xxiv. The Information Technology Act, 2000;
- xxv. The Competition Act, 2002;
- xxvi. The Goods and Services Tax, 2017;
- xxvii. The Customs Act, 1972;
- xxviii. The Income Tax Act 1961; and
- xxix. The Central Excise Act, 1944.

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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 during the financial year 2020-2021 has allotted 2,97,485 (Two Lakh Ninety Seven Thousand Four Hundred and Eighty Five) equity shares of ₹ 2 each fully paid up, on the following dates, to the employees of the Company on their exercise of stock options granted to them under the Company's ESOP Schemes and vested in their favour:
  - a) On July 28, 2020 – 44,725 equity shares;
  - b) On September 10, 2020 – 50,175 equity shares;
  - c) On December 15, 2020 – 88,150 equity shares;
  - d) On February 17, 2021 – 1,14,435 equity shares;
2. The Rights Issue Committee in its meeting held on March 13, 2020 had allotted 11,287,956 Rights Equity Shares, at an issue price of ₹ 310/- per Rights Equity Share, including a premium of ₹ 308/- per Rights Equity Share to the eligible applicants in the Rights Issue. Further, in light of the Ministry of Finance (Department of Financial Services) (Banking Division) and Reserve Bank of India imposing a moratorium on Yes Bank Limited ("Yes Bank") with effect from 18.00 hours on March 5, 2020 until April 3, 2020, the applications for the Rights Equity Shares of 48 applicants who had made applications in respect of 2186 Rights Equity Shares using

Applications Supported by Blocked Amount ("ASBA") facility of Yes Bank, had been kept in abeyance which were to be allotted post receipt of the requisite funds. Post lifting of moratorium, the Board of Directors of the Company in its meeting held on May 14, 2020:

- Approved the allotment of 7 rights equity shares of ₹ 2/- each at an issue price of ₹ 310/- per rights equity share including a premium of ₹ 308/- per rights equity share to one applicant for a cumulative quantity of 7 rights equity shares on receipt of application amount of ₹ 2,170/-.
  - Approved the forfeiture of 2,179 rights equity shares of face value of ₹ 2/- each in respect of 47 applicants, which were kept in abeyance in the rights issue -2020 due to the failure on part of these 47 applicants to pay the requisite funds within a stipulated period of 15 days as given by the Company to these applicants from the date of lifting of moratorium on Yes Bank by regulatory authorities.
3. During the audit period, there was one instance of violation of Company's Insider Trading Code during the period of window closure. In this regard, Company had carried out necessary investigations and it was confirmed that the employee of the Company was not in possession of any Unpublished Price Sensitive Information of the Company before or at the time of undertaking the transaction. However, Company imposed a penalty of three times the benefit earned by the employee and the amount of penalty was contributed to the Investor Protection and Education Fund of SEBI.

4. The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT, Mumbai"), on May 21, 2020 has passed an order approving Scheme of Arrangement between Hind Lamps Limited ("Demerged Company"/"HLL") and Bajaj Electricals Limited ("Resulting Company"/"Company") and their respective shareholders and creditors ("Scheme") whereby and whereunder the Manufacturing Business unit of the Demerged Company was demerged into the Company.
5. The Company has Redeemed 350 Series A Listed Unsecured Redeemable Non- Convertible Debentures bearing ISIN number INE193E08038 of Face value of ₹ 10,00,000/- (Rupees Ten Lakhs Only) each on February 18, 2021, following the payment of interest and principal amount of ₹ 43,38,70,639/- (Rupees Forty-Three Crore Thirty-Eight Lakh Seventy Thousand Six Hundred and Thirty-Nine Only).

For **Anant B Khamankar & Co.**

Sd/-

**Anant Khamankar**

FCS No. – 3198

CP No. – 1860

UDIN: F003198C000342339

Date: May 19, 2021

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, 2021, of even date is to be read along with this letter.

### Management's Responsibility

- 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

- Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to the secretarial compliances.
- 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.
- Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

- 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.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **Anant B Khamankar & Co.**

Sd/-  
**Anant Khamankar**  
FCS No. – 3198  
CP No. – 1860

Date: May 19, 2021  
Place: Mumbai

# Annexure G

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

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

### A. Conservation of Energy

- The steps taken or impact on conservation of energy:
  - Modification of horizontal bending furnace by introduction of 'air blower operated burner' in place of 'compressed air burner' at RU1, resulting into saving of ₹ 3.5 lakh per annum.
  - One '30HP energy efficient motor' installed for combustion blower in place of conventional motor in galva shop at RU1, resulting into saving of ₹ 2 lakh per annum.
  - 10 nos. of variable frequency drive (VFDs) installed in electric overhead traveling (EOT) cranes in galva shop at RU1, resulting into saving of ₹ 1.4 lakh per annum.
  - Use of magnetic lifter for heavy plates lifting at monopole line RU2. Energy consumption encored due to use of conventional vacuum lifter is eliminated.
  - Heavy-duty shearing machine replaced by portable shearing machine for pole doorframe flat cutting at RU2. Motor HP reduced from 5 HP to 2 HP.
  - Use of pole rotators and tacking fixture for fabrication at RU2. Power saving by eliminating use of 5HP Overhead crane motor load by 3 HP rotator motor.
  - Solar unit installed at chakan unit.
- The steps taken by the Company for utilising alternate sources of energy:
  - Rooftop solar panels being installed at RU1 and RU2.
  - Solar unit installed at chakan unit.
- The capital investment on energy conservation equipments:
  - Capital investment of ₹ 81.36 lakh on energy conservation equipment viz. air blower operated burner, 30HP energy efficient motor, variable frequency drive, magnetic lifter, portable shearing machine, tacking fixture, pole rotators.
  - Capital investment of ₹ 271.20 lakh at chakan unit on installation of solar units.
- Total energy consumption and energy consumption per unit of production: In FY 2020-21, total energy consumption at RU1 & RU2 was 2176694 kwh. The average unit per ton of production at RU1 & RU2 was 150.38 kwh/mt in FY 2020-21, as compared to 116.48 KWH/MT in FY 2019-20.

- Impact of the energy conservation measures for reduction of energy consumption and consequent impact on the cost of production of goods:
  - Obtained Power Factor (PF) & Time of the day (TOD) Incentives of ₹ 3.88 lakh and ₹ 1.59 lakh for RU1 and RU2 respectively.
  - At chakan unit, savings of ₹ 19.01 lakh, from November 2020 to March 2021, due to installation of solar units. Investment (on solar units) payback period is 5 years and 2 months.

### B. Technology Absorption

- The efforts made towards technology absorption:
  - Installation of pole rotators for monopole fabrication.
  - Installation of magnetic lifter for heavy plates handling.
- The benefits derived like product improvement, cost reduction, product development or import substitution: Improvement in productivity.
- 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):

(Amount: ₹ in lakh)	
Particulars	Numbers
(a) Capital	876.81
(b) Recurring	2,392.82
(c) Total	3,269.63
(d) Total R&D expenditure as a percentage of turnover	0.71

### C. Foreign Exchange Earnings and Outgo

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

(Amount: ₹ in lakh)	
Foreign Exchange	Amount
Earned (Export)	8,651.63
Used (Import)	45,166.88

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

**Shekhar Bajaj**

Chairman & Managing Director

Mumbai  
May 25, 2021

DIN: 00089358



# Annexure H

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

Sr. No.	Requirements	Particulars		
		Name of the Director	Category	Ratio to median remuneration
i.	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Shekhar Bajaj	Executive Director	119.25 : 1
		Anuj Poddar	Non-Executive Director	52.57 : 1
		Madhur Bajaj	Independent Director	1.44 : 1
		Rajiv Bajaj		1.20 : 1
		Pooja Bajaj		1.73 : 1
		Harsh Vardhan Goenka		1.50 : 1
		Shailesh Haribhakti		2.93 : 1
		Dr. Rajendra Prasad Singh		3.17 : 1
		Dr. Indu Shahani		3.53 : 1
		Siddharth Mehta		3.29 : 1
Munish Khetrpal		1.50 : 1		
ii.	Percentage increase/(decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Name of the Director, Chief Executive Officer or Company Secretary.</b>		<b>Percentage increase / (decrease) in remuneration</b>
		Shekhar Bajaj		137.63
		Anuj Poddar		50.15
		Madhur Bajaj		120.99
		Rajiv Bajaj		267.65
		Pooja Bajaj		64.96
		Harsh Vardhan Goenka		207.13
		Shailesh Haribhakti		144.76
		Dr. Rajendra Prasad Singh		70.09
		Dr. Indu Shahani		96.54
		Siddharth Mehta		37.91
		Munish Khetrpal		130.20
		Anant Purandare (CFO)		12.66
Ajay Nagle (CS)		1.74		
iii.	Percentage increase in the median remuneration of employees in the financial year	Negative 0.97%		
iv.	Number of permanent employees on the rolls of Company	2,956		
v.	Average percentile increase/(decrease) already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration of Managerial Personnel – 101.68%		
		Average increase in remuneration of employees other than the Managerial Personnel – 2.83%		
		The Managerial Personnel compensation is linked to Profit Before Tax and linked to the performance of the Company.		
vi.	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.		

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

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

Mumbai  
May 25, 2021

# Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, in terms of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

**Jamn Lal Bajaj**

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The ethical values are the foundation of Company's governance philosophy which over the past eight decades of the Company's existence has become a part of its culture. We feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business. We strongly believe that in business, there is something more important than just top line and bottom line and hence, each of us needs to strive towards producing our very best in all we do, so that, we not only 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 legislations.

The Company emphasises on the need for complete transparency and accountability in all its dealings to protect stakeholders interests. The governance framework encourages the efficient utilisation of resources and accountability for stewardship. The Board considers itself as the custodian of trust and acknowledges its responsibilities towards stakeholders for wealth creation sustainably and responsibly.

## GOVERNANCE STRUCTURE

The Corporate Governance structure of the Company is as follows:

**Board of Directors:** The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic

guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

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

**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 worldclass organisation. He is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. He is also responsible for formulating the corporate strategy along with other members of the Board.

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

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

**Core Management Committee:** The main function of the Core Management Committee is strategic management of the Company's businesses within the Board approved direction and framework, ensuring that effective systems are in place for appropriate reporting to the Board on important matters. The Core

Management Committee is headed by the 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.

## BOARD OF DIRECTORS

The Company's Board comprises people of eminence and repute who bring the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees.

The Board takes care of the business and stakeholders' interest. The Non-Executive Directors, including the Independent Directors are well qualified, experienced and renowned persons from the fields of industrial, manufacturing, general corporate management, finance, law, media, corporate strategy, technical, marketing and other allied background. The Board Members take an active part at the Board and Committee Meetings and provide valuable guidance to the Management on various aspects of business, governance and compliance, amongst others. The Board's guidance provides foresight, enhances transparency and adds value in decision-making. The Company is managed by the Board in coordination with the senior management team.

None of the Directors have attained the age of Seventy-five (75) years.

### Composition and category of the Board as on March 31, 2021

As per Regulation 17(1)(b) of the SEBI Listing Regulations, where the Chairman is executive or a promoter, at least one half of the Board of the Company should consist of independent directors. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Board of Directors as at the end of March 31, 2021, comprised of eleven (11) Directors viz. one (1) Executive Director - Promoter, one (1) Executive Director – Non Promoter, three (3) Non-Executive Directors – Promoters including one Woman Director, one (1) Non-Executive Director – Independent Woman Director, and five (5) Non-Executive Directors - Independent Directors, and accordingly, has the following composition:

Category of Directors	No. of Directors	%
Executive Directors	2	18.18
Non-Executive Directors, non-independent	3	27.27
Non-Executive Directors, independent	6	54.55

The Chairman of the Board is an Executive Director. Independent Directors constitute more than one-half of the total Board strength.

### Board Diversity

The Company has over the years been fortunate to have eminent persons from diverse fields to serve as Directors on its Board. Pursuant to the SEBI Listing Regulations, the Nomination and Remuneration Policy of the Company ensures diversity of the Board in terms of experience, knowledge, perspective,

background, gender, age and culture. The Policy is posted on the Company's website at: www.bajajelectricals.com.

### Directors' profile

The brief profiles of all the members of Board are available on the website of the Company: www.bajajelectricals.com.

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

Name of the Director	Core Skills/Competencies/Expertise in specific functional area
Shri Shekhar Bajaj	Industrialist, Electrical Consumer Durables Industry domain, Experience in managing a large business conglomerate, Business Strategy and Corporate Management.
Shri Anuj Poddar	A Chartered Accountant with strong professional experience across consumer and other industries, Business Strategy and Corporate Management.
Shri Madhur Bajaj	Industrialist, Experience in managing a large industrial conglomerate.
Shri Rajiv Bajaj	Industrialist, Experience in managing a large industrial conglomerate.
Smt. Pooja Bajaj	Strong commercial acumen.
Shri Harsh Vardhan Goenka	Industrialist, Experience in managing a large business conglomerate.
Shri Shailesh Haribhakti	Experience in Auditing, Tax and Risk Advisory Services.
Dr. (Smt.) Indu Shahani	Academics, Education.
Dr. Rajendra Prasad Singh	Experience in managing a large industrial conglomerate.
Shri Munish Khetrpal	Technology professional with extensive leadership experience across global markets.
Shri Siddharth Mehta	Solicitor with experience across India and other international territories in corporate and commercial laws, litigation and arbitration.

### 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.

### Number of meetings of the Board

During the year 2020-21, the Board met six times, viz. May 14, 2020, June 19, 2020, August 11, 2020, November 5, 2020, February 4, 2021 and March 25, 2021. The gap between any two meetings has been less than one hundred and twenty days.

### Attendance record of directors

Composition of the Board and attendance record of directors for 2020-21:

Name of the director	Category	Relationship with other directors	No. of Board Meetings attended	Whether attended last AGM
Shri Shekhar Bajaj	Chairman & Managing Director, Executive	Brother of Madhur Bajaj, father-in-law of Pooja Bajaj	6/6	Yes
Shri Anuj Poddar	Executive Director	-	6/6	Yes
Shri Madhur Bajaj	Non-executive	Brother of Shekhar Bajaj	6/6	Yes
Shri Rajiv Bajaj	Non-executive	-	5/6	Yes
Smt. Pooja Bajaj	Non-executive	Daughter-in-law of Shekhar Bajaj	6/6	Yes
Shri Harsh Vardhan Goenka	Non-executive, independent	-	6/6	Yes
Shri Shailesh Haribhakti*	Non-executive, independent	-	6/6	Yes
Dr. (Smt.) Indu Shahani	Non-executive, independent	-	6/6	Yes
Dr. Rajendra Prasad Singh	Non-executive, independent	-	6/6	Yes
Shri Munish Khetrpal	Non-executive, independent	-	6/6	Yes
Shri Siddharth Mehta**	Non-executive, independent	-	6/6	Yes

\*Appointed as an Additional Non-Executive Independent Director on the Board w.e.f. August 7, 2019, regularised by the shareholders at the AGM held on August 28, 2020.

\*\*Shri Siddharth Mehta, whose current term is expiring on May 29, 2021, has conveyed his desire not to seek reappointment for the second term, owing to his professional commitments. Accordingly, Shri Siddharth Mehta's tenure as an Independent Director of the Company shall come to an end on May 29, 2021.

### Information placed before the Board

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

### Post meeting mechanism

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

### Board support

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

### Duties and Functions of the Board

The duties of Board of Directors have been enumerated in SEBI Listing Regulations, Section 166 and Schedule IV of the Companies Act, 2013 (the "Act") (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

### Meeting of Independent Directors

During the year under review, the independent directors met on June 19, 2020, inter alia to discuss (i) evaluation of the performance of Non Independent Directors and the Board of Directors as a whole; (ii) evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; (iii) evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties; and (iv) other related matters. The meeting was attended by all the independent directors.

### Resignation of the Independent Director

During the year under review, none of the independent directors on the Board of the Company has resigned.

### Opinion of the Board

The Board hereby confirms that, in its opinion, the independent directors on the Board fulfil the conditions specified in the SEBI Listing Regulations and the Act and are independent of the management. A formal letter of appointment to independent directors as provided in the Act has been issued and disclosed on website of the Company: www.bajajelectricals.com.



**Directorships and Memberships of Committees**

Number of directorships/committee positions of directors as on March 31, 2021:

Name of director	Directorships			Committee positions in listed and unlisted public limited companies	
	In equity Listed companies	In unlisted public limited companies	In private limited companies	As Member (including as Chairman)	As Chairman
Shri Shekhar Bajaj	3	5	4	4	1
Shri Anuj Poddar	1	1	-	-	-
Shri Madhur Bajaj	5	-	4	-	-
Shri Rajiv Bajaj	5	-	3	-	-
Smt. Pooja Bajaj	1	-	-	1	1
Shri Harsh Vardhan Goenka	5	2	2	-	-
Shri Shailesh Haribhakti	7	3	9	10	5
Dr. (Smt.) Indu Shahani	4	1	4	8	1
Dr. Rajendra Prasad Singh	3	4	-	2	-
Shri Munish Khetrpal	1	-	-	-	-
Shri Siddharth Mehta	3	-	5	3	1

Note:

None of the directors hold office as a director, including as an alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included and directorships in dormant companies are excluded. No Independent Director holds any alternate directorship.

As per declarations received, none of the directors serves as an independent director in more than seven equity listed companies. Further, the Managing Director and Executive Director of the Company does not serve as an independent director in more than three equity listed companies and in fact not even in a single entity.

None of the directors was a member in more than ten committees, nor a chairperson in more than five committees across all companies in which he was a director.

For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Act have been excluded. Only audit committee and stakeholders' relationship committee are considered for the purpose of reckoning committee positions.

**Directorships in equity listed Companies**

Name of equity listed entities where directors of the Company held directorships as on March 31, 2021:

Name of director	Name of listed entities	Category
Shri Shekhar Bajaj	a) Bajaj Electricals Limited	Chairman & Managing Director, Executive
	b) Hercules Hoists Limited	Chairman, Non-Executive, Non-Independent
	c) Bajaj Auto Limited	Non-Executive, Non-Independent
Shri Anuj Poddar	a) Bajaj Electricals Limited	Executive
	Shri Madhur Bajaj	
Shri Rajiv Bajaj	a) Bajaj Electricals Limited	Non-Executive, Non-Independent
	b) Bajaj Holdings & Investment Limited	Non-Executive, Non-Independent
	c) Bajaj Finance Limited	Non-Executive, Non-Independent
	d) Bajaj Finserv Limited	Non-Executive, Non-Independent
	e) Bajaj Auto Limited	Non-Executive, Non-Independent
Shri Siddharth Mehta	a) Bajaj Electricals Limited	Non-Executive, Non-Independent
	b) Bajaj Auto Limited	Managing Director and CEO, Executive
	c) Bajaj Finance Limited	Non-Executive, Non-Independent
	d) Bajaj Finserv Limited	Non-Executive, Non-Independent
	e) Bajaj Holdings & Investment Limited	Non-Executive, Non-Independent

Name of director	Name of listed entities	Category
Smt. Pooja Bajaj	a) Bajaj Electricals Limited	Non-Executive, Non-Independent
	Shri Harsh Vardhan Goenka	
	a) Bajaj Electricals Limited	Non-executive, Independent
	b) RPG Life Sciences Limited	Chairman, Non-Executive, Non-Independent
	c) CEAT Limited	Chairman, Non-Executive, Non-Independent
Shri Shailesh Haribhakti	d) KEC International Limited	Chairman, Non-Executive, Non-Independent
	e) Zensar Technologies Limited	Chairman, Non-Executive, Non-Independent
	a) Bajaj Electricals Limited	Non-executive, Independent
	b) Torrent Pharmaceuticals Limited	Non-executive, Independent
	c) ACC Limited	Non-executive, Independent
Dr. (Smt.) Indu Shahani	d) Ambuja Cements Limited	Non-executive, Independent
	e) Blue Star Limited	Non-executive, Independent
	f) Future Lifestyle Fashions Limited	Non-executive, Independent
	g) L&T Finance Holdings Limited	Non-executive, Independent
	a) Bajaj Electricals Limited	Non-executive, Independent
Dr. Rajendra Prasad Singh	b) United Spirits Limited	Non-executive, Independent
	c) Clariant Chemicals (India) Limited	Non-executive, Independent
	d) Colgate-Palmolive (India) Limited	Non-executive, Independent
Shri Munish Khetrpal	a) Bajaj Electricals Limited	Non-executive, Independent
	b) Techno Electric & Engineering Company Limited	Non-executive, Independent
	c) Jyoti Structures Limited	Non-executive, Independent
Shri Siddharth Mehta	a) Bajaj Electricals Limited	Non-executive, Independent
	b) Indo Count Industries Limited	Non-executive, Independent
	c) TCI Industries Limited	Non-executive, Independent

**D&O Insurance for Directors**

The Company has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the Board.

**Familiarisation Programme for Independent Directors**

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

**Plans for orderly succession for appointments**

During the year under review, as a part of an orderly succession to the position of the Chief Financial Officer, and based on the recommendation of the Nomination and Remuneration Committee and Audit Committee, the Board, at its meeting held on November 5, 2021, has approved the candidature of Shri E C Prasad to succeed as the "Chief Financial Officer" and a Key Managerial Personnel of the Company after the superannuation of Shri Purandare.

**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.

**Disclosure on conflict of interests**

Each Director informs the Company on an annual basis about the Board and the Committee positions he/she occupies in other companies including as Chairman and notifies changes during the year. The members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The members of Board restrict themselves from participating in any discussions and voting in transactions in which they have concern or interest.

**Insider Trading Code**

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

This Fair Disclosure Code is displayed on the Company's website: 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 require a closer review. The Board Committees are formed with the approval of the Board

The attendance of the Audit Committee members:

Sr. No.	Name of Directors	Position	Category	No. of meetings attended
1.	Shri Shailesh Haribhakti	Chairperson	Independent Director	6/6
2.	Dr. Rajendra Prasad Singh	Member	Independent Director	6/6
3.	Dr. (Smt.) Indu Shahani	Member	Independent Director	6/6
4.	Shri Siddharth Mehta	Member	Independent Director	6/6

**Terms of reference and functions of Audit Committee**

The terms of reference of the Audit Committee as stated below is in line with what is mandated in Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

and they function under their respective Charters. These Committees play an important role in the overall management of the day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform the duties entrusted by the Board. The minutes of the Committee meetings are placed before the Board for noting.

**(A) Audit Committee**

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

As on the date of this Report, the Audit Committee comprised of four (4) Directors i.e. Shri Shailesh Haribhakti as the Chairman and Dr. (Smt.) Indu Shahani, 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, legal, risk and international finance. The Committee functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. The Company Secretary acts as the convener to the Audit Committee.

**Meetings and Attendance**

The Audit Committee met six (6) times during the financial year 2020-21. The maximum gap between two meetings was not more than 120 days. The Committee met on May 14, 2020, June 19, 2020, August 11, 2020, November 5, 2020, February 4, 2021 and March 25, 2021. The requisite quorum was present at all meetings. The Chairperson of the Audit Committee was present at the last AGM of the Company held on August 28, 2020.

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - 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 subsection 3 of Section 134 of the Act.
  - changes, if any, in accounting policies and practices and reasons for the same.

- major accounting entries involving estimates based on the exercise of judgment by management.
  - significant adjustments made in the financial statements arising out of audit findings.
  - compliance with listing and other legal requirements relating to financial statements.
  - disclosure of any related party transactions.
  - modified opinion(s) in the draft audit report.
- 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);
  - 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;
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the Company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - 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;
  - Discussion with internal auditors of any significant findings and follow up there on;
  - 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;
  - 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;

- 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;
- To review the functioning of the whistle blower mechanism;
- 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;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- 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.

The Audit Committee mandatorily reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- Appointment, removal and terms of remuneration of the Chief Internal Auditor; and
- Statement of deviations:
  - 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 SEBI Listing Regulations; and
  - 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 SEBI Listing Regulations.
- Compliance with the provisions of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

**Internal Controls and Governance Processes**

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



**(B) Nomination and Remuneration Committee**

As on March 31, 2021, the Nomination and Remuneration Committee comprised of four (4) Directors viz. Dr. (Smt.) Indu Shahani as the Chairperson, and Shri Shekhar Bajaj, Dr. Rajendra Prasad Singh and Shri Siddharth Mehta as its members. The Company Secretary acts as the convener to the Committee.

**Meetings and Attendance**

The Nomination and Remuneration Committee met four (4) times during the financial year 2020-21 i.e. on June 19, 2020, August 11, 2020, November 5, 2020 and February 4, 2021. The requisite quorum was present at all the meetings. The Chairperson of the Nomination and Remuneration Committee was present at the last AGM of the Company held on August 28, 2020.

The attendance of the Nomination and Remuneration Committee members:

Sr. No.	Name of Directors	Position	Category	No. of meetings attended
1.	Dr. (Smt.) Indu Shahani	Chairperson	Independent Director	4/4
2.	Shri Shekhar Bajaj	Member	Executive Director	4/4
3.	Dr. Rajendra Prasad Singh	Member	Independent Director	4/4
4.	Shri Siddharth Mehta	Member	Independent Director	4/4

**Terms of reference and functions of Nomination and Remuneration Committee**

The broad terms of reference of Nomination and Remuneration Committee as stated below is in compliance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall specify the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors to be carried out by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- 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.
- While formulating the policy, to ensure that:
  - 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;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - 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.
- 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.

- To lay down / formulate the evaluation criteria for performance evaluation of independent directors and the Board.
- To devise a policy on Board diversity.
- To ensure 'Fit & Proper' status of the proposed/existing directors.
- To recommend to Board, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To review and approve the remuneration and change in remuneration payable to whole-time directors.
- 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
- 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.
- To undertake specific duties as may be prescribed by the board from time to time.

**Remuneration Policy**

The Board on the recommendation of Nomination and Remuneration Committee has framed a Nomination and Remuneration Policy ("Policy"),

providing a) Selection, appointment and removal; b) Remuneration; c) Evaluation of performance; and d) Board diversity. The Policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Policy is displayed on the Company's website: www.bajajelectricals.com.

**Criteria for recommendation of remuneration****a) Non-Executive Directors remuneration:**

The remuneration of Non-Executive Directors is determined within the limits prescribed under Section 197 of the Act read with the Rules framed thereunder and SEBI Listing Regulations. The Non-Executive Directors of the Company receive remuneration by way of sitting fees for attending the Board and Committee meetings and commission as detailed below:

- 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;
- Payment of commission on an annual basis of ₹ 1,00,000 for each meeting of the Board and Audit Committee attended by the Director, subject to the ceiling of 1% of the net profit of the Company prescribed under the Act as approved by the Members in the Eightieth (80th) AGM held on August 7, 2019;
- Reimbursement of travelling and other related expenses incurred by the Non-Executive Directors for attending the Board and Committee meetings;
- Independent Directors and any employee/director of the Company, who is a promoter or belongs to the promoter group are not entitled to participate in ESOPs of the Company.

The service contract, notice period and severance fees are not applicable to Non-Executive Directors.

**b) Executive Directors' remuneration:**

The appointment and remuneration of Executive Directors, i.e. of Chairman & Managing Director and Executive Director, is governed by the recommendation of Nomination and Remuneration Committee and resolutions passed by the Board and Shareholders of the Company.

The terms and conditions of appointment and the remuneration payable to:

- Shri Shekhar Bajaj, Chairman & Managing Director, as approved by the Members of the Company by way of special resolution dated December 23, 2019 passed through postal ballot, can be

accessed at weblink: www.bajajelectricals.com.

- Shri Anuj Poddar, Executive Director, as approved by the Members of the Company by way of special resolution passed at the Annual General Meeting held on August 7, 2019, can be accessed at weblink: www.bajajelectricals.com.

The remuneration package of Executive Directors' comprises of salary, commission, perquisites and allowances, and contributions to provident fund and other retirement benefits as approved by the shareholders at the general meetings. Annual increments are linked to performance and are decided by Nomination and Remuneration Committee and recommended to the Board for approval thereof. The Company has no stock option plans for the promoter executive directors/non-executive directors and only non-promoter executive directors are eligible for stock option plans.

During the financial year 2020-21, the Company did not advance any loans to any of the directors.

The tenure of office of the Managing Director and Executive Director is for 5 (five) years from their respective dates of appointment and can be terminated by either party by giving three months' notice in writing. There is no separate provision for payment of severance fees.

**c) Remuneration 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.

**Remuneration drawn by the Directors during the financial year 2020-21**

The remuneration paid to the Directors is in accordance with the provisions of the Act and has been duly approved by Members of the Company. None of the Directors of the Company have any pecuniary relationship with the Company. The remuneration paid to the Non-Executive Directors does not exceed the threshold specified in Regulation 17(6)(ca) of the SEBI Listing Regulations and no approval of the shareholders by Special Resolution was called for. Also, the remuneration of Managing Director and Executive Director were paid as per the terms of their remuneration approved by shareholders by way of respective special resolutions under Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Act or SEBI Listing Regulations.

The remuneration drawn by the Directors during the year is set out below:

#### Executive Directors

(Amount: ₹ in lakhs)					
Name of the Director(s)	Salary and allowances	Perquisites	Retiral benefits	Commission payable	Total
Shri Shekhar Bajaj	364.08	115.36	83.59	433.76	996.79
Shri Anuj Poddar	392.66*	6.15	13.50	27.11	439.42

\* Includes performance linked incentive of ₹ 90.00 lakhs.

Shri Anuj Poddar holds 80000 stock options under the Company's ESOP Scheme.

#### Non-Executive Directors

(Amount: ₹ in lakhs)				
Name of the Non- Executive Director(s)	Sitting Fees (₹)	Commission provided for financial year 2020-21 (₹)	Total (₹)	Number of equity shares and convertible instruments held as at March 31, 2021
Shri Madhur Bajaj	6,00,000	6,00,000	12,00,000	703199
Shri Rajiv Bajaj	5,00,000	5,00,000	10,00,000	-
Smt. Pooja Bajaj	8,50,000	6,00,000	14,50,000	1989875
Shri Harsh Vardhan Goenka	6,50,000	6,00,000	12,50,000	-
Shri Shailesh Haribhakti	12,50,000	12,00,000	24,50,000	-
Dr. (Smt.) Indu Shahani	17,50,000	12,00,000	29,50,000	-
Dr. Rajendra Prasad Singh	14,50,000	12,00,000	26,50,000	-
Shri Munish Khetrpal	6,50,000	6,00,000	12,50,000	-
Shri Siddharth Mehta	15,50,000	12,00,000	27,50,000	-

#### Performance Evaluation

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

The performance evaluation of independent directors was done by the entire Board, excluding the director being evaluated. A separate exercise was carried out to evaluate the performance of Individual Directors. The Chairman of the Board of Directors interacted with all the Directors individually to get an overview of the functioning of the Board/Committees, inter alia, on the following broad criteria i.e. attendance and level of participation at meetings of the Board/committees, independence of judgment exercised by Independent Directors, interpersonal relationship and so on. The detailed criteria for such an evaluation is available on the website of the Company at <https://www.bajajelectricals.com/miscellaneous/>

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Executive Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non- Executive Directors.

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

Based on the inputs received from the Directors, an action plan is being drawn up in consultation with the Directors to encourage their greater engagement with the Company.

#### (C) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of three (3) Directors i.e. Smt. Pooja Bajaj as the Chairperson, and Dr. (Smt.) Indu Shahani and Shri Shekhar Bajaj as its members. The Committee is governed by a Charter.

Shri Ajay Nagle, Company Secretary has been designated as Compliance Officer of the Company. He has also been appointed as the nodal officer in line with statutory requirements.

#### Meetings and Attendance

The Stakeholders' Relationship Committee met four (4) times during the financial year 2020-21 i.e. on July 28, 2020, September 10, 2020, December 15, 2020 and February 17, 2021. The requisite quorum was present at all the meetings.

The attendance of the Stakeholders' Relationship Committee members:

Sr. No.	Name of Directors	Position	Category	No. of meetings attended
1.	Smt. Pooja Bajaj	Chairperson	Non- Executive Director	4/4
2.	Shri Shekhar Bajaj	Member	Executive Director	4/4
3.	Dr. (Smt.) Indu Shahani	Member	Independent Director	4/4

#### Terms of reference

The terms of reference of Stakeholders' Relationship Committee are as under:

- 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 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.
- Issue and allotment of equity and/or preference shares.
- Issue of new share certificate on allotment.
- Issue of duplicate / split / consolidated share certificates.
- To settle any question, difficulty or doubts of the shareholders that may arise with regards to the issue and allotment of shares.
- 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 Stakeholders' Relationship Committee meetings are circulated to and noted by the Board.

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

#### Details of Shareholders' complaints received, resolved and pending during the financial year 2020-21:

Investors Complaints	No. of complaints
Pending at the beginning of the year	1
Received during the year	1
Disposed off during the year	2
Remaining unresolved at the end of the year	Nil

#### (D) Risk Management Committee

As on March 31, 2021, the Risk Management Committee comprised of four (4) Directors and two (2) management personnel i.e. Shri Shekhar Bajaj as the Chairperson and Shri Anuj Poddar, Dr. (Smt.) Indu Shahani, Shri Siddharth Mehta, Shri Anant Purandare (President & Chief Financial Officer) and Shri Rishiraj Haldankar (Vice President & Head – Internal Audit) as its members. The Committee is governed by a Charter.

The Company Secretary acts as the convener to the Committee.

The composition of the Committee is in conformity with the SEBI Listing Regulations, with majority of members being Directors of the Company. During the year under review, the Committee met once on March 25, 2021 which was attended by all the members.

#### Terms of Reference

The following are the responsibilities of the Committee:

- 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.
- To periodically review and approve the risk management framework including the risk management processes and practices of the Company.
- To evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.
- 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 Committee may diverge from these responsibilities and may assume such other responsibilities as it deems necessary or appropriate in carrying out its functions. The role and responsibilities of the Risk Management Committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time. The performance of the Committee shall be reviewed by the Board periodically.

#### (E) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted to undertake various corporate social responsibility related activities as envisaged in the Company's Corporate Social Responsibility Policy with the composition consisting of Shri Shekhar Bajaj, as the Chairman of the Committee and Dr. (Smt.) Indu Shahani and Shri Siddharth Mehta, Independent Directors of the Company as its members.

### GENERAL BODY MEETINGS

#### Details of last three AGMs held

AGM	Financial Year	Date and Time	Venue	Details of Special Resolution Passed
79th	2017-18	Thursday, August 9, 2018 at 12.00 PM	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal Bajaj Marg, Nariman Point, Mumbai 400021	a. Borrowing by way of Issue of Securities; b. Promotion and re-designation of Shri Anant Bajaj as the Managing Director of the Company; c. Maintenance of Statutory Registers at a place other than the Registered Office of the Company; and d. Adoption of new set of Articles of Association of the Company in conformity with the Companies Act, 2013.

During the financial year 2020-21, the Committee met once on March 25, 2021 and the said meeting was attended by all the members of the Committee.

#### (F) Finance Committee

The Company has Finance Committee comprising of three Directors viz. Shri Shekhar Bajaj as its Chairman and Dr. Rajendra Prasad Singh and Smt. Pooja Bajaj as its members. The Company Secretary acts as the convener to the Committee.

The Committee, inter-alia, looks into the matters related to borrowings of the Company, if any, to be made in the form of fund and non-fund based limits for the business and working capital requirements of the Company, review of the Company's insurance program, issues authority to or withdraws the authority given to the officers of the Company to open / operate / close bank accounts, besides the other powers granted to it by the Board from time to time.

During the year under review, the Committee met once on January 8, 2021 which was attended by Shri Shekhar Bajaj and Smt. Pooja Bajaj, whereas, leave of absence was granted to Dr. Rajendra Prasad Singh.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report has been attached as a separate chapter and forms part of the Annual Report.

### SUBSIDIARY COMPANIES

The Company has a Policy for determining Material Subsidiaries, which is in line with the SEBI Listing Regulations as amended, and the same has been uploaded on the website of the Company viz. 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.

AGM	Financial Year	Date and Time	Venue	Details of Special Resolution Passed
80th	2018-19	Wednesday, August 7, 2019 at 12.30 P.M.	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal Bajaj Marg, Nariman Point, Mumbai 400021	a. Appointment of Shri Anuj Poddar as an Executive Director; b. Alteration of Articles of Association of the Company; c. Borrowing by way of Issue of Securities; and d. Further Issue of Securities.
81st	2019-20	Friday, August 28, 2020 at 2.30 P.M.	Meeting through Video Conferencing / Other Audio Visual Means that was anchored at the registered office of the company at 45-47, Veer Nariman Road, Mumbai- 400001 (the deemed venue).	a. Borrowing by way of Issue of Securities; b. Giving loan or guarantee or providing security in connection with loan availed by any of Company's subsidiary or other person specified under section 185 of the Act; and c. Amendments in the 'Bajaj Electricals Limited Employee Stock Option Plan 2015'.

#### Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern and procedure of postal ballot

During the year under review, no special resolution requiring a postal ballot was passed. Further, there is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing of a special resolution through postal ballot.

### MEANS OF COMMUNICATION TO SHAREHOLDERS

- (i) The unaudited quarterly/half yearly results are announced within forty-five (45) days of the close of the quarter. The audited annual results are announced within sixty (60) days from the closure of the financial year as per the requirement of the SEBI Listing Regulations.
- (ii) The approved financial results are sent to the Stock Exchanges forthwith and published in 'Free Press Journal' (English newspaper) and 'Navshakti' (local language Marathi newspaper), within forty-eight (48) hours of approval thereof. Presently the same are not sent to the shareholders separately.
- (iii) The Company's financial results and official press releases are displayed on the Company's Website: www.bajajelectricals.com.
- (iv) All financial and other vital official news releases and documents under the SEBI Listing Regulations including any presentations made to the institutional investors or/and analysts are also communicated to the concerned stock exchanges, besides being placed on the Company's website.
- (v) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") are filed electronically. The Company has complied with filing submissions through

BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.

- (vi) A separate dedicated section under "Investors Relation", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors/public.
- (vii) SEBI processes investor complaints in a centralised web-based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge a complaint against the Company for redressal of his grievance. The Company uploads the action taken report on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
- (viii) The Company has designated the email id: legal@bajajelectricals.com for investor relations, and the same is prominently displayed on the Company's website www.bajajelectricals.com.

### AFFIRMATIONS AND DISCLOSURES

#### a. Related Party Transactions

All transactions entered into with the related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis and are in compliance with the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the financial statements in accordance with "IND AS". A statement of transactions entered into with the related parties in the ordinary course of business and at arm's length basis is periodically placed before the Audit Committee for review and recommendation to the Board for its approval.

As required under Regulation 23(1) of the SEBI Listing Regulations, the Company has formulated a policy on dealing with related party

transactions. The Policy is available on the website of the Company: 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.

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

There are no instances of non-compliances by the Company necessitating imposition of penalties, strictures on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three (3) years except payment of fine of ₹ 10,000 each paid to BSE and NSE for delay of one (1) day in submission of voting results of Postal Ballot held on March 26, 2019 within time specified under Regulation 44(3) of the SEBI Listing Regulations.

**c. Vigil Mechanism / Whistle Blower Policy**

Pursuant to provisions of Section 177(9) and (10) of the Act and the rules framed thereunder, Regulation 22 of the SEBI Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated the Whistle Blower Policy which is applicable to all employees and all other persons dealing with the Company to inter alia report unacceptable improper practices and/or unethical practices and/or genuine concerns and to create awareness to report instances of leak of Unpublished Price Sensitive Information.

The whistleblower shall address all the protected disclosure to the Company Secretary and Compliance Officer of the Company. Protected disclosure against the Company Secretary should be addressed to the Chairman & Managing Director of the Company and protected disclosure against the Chairman & Managing Director should be addressed to the Chairman of the Audit Committee.

The Policy provides for adequate safeguards against victimisation to all whistleblowers who use such mechanism.

During the year under review, none of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website: www.bajajelectricals.com.

**d. Details of Adoption of Non-Mandatory (Discretionary) Requirements**

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

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

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

**Modified opinion(s) in audit report** - There is no modified opinion in the audit reports.

**Reporting of Internal Auditor** - In accordance with the provisions of Section 138 of the Act, the Company has appointed an Internal Auditor who reports to the Audit Committee. Internal audit reports submitted on quarterly basis are reviewed by the Audit Committee and suggestion / directions, if any, are given for necessary action.

**e. Commodity price risk or foreign exchange 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/2018/000000141 dated November 15, 2018.

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

The Company has issued on private placement basis and allotted, Unsecured, Redeemable Non-convertible Debentures (NCDs) of face value of ₹ 10,00,000/- (Rupees Ten Lakh) each, aggregating to ₹ 185 crore during the financial year 2018-19 in three series as per the terms of issue. The funds raised through issuance of NCDs have been fully utilised for the purposes specified in the issue documents and there is no deviation in the use of proceeds.

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

The Company has received a certificate from Messrs Anant B. Khamankar & Co., Practicing Company Secretaries (Membership No. FCS 3198; CP No. 1860) to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the companies by the Board/ Ministry of Corporate Affairs or any other statutory authority. The same forms part of this report.

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

**i. Fees paid to the Statutory Auditors paid by the Company and its subsidiary**

Total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to S R B C & CO LLP, having ICAI Registration number 324982E/E300003, statutory auditors of the Company and other firms in the network entity of which the statutory auditors are a part, during the year ended March 31, 2021, is as follows:

(Amount: ₹ in lakh)	
Particulars	S R B C & CO LLP and their network entities
Fees for audit and related services	177.00
Other fees	6.95
<b>Total</b>	<b>183.95</b>

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

The details of number of complaints filed and disposed-off during the year and pending as on March 31, 2021 is given in the Directors' Report.

**k. CEO and CFO Certification**

Certificate issued by Shri Shekhar Bajaj, Chairman & Managing Director (CEO) and Shri Anant Purandare, President & Chief Financial Officer of the Company, for the financial year under review, was placed before the Board at its meeting held on May 25, 2021, in terms of Regulation 17(8) of the SEBI Listing Regulations and the said certificate is annexed to this Report. The Chairman & Managing Director (CEO) and Chief Financial Officer also gave quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI Listing Regulations.

**l. Compliance Certificate of the Auditors**

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

**THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2) OF THE SEBI LISTING REGULATIONS**

Sr. No.	Particulars	Regulations	Compliance Status (Yes/No/N.A.)	Brief Descriptions of the Regulations
1.	Board of Directors	17	Yes	<ul style="list-style-type: none"> <li>Composition and Appointment of Directors</li> <li>Meetings and quorum</li> <li>Review of compliance reports</li> <li>Plans for orderly succession for appointments</li> <li>Code of Conduct</li> <li>Fees / compensation to Non-Executive Directors Minimum information to be placed before the Board</li> <li>Compliance Certificate by Chief Executive Officer and Chief Financial Officer</li> <li>Risk assessment and risk management plan</li> <li>Performance evaluation of Independent Directors</li> <li>Recommendation of Board for each item of special business</li> <li>Directorships in listed entities</li> </ul>
2.	Maximum number of directorships	17A	Yes	
3.	Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>Composition</li> <li>Meetings and quorum</li> <li>Chairperson present at Annual General Meeting</li> <li>Role of the Committee</li> </ul>
4.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> <li>Composition</li> <li>Chairperson present at Annual General Meeting</li> <li>Meetings and quorum</li> <li>Role of the Committee</li> </ul>
5.	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> <li>Composition</li> <li>Chairperson present at Annual General Meeting</li> <li>Meetings</li> <li>Role of the Committee</li> </ul>



Sr. No.	Particulars	Regulations	Compliance Status (Yes/No/N.A.)	Brief Descriptions of the Regulations
6.	Risk Management Committee	21	Yes	<ul style="list-style-type: none"> <li>Composition</li> <li>Meetings</li> <li>Role of the Committee</li> </ul>
7.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>Vigil Mechanism for Directors and employees</li> <li>Adequate safeguards against victimisation</li> <li>Direct access to Chairperson of Audit Committee</li> </ul>
8.	Related Party Transaction	23	Yes	<ul style="list-style-type: none"> <li>Policy on materiality of related party transactions and dealing with related party transactions</li> <li>Prior approval including omnibus approval of Audit Committee for related party transactions</li> <li>Periodical review of related party transactions</li> <li>Disclosure on related party transactions</li> </ul>
9.	Subsidiaries of the Company	24	Yes	<ul style="list-style-type: none"> <li>Review of financial statements and investments of subsidiaries by the Audit Committee</li> <li>Minutes of the Board of Directors of the subsidiaries are placed at the meeting of the Board of Directors</li> <li>Significant transactions and arrangements of subsidiaries are placed at the meeting of the Board of Directors</li> </ul>
10.	Secretarial Audit	24A	Yes	<ul style="list-style-type: none"> <li>Annual Secretarial Audit Report and Annual Secretarial Compliance Report</li> </ul>
11.	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>Maximum directorships and tenure</li> <li>Meetings of Independent Directors</li> <li>Cessation and appointment of Independent Directors</li> <li>Review of Performance by the Independent Directors</li> <li>Familiarisation of Independent Directors</li> <li>Declaration from Independent Director that he / she meets the criteria of independence</li> <li>Directors and Officers insurance for all the Independent Directors</li> </ul>
12.	Obligations with respect to Directors and Senior Management	26	Yes	<ul style="list-style-type: none"> <li>Memberships / Chairmanships in Committees</li> <li>Affirmation on compliance of Code of Conduct by Directors and Senior Management</li> <li>Disclosure of shareholding by Non-Executive Directors</li> <li>Disclosures by Senior Management about potential conflicts of interest</li> <li>No agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by Key Managerial Personnel, Director and Promoter</li> </ul>
13.	Other Corporate Governance Requirements	27	Yes	<ul style="list-style-type: none"> <li>Filing of quarterly, half-yearly and yearly compliance report on Corporate Governance</li> </ul>
14.	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> <li>Terms and conditions of appointment of Independent Directors</li> <li>Composition of various Committees of the Board of Directors</li> <li>Code of Conduct of Board of Directors and Senior Management Personnel</li> <li>Details of establishment of Vigil Mechanism / Whistle-blower policy</li> <li>Policy on dealing with related party transactions</li> <li>Policy for determining material subsidiaries</li> <li>Details of familiarisation programmes imparted to Independent Directors</li> </ul>

## GENERAL SHAREHOLDER INFORMATION

### a. Company Information

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L31500MH1938PLC009887.

### b. Information on General Body Meetings

AGM for the financial year 2020-21

Day and date	Wednesday, August 11, 2021
Time	03.00 p.m. (IST)
Mode	Via video conferencing/other audio visual means
Financial year	April 1, 2020 to March 31, 2021

No EGM/Court or Tribunal Conveyed Meeting was held during the financial year 2020-21.

### c. Dividend:

The Board of the Company has not recommended any dividend for the financial year 2020-21.

### 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.

### Dividend history for the last 10 Financial Years

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

Sr. No.	Financial Year	Date of declaration of Dividend	Dividend Per Share
1.	2010-11	July 28, 2011	₹ 2.80
2.	2011-12	July 26, 2012	₹ 2.80
3.	2012-13	August 6, 2013	₹ 2.00
4.	2013-14	July 31, 2014	₹ 1.50
5.	2014-15	August 6, 2015	₹ 1.50
6.	2015-16	March 10, 2016	₹ 2.80
7.	2016-17	August 3, 2017	₹ 2.80
8.	2017-18	August 9, 2018	₹ 3.50
9.	2018-19	August 7, 2019	₹ 3.50
10.	2019-20	No dividend recommended	

### d. Tentative calendar for financial year ending March 31, 2022

Financial Year – 1 April to 31 March.

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

Particulars of Quarter	Tentative dates
Q1 Results	2nd Week of August 2021
Q2 and Half Yearly Results	2nd Week of November 2021
Q3 Results	2nd Week of February 2022
Q4 and Annual Results	4th Week of May 2022

The Board Meetings for approval of financial results during the year ended March 31, 2021 were held on the following dates:

Particulars of Quarter	Date of approval of financial results
Q1 Results	August 11, 2020
Q2 and Half Yearly Results	November 5, 2020
Q3 Results	February 4, 2021
Q4 and Annual Results	May 25, 2021

#### e. Listing on stock exchanges & stock code

Equity Shares of the Company are currently listed on the following stock exchanges:

Name of the Stock Exchange(s)	Address	Stock Code
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	500031
National Stock Exchange of India Limited	Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051	BAJAJELEC

The ISIN Number allotted to the Company's equity shares of face value of ₹ 2 each under the depositories (NSDL and CDSL) system is INE193E01025.

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.

For the financial year 2021-22, the Company has paid annual listing fees to both the stock exchanges and annual custody/issuer fees to both the depositories.

#### f. The details of NCDs issued by the Company

Series	ISIN	Principal amount (₹ In lakhs)	Date of Maturity	Coupon Rate %
Option B	INE193E08020	7,500	August 20, 2021	NCDs with zero coupon at a
Option C	INE193E08012	7,500	February 18, 2022	yield to maturity of 11% p.a

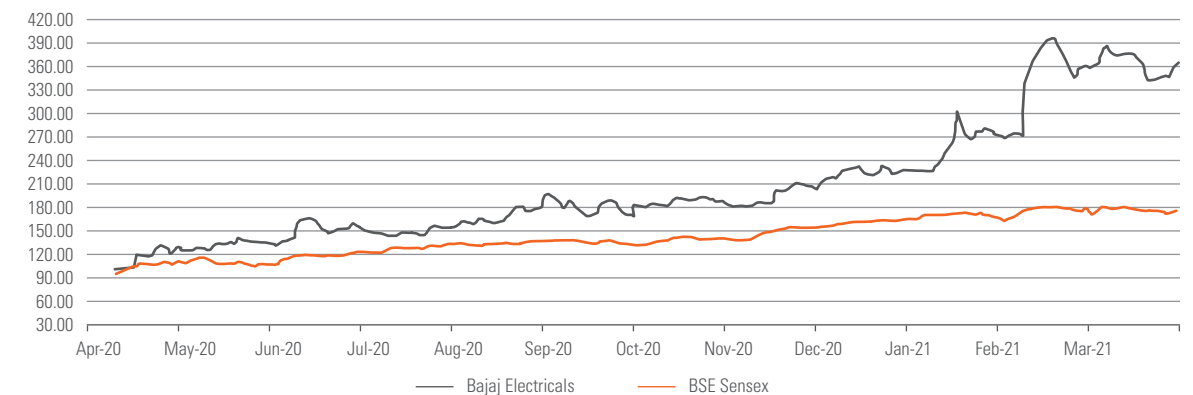
**Note:** Option A NCDs [ISIN INE193E08038] aggregating to ₹ 35 crore were redeemed on February 18, 2021. Since the redemption date (i.e. February 19, 2021) in respect of the said Option A NCDs fell on a day which is not a Business Day, the payment(s) due was made on the previous Business Day (i.e. February 18, 2021) as per the terms of Information Memorandum dated February 18, 2019.

#### g. Market Price Data

##### BEL Share Price on BSE vis-à-vis BSE Sensex April 2020-March 2021

Month	BSE Sensex Close	BEL Share Price			Number of shares traded during the month	Turnover (₹) Crore
		High (₹)	Low (₹)	Close (₹)		
Apr-20	33,717.62	363.65	260.00	340.35	185803	6.22
May-20	32,424.10	389.75	332.05	363.70	693755	24.15
Jun-20	34,915.80	466.90	372.50	391.50	343649	14.33
Jul-20	37,606.89	449.45	378.65	425.15	608377	25.24
Aug-20	38,628.29	545.00	418.00	498.45	754044	36.07
Sep-20	38,067.93	520.00	441.90	502.55	797428	39.53
Oct-20	39,614.07	534.00	477.70	488.00	198567	10.07
Nov-20	44,149.72	582.75	474.00	572.70	639767	33.26
Dec-20	47,751.33	648.00	526.80	610.35	554034	33.93
Jan-21	46,285.77	858.95	602.05	722.50	693187	52.08
Feb-21	49,099.99	1,123.70	714.55	957.70	1704002	165.95
Mar-21	49,509.15	1,099.00	895.30	977.40	268467	27.03

##### BEL Share Price on BSE & BSE Sensex

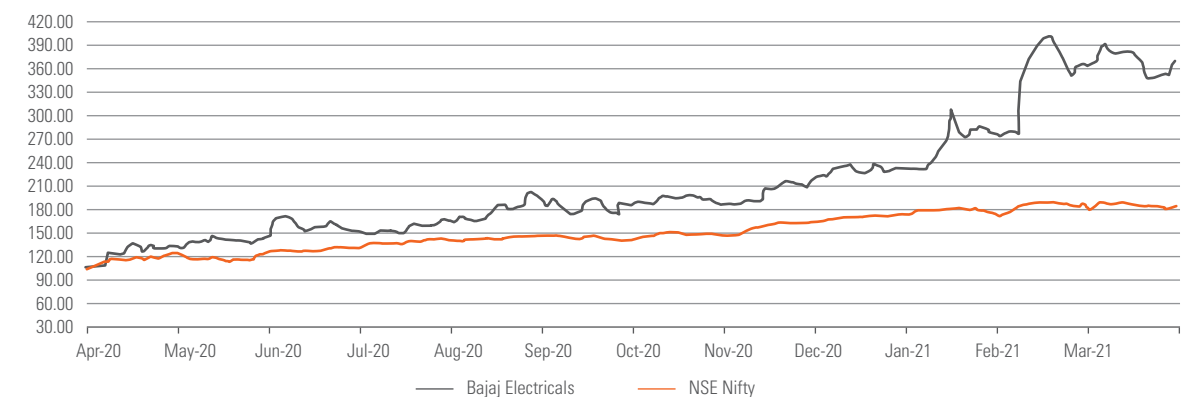


**Note:** Share price of Bajaj Electricals Limited and BSE Sensex have been indexed to 100 on April 1, 2020.

##### BEL Share Price on NSE vis-à-vis NSE Nifty April 2020-March 2021

Month	BSE Sensex Close	BEL Share Price			Number of shares traded during the month	Turnover (₹) Crore
		High (₹)	Low (₹)	Close (₹)		
Apr-20	9,859.90	364.30	260.00	340.40	3912823	130.60
May-20	9,580.30	389.60	332.00	363.95	6485240	235.78
Jun-20	10,302.10	466.20	371.50	392.80	6765778	282.95
Jul-20	11,073.45	449.80	378.50	424.65	8421432	348.39
Aug-20	11,387.50	544.95	418.30	498.00	13396416	643.41
Sep-20	11,247.55	520.40	442.05	503.20	6625644	322.77
Oct-20	11,642.40	534.00	480.40	487.45	5147343	263.53
Nov-20	12,968.95	582.65	480.00	572.55	8454628	454.99
Dec-20	13,981.75	648.80	520.00	610.55	4243538	259.42
Jan-21	13,634.60	857.95	602.25	725.15	10327891	782.05
Feb-21	14,529.15	1,124.55	713.20	958.25	21966554	2,148.49
Mar-21	14,690.70	1,099.80	895.00	976.60	3470035	350.19

##### BEL Share Price on NSE & NSE Nifty



**Note:** Share price of Bajaj Electricals Limited and NSE Nifty have been indexed to 100 on April 1, 2020.



**h. Share Transfer System/Dividend and Other related matters****i. Share Transfer System**

In light of the provisions of Notification No. SEBI/LAD/NRO/GN/2018/24 dated June 8, 2018 and Press Release dated December 3, 2018 issued by the Securities and Exchange Board of India, Members may please note that, with effect from April 1, 2019, transfer of shares (except transmission and transposition of shares) will be in dematerialised form only.

The shareholders holding shares in physical form are requested to get their shares dematerialised at the earliest to avoid any inconvenience in future while transferring the shares.

**ii. Nomination facility for shareholding**

In terms of the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website. Members holding shares in dematerialised form should contact their Depository Participants (DP) in this regard.

**iii. Permanent Account Number**

Members who hold shares in physical form are advised to register their PAN card details since SEBI has made it mandatory that a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders/legal heirs shall be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

**iv. Subdivision of shares**

The Company had subdivided the face value of its equity shares from ₹ 10 to ₹ 2 in 2009. Members still holding share certificates of ₹ 10 are requested to send the certificates to the Registrar and Share Transfer Agent of the Company (contact details given below) for exchange with shares of the face value of ₹ 2 each.

Details of Unclaimed Dividend as on March 31, 2021 and due dates for their transfer:

Sr. No.	Financial Year	Date of declaration of Dividend	Unclaimed Amount (₹)	Due Date for transfer to IEPF Account
1.	2013-14	July 31, 2014	8,44,720.50	August 30, 2021
2.	2014-15	August 6, 2015	9,54,895.50	September 5, 2022
3.	2015-16	March 10, 2016	18,00,915.20	April 9, 2023
4.	2016-17	August 3, 2017	16,79,473.60	September 1, 2024
5.	2017-18	August 9, 2018	14,66,202.50	September 7, 2025
6.	2018-19	August 7, 2019	9,63,434.50	September 5, 2026
7.	2019-20		No dividend recommended	

**v. Dividend / Unclaimed Dividend / Unclaimed Shares****a) Payment of dividend through Automated Clearing House (ACH)**

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. SEBI Listing Regulations also mandate companies to credit the dividend to the members electronically. Members are therefore urged to avail this facility to ensure safe and speedy credit of their dividend into their bank account through the banks' ACH mode.

Members who hold shares in demat mode should inform their depository participant, whereas Members holding shares in physical form should inform Registrar and Share Transfer Agent of the Company (contact details given below) of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not available, the Company will issue demand drafts mentioning the existing bank details available with the Company.

**b) Unclaimed dividends**

The Company is required to transfer dividends, which have remained unpaid/unclaimed for a period of seven (7) years from the date the amount is transferred to Unpaid Dividend Account of the Company to the Investor Education & Protection Fund ("IEPF") established by the Government. Accordingly, during the financial year 2021-22, unclaimed final dividends pertaining to the final year ended March 31, 2014 will be transferred to IEPF.

Before transferring the unclaimed dividends to IEPF, individual letters / email communications / newspaper notices are sent / given to those Members whose unclaimed dividends are due for transfer to enable them to claim the dividends before the due date for such transfer. The information on unclaimed dividend is also posted on the Company's website at www.bajajelectricals.com.

**c) Transfer of the 'shares' into Investor Education and Protection Fund ("IEPF") (in cases where dividend has not been paid or claimed for seven (7) consecutive years or more)**

In terms of Section 124(6) of the Act read with Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unpaid/unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred the required number of shares to the IEPF.

**Guidelines for investors to file claim in respect of the unclaimed dividend or shares transferred to the IEPF:**

Investors/depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under the erstwhile Companies Act, 1956 and/or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/guidelines stated as follows:

- Download the Form IEPF-5 from the website of IEPF (www.iepf.gov.in) for filing the claim for the refund of dividend/shares. Read the instructions provided on the website/instruction kit, along with the e-form carefully, before filling the form.
- After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading, an acknowledgment will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.
- Take a print out of the duly filled Form No.IEPF-5 and the acknowledgment issued after uploading the form.

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

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	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

- Submit an indemnity bond in original, copy of the acknowledgment and self-attested copy of e-form, along with other documents as mentioned in the Form No.IEPF-5 to the Nodal Officer of the Company at its Registered Office in an envelope marked 'Claim for refund from IEPF Authority/Claim for shares from IEPF' as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.
- Claim forms completed in all respects will be verified by the concerned Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhar-linked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.
- The Nodal Officer of the Company for IEPF Refunds Process is Shri Ajay Nagle, Executive Vice President & Head – Legal and Company Secretary.

**d) Unclaimed Shares**

Regulation 39(4) of the SEBI Listing Regulations read with Schedule VI 'Manner of dealing with Unclaimed Shares', had directed Companies to dematerialise such shares, which have been returned as 'undelivered' by the postal authorities and hold these shares in an 'Unclaimed Suspense Account' to be opened with either one of the Depositories viz. National Securities Depository Limited (NSDL) or Central Depository Services Ltd. (CDSL).

All corporate benefits on such shares viz. bonus, dividend etc. shall be credited to the unclaimed suspense account as applicable for a period of seven (7) years and thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

**i. Reconciliation of Share Capital Audit**

As required by the SEBI, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with NSDL, CDSL and held in physical form, with the issued and listed capital. The Auditor's Certificate with regard to the same is submitted to BSE Limited and the NSE and is also placed before the Stakeholders' Relationship Committee and the Board of Directors.

**j. Distribution of Shareholding as on March 31, 2021**

Distribution of shareholding across categories:

Categories	March 31, 2021		March 31, 2020	
	No. of shares	% of total capital	No. of shares	% of total capital
Promoters and Promoter Group	72342278	63.16	71870858	63.17
FIs	14230428	12.42	9051464	7.96
Individuals (including HUF)	11022364	9.62	13666531	12.01
Mutual Funds	10793558	9.42	12992828	11.42
Trusts	2135179	1.86	2126655	1.87
Indian Bodies Corporates	1538867	1.34	1516113	1.33
Alternate Investment Funds	1002567	0.88	561744	0.49
NRIs and OCBs	900868	0.79	1035605	0.91
IEPF	299129	0.26	246758	0.23
Insurance Companies	169791	0.15	592839	0.52
Clearing Members	83548	0.07	78932	0.07
Banks, NBFCs and FIs	17430	0.02	27185	0.02
Foreign Nationals	612	0.00	195	0.00
<b>Total</b>	<b>114536619</b>	<b>100.00</b>	<b>113767707</b>	<b>100.00</b>

Distribution of shareholding according to size category as on March 31, 2021:

Categories	No. of folios	% to total shareholders	No. of shares	% to total shares
1 to 1000	50039	96.2622	3254049	2.8411
1001 to 2000	830	1.5967	1200583	1.0482
2001 to 3000	351	0.6752	869474	0.7591
3001 to 4000	147	0.2828	510506	0.4457
4001 to 5000	106	0.2039	486860	0.4251
5001 to 10000	214	0.4117	1515863	1.3235
10001 to 20000	128	0.2462	1808200	1.5787
20001 and above	167	0.3213	104891084	91.5786
<b>Total</b>	<b>51982</b>	<b>100.0000</b>	<b>114536619</b>	<b>100.0000</b>

**k. Dematerialisation of shares and liquidity**

As on March 31, 2021, 112922084 (98.59%) equity shares of the Company were held in dematerialised form, compared to 112084851 (98.52%) equity shares as on March 31, 2020. Shares held in physical and electronic mode as on March 31, 2021 are given herein below:

	Position as on March 31, 2021		Position as on March 31, 2020		Net change during FY 2020-21	
	No. of shares	% of total shareholding	No. of shares	% of total shareholding	No. of shares	% of total shareholding
<b>Physical (A)</b>	1614535	1.41	1682856	1.48	(68321)	(0.06)
<b>Demat</b>						
NSDL	110596224	96.56	109086613	95.89	1509611	1.33
CDSL	2325860	2.03	2998238	2.63	(672378)	(0.59)
<b>Total Demat (B)</b>	112922084	98.59	112084851	98.52	837233	0.74
<b>Total (A) + (B)</b>	<b>114536619</b>	<b>100.00</b>	<b>113767707</b>	<b>100.00</b>	<b>768912</b>	<b>0.68</b>

**l. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:** Not Applicable**m. Credit Ratings**

The Company has obtained credit rating from ICRA Limited. During the financial year 2020-21, there has been upgrade in rating of the Company, the details of which are given below:

Rating Agency	Particulars of Debt	Particulars of Change/Downgrade
ICRA Limited	Line of Credit (long-term)	From [ICRA]A- to [ICRA]A (Stable)
	Line of Credit (short-term)	From [ICRA]A2+ to [ICRA]A1 (Stable)
	Non-convertible debenture	From [ICRA]A- to [ICRA]A (Stable)

**n. Debenture Trustee****Axis Trustee Services Limited**

The Ruby, 2nd Floor, SW,  
29, Senapati Bapat Marg,  
Dadar (West), Mumbai – 400028  
Tel: +91-22-62300451  
Fax: +91-22-62300700  
Email: debenturetrustee@axistrustee.com;  
complaints@axistrustee.com

**o. Address for Correspondence**

All Shareholders' correspondence should be forwarded to Link Intime India Private Limited, Registrar & Share Transfer Agents of the Company or to Compliance Officer at their following respective addresses:

Link Intime India Private Limited	Ajay Nagle, Compliance Officer
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 Website: www.linkintime.com	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 Website: www.bajajelectricals.com

**p. Factories/Plants Location**

Chakan Unit	Ranjangaon Unit	Wind Farm	Shikohabad Unit	Parwanoo Unit
Village Mahalunge, Chakan, Chakan	MIDC – Ranjangaon Village : Dhoksanghavi	Village Vankusawade, Tal: Patan,	Shikohabad, Firozabad,	Plot No. 46-48, Sector- 5, Parwanoo, Solan,
Talegaon Road, Tal: Khed,	Tal: Shirur, Dist: Pune Maharashtra – 412210.	Dist: Satara, Maharashtra – 415206.	Uttar Pradesh – 205141.	Himachal Pradesh – 173220.
Dist: Pune, Maharashtra – 410501.				



## Compliance with Code of Conduct

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Business Conduct & Ethics for the year ended March 31, 2021.

For **Bajaj Electricals Limited**

Sd/-

**Shekhar Bajaj**

Chairman & Managing Director

DIN: 00089358

Mumbai

May 25, 2021

## Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the Securities 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 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 Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority as on the financial year ended on March 31, 2021.

For **Anant B Khamankar & Co.**

Company Secretaries

Sd/-

**Anant B. Khamankar**

Membership No.: 3198

C P No.: 1860

UDIN: F003198C000342306

Date: May 19, 2021

Place: Mumbai

## Chairman & Managing Director & Chief Executive Officer (MD & CEO) and Chief Financial Officer (CFO) Certification

To,

The Board of Directors,

**Bajaj Electricals Limited**

45/47, Veer Nariman Road,

Mumbai – 400001

Dear members of the Board,

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

- 1) We have reviewed the financial statement and the cash flow statement for the year ended on March 31, 2021 and to the best of our knowledge and belief, we state that:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations;
- 2) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the said period, which are fraudulent, illegal or violative of the Company's Code of Business Conduct Ethics.
- 3) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4) We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Auditors and Audit Committee:-
  - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize 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;
- 5) We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standards (Ind AS).
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d. Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
- 6) 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.
- 7) We hereby declare that all the members of the Board of Directors and Corporate Management Committee have confirmed compliance with the Code of Business Conduct & Ethics for the said period covered by this report.

Mumbai  
May 25, 2021

Sd/-  
**Shekhar Bajaj**  
Chairman & Managing Director and CEO

Sd/-  
**Anant Purandare**  
Chief Financial Officer

# Compliance Certificate of the Auditors

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

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

1. The Corporate Governance Report prepared by Bajaj Electricals Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

### Management's Responsibility

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

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

- i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
- ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
- iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
- iv. Obtained and read the minutes of the following committee meetings held during April 01, 2020 to March 31, 2021:
  - (a) Board of Directors;
  - (b) Audit Committee;
  - (c) Annual General Meeting (AGM);
  - (d) Nomination and Remuneration Committee;
  - (e) Stakeholders Relationship Committee;
  - (f) Risk Management Committee
  - (g) Finance Committee;
  - (h) Corporate Social Responsibility Committee Meeting; and
  - (i) Independent Directors' Meeting
- v. Obtained necessary declarations from the directors of the Company.
- vi. Obtained and read the policy adopted by the Company for related party transactions.
- vii. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
- viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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

### Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

### Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under

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

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

Sd/-  
**per Vikram Mehta**  
Partner  
Membership Number: 105938  
UDIN Number: 21105938AAAAD8587

Place of Signature: Mumbai  
Date: May 25, 2021



# Management Discussion and Analysis

## Economic Overview

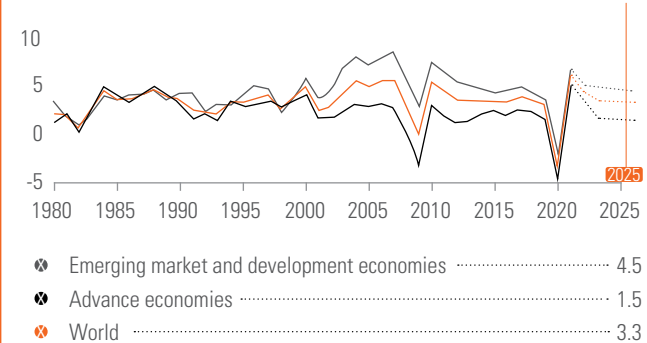
### Global Economy

Amidst an unprecedented health crisis and a subsequent economic crisis, the global economy is estimated to have contracted by 3.3% in 2020. As the lockdown after the COVID-19 pandemic disrupted global supply chains, it further impacted production across the world. The pandemic deepened pre-existing macroeconomic conditions and caused structural imbalances that led to the de-growth of advanced economies by 4.7% in CY2020. While agriculture remained largely unaffected, industrial and service sectors including tourism, airlines and commodity exports were hit hard.

While industries were impacted by disruptions in the global supply chain and production networks, the impact on people aggregating sectors such as travel, tourism and airlines continue till date. Loss of livelihoods affected a large proportion of the global population, impacting the youth, unskilled workers as well as professionals. Household income also suffered due to severe financial stress. The pandemic is estimated to have wiped out a large part of the middle-class, owing to massive job losses during the crisis. Historically, the middle class has been the harbinger of development and consumption in developing economies.

Central banks and governments across the world stepped in to revive the economy with fiscal measures and public spending programmes. The fiscal stimuli offered by Japan, USA, Italy and Germany were more than 25% of their national GDP (as of March 2021)<sup>2</sup>, with USA offering the largest stimulus package.

### Real GDP growth rate (in %)



Source: IMF WEO April 2021

<sup>1</sup> <https://www.imf.org/-/media/Files/Publications/WEO/2021/April/English/text.aspx>

<sup>2</sup> Statista: <https://www.statista.com/statistics/1107572/covid-19-value-g20-stimulus-packages-share-gdp/>

<sup>3</sup> <https://www.imf.org/-/media/Files/Publications/WEO/2021/April/English/text.aspx>

The global economy is projected to grow by 6% in CY2021 and moderate to 4.4% in CY2022<sup>1</sup>, mainly due to the expected availability of COVID-19 vaccines in the market and normalisation of economic activity. However, after fighting a bitter battle against COVID-19, disparities in vaccine distribution and fiscal capacity may put global economic growth at risk. As new variants of the virus continue to threaten the fight against the pandemic with fresh waves in few emerging markets of Asia and localised surge in infections in other places, hopes of an economic revival continue to dwindle. Therefore, coordinated global action would be necessary to tackle multiple challenges related to the distribution and pace of inoculation in various countries along with a proactive plan to counter the emergence of new virus strains across the globe.

### Indian Economy

The Indian economy encountered deep contraction as it rode against global headwinds and an unprecedented health crisis at the beginning of FY 2020-21. Nationwide lockdowns and social distancing protocols severely disrupted the supply chain and production networks. As a result, economic activity came to a near standstill. The slowdown of the Indian economy from the previous fiscal culminated in a considerable decline in GDP growth and it contracted by 7.3% in FY 2020-21<sup>3</sup>.

While several industries regaining some ground post re-opening of the economy, contact-intensive sectors such as travel & tourism, airlines, restaurants, retail are yet to recover from the deep economic shock. The most vulnerable sections of the economy consisting of migrant labour, unskilled workers, the MSME sector and even a significant section of the middle-class bore the brunt of this crisis.

While most economic indicators slipped into the red in Q1 FY 2020-21, economic activity gradually resumed after lockdown restrictions were eased in the following quarters of the fiscal year. Reaching an inflection point in the second quarter, the GDP swiftly slipped into the positive territory by Q3 FY 2020-21 due to strong demand for select sectors, aided in part by the festive season.

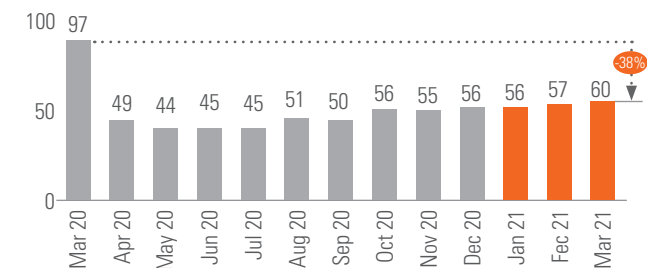
The central bank and government policy support provided some relief to a battered economy dealing with a social and economic crisis. In an attempt to maintain liquidity and support the government's finances, the Central Bank adopted an accommodative monetary policy that breached the 6% upper limit of the inflation target. The RBI offered regulatory support in the form of a moratorium on loans and market interventions that fuelled asset buybacks with an aim to increase investment in the country.

The IMF increased its growth projections for India by 100 basis points between January to April to 12.5% in FY 2020-21<sup>4</sup>. The vaccination euphoria and attendant hopes of recovery have been tempered by the second wave of COVID-19 sweeping through a number of states, putting growth trajectories at risk. The scarcity of essential medical equipment, vaccines and life-saving drugs are indicative of the severity of the crisis. The government's limited room for fiscal stimulus, owing to an overstretched spending in the aftermath of Lockdown 1.0 may compound issues further. However, regional efforts to control the pandemic through night curfews and restrictions on mass gathering is anticipated to affect contact-based services the most. Manufacturing, however, is expected to be cushioned from the repercussions of these measures. The agriculture sector continues to remain unaffected by lockdown restrictions, even though COVID-19 cases have substantially gone up in rural areas recently.

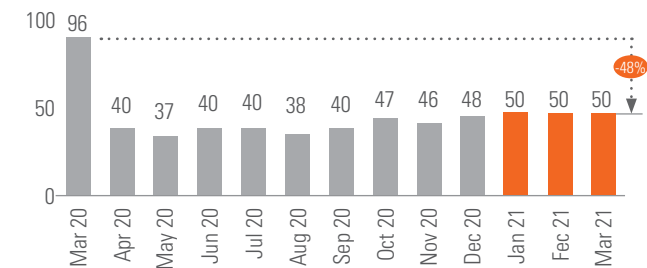
The Indian economy is wading through uncertainty and the fragile recovery is dependent on mitigating subsequent waves of infection, vaccination distribution and adapting to evolving circumstances with greater agility. Furthermore, inflation rates will be influenced by stable monsoons, taxes on petroleum products and international commodity prices, which can exacerbate cost push inflation. As a cloud of uncertainty looms large, it is difficult to predict the resultant output of macroeconomic and microeconomic variables affecting the economy.

### Consumer Sentiment Index

#### Rural Consumer Sentiment Index



#### Urban Consumer Sentiment Index



Source: BCG Published Report

<sup>4</sup> IMF WEO April 2021

<sup>5</sup> GfK India

## Industry Overview

### Consumer Products Business

#### Kitchen Appliances

The Indian Kitchen appliances segment is broadly classified as brown goods and white goods. The distribution channel for small kitchen appliances market in India is dominated by store-based retailers, which cumulatively contributed to ~60% of total retail volume sales. The remaining is distributed through non-store retail channels including e-commerce platforms<sup>5</sup>. The demand drivers for small kitchen appliances and cookware in Indian households are influenced by various factors. Preference for healthier alternatives, demand for minimalistic design and space utilisation and gender-neutral role in kitchens continue to determine the choice of products in Indian households.

India's rapid demographic shifts, a burgeoning population and rapid migration to urban areas continue to accelerate the growth of this segment in India. With growing per capita income and an increase in the number of working women, the demand for aesthetic, modern and efficient kitchen appliances have also increased phenomenally. Moreover, the availability of kitchen appliances on e-commerce platforms have made it easily accessible for people residing in rural hinterlands as well as tier II and tier III cities.

Furthermore, as families spent more time at home due to the lockdown and the emergence of the work-from-home culture compelled many people to increase the consumption of home cooked food. This led to a pent-up demand for advanced kitchen appliances in the latter half of the calendar year. Besides, owing to greater emphasis on environmental concerns and awareness about healthy and nutritive food, consumers continue to switch to energy-efficient appliances that are also capable of retaining the nutritional value of food. In the years ahead, demand is anticipated to grow further in this category.

#### Domestic Appliances

India's domestic appliances segment was affected in the first quarter of FY 2020-21 owing to the COVID-19 pandemic. However, the demand started to pick up in the latter half of the year, mainly led by extended festive season. In addition to General Trade, online sales and Large Format Stores also improved significantly as consumers opted for contactless purchases. The home appliance segment in India continues to remain on a positive trajectory as an outcome of improved standards of living.

As disposable income rises, consumers are willing to adopt smarter and convenient appliances that add comfort to their lives. With growing urbanisation and a fast-paced lifestyle, consumers are looking for appliances that save time and are pocket-friendly. The demand for smart home appliances is also picking pace and is expected to grow even further in the coming years.

#### Fans

India is a tropical country with a significantly long summer season. The hot and humid weather conditions make fans a necessity for residential as well as commercial spaces. The Indian market continues to be one of the largest

consumers of fans. Rising income levels and the accessibility of electricity connections in remote areas of the country continue to boost demand for fans. Consequently, premium products in this segment have witnessed higher adoption due to consumer preferences for products that not only serve a utility purpose but also fulfil demands for better aesthetics and technologically advanced features. In the days ahead, demand is anticipated to further grow in this segment. Additionally, the expansion of the housing sector and faster adoption of energy-efficient technologies continue to aid the growth of this market.

The energy labelling norms for ceiling fans, under the Super Efficient Equipment Programme (SEEP), was expected to be implemented from June 2020. However, the government has deferred it to January 2022 and it is expected to control the upward pressure on prices in this segment.

Furthermore, the COVID-19 lockdowns disrupted supply chains for unorganised players and it accelerated a shift in consumer preferences towards branded and national players. It also led to sporadic demand of Table fans from institutional segments, mainly on account of make-shift hospitals.

The fan industry in India is anticipated to witness phenomenal growth due to increasing affordability and government support. However, the impending star labelling regulations, to be implemented later in FY 2021-22, may create a price resistance for consumers who are already reeling under a financial stress. The declining financial health of households could drag the growth momentum of this segment downwards.

**Consumer Lighting**

The consumer lighting industry is growing rapidly due to increasing access to electricity across the country. LED lighting is gaining popularity and it constitutes a significant proportion of the consumer lighting industry in India. The affordable pricing of LED lights and preference for energy-efficient lighting continues to drive the demand for LED lights.

The market for LED grew 130 folds, from 5 million bulbs per year to 670 million bulbs between 2014 and 2018, as prices dropped from ₹ 400 to ₹ 70 over the same period<sup>6</sup>. The phenomenal growth of LED lights has been driven by demand for energy efficient lighting, efforts to reduce carbon dioxide emissions and increasing access to electricity in low-income households. Besides, the government's UJALA and SLNP scheme continues to increase the preference for energy-saving lights.



The consumer lighting industry is also witnessing demand for value accretive products such as panels, battens and downlighters. Due to rising disposable income and aesthetic awareness, consumers often prefer decorative products for residential as well as commercial spaces.

Furthermore, the ₹ 1,200 crore Product Linked Incentive scheme for manufacturing LED lights is expected to attract investments to the consumer lighting industry. Looking ahead, the industry is projected to show good growth over the next few years. However, given the dynamic nature of this industry, competitive pressures are likely to weigh heavily on industry players and it may lead to rapid price erosions in some segments.

**Opportunities and Threats**

**Opportunities:**

- > *Growing disposable income: Rising income levels have encouraged consumers to invest more on various consumer durable products that add convenience to fast-paced lives. As a result, demand for water heaters, microwave ovens, air coolers and other appliances have gone up significantly.*
- > *Energy-efficient appliances: Environmental concerns have grown manifold over the past few years, coupled with depleting natural resources. The commitment to preserve the ecological balance, therefore, continues to be stronger. This has led to an increased demand for energy-efficient appliances and lighting solutions.*
- > *Rising rural demand: With the growing penetration of electricity in remote areas and the expanding reach and adoption of online shopping platforms, demand from rural areas continue to increase. The steady demand growth has great potential to contribute towards the future of this industry.*
- > *Government initiatives: The successful implementation of various government schemes such as Pradhan Mantri Sahaj Bijli Har Ghar Yojana to provide equitable access to electricity in rural areas, UJALA and Street Lighting National Programme to promote efficient lighting opens up new opportunities for the industry.*

**Threats:**

- > *Demand Uncertainty: Rapidly evolving consumer preferences with respect to features, technological advancements could create challenges across the value chain - from procurement to distribution.*
- > *COVID-19: The sharp resurgence of COVID-19 (second wave) in India has put the brakes on what was expected to be a bounce-back year for the Indian economy. Sales have already been dented by lockdowns and weakened consumer sentiments across many parts of the country. A prolonged impact of the pandemic and the possibility of a subsequent third wave pose a significant challenge for all sectors of the economy.*

- > *Increasing commodity price: Prices of most commodities have increased since the latter part of 2020 and this upward trend has continued right through 2021, leading to an unprecedented rise in raw material costs for all products manufactured by Bajaj Electricals. This poses a significant challenge to the business.*
- > *Competition: The sector continues to see the entry of several new players. This includes players in adjacent product categories that are broadening their portfolio of offerings, as well as completely new entrants to the sector. As a result, heightened competition continues to affect this segment, even though the overall market size is increasing.*

**Engineering, Procurement and Construction (EPC)**

**Infrastructural and Commercial Lighting Sector**

Infrastructure development across the country is increasing the need for illumination across airports, metros, highways, corporate buildings, amusement parks, factories and other places. The lighting industry has also witnessed a paradigm shift from conventional lights to innovative and smart lighting solutions. This is mainly driven by rising awareness about energy-efficient products and



introduction of new and innovative products. Besides, India attracts a lot of foreign tourists and its global acceptance as a tourist destination has increased the need for illumination at different places of public interest.

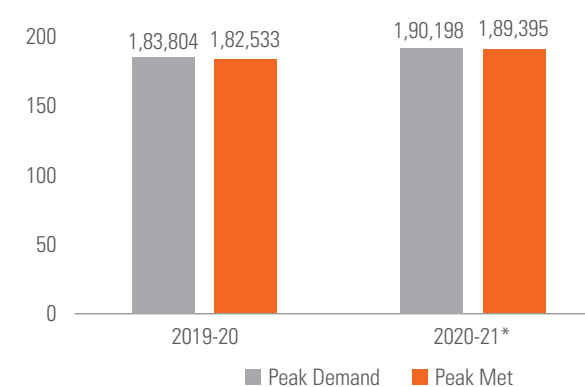
Other major factors such as increasing smart city projects, escalating demand for LED lights & luminaires for use in outdoor applications, and use of integrated lighting control systems is driving the growth of this segment. Moreover, smart, connected and solar lighting systems across industries, especially in modern workspaces, data centres, retail, education and healthcare segments continue to boost the infrastructural and commercial lighting space.

**Power Sector**

The power sector in India is a key driver of industrial development, infrastructural growth and socio-economic welfare. As one of the world's fastest-growing economies with a burgeoning population, India is expected to play a vital role for the future of global energy markets<sup>9</sup>.

The Government of India successfully undertook a range of energy market reforms and implemented renewable electricity deployment projects to improve access to electricity for a large section of the Indian population. The electricity

**Power Supply Position (in GW)**



(Source: Central Electricity Authority (CEA) \*up to February 2021)

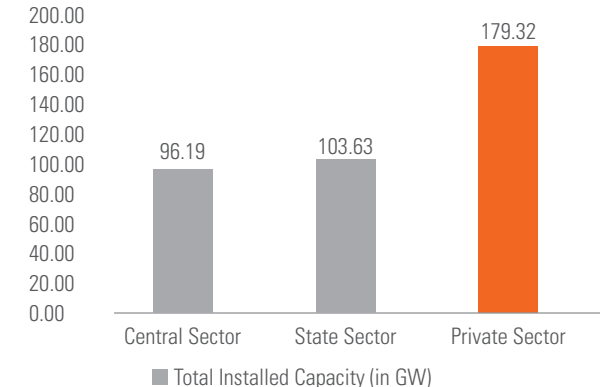
<sup>8</sup> <https://www.iea.org/reports/india-2020>

<sup>9</sup> <https://powermin.nic.in/en/content/power-sector-glance-all-india>

<sup>10</sup> [https://niti.gov.in/sites/default/files/2020-01/IEA-India%202020-In-depth-EnergyPolicy\\_0.pdf](https://niti.gov.in/sites/default/files/2020-01/IEA-India%202020-In-depth-EnergyPolicy_0.pdf)

<sup>11</sup> <https://energy.economicstimes.indiatimes.com/news/power/india-to-add-131-31-gw-power-generation-capacity-till-2022/69954537>

**Total Installed Capacity (in GW)**



(Source: Central Electricity Authority (CEA) \*as on 28th Feb 2021)

<sup>6</sup> Carbon Brief: <https://www.carbonbrief.org/guest-post-how-energy-efficient-led-bulbs-lit-up-india-in-just-five-years>

<sup>7</sup> PIB



generation target from conventional sources is fixed at 1,330 Billion Units (BU) for FY 2020-21, a growth of around 6.33% from 1250.78 BU, recorded in FY 2019-20<sup>9</sup>.

With the rising number of government initiatives for the development of smart cities, housing for all, and the construction of roads and highways, power consumption is expected to grow at a rapid pace. This is likely to increase demand, lead to more power generation and eventually improve the health of distribution companies. The government is also inclined to promote renewable energy and has set a target of installing 175 GW renewable energy projects by 2022, including 100 GW of solar, 60 GW of wind, 10 GW of bio-power and 5 GW of small hydro-power.<sup>10</sup>

### Power Transmission and Distribution

The Indian power sector is undergoing rapid transformation with an aggressive push towards increased energy generation. The country plans to add 131.31 GW of power generation capacity by 2022.<sup>11</sup> To meet the demand for increased power generation, upgradation of Transmission and Distribution (T&D) infrastructure has also become a necessity.

The generation and transmission capacity of the Indian power sector has witnessed remarkable growth. Government schemes such as Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), which aims to promote electrification in rural areas, Integrated Power Development Scheme (IPDS) for strengthening of sub-transmission and distribution networks in urban areas, have added impetus to this sector. Despite the lockdown, 83 new sub-stations were commissioned, 224 sub-stations were augmented and 27,261 Distribution Transformers were installed under DDUGJAY, between April to November 2020. The Smart Meter National Programme (SMNP) has also helped replace 25 crore conventional meters with smart meters. Further, around 12,000 ckm of transmission lines (220 kV and above) were added till October 2020<sup>12</sup>.

The growth in the segment was mainly driven by increased investments in building a viable electricity network as well as supporting regulatory reforms. The industry has also witnessed rapid technological shifts to incorporate energy efficient, ergonomic and economic units. Going forward,



the transmission tower industry is anticipated to see massive electricity demand along with the need to replace an ageing infrastructure. It will require new investments to develop an advanced new-age grid that can support the demands posed by rapid urbanisation and industrialisation.

Though transmission and distribution (T&D) losses in India have been declining at a substantial rate, it still accounts for over 20% of the total generation capacity, which is more than twice the world average<sup>12</sup>. The outbreak of COVID-19 resulted in enormous losses for T&D companies and non-repayment of dues from cash strapped Distribution Companies (DISCOMs) further complicated the problems.

Further, there is an increasing focus on sustainability and technological advancement for driving operational efficiency in the power sector. Coordination between policymakers, investors and consumers is anticipated to introduce notable transformations in the sector.



<sup>12</sup> Economic Survey 2020-21

<sup>13</sup> IEA India Energy Outlook 2021

<sup>14</sup> NITI Aayog 2017 transformative scenario

<sup>15</sup> <https://www.livemint.com/industry/energy/india-electricity-demand-records-a-new-high-on-friday-morning-11611306016785.html>

<sup>16</sup> Saubhagya Portal, Data updated till 2019.

<sup>17</sup> <https://pib.gov.in/PressReleasePage.aspx?PRID=1700614>

<sup>^</sup> Physical offices

### Opportunities and Threats

#### Opportunities

- > According to IEA, electricity demand in India is projected to grow by nearly 5% per year till 2040, as the economy is expected to overtake the European Union in terms of its installed capacity in the next two decades, depending on the progress of the current Stated Policies Scenario (STEPS)<sup>13</sup>. This directly translates into more demand for power distribution and transmission infrastructure in the economy along with the need to reduce the gap created between peak load and supply due to power outages.
- > The introduction of electric vehicles in India opens up a new dimension for power demand in the country. India is forecasted to have nearly 261 million EVs on the road by 2030. Accordingly, a proportionate number of charging stations and associated infrastructure will be required.<sup>14</sup> Moreover, 100% electrification of broad-gauge routes by December 2023 is expected to add to the demand for electrification of mass transit systems.
- > The Government's vision of being a USD 5 trillion economy by 2025, coupled with its emphasis on Make in India and Aatmanirbhar Bharat, is likely to increase power demand from the industrial sector which accounts for nearly 41% of the electricity load of India.<sup>15</sup>

#### Company Overview

Bajaj Electricals Limited, a globally renowned and trusted company is a part of India's leading business conglomerate "Bajaj Group". With a business portfolio that spans across Consumer Products (Appliances, Fans, Lighting) and EPC (Illumination, Power Transmission and Power Distribution), Bajaj Electricals also has a strong presence in premium home appliance and cookware segments with brands like Morphy Richards and Nirlep. The company has an expansive network of 18 branch offices<sup>^</sup>, 500+ distributors and more than 2.18 lakh + retail outlets across India, combined with over

> Demand for electricity is also expected to rise significantly in rural areas due to the successful implementation of the Saubhagya scheme that assures electricity to rural households.<sup>16</sup> Increasing household income in rural areas is also expected to add impetus to this drive. A good harvest season and timely procurement by the Government has also boosted the spending capacity of rural households.

> Around 100 smart city projects are currently underway in India. By 2040, around 100 airports are expected to be added. Along with this, rapid urbanisation and development of new townships, building of Dedicated Freight Corridors, and development of new stadiums are expected to phenomenally increase the demand for outdoor lighting solutions.<sup>17</sup>

#### Threats

- > Sporadic and localised lockdowns owing to the COVID-19 crisis could impede power demand from industrial production, if subsequent waves of infection result in a nationwide lockdown, similar to the one witnessed in early FY 2020-21.
- > Risks pertaining to the failure of schemes implemented to uplift financially stressed power distribution companies.

500 consumer care centres, fortifying its dominant presence in the consumer products sector. The portfolio under the EPC segment of Bajaj Electricals Limited includes high mast and street lighting, sports lighting, industrial and commercial lighting, specialised illumination projects on turnkey basis. The portfolio also extends to EHV transmission line projects, EHV substations, monopoles for transmission and distribution and electrification projects. Bajaj Electricals Limited has always lived up to its ethos of putting the consumer first and meeting its core brand value of 'Inspiring Trust'.





## Business Segment Overview

### Consumer Products Business

During the year under review, the Company's consumer products business maintained a strong growth momentum as it strengthened its market presence and delivered superior quality products despite the challenges posed by the COVID-19 pandemic. The above-par growth was noticed across categories, including Kitchen Appliances, Domestic Appliances and Fans.

The onset of the pandemic at the beginning of the year caused major disruptions to the supply chain and manufacturing activity. However, despite the initial hurdle, the Company's operations were back on track after the lockdown restrictions were slowly withdrawn in phases. This led to a demand revival for key products such as mixer grinders, Oven Toaster Grills (OTGs), microwave, kettles, induction cooktops and household essentials.

Demand for products grew further during the extended festive season, registering phenomenal growth in the third quarter. Besides, e-commerce also emerged as a significant growth driver during the year.

Though the Fans segment lost crucial summer months in the first half of the year, it performed well during the rest of the year, registering ~2.5-3x growth in comparison to the industry average in the second half of the year. This was achieved on the back of robust supply chain management and strong product promotion on digital media. We also increased our market share in the segment.

Further, in the water heater segment, Bajaj Electricals continues to be a market leader. As the demand for non-stick cookware, pressure cookers and gas stoves continued to increase, acceptance for the company's offerings also improved significantly. However, the air cooler segment and the lighting business were adversely impacted due to the pandemic.

The Company continued to launch a variety of unique and innovative products. Including antiviral and antibacterial fans, air coolers and gas stoves. NutriPro mixer grinders, and other advanced products were also introduced after the pandemic. These were mostly conceptualised later, considering its impact on health and hygiene.

In the export market, Bajaj Fans continued to be key revenue drivers. During the year under review, the Company expanded into newer markets of Fiji and Somalia. The Company also witnessed robust sales growth in key geographies of Ghana & Nigeria (West Africa); Dubai & Oman (Middle East); and Bangladesh & Sri Lanka (Asia).

The growth in export revenue was mainly driven by the Company's efforts to expand its distribution network and introduce top selling and new products. The appointment of new partners for unrepresented product categories and the use of digital platforms for communicating product-centric information in different regions enabled the Company to further expand its foray into the export market.



₹ 3,315

Total Consolidated Consumer Products revenue in FY 2020-2021 (crore)

169

SKUs launched in FY 2020-21

Bajaj products occupy

**No.1**

position in 3 out of 12 high potential categories (Mixing Appliances, Water Heaters, Irons)

Consumer Products Business - Four broad categories	Sub-category	Percentage share in total revenue mix in FY 2020-21
Appliances (includes kitchen and domestic)	Mixers, Food Processors, Juicer Mixer Grinders, Induction Cookers, Rice Cookers, Oven Toaster Grill (OTG), Microwave Ovens, Non-electric Kitchen Appliances (NEKA), Pressure Cookers and Gas Stoves, Water Heaters, Irons, Air Coolers and Room Heaters	53.8%
Fans	Ceiling Fans, Table Wall Pedestal, Air Circulators, Domestic Exhaust Fans	26.6%
Lighting	LED Lamps, Battens, Panels, Electrical Accessories	12.5%
Morphy Richards	Coffee Makers, OTG, Microwave, Juicer Mixer Grinder, Toasters, Water Heaters	7.1%

### Nirlep Appliances

During the year under review, Nirlep Appliances continued to record steady progress due to the implementation of various strategies at the group level, with a focus on increasing the reach of Nirlep products. This resulted in strong growth of the brand. In order to increase sales, the Company streamlined its supply and distribution network. Along with ensuring adequate stock availability of NPG [NEKA (Non-electrical kitchen appliance), Pressure Cooker and Gas Stove] products, 15 exclusive distributors were identified to strengthen its existing retail distribution network. To incentivise retailers, NPG Special schemes were also introduced. Continuous brand promotion on TV, Print Media and Digital Platforms contributed to the rapid growth of this segment.



### Morphy Richards- Premium Home and Kitchen Appliance Brand

The financial year 2020-21 has been an excellent year for Morphy Richards. Registering growth of 12.6% YoY, it continued to increase its market share in the kitchen appliances segment. The company successfully met the increased demand for cooking & baking appliances during the year under review by expanding its retailer network to 543 distributors. The products were also readily available across e-commerce platforms and modern format retail (MFR) channels. Various promotional campaigns on digital media, print advertisements, influencer engagement initiatives and sponsorship for leading shows boosted awareness of the brand and sales in this segment.

Sales through the trade channel also saw a significant growth, owing to the Company's ability to focus on top cities and key retailers. Attractive offers on MR Kitchen appliances also increased sales. OTG, Microwave, Room Heater, Food Processor, Coffee Maker and Induction Cooker were among the top categories that drove the overall sales growth of Morphy Richards products. The Company also launched 15 new and innovative products that received positive feedback from the market for the use of innovative technology, its convenient usage and appealing aesthetics that made it suitable for modern homes and kitchens.



### Sales Performance through various distribution channels

Sales volume through trade sales and alternate channels grew despite the challenges faced during the year. The movement of goods were largely restricted due to the countrywide lockdown. The Company used an appropriate mix of offline and online channels to increase sales volume as well as broaden its market reach. During the year under review, the Company also managed to improve the structure of this segment and initiated agile, efficient and industry-friendly operations. Additionally, the Company focused on reducing overall costs to drive profitability.

Sales volume through the **Trade Sales** channel grew by 12.49% YoY<sup>A</sup>, which was more than the industry average. Growth was achieved across all zones as well as major product categories, including water heaters, mixers, gas stoves, induction and room heaters. The Company continued to assess and review performances regularly and moved stocks to zones where demand was witnessed. The Company focused on zero billing retailers and de-growing retailers to further expand volumes.

Further, it adopted Same Store Sales Growth (SSSG) strategy to increase extraction from existing retailers. This initiative is aimed to improve secondary sales at the retailer level via higher churn of champion SKUs and better range placement.

To ease operations during the pandemic, the Company undertook orders from retailers through its mobile application. It also implemented a COVID Tracker which allowed the Company to identify areas under complete lockdown, partial lockdown, containment Zones and those that were open for business. It helped the Company to reach out to retailers in different parts of the country and considerably increase sales volumes. Going forward, it will continue to expand its reach, especially in rural areas, through this channel and focus on increasing the sale of premium products to improve its bottom line.

The **E-commerce channel** recorded highest sales growth of 40.87% YoY<sup>A</sup> in FY 2020-21 and emerged as the second-highest sales channel in the consumer product segment. The growth was mainly driven by increased online shopping and the adoption of digital technology by a large section of the population. The Company also adopted various strategies, including product launches, investment in online merchandising, digital campaigns, search engine optimisation etc., to promote its products on e-commerce portals like Amazon, Flipkart, TataCliq and Paytm. Alongside, the Company engaged strongly in digital marketing, influencer marketing and consumer engagement initiatives to promote its products. The Company also focused on backward integration of operations and proactively adopted & implemented various processes/systems like Vendor & Seller Flex supply chain models by

12.49%

YoY growth in Trade Sales

40.87%

YoY growth in E-commerce sales



collaborating with third party logistics service providers. This enabled the Company to ensure cost optimisation, availability of products and reduction in delivery time. These strategies enhanced the visibility of the Company's products on e-commerce platforms and made it one of the most preferred brands. During the year the Company also strengthened its leadership in the Small Home Appliances segment.

Both the formats of **Modern Trade Channel**, National Format Retail (NFR) and Regional Format Retail (RFR) delivered steady performances in FY 2020-21. The Company managed to grow sales through these channels, even when stores remained closed during the early phase of the lockdown and were partially open in the next few months when the unlock phase started across the country. The growth can be attributed to the Company's efforts to supply seasonal products way before demand peaked. This, along with a sharp focus on demand generation activities like attractive combo offers, promotional deals at the store level and effective use of the digital medium to drive footfalls helped to optimise the sales throughput. The Company also focused on selling its premium products along with the best-selling products. It also undertook special initiatives to liquidate ageing stocks. This enabled the Company to sustain margins and drive revenue growth. During the year under review, the Company added 10 more unique clients, as a part of its RFR expansion initiative and driving its retail footprint across the length and breadth of the country.

The Company's **Institution Business**, including both Government and Corporate institution segments, cumulatively registered revenue growth of 2.9% YoY<sup>^</sup> in FY 2020-21. The Company restructured its product portfolio and added new products to drive demand. The Company also aggressively forayed in sectors such as Cement, FMCG, MES and Pharmaceuticals. As a strategic move, the Company tapped opportunities emanating from Rewards & Recognition (R&R) initiatives of various corporates in the year gone by.

The **Government Channel** consisting of Canteen Stores Department (CSD) and Central Police Canteens (CPC) remained the most affected business segments in FY 2020-21. Due to prolonged lockdowns, government spending reduced and government policies to ban the use of imported products resulted in a significant decline in this segment. Besides, canteens too remained closed for a long time after the Coronavirus outbreak. The Company, however, managed to sustain its leadership and increased its market share in this channel with strategic efforts and a deep-rooted engagement with respective departments. The Company utilised this opportunity to introduce new products that met consumer requirements and adopted newer methods of communication to directly extend its reach to new customers.

(<sup>^</sup> based on gross sales)

**2,000+**

Orders delivered through Omni-channel

**2.18+**

Retailers as on 31st March 2021 (Lac)

**543**

Distributors as on 31st March 2021

**1,500+**

RFR stores across the country (as on 31st March 2021)

**R&D and Innovation**

Bajaj Electricals prioritises consumer aspirations, needs and market requirements to design products that fulfil evolving consumer preferences. Utilising its deep domain knowledge, the Company successfully developed and introduced various new products to the market. During the fiscal year 2020-21, Bajaj Electricals received an overwhelming response from customers for its unique and innovative products.

Based on a thorough market research, the Company strived to understand changing customer preferences. Leveraging the information gathered from these studies, the Company developed products that were highly appreciated. Further, the government's push to promote locally produced goods enabled the Company to explore better opportunities. The recent COVID-19 pandemic also increased awareness about health and hygiene, allowing the Company to launch products designed to cater to these needs.

The Company launched 479 SKUs in FY 2020-21 - a testimony to its promise of being closer to customers. In the consumer product business, it developed and launched new antibacterial, antiviral, heat resistant, metallic finish products with green technology coating and NutriPro products to address evolving customer demands. For its Illumination range, it developed and introduced extra bright LED lightings and energy-efficient products. Further, the Company developed and introduced the first-of-its-kind 'Made in India' 1.5kW Stadium light.

**5**

Patents filed in FY 2020-21

**22**

Design registrations filed in FY 2020-21

Products available in

**1,600+**

NFR stores across the country (as on 31st March 2021)

**Amongst Top searched and discovered brands**

on various e-commerce platforms, including Amazon and Flipkart

**Out of the box Innovation**

**Antiviral and Antibacterial solutions**

The Company's R&D team, in collaboration with experts in nanotechnology and coating specialists, developed unique formulations that were used for producing consumer products that emphasised product safety during the pandemic. These formulations were tested at third-party laboratories to ensure its adherence to strict quality standards mandated by Japanese standard test protocol and ISO test protocol. The Company launched innovative Junet, Euro NXG and Flowret Ceiling fans with Antiviral Antibacterial coating. In addition to these, Bajaj Electricals also launched a cooler range with Antibacterial honeycomb.

**Mumbai Port Trust project**

The Company's bid for a project from Mumbai Port Trust for deploying LED floodlights was successful. It involved the conversion of 300W floodlight fixtures to 180W lighting fixtures, made with specially designed optics for attaining maximum energy efficiency. This project aimed to reduce costs significantly while maintaining energy efficiency. The Company's product innovation capabilities strengthened its bid for the highly acclaimed project.

**Consumer Care**

Bajaj Electricals is renowned for its quality service and its persistent focus on consumer satisfaction. The year under review has been a challenging year due to the nationwide lockdown imposed on account of the COVID-19 pandemic. However, the Company resorted to innovative methods to

overcome challenges faced by consumers, while abiding by the safety protocols specified by the government.

Despite the lockdown, the Company reached out to consumers. Consumer care agents were provided movement passes, as per government guidelines. During consumer visits, the agents ensured proper sanitisation of tools and equipment and adhered to social distancing protocols. The Company also resorted to digital channels to resolve consumer complaints during the pandemic. Issues were either addressed over the phone or via video calls. Moreover, the Company posted 'Do It Yourself (DIY)' illustrative videos on social media platforms to create consumer awareness and improve product understanding. To enhance consumer satisfaction, the Company also offered free installation services on the purchase of water heaters. The company also provided product demonstration for some of the product categories.

The Company's continuous emphasis on meeting consumer needs enabled it to record 99% consumer satisfaction scores for after-sales services. Additionally, the Company has an active complaint redressal system that solves more than 96% of the complaints within two days. Based on inputs and feedback from consumers, the Company has successfully taken steps to improve its services further. The Company also focuses on consumer interaction techniques to ensure excellent service.

Apart from the call centre facility for complaint registration, the Company provides round-the-clock complaint registration services through its website, online platforms and chatbot.

**556**

Service franchisees in FY 2020-21

**18,000**

Pin codes reached in FY 2020-21

**99%+**

Consumer satisfaction

**96%**

Complaints resolved within 2 days



Scan the QR code to know more

**Product Marketing and Branding**

The Company believes that a consistent multilayer strategy is required for creating an optimum brand presence. It has, therefore, formulated key long-term and short-term strategies to enhance its brand reach and strengthen brand recall. During the pandemic, most consumers were focused on their health and well-being and concentrated on essential expenditure. Thus, it was vital for the Company to reach out to consumers through the right channels and offer products that met specific requirements.

The best way of connecting with consumers, especially the new-age millennial customers, was through a combination of online and offline channels of communication. The Company believes that delivering a consistent and an integrated communication approach, across consumer touch points, is more important than being on any one channel.

Among online platforms, social media has emerged as the strongest digital advertisement platform and has enabled the Company to drive consumer engagement. The Company has a strong presence across platforms, including Youtube, Facebook, Twitter, LinkedIn and Instagram. The Company's Social Media platforms have undergone a significant shift from a support function under the brand's marketing strategy to becoming an actual platform for business. The Company has also strongly focussed on strengthening its SEO (Search Engine Optimisation) and SEM (Search engine Marketing) strategies to reach its target audience.

The Company also has amplified its branding on offline modes such as TV and Print mediums, In-Shop Branding, and other store visibility tools like Free Standing Units and Counter-Top Units to reach mass markets. During the year 8 major brand building multi-media campaigns were rolled out for our focussed categories like Air coolers, Fans, Water heaters, Mixer Grinders, Irons & Nirlap to substantially improve the overall Share of Voice across categories in FY 2020-21.

To further improve customer engagement during the pandemic, the Company introduced unique services. It allowed the customers to interact through WhatsApp. The initiative helped to resolve queries and allowed the exchange of tips and menus that aimed to make cooking fun for customers. Besides, specially curated product demo videos for kitchen appliances were

also shared with consumers to provide a better understanding of product usage without the help of a technician/customer care agent.

In FY 2020-21, the Company:

Reached out to more than  
**2 lakh+**

Retailers across 700 districts through its RREP initiative

Branded  
**7,000+**

Stores for both Bajaj and Morphy Richards products

Focused on creating a robust  
**Commercialisation process**

to enhance new product effectiveness in the market

Supported  
**200+**

Virtual and physical events including Product Exhibitions, Retailer Meets & Dealer Engagement Programmes

**Outlook**

Bajaj Electricals is geared to drive growth in this segment in the coming years. The Company is looking forward to consolidating its market position through network expansion and network augmentation. E-commerce platforms and digital marketing will continue to play a crucial role in driving the company's top line.

The Company also aspires to invest in new and innovative products to strengthen its brand reputation, visibility and reach. By leveraging digital platforms, the Company aims to boost sales and strengthen its supply chain to meet the increasing demands from domestic and international markets. The Company remains confident about maintaining its growth momentum, fortifying its reach, adding exclusive dealers for its NPG products and maintaining its market leadership in key product categories.



**Illumination**

The Illumination business faced various challenges, including a drastic reduction in investment from commercial & industrial sectors, closure of trade channel for almost 4 months and delay in infrastructure projects. Sales volumes across the industry fell on account of these issues. But, resting on its sound strategies and agile responses to mitigate the adverse impact of the pandemic, Bajaj Electricals continued to grow its market share, on a month-on-month basis.

The following initiatives helped the Company to overcome challenges efficiently:

- > Special pricing for key products and best-selling products in the retail segment.
- > Focus on smaller smart lighting projects that continued despite hardships caused by the pandemic.
- > Introduced new and innovative products such as well glass and high bay that were suitable for steel industry & Public sector Unit expansions.
- > Introduced a range of economical streetlights to meet the reduced budgets of local municipalities
- > Leveraged digital platforms to connect with dealers, channel partners and colleagues for various purposes, including online training, product launches and customer seminars. Online pre-bid meetings were also conducted through digital platforms.
- > Liquidation of non-moving inventory of finished goods and raw materials for better cash flow.

During the year under review, the following prestigious projects were executed:



**Street lighting**

- > Energy Efficiency Services Ltd. (EESL)
- > National Highway Authority of India various projects



**High mast and Area lighting**

- > GMR Delhi International Airport Limited
- > National Project Construction Corporation Ltd. (NPCC) Meghalaya



**Commercial Lighting**

- > Delhi Metro Rail Corporation



**Stadium Lighting**

- > Delhi Development Authority Stadium
- > BIRSA MUNDA Stadium Job



**Solar lighting**

- > Solar Products from Tamil Nadu Gram Panchayat



**Architectural lighting**

- > Decorative Poles from Warangal Smart City
- > Architectural Lighting Orders by National Art Gallery Delhi, Sidwan Canal Ludhiana, Pune Municipal Corp: 2/7 Bridges executed

**310**

New products launched in FY 2020-21

**Leading position**

In Outdoor Lighting (Street, Area & Stadium) and High Mast & Poles segment

**No. 2**

Position in the overall B2B illumination segment

**Outlook**

The Company is dedicated to developing new and technologically advanced solutions with a focus on value engineering. It plans to adopt Key Account Management (KAM) Strategy to explore untapped and underserved markets. In line with the same, the Company has created two KAM verticals to focus on the private segment and public segment. Further, dedicated accounts are being driven through each KAM to increase the wallet share from those accounts. The Company also aims to diversify its business by exploring new revenue streams and securing special projects.



**Engineering, Procurement and Construction**

**Power Transmission**

During the year under review, the business commissioned 13 projects including substations, transmission lines and monopole projects. The major projects executed in FY 2020-21 include the following:

1. A total of 8 substations commissioned for two primary clients - Madhya Pradesh Power Transmission Corporation Limited (MPPTCL) and Karnataka Power Transmission Corporation Limited (KPTCL). 5 substations commissioned for MPPTCL and 3 substations were commissioned for KPTCL.
2. Under the West Bengal State Electricity Transmission Company Limited (WBSETCL), the business commissioned the first GIS (Gas Insulated Substation) to strengthen its position in this niche segment.
3. Commissioned its first international project in Zambia under Zambia Electricity Supply Corporation Limited (ZESCO)
4. The Company achieved a steady growth of 25% in the monopole segment and expanded into new territory with the MMRDA metro Line diversion work. The Company has been a pioneer in this specialised area and has further cemented its position in the year gone by. Unexecuted order book of monopoles now account for 37% of its overall order book
5. The Company bagged pre- qualification for 400 kV Bay extension works which will pave the entry for the Company into a growing segment.

As of March 31, 2021, the company has completed more than 6,155 CKms of transmission lines on turnkey basis in the voltage level between 110kV and 765kV and supply in excess of 3.3 lakhs MT transmission line towers of up to 765 kV line voltage. As on 31st March 2021, the order value for the power transmission segment stands at ₹ 476 crore.

**Outlook**

Moving forward, the Company aims to ensure profitable growth for its power transmission segment by increasing the size of the monopole business and establishing its credentials in the higher voltage substation segments. The monopole business is projected to grow further, mainly on account of various road widening, metro rail and flyover projects in tier II and tier III cities.



Further, the Company's foray into the 400kV Bay extension project from Power Grid Corporation of India Limited (PGCIL) (currently L1 in this job) will pave the way for future growth in the niche 400kV substation segment. It will allow the Company to gain entry in an exclusive bracket of vendors having both 400kV line and substation construction credentials. Moreover, post successful commissioning of its project in Zambia, the Company is eyeing opportunities in Sub-Saharan Africa and the SAARC countries.

**Power Distribution**

During the year under review, the business (BU) was adversely impacted by the pandemic. The Company focused on driving effective completion of the multiple legacy projects in hand before bidding for additional projects, recovering receivables and curtailing operating losses from this business through cost control measures and better resource planning. The Company has also been working on enhancing overall project management skills of the teams and establishing robust systems and processes to enable superior project execution going forward.

Some of the major projects undertaken in FY 2020-21 included:

**Rural Electrification (DDUGJY & SAUBHAGYA Scheme)**

- > Executed electrification works in Uttara Kannada, Belgavi, Mysuru, Shivamogga & Hassan districts of Karnataka
- > Accomplished electrification works in Darbhanga, Champaran, Madhubani, Samastipur, Gaya, Rohtas and Begusarai districts of Bihar
- > Construction of new 33KV/11 kV Substations in the Malda District, West Bengal
- > Rural Electrification in 23 districts of Uttar Pradesh under Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya)
- > Electrification works of Birbhum, Bankura, Malda, Jalpaiguri and Darjeeling districts in West Bengal

**International Projects**

- > Design, supply, installation and/or extension of low voltage single phase lines and service cables in Nandi and Kakamega regions. The project has been awarded by Kenya Power Lighting Company
- > Electrification works of 150 localities in Togo (Lot 1) Mediterranean region, West Africa

**Electrical Works (IPDS Scheme)**

- > Electrification works of Purnia and Bhagalpur districts in Bihar.
- > Electrification works of Tumkur District in Karnataka,

**Outlook**

Going forward the Company will focus on substation, monopole and feeder separation orders after recovering its outstanding dues. This is anticipated to control project management costs with better overheads and stronger management of capital employed. The Company is also eyeing various opportunities for acquiring Feeder Separation Program and Substation projects and securing Monopole orders. The company is expanding its operations in export markets due to lower market competition in the power distribution segment, predictable cash flows, and better margins.

**Human Resource**

The Company believes a talented, engaged workforce and enabling work culture are essential components to bringing business strategies to life. During the year under review, the Company faced evolving business dynamics amidst the pandemic and continued to align HR initiatives to support the business.

Throughout the year, the HR Department strengthened its efforts to ensure the health and wellbeing of its employees. It issued work-from-home guidelines, offered additional COVID-19 insurance cover, conducted virtual employee engagement programmes as well as health & wellness sessions to keep its people motivated and ensure their physical and mental well-being.

Here are some initiatives implemented by the Human Resource department during the year:

- > Introduced 'Learn, Engage, Adapt, Develop' (L.E.A.D.) – an initiative to continue employee learning through a virtual format. It includes programmes to strengthen employee capability by enhancing functional and managerial skills. A learning management platform (WELearn) was also introduced to host online courses for employees.
- > 'Anugam', the Company's Induction programme, went online and senior leaders welcomed new members virtually.
- > Optimisation of human resources and restructuring of teams to improve productivity and efficiency.
- > Boosting the leadership team to further strengthen the Company's performance.
- > Linking the performance management system and shared goals to individual performances and departmental requirements.
- > Creating a competitive compensation and benefits structure and revisiting the employee recognition programme to keep employees motivated and engaged.
- > Shaping an inclusive organisational culture to empower employees.



- > Revamping the career portal to make open positions easily visible, on a real-time basis.
- > Revision of employee referral programme to encourage employees to attract suitable talent to the organisation and strengthen the Company's corporate image.

In FY 2020-21, the Company participated in an external survey by Great Place to Work (GPTW) for the very first time, to get feedback about employee experiences and organisational culture. Post rigorous evaluation by the external vendor, the Company has been recognised as a Great Place to Work in India (Mar '21-Feb '22), marking a remarkable achievement in the Company's journey.

**No Pay-cuts**

The Company provided full salaries to all its employees despite the challenges posed by COVID-19

**2,956**

Employees as on 31st March 2021

**2,629**

Unique employees participated in training programmes

**91%**

Of the total training programmes were conducted via internal trainers and sukaraks

**Quality Review**

Bajaj Electricals has earned its reputation as a reliable and trustworthy brand, supplying superior quality products across diverse segments. The Company's robust quality management system enables it to adhere to stringent quality standards. It is an ISO 9001:2015 certified organisation. To ensure the highest standards of quality, each product is screened during the manufacturing process and is subjected to further scrutiny at various levels before it is delivered to customers.

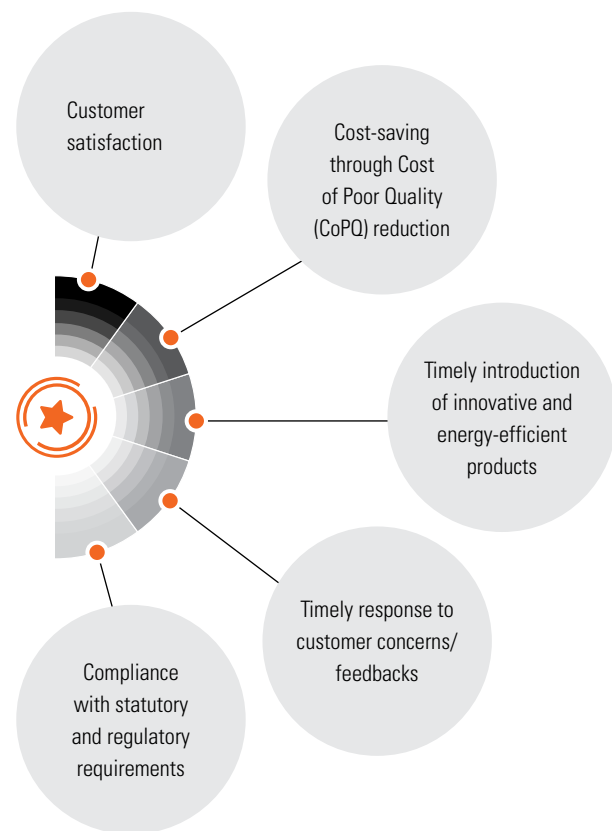
To minimise manual interventions and check faults, the Company has digitised its quality control procedures. During the year under review, the Company underwent a transition from 'QC2QA' with a product-oriented to process-oriented approach, shifting from defects detection to prevention to undertake a proactive role in determining the quality of products. Under its 'Lakshaya Pancham' project, the Company has also introduced Statistical Process Control (SPC) in manufacturing to enhance the aesthetic value of products and upgrade critical processes.

Moreover, the Company regularly analyses field failures and undertakes necessary corrective actions to fulfil its objective of zero failures. In addition, the Company has initiated Total Productive Maintenance (TPM), Value Analysis and Value Engineering (VA&VE) and process improvement projects to improve the quality of products.

**>50%**

Reduction in market complaints over the last 4 years

**Bajaj's Quality principles**



**Manufacturing excellence**

The fiscal year 2020-21 was a challenging year for manufacturing operations. Plants remained closed in the wake of the COVID-19 pandemic and the situation in Maharashtra, where the Company's plants are located, worsened further as the number of COVID-19 positive cases increased. As a result, the Company implemented business continuity plans, strictly adhering to COVID-19 protocols that ensured the health and safety of its employees. The Company also focused on improving its operational efficiency while driving down costs.

With the easing of lockdown restrictions, the manufacturing units started operations. Along with regular sanitisation, social distancing protocols were strictly followed. To ensure smooth operations, the Company formed more than 60 cross-functional teams (CFT) to address key concerns related to productivity, quality, cost optimisation, maintaining adequate inventory levels, increasing operational efficiency and improving capacity utilisation.

Technology remains the bedrock of our manufacturing excellence. Most of our products, like, water heaters, fans, LED lights, pressure cookers and mixer grinders, are backed by the latest technology to produce quality products.

In continuation of the Company's endeavour to promote clean energy usage, rooftop solar has been installed at two manufacturing facilities – Chakan and Ranjangaon – with an installed capacity of 1.6 MW and a potential to generate ~23 lakhs units annually.

The Company also plans to implement IoT (Internet of Things) over the next two years, with a pilot project expected to begin in FY 2021-22.

Plant Location	Key Products manufactured
Ranjangaon, Maharashtra	Poles, Monopoles and EPC products
Chakan, Maharashtra	Fans and LED products
Shikohabad, Uttar Pradesh	LED bulbs and battens
Parwanoo, Himachal Pradesh	HID lamps
Starlite*, Maharashtra	Water Heaters, Mixers, LED bulbs & battens
Nirlep**, Maharashtra	Non-stick cookware, Pressure Cooker

\* Starlite is a joint venture of Bajaj Electricals Limited as on March 31, 2021

\*\* Nirlep is a subsidiary of Bajaj Electricals Limited as on March 31, 2021

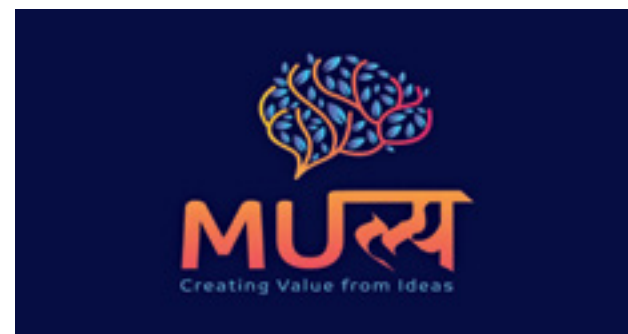
**Supply chain management and Logistics**

Supply chain management (SCM) plays an essential role in collaborating with partners (from finished goods to Tier 2 to nth sub-components) and improving value creation across the supply chain. The company is heavily dependent on contract manufacturing model and a resilient supply chain is essential for making finished goods available on timely basis.

Last financial year was extremely challenging, considering the effects of the pandemic that derailed the entire world. It presented various headwinds in terms of raw material volatility, labour shortages, factory shut-downs, congestion in logistic chains and restriction on imports. Indirect impacts such as liquidity crunch, inventory issues and inadequate supply of sub-components also posed a serious threat to smooth recovery.

However, the SCM team overcame challenges through strategic efforts. The 'Make vs Buy' analysis at overall finished Good and critical components level proved to be beneficial for the team. It aimed to address potential supply shortages to ensure uninterrupted availability of products. This initiative was complemented by dedicated efforts of 'Alternate Sourcing Development' which helped to expedite capacity augmentation. The initiative focused on visiting the entire supply ecosystem, covering multiple sub-component suppliers (Tier 2 to Nth), and aiding import localisation at a brisk pace via online and offline workshops.

To ignite the entrepreneurial spirit and capitalise innovative ideas from employees and key stakeholders including Supply Partners, the Company launched 'Project MULYA'. Due to this initiative, sourcing of commodities was centralised and it offered better controls to support partners in a volatile market.



All these key initiatives were ably supported with a Partner-Centric approach, wherein the 'suppliers' were referred to as 'partners' to encourage seamless communication about areas of concern. BEL offered financial help to supply partners and encouraged them to arrange manpower, provide skills training required for the job, and increased shift timings to increase output with limited resources. Financial support has been extended for trade finance and early payments.

To ensure business continuity, the company also focused on the health and safety of people and offered COVID protection kits and other necessary help, whenever necessary.

The Company also collaborated with Mahindra Logistics Limited (MLL) to offer innovative logistics optimisation and outsourcing services under 'Project Samridhhi'. The project involves end-to-end redesigning and outsourcing of Bajaj Electricals' logistics services by MLL, with the twin objectives of achieving improved and best-in-class service levels and reducing logistics cost by over 25% annually. It is one of the largest deals in the Indian logistics industry, worth more than ₹1,000 Crore, to be carried over in the next 5 years. MLL will completely revamp and consolidate the company's logistics network with storage optimisation, transportation management, and inventory management through the integration of advanced technology and automated processes.



At the core of the network will be 2 large ultra-modern warehouses located near Delhi and Mumbai. It will be equipped with the latest technology and automated facilities to enhance productivity and efficiency. MLL also strives to introduce sustainable practices at the warehouses to reduce its impact on the environment.

This network will further accommodate sophisticated fulfilment centres to improve delivery lead time for customers, dealers, and distributors. MLL will also deploy long-haul fleets and local distribution trucks, equipped with the latest tracking technology and set up centralised control towers to ensure smooth operations. MLL also looks forward to using electric delivery trucks from EDel to support Bajaj Electricals' sustainable logistics practices.

Going forward, the company strives to sustain a geographically diverse partner base and rely on new-age technologies to automate supply chain processes & maintain strong relationships with its partners. It also aims to increase the visibility of the supply chain, from sub-component suppliers to the distributor level. BEL further aspires to improve overall profitability, deliver superior quality products, decrease time to market, introduce innovative and unique products, and reduce its environmental footprint.

**Information Technology**

At Bajaj Electricals, the role of technology has been critical for executing complex business operations. During the year under review, technology played a vital role in supporting business performance as the company shifted to remote working for many of its operations. It enabled them to deliver desired results and offer unique customer experiences. It also ensured business continuity with a smooth transition to the 'Work from Home' model. The company equipped its employees with necessary tools and software to support remote working and developed various digital applications like 'BEL Connect' to ensure smooth and seamless operations. Further, it also formed a dedicated IT team to undertake proactive efforts to manage operational challenges on a real-time basis.

The company has also decided to adopt SAP S/4HANA platform, a future-ready enterprise resource planning (ERP) system powered by AI, machine learning, and advanced analytics. It will provide a comprehensive coverage of end-to-end business processes within the organisation as well as with partners. Further, it also plans to adopt other SAP platforms such as SAP Project systems for EPC segment, SAP Integrated Business Planning and SAP GRC to further strengthen its business operations.

It is also going to implement Product Lifecycle Management software (PLM) that offers an all-round view of the product across multiple cross-functional teams. It will act as a single source for controlling and monitoring most of the data and processes involved in product development.

In order to improve productivity, efficiency and optimise operational cost, Bajaj Electricals strives to implement a smart factory by adopting technologies adapted to the needs of Industry 4.0. The company also aims to launch various connected products and services through its B2B and B2C business segments. Further, it is also planning to implement a conversational bot for its customer care segment and e-commerce platform.

The Company believes communication and collaboration are vital for inspiring, encouraging and empowering new ideas. Thus, it is setting up an innovation platform that will allow employees as well as channel partners, consumers and other stakeholders to share ideas and thoughts revolving around new product development and process improvement.

**46** Employees in the IT team

**13.5 years** Average experience of IT Team





## Financial Analysis

Particulars	(₹ in crore)		
	FY21	FY20	YOY Change (%)
Revenue	4584.60	4987.23	(8.07)%
EBIDTA	372.38	254.46	46.34%
EBIT	297.21	180.79	64.39%
Finance Cost	76.43	170.78	(55.25)%
PBT	246.27	10.01	2360.39%
PAT	188.96	(10.29)	(1936.78)%

### Key Financial Ratios:

Particulars	FY21	FY20	YOY Change (%)	Reasons for change, where change is significant
EBIDTA Margin	8.12%	5.10%	59.19%	Increase in margins due to Consumer Products Business contributing higher sales mix at 72.3% vs 62.1% last year. Also, supported by higher gross margins for CP business and reduction in overheads.
EBIT (Operating) Margin	6.48%	3.63%	78.83%	Same as above
PBT Margin	5.37%	0.20%	2576.47%	Increase in PBT due to reduction in finance cost by ₹ 94.3 crore. Also, exceptional gain of ₹ 25.5 crore in FY21 on account of derecognition of associate (Hind Lamps Limited)
PAT Margin	4.12%	(0.21)%	(2098.09)%	Higher PAT, due to higher PBT. Also, last year there was a write-off of deferred tax assets of ₹ 13.9 crore, due to change in the income tax rate from 34.9% to 25.2%
Debtors Turnover	2.06	1.76	17.25%	Marginal drop in total revenue compared to sharp reduction in debtors. Revenue dropped by 8.1% whereas closing debtors reduced by 24.4%, from 2,536.5 crore to 1,916.9 crore
Inventory Turnover	3.84	4.76	(19.26)%	Reduction in ratio, due to significant increase in inventories by 41.1% from ₹ 698.9 crore to ₹ 986.4 crore
Interest Coverage Ratio	4.36	1.11	292.55%	Increase in ratio due to increase in adjusted EBIT by 64.3% further supported by reduction in adjusted interest cost by 58.1%.
Current Ratio	1.17	1.11	4.88%	Marginal increase in ratio due to reduction in overall short-term borrowings
Debt Equity Ratio	0.30	0.71	(58.21)%	Positive cash flow from operations of ₹ 658.1 crore, largely used to repay debt. Reduction in debt from ₹ 962.0 crore to ₹ 470.6 crore.  Increase in total equity due to higher profits for the year.
Return on Net Worth	12.91%	(0.86)%	(1608.96)%	Higher profits after tax for FY21 as compared to loss in FY20.

## Risk Management

The Company has adopted a robust risk management policy, approved by the Board of Directors, to identify, evaluate and mitigate business risks and protect stakeholder interests. The Company's Risk Management framework focuses on timely identification of risks and initiates mitigation strategies to steadily tide through crisis.

The key business risks identified by the Company and its mitigation plans are as under:

### 1. Pandemic

The pandemic resulted in unprecedented hardships due to travel restrictions and lockdowns across the country. It severely affected supply chains, labour availability and resulted in demand fluctuations. Proactive actions to initiate Work from Home (WFH), manage supply challenges through seeding based supply forecasting have fetched positive outcomes. Actions to boost production and ensure timely distribution of products across warehouses have minimised the impact of supply disruptions on secondary and tertiary sales.

### 2. Business Growth

EPC order book forecast for project execution in FY 2021-22 has to be improved. It has been adversely impacted by lesser number of tenders in FY 2020-21 due to the COVID-19 pandemic. In Power Distribution, focus has been on financial closure of ongoing projects which have positively improved cash flow and recovery. The Organisation will be focusing on high growth projects of Railways, Monopolies to drive growth and profitability. Risks of demand volatility and slowdown in the Consumer Products business is being addressed through the introduction of new products/SKUs and pro-active marketing for driving demand and sales.

### 3. Working Capital Management

Change in scope of EPC projects and ROW issues have resulted in non-utilisation of material purchased for certain projects or delays in execution. Due to the pandemic, many clients were short of cash and this impacted receivables significantly. Non-availability of labour and non-deployment of material within agreed timelines also posed risks for the company's operations. To mitigate these threats, the company coordinated with clients to identify additional areas where the inventory can be utilised. Further, requirements at other project sites were also assessed to move slow moving inventory. In addition, for recovery of receivables, projects were handed over on time and financial support was also provided for working capital management of subsidiary /associate companies that were impacted by fluctuations/changes in demand and supply.

### 4. Hiring and retention risk

The Company continuously seeks to hire and retain the best talent in the industry. The company's human resource strategy focuses on building a robust and diverse talent pipeline. It hires fresh management graduates as well as experienced professionals to cater to various business functions. It also strives to promote a future ready workforce, with an emphasis on skill development and training. To drive employee engagement and strengthen ties with them, the Company regularly undertakes various initiatives. It organises employee satisfaction surveys, town halls across locations and training programs for its people to foster a conducive working environment. It also provides stock options, encourages job rotation and acknowledges employee's hard work through various reward and recognition initiatives.

## 5. Occupational health and safety risk

The Company prioritises the safety of its people and has devised an effective Occupational Health & Safety policy to reinforce the safety culture across the Company. Various training programmes such as behaviour-based training programs, safety leadership programs, logistics safety programs are conducted at the plants and project sites. To oversee safety protocols for employees, a Safety Committee has been developed and is strictly adhered to.

## Internal Controls

Commensurate with the size, scale and complexity of its operations, the Company has well-defined and adequate internal controls. Throughout the year, the internal controls were noted to be operating 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) as well as 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 (SOP) and risk registers, encompassing process flow, key risks and key controls for all business units and functions. SOP 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 respective process owner. Remediation actions have been taken or agreed upon, to eliminate the weaknesses in a time bound manner. Adequate manual controls have been deployed where control weaknesses were identified due to system limitations in IT applications.

The external consultant (Internal Auditor) conducts internal audits for the areas that are agreed with the Management and Audit Committee. The Audit Committee finalises the scope of the 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 and 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.

## Disclaimer

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, a global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

# Business Responsibility Report

As mandated by the Securities and Exchange Board of India (SEBI), India's top 1000 listed entities on BSE and NSE based on their market capitalisation, are required to submit a 'Business Responsibility Report' (BRR / BR Report) alongwith their Annual Report. This report is required to be in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

Bajaj Electricals Limited (the "Company") presents its fifth BRR in line with the NVGs and BRR requirement of SEBI. This BRR presents key initiatives undertaken by the Company, driven on the triple bottom line aspects.

## Section A - General Information about the Company

Sr. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN) of the Company	L31500MH1938PLC009887
2.	Name of the Company	BAJAJ ELECTRICALS LIMITED
3.	Registered address	45/47, Veer Nariman Road, Mumbai 400 001.
4.	Website	www.bajajelectricals.com
5.	E-mail ID	legal@bajajelectricals.com
6.	Financial Year reported	April 1, 2020 – March 31, 2021
7.	Sector(s) that the Company is engaged in	Consumer Durables and Engineering, Procurement and Construction (EPC)
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	Lighting, Consumer Durables and EPC
9.	Total number of locations where business activity is undertaken by the Company	The Company operates through its: <ul style="list-style-type: none"> <li>Registered and Corporate office situated at Mumbai;</li> <li>21 Branches (Ahmedabad, Bangalore, Bhubneshwar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Indore, Jaipur, Kochi, Kolkata, Kundli, Lucknow, Mumbai, Nagpur, Noida, Patna, Pune, Raipur &amp; Ranchi);</li> <li>12 Depots (Ahmedabad, Coimbatore, Guwahati, Hyderabad, Indore, Jaipur, Kolkata, Lucknow, Mumbai, Nagpur, Noida, Patna, Pune, Ranchi &amp; Zirakpur);</li> <li>3 Central Warehouses (Banur, Mumbai &amp; Vapi);</li> <li>2 Regional Distribution Centres (Bangalore &amp; Kolkata); and</li> <li>5 Overseas Representative / Liaison Offices / Projects (China, Dubai, Kenya, Togo &amp; Zambia)</li> </ul>
10.	Markets served by the Company – Local / State / National / International	India and 36 countries across the world.

## Section B - Financial details of the Company

(₹ in crore)

Sr. No.	Particulars	Amount
1.	Paid-up Capital*	22.91
2.	Total Turnover*	4,573.26
3.	Total profit after taxes*	183.64
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profit of the Company for last 3 financial years.	Refer Annexure C to the Directors' Report on CSR Activities.
5.	List of activities in which expenditure in 4 above has been incurred:-	CSR expenditure has been incurred mainly in the activities related to: (a) Education; (b) Art and Culture; (c) Environment Sustainability; (d) Health Care; and (e) COVID-19 response.
	Further details are available in Annexure C to the Directors' Report on CSR Activities in the Annual Report 2020-21.	

\* As per standalone financial statements for the financial year 2020-21.



**Section C – Other details**

1.	Does the Company have any Subsidiary Company/Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%].	No

**Section D: Business Responsibility (BR) Information****1. Details of Director/Directors responsible for BR****a. Details of the Director(s) responsible for implementation of the Business Responsibility Policy/Policies ('BR Policy/Policies')**

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00089358
2.	Name	Shekhar Bajaj
3.	Designation	Chairman & Managing Director

**b. Details of the BR head**

Shri Shekhar Bajaj, Chairman & Managing Director of the Company, oversees the BR implementation. The Company does not have a BR head as of now.

**2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Yes/No)**

The BR Policy/Policies of the Company addresses the following 9 principles as per the NVGs, released by the Ministry of Corporate Affairs, which have been duly approved by the Board of Directors and adopted by the Company:

NVGs Principle-

- P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3: Business should promote well-being of all employees.
- P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5: Business should respect and promote Human Rights.
- P6: Business should respect, protect, and make efforts to restore the environment.
- P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8: Businesses should support inclusive growth and equitable development.
- P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The responses regarding the above 9 principles (P1 to P9) are given below:

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy / policies for:	Yes.								
2.	Has the policy being formulated in consultation with relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and are approved by the Board.								
3.	Does the policy conform to any national/international standards? If yes, specify?	All the policies are compliant with respective principles of NVG guidelines.								
4.	Has the policy being approved by the Board? If yes, has it been signed by the MD / Owner / CEO / appropriate Board Director?	All the policies have been approved by the Board and signed by the Managing Director.								
5.	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	The Board has appointed Shri Shekhar Bajaj, Chairman & Managing Director, to oversee policy implementation.								
6.	Indicate the link for the policy to be viewed online?	Copies will be made available on receipt of written request from shareholders.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been formally communicated to internal stakeholders. The external stakeholders will be communicated in due course.								
8.	Does the company have in-house structure to implement the policy / policies?	Yes.								
9.	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholder's grievances to the policy / policies?	Yes.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No. It will be done in due course.								

**3. Governance related to BR**

Information with reference to BR framework:

1. Frequency of review, by the BR committee to assess the BR performance: Annual.
2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
- The Company is publishing the BR Report for the fourth time and the same is available on the website of the Company: www.bajajelectricals.com. No sustainability report is published by the Company.

**Section E: Business Responsibility (BR) Information****Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ Non-Governmental Organisations (NGOs)/ Others?

The Company has defined Code of Business Conduct and Ethics ('Code') for Directors as well as all employees of the Company that covers issues, inter-alia, related to ethics, bribery and corruption. It also covers all dealings with suppliers, customers and other business partners and other stakeholders. The Code forms an integral part of the induction of new employees.

The Company also has a Whistle Blower Policy ('Policy') which enables its directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code and provides safeguards against victimisation of director(s)/ employee(s), who avail of the mechanism.

The Company also has policies for (a) Determining Materiality of Events and Information, to ensure disclosure of any event or information which, pursuant to SEBI regulations is material to determine whether an event or information is material or not and to ensure timely, accurate, uniform and transparent disclosure; and (b) Prevention of Insider Trading and protection of the unpublished price sensitive information.

The copies of all the above-mentioned policies are available on the website of the Company: www.bajajelectricals.com.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

There were no cases of violation of the Company's Code of Conduct in financial year 2020-21. There were 10 cases reported under the Company's Whistle Blower Policy during the year, 3 of which were resolved during the year. The Company has ensured prompt public disclosure of unpublished price sensitive information in order to make such information generally available and is in compliance with the SEBI Insider Trading Regulations. There was 1 shareholder complaint pending at the start of financial year 2020-21 which was resolved subsequently. Further, 1 new complaint was received from the shareholders during the financial year ended on March 31, 2021, which was also attended and resolved during the year. The Company has different mechanisms for receiving and dealing with complaints from various stakeholders like investors, customers, employees and suppliers, etc.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities and for each such product, provide the details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional).

a) Fans

For the first time in India, the Premium range of Bajaj ceiling fans bring anti-germ and bye-bye dust features, powered by Advanced Polymer Technology. These fans are also stylishly designed, with an emphasis on providing flair and elegance to your room, along with providing maximum functionality. Also, the Company's 5 star rated Fan named 'Kassels Star' runs on 50-54 watts, as compared to a regular ceiling fan (non-BEE star rated) which consumes 75 watts, whereby the user of the fan will be able to save the electricity consumption.

b) Bajaj LED lightings

Bajaj LED range lighting solution is widely known as one of the best in the market. The Company makes no compromise on the standards it delivers in its products and every product is manufactured with utmost care given to every component.

To make a general comparison, the Company's 7-watts LED bulb delivers as much as 600 lumens more output than a normal 60 watts GLS lamp. All this while saving as much as 85% more electricity than conventional lighting systems. Due to high standards maintained by the Company, Bajaj LED bulbs are able to last for an impressive lifetime of upto 25000 hours. Further, none of Bajaj LED lights use any chemical compounds that are potentially detrimental to the environment. This is in contrast to the CFL or mercury lamps. The Company's range of LED lightning is also safe for domestic usage as it does not emit harmful radiation like ultraviolet light or infrared radiation, chronic exposure, which cause serious health complications.

Also, in view of regular electricity related issues like power cuts or load shedding, especially in the non-metropolitan regions, the range of Bajaj LED lightings is developed to deal with random voltage fluctuations or abrupt discontinuation of electricity. Many of electric LED bulbs have a built-in voltage surge protection mechanism, which safeguards it against surges up to 2 kV. Bajaj LED lights consume less energy that besides keeping the electricity bills light on customers' pockets also helps reduce carbon footprints.

c) High Mast & Transmission Line Towers

The Company has one of the best Transmission Line Towers (TLT) manufacturing facilities at Ranjangaon in Pune districts of Maharashtra, which manufactures a range of towers of 110/132/220/400/765 kV single/double circuit power transmission lines.

The manufacturing facility is ISO 14000 and ISO 9001 certified and is equipped with the most sophisticated, computer controlled state-of-art machineries. The galvanising bath of size 13 mtr length x 1.5 mtr width and 2.5 mtr depth is the biggest and most sophisticated plant in India with automatic CNC control machines and with totally enclosed radio remote controlled galvanising plant imported from Gimeco, Italy. The Company's world class TLT manufacturing facility has been approved and appreciated by Power Grid Corporation of India and all reputed Electricity Boards across the country.

The Company is committed to environment sustainability and therefore it works toward reduction and optimal utilisation of energy, water, raw material, logistics etc. by incorporating new techniques and innovative ideas.

2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your input was sourced sustainably?

The Company endeavours to focus on protection of environment, stakeholders' interest and cost effectiveness while procuring any raw material or goods. The main raw materials are procured from manufacturers / producers who are well reputed keeping in mind the need for quality and consistency. Adequate steps are taken for safety during transportation and optimisation of logistics, which, in turn, helps to mitigate the impact on climate.

3. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

The Company outsources the processing activity to small vendors, which help in creation of job opportunities in semi urban area. Also, for procurement of goods, priority is given to nearby small vendors. In order to improve the capacity of the local and small producers, the Company provides them technical assistance, which includes training for CTQ

(Critical to Quality) parameters. Frequent visits are also arranged by the officials of the Company to the workstations of these local and small vendors for betterment of processes and quality of products.

4. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company is consciously trying to reduce its carbon footprints, minimise waste generation and manage water resources better. Effective waste management is accomplished through a host of well laid-out and continuously monitored procedures.

The Company has been producing fresh casting by melting rejected aluminium die casting products. The Company has also been using recovery powder for powder coating its products.

The Company endeavours to manage the environmental impacts of organisational activities, products and services. The percentage of recycling of products and waste falls in the range of 5-10%. The Company has also developed gardens at its Chakan and Ranjangaon units to spread awareness on global warming.

**Principle 3: Businesses should promote the well-being of all employees**

1. Please indicate the total number of on roll employees: 2,956 (including 13 international employees)

2. Please indicate the total number of employees hired on temporary / casual basis: 3,142

3. Please indicate the number of permanent women employees: 163

4. Please indicate the number of permanent employees with disabilities: 2

5. Do you have an employee association that is recognised by the management: Yes

6. What percentage of your permanent employees is members of this recognised employee association?: 16.61%

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
2.	Sexual harassment	1	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

- (a) Permanent Employees: 95%
- (b) Permanent Women Employees: 100%
- (c) Casual/Temporary/Contractual Employees: 38%
- (d) Employees with Disabilities: 100%

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

1. Has the company mapped its internal and external stakeholders? Yes/ No: Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders: Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

The Company's approach for identifying and engaging with stakeholders includes shareholders, customers, employees, suppliers, communities, civil society and the government. The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth.

As a CSR project, the Company is working with the rural, semi-urban schools which caters to students from underprivileged communities. The project emphasis is on to improve school infrastructure, education, training and soft skills of the students and teachers, provide vocational skills and livelihood, and promote health care by continued support to anti-tobacco programme and campaign.

The Company, being committed towards environmental sustainability, has also undertaken projects such as large scale tree plantation, restoration and conservation of water bodies, environmental education, waste management, solar powered electrification for off grid rural schools.



**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The BR Policy covers the aspects on human rights for the Company. The Company's BR policies covering various principles ranging from freedom of association to freedom from harassment, applied across operations is the testimony to its commitment. The Company's actions emanating from these policies speak louder than its intentions. Not only is the Company compliant with all the statutory laws and regulations, but it has grievance redressal mechanism in place for violations, if any.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the reporting year, there were no human rights violation or complaints, relating either to child, forced and involuntary labour or discriminatory employment, received against the Company. The details of sexual harassment complaints received during the financial year 2020-21 have been given in this Report at Para 7 under Principle 3.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The Company's policy on environment, health and safety encourages its employees to be more ecologically aware and to be more cautious in preempting potential threats by developing relevant measures to address them.

It is the Company's policy:

- To contribute to sustainable development through the establishment and implementation of environment, health and safety standards that meet the requirement of relevant laws, regulations and codes of practice;
- To take into account environment, occupational health and safety aspects in planning and decision-making;
- To provide appropriate training to employees as well as service providers' employees and implement best practices;
- To instil a sense of duty in every employee including those of service providers at the Company's premises, towards their personal safety, as well as that of their co-workers;
- To ensure adoption of resource efficient and cleaner production methods;
- To continue to increase the contribution from renewable energy sources towards meeting overall energy demand.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Yes/No. If yes, please give hyperlink for webpage etc.

The Company is vigilant of the emerging challenges like climate change, global warming and investing in measures that convert these challenges into opportunities. With the production of energy efficient products, conservation measures, reducing dependence on limited resources, the Company not only reducing the burden on the environment, but also on its operational costs.

The Company's green must do's are: Ensure statutory compliance, optimise natural resources, effect continuous improvement in environment management, manufacture energy efficient products, innovate greener technologies and processes and spread green awareness across internal and external stakeholders.

3. Does the Company identify and assess potential environmental risks? Yes/No

Yes. The Company has an environmental policy which guides the Company's efforts to manage its environmental impacts and continually improve its environmental performance. The Company's Ranjangaon plant is certified to ISO 14000 Environmental Management Systems (EMS) standard. As a part of EMS implementation, potential environmental risks are identified and appropriate mitigation strategies are planned.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company has invested significantly in green energy, principal amongst which is its investment in wind energy. The Company's Wind Farm located at Village Vankusawade in Satara District of Maharashtra has generated 2586241 kwh electrical units during the year under review as compared to 3070920 kwh electrical units in the previous year.

5. Has the company undertaken any other initiatives on—clean technology, energy efficiency, renewable energy, etc. Yes/No. If yes, please give hyperlink for web page etc.

Refer point Nos. P6(2) & P6(4) above and point Nos. A(i), A(ii) & A(iii) of Annexure G to the Directors Report.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:

None.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

Some of the key associations of which the Company is member are:

- i. Bihar Chamber of Commerce & Industries;
- ii. Chhattisgarh State Renewable Energy Development Agency;
- iii. Common Effluent Treatment Plant (Thane-Belapur) Association;
- iv. Confederation of Indian Industry;
- v. IMC Chamber of Commerce and Industry;
- vi. Deccan Chamber of Commerce Industries & Agriculture, Pune;
- vii. Electric Lamp & Component Manufacturers Association of India;
- viii. Ewaysindia Inc.;
- ix. National Safety Council, Mumbai;
- x. Northern Mathura Industries Association;
- xi. Exports Promotion Council of India;
- xii. Ranjangaon Industries Association; and
- xiii. The Associated Chamber of Commerce and Industry of India.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

The Company responsibly and actively engages in policy advocacy. The Company contributes its views in the setting of new industry standards and regulatory developments, in areas such as governance and administration, economic reforms, inclusive development policies, etc.

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company undertakes projects in the following areas:

- Ensuring environmental sustainability & promoting its education;
- Education, employment, enhancing vocational skills and livelihoods;

- Promoting preventing health care; and
- Promotion of art & culture.

These projects are in accordance with Section 135 of the Companies Act, 2013 and Rules made thereunder.

2. Are the programmes/projects undertaken through inhouse team/ own foundation/external NGO/government structures/any other organisation?

The CSR programmes and projects are undertaken by the Company both, directly as well as in collaboration with NGOs, educational institutions, associations, civic bodies, etc. The Company has also formed Bajaj Electricals Foundation to mainly further the cause of Company's CSR initiative. Please refer the Company's 'Annual CSR Report 2020-21' for details on various community development programmes and partnerships.

3. Have you done any impact assessment of your initiative?

No.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

Please refer the Company's 'Annual CSR Report 2020-21' for details on various community development programmes undertaken during the reporting period.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Most of the projects involve community participation and are designed by NGOs with due consultation with the communities. The Company initially works with NGO partner on pilot basis and then designs programmes on periodical basis. The project lifecycle tries to address all components including sustainability.

To ensure successful implementation of community development programmes in collaboration with community members, the Company adopts following approaches:

- a. Rapport building with community leaders and opinion makers;
- b. Project identification and design in association with community members and NGOs;
- c. Involvement of community members in project implementation;
- d. Maintaining continuous and close interaction with community members through field teams;
- e. Perception survey to measure impact of social initiatives; and
- f. Necessary approvals are taken from the community prior to the start of work.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The Company follows a robust way of tracking customer complaints and focus has been to make it easy for customer voices to be heard and accordingly, a well-established escalation matrix has been developed on the Company's website.

Some mechanisms through which the Company engages with customers are described in Table below:

Engagement mechanism	Details
Customer meets	To gauge customers' satisfaction level regarding products and services.
Customer satisfaction feedback	To analyse customer feedback and take suitable measures for upgrading products and services. A system of collecting feedback through feedback cards, e-mails, telephonic surveys, etc.
Customer Care Cell	24x7 toll-free number for receiving and redressing customer complaints.
'Bajaj Paddy' – Virtual assistant on the website of the Company	To stimulate conversations with consumers and to help them report a problem with an appliance, request a demo or schedule an appointment with a technician for installation and generate consumer complaint instantly in real time.
Product check-up and customer meets	To address customers' concerns and complaints.

The Company also keeps its eyes open to the social media and any customer complaints on any website is picked up immediately. All customer complaints are attended to with utmost seriousness and the entire organisation focusses on addressing and reducing complaints. Of the total customer complaints/requests received during the year, 0.57% were pending at the end of the year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The Company displays detailed information for all its products, which also complies with all applicable labelling codes and specifications. The products are sold with an owner's manual which includes safety checking mechanisms, how to use guidance, thus encouraging consumers to use the Company's products in a responsible manner. The customers have access to the Company's website which provides host of information on products and services. The customer is educated about the features of products & services, etc. Information is also disseminated to customers through display boards at point of sale or service as well.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.:

During the year we did not receive any such complaints.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

The Company takes consistent feedback from customers and immediately addresses the issues, if any. In the reporting year, the Company employee representatives continued to seek suggestions in person, from customers. The Company's product responsibility policy also directs its employees to be receptive towards customer's needs and concerns.

## निदेशकों की रिपोर्ट

प्रिय शेयरधारकों,

आपके निदेशक ३१ मार्च २०२१ को समाप्त होने वाले वित्तीय वर्ष के लेखा-परीक्षित वित्तीय विवरणों के साथ कंपनी के ८२वें 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 ("सेबी सूचीकरण विनियम") तथा कंपनी के लिए लागू अन्य नियमों एवं विनियमों के अनुरूप उनके प्रावधानों के अंतर्गत है।

### वित्तीय परिणाम

स्टैंडअलोन वित्तीय परिणाम की मुख्य विशेषताएँ इस प्रकार हैं :

(राशि : ₹ करोड़ में, प्रति शेयर आय ("ईपीएस") के लिए छोड़कर)

विवरण	वित्तीय वर्ष २०२०-२१	वित्तीय वर्ष २०१९-२०
प्रचालनों एवं अन्य आय से प्राप्त राजस्व	४,६४५.७५	५,०२९.७२
वित्तीय लागत एवं मूल्यहास के पूर्व सकल लाभ	३७४.२३	२५९.५६
घटाएँ : वित्तीय लागत	७५.५५	१६९.१६
घटाएँ : मूल्यहास	६९.२६	६८.०१
अपवादात्मक मदों और कर से पहले लाभ/(हानि)	२२९.४२	२२.३९
अपवादात्मक मदें	११.७६	-
करों के पूर्व लाभ/(हानि)	२४१.१८	२२.३९
घटाएँ : कर व्ययों के लिए प्रावधान	५७.५४	२२.५२
कर परचात लाभ/(हानि)	१८३.६४	(०.१३)
घटाएँ : अन्य व्यापक आय	(६.९५)	८.५४
जोड़ें : लाभ और हानि खाते में अतिशेष	२६२.२३	३१४.१२
घटाएँ : लाभांश, जिसमें वर्ष के दौरान भुगतान किया गया लाभांश वितरण कर शामिल है.	-	४३.२२
जोड़ें: निहित रद्द विकल्पों के लिए प्रतिधारित आय में स्थानांतरित किया गया	१.२३	-
सामान्य आरक्षित निधियों में अंतरित राशि	(१८.३६)	-
अनुभाजन के लिए उपलब्ध अतिशेष	४३५.६८	२६२.२३
बेसिक ईपीएस (₹)	१६.०८	(०.०१)
डाइल्यूटेड ईपीएस (₹)	१६.०२	(०.०१)

समेकित वित्तीय परिणामों की मुख्य विशेषताएँ इस प्रकार हैं :

(राशि : ₹ करोड़ में, ईपीएस के लिए छोड़कर)

विवरण	वित्तीय वर्ष २०२०-२१	वित्तीय वर्ष २०१९-२०
प्रचालनों व अन्य आय से प्राप्त राजस्व	४,६५३.८१	५,०३३.३९
अपवादात्मक मदों और कर से पहले लाभ/(हानि)	२२०.७८	१०.०१
अपवादात्मक मदें	२५.४९	-
करों के पूर्व लाभ/(हानि)	२४६.२७	१०.०१
सहायक कंपनियों, सहयोगियों और संयुक्त उद्यमों के लाभ/(हानि) का हिस्सा	-	(२.८५)
करों के पूर्व लाभ/(हानि)	२४६.२७	७.१६
घटाएँ : कर व्ययों के लिए प्रावधान	५७.३१	१७.४४
अवधि के लिए लाभ/(हानि)	१८८.९६	(१०.२९)
बेसिक ईपीएस (₹)	१६.५४	(०.९९)
डाइल्यूटेड ईपीएस (₹)	१६.४९	(०.९९)



पिछले चार वित्तीय वर्षों के लिए और ३१ मार्च २०२१ को समाप्त वित्तीय वर्ष के लिए निवल सम्पत्ति पर प्रतिफल, नियोजित पूँजी पर प्रतिफल और ईपीएस को निम्नानुसार दर्शाया गया है :

विवरण	२०२०-२१	२०१९-२०	२०१८-१९	२०१७-१८	२०१६-१७
निवल सम्पत्ति पर प्रतिफल (%)	१२.३१	(०.०१)	१५.५०	८.८५	१२.३५
नियोजित पूँजी पर प्रतिफल (%)	१३.८५	८.२०	१४.१३	१३.४३	१७.५४
बेसिक ईपीएस (अपवादात्मक गदों के बाद) (₹)	१६.०८	(०.०१)	१६.३४	८.२३	१०.६५

कंपनी के वित्तीय परिणाम प्रबंधन चर्चा एवं विश्लेषण रिपोर्ट में सविस्तार दिए गए हैं, जो इस वार्षिक रिपोर्ट का हिस्सा है।

### कंपनी मामलों/परिचालनों की स्थिति

- उपभोक्ता उत्पाद अनुभाग की आय ७.१०% बढ़कर ४३३०३.५४ करोड़ हो गई है।

- ईपीसी अनुभाग की आय ३२.९०% घटकर ₹ १२६८.९३ करोड़ हो गई है।

३१ मार्च, २०२१ को, पट्टे पर ली गई परिसंपत्तियों सहित सकल संपत्ति, संयंत्र और उपकरण, निवेश संपत्ति और अन्य अमूर्त परिसंपत्तियाँ ₹ ६९४.६३ करोड़ की थीं और पट्टे पर ली गई परिसंपत्तियों सहित शुद्ध संपत्ति, संयंत्र और उपकरण, निवेश संपत्ति और अन्य अमूर्त परिसंपत्तियाँ ₹ ४६०.८३ करोड़ की थीं। वर्ष के दौरान पूँजीगत व्यय ₹ २१.४६ करोड़ (विगत वर्ष में ₹ २९.२१ करोड़) थी।

३१ मार्च, २०२१ को कंपनी का रोकड़ और रोकड़ समतुल्य ₹ ४५.६३ करोड़ था। 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 और 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 एएस २१ की आवश्यकताओं के अनुरूप है।

कंपनी ने चालू वित्त वर्ष के दौरान प्रतिधारित आय से सामान्य रिजर्व में ५१८.३६ करोड़ हस्तांतरित किए हैं।

इस समीक्षा अंतर्गत वर्ष के दौरान, कंपनी के व्यवसाय की प्रकृति में कोई परिवर्तन नहीं हुआ है।

कंपनी के विभिन्न व्यवसायिक अनुभागों के परिचालनों की विस्तृत जानकारी प्रबंधन चर्चा एवं विश्लेषण रिपोर्ट में दी गई है, जो इस वार्षिक रिपोर्ट का हिस्सा है।

### लाभांश और लाभांश वितरण नीति :

निदेशक मंडल ने वित्त वर्ष २०२०-२१ के लिए कंपनी के इक्विटी शेयरों पर किसी लाभांश की अनुशंसा नहीं की है।

सेबी सूचीकरण विनियमों के विनियम ४३ ए में उल्लेखित आवश्यकताओं वाली लाभांश वितरण नीति **अनुलग्नक ए** के रूप में संलग्न है और इस रिपोर्ट का भाग है। कंपनी की वेबसाइट : <https://www.bajajelectricals.com/investors-updates/> पर भी इस नीति को देखा जा सकता है।

### शेयर पूँजी

३१ मार्च, २०२१ को कंपनी की चुकता इक्विटी शेयर पूँजी ₹ २२.९१ करोड़ थी। इस वर्ष के दौरान शेयरों की संख्या में वृद्धि (१) आयकर अधिनियम, १९६१ की धारा २(१९ए) के डीमर्जर के प्रावधानों के अनुपालन में डीमर्ज्ड कंपनी तथा कंपनी और उनके संबंधित शेयरधारकों और लेनदारों के बीच की व्यवस्था की योजना के अनुसार हिंद लैम्स लिमिटेड (“डिमर्ज्ड कंपनी”) के शेयरधारकों को ₹ २ प्रति शेयर के हिसाब से ४,७१,४२० इक्विटी शेयरों का आवंटन; (२) ₹ २/- के ७ राइट्स इक्विटी शेयरों का आवंटन, जिन्हें राइट्स इश्यू-२०२० में स्थगित कर दिया गया था; तथा (३) कर्मचारियों को उनके स्टॉक विकल्पों के उपयोग पर ₹ २ प्रत्येक के २,९७,४८५ इक्विटी शेयरों के आवंटन के कारण है। ईपीएस की गणना के लिए, भारत औसत के आधार पर इन शेयरों को शामिल किया गया है। कंपनी ने अंतरीय मताधिकारों के साथ शेयर जारी नहीं किए हैं।

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 एवं नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड (समग्र रूप से “स्टॉक एक्सचेंज”) पर सूचीबद्ध बने रहेंगे। वित्तीय वर्ष २०२१-२२ के लिए सूचीकरण शुल्क का भुगतान स्टॉक एक्सचेंज को कर दिया गया है।

### डिपॉज़िटरी प्रणाली

कंपनी के शेयर अनिवार्य रूप से इलेक्ट्रॉनिक रूप में व्यापार योग्य हैं। ३१ मार्च २०२१ को, ११२,९२२,०८४ इक्विटी शेयरों का प्रतिनिधित्व करने वाली कंपनी की ९८.५९% कुल चुकता पूँजी डिमटेरियलाइज्ड रूप में है।

भारतीय प्रतिभूति एवं विनियम मंडल (“सेबी”) द्वारा जारी अधिसूचना संख्या: सेबी/एलएडी/एनआरओ/जीएन/२०१८/२४ दिनांकित ८ जून २०१८ के प्रावधानों और प्रेस विज्ञप्ति दिनांकित ३ दिसंबर २०१८ के आलोक में सदस्य कृपया ध्यान रखें कि १ अप्रैल २०१९ से प्रभावी, शेयरों का हस्तांतरण (शेयरों का ट्रांसमिशन और पक्षांतरण छोड़कर) केवल डिमटेरियलाइज्ड रूप में होगा। डिपॉज़िटरी प्रणाली द्वारा प्रदान किए जाने वाले सुविधाओं का लाभ उठाने के साथ-साथ धोखाधड़ी से बचने के लिए, भौतिक रीति से शेयर धारण करनेवाले सदस्यों को दोनों डिपॉज़िटरीयों, अर्थात्, नेशनल सिक्योरिटीज डिपॉज़िटरी लिमिटेड और सेंट्रल डिपॉज़िटरी सर्विसेज (इंडिया) लिमिटेड में से किसी से भी डिमटेरियलाइजेशन की सुविधा का लाभ उठाने की सलाह दी जाती है।

### जमा

इस समीक्षा अंतर्गत वर्ष के दौरान, कंपनी ने अधिनियम के अध्याय 1 के अंतर्गत आवरित कोई जमा स्वीकार नहीं किए हैं। तदनुसार, जमाओं से संबंधित विवरणों के बारे में कोई प्रकटीकरण या प्रतिवेदन आवश्यक नहीं है।

### प्राइवेट प्लेसमेंट आधार पर गैर-परिवर्तनीय ऋणपत्रों का निर्गमन

वित्त वर्ष २०१८-१९ के दौरान, कंपनी ने तीन विकल्पों यानी; 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 थे, जो क्रमशः आईएसआईएन ‘आईएनई१९३ई०८०३८’, ‘आईएनई१९३ई०८०२०’ और ‘आईएनई१९३ई०८०१२’ के अंतर्गत नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड में सूचीबद्ध हैं। उपरोक्त एनसीडी में से, विकल्प ए एनसीडी को १८ फरवरी, २०२१ को भुनाया गया था। चूंकि उक्त विकल्प ए

### क्रेडिट रेटिंग

नीचे दी गई तालिका में कंपनी के क्रेडिट रेटिंग प्रोफ़ाइल को संक्षेप में दर्शाया गया है :

इंस्ट्रूमेंट	रेटिंग एजेंसी	रेटिंग	आउटलुक
लाइन ऑफ क्रेडिट (दिर्घावधि)	आईसीआरए लिमिटेड	[इक्रा] ए	[इक्रा] ए
लाइन ऑफ क्रेडिट (अल्पावधि)	आईसीआरए लिमिटेड	[इक्रा] ए१	[इक्रा] ए१
गैर-परिवर्तनीय ऋणपत्रों	आईसीआरए लिमिटेड	[इक्रा] ए	[इक्रा] ए

### संबंधित पक्ष लेनदेन

अधिनियम और सेबी सूचीबद्धता विनियमों की आवश्यकताओं के अनुरूप, कंपनी ने संबंधित पक्ष लेनदेनों के अहमियत के संबंध में नीति बनाई है। यह नीति कंपनी की वेबसाइट <https://www.bajajelectricals.com/investors-updates/> पर भी उपलब्ध है। इस नीति का अभिप्राय यह सुनिश्चित करना है कि कंपनी और उसके 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। अधिनियम के प्रावधानों और सर्वग्राही अनुमोदन के संबंध में सेबी सूचीकरण विनियमों के अनुसार, 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 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 सत्यापित किए जाते हैं और सभी संबंधित पक्ष लेनदेनों का विवरण देने वाले विवरण तिमाही आधार पर समीक्षा और अनुमोदन के लिए लेखा परीक्षा समिति और मंडल के समक्ष रखे गये है।

	(राशि : ₹ करोड़ में)		
नाम	श्रेणी	३१ मार्च २०२१ को ऋणों और अग्रिमों का शेष *	वर्ष के दौरान अधिकतम बकाया *
निलैप एप्लायन्सेस प्राइवेट लिमिटेड (“निलैप”)	सहायक कंपनी	३९.००	३९.००
हिंद लैम्स लिमिटेड (“हिंद लैम्स”)	सहयोगी कंपनी	-	१५.७७
स्टारलाइट लाइटिंग लिमिटेड (“स्टारलाइट”)	संयुक्त उद्यम	७२.४०	७२.४०

\* व्यापार अग्रिमों को छोड़कर

एनसीडी के संबंध में प्रतिदान तिथि (अर्थात् १९ फरवरी, २०२१) उस दिवस को आई जो एक व्यवसायिक दिवस नहीं था, इसलिए भुगतान सूचना ज्ञापन दिनांकित १८ फरवरी, २०१९ की शर्तों के अनुसार पिछले कारोबारी दिवस (यानी १८ फरवरी, २०२१ को) को किया गया।

एक्सिस ट्रस्टी सर्विसेज़ लिमिटेड ऋणपत्र धारकों के लिए डिबेंचर ट्रस्टी है, इसका विवरण कॉर्पोरेट प्रशासन अनुभाग में प्रदान किया गया है जो कि इस वार्षिक रिपोर्ट का हिस्सा है। पुनश्च, सेबी सूचीबद्धता विनियमों के विनियमन ५३ के अनुसार, “संबंधित पक्ष प्रकटीकरणों” पर लेखांकन मानक का अनुपालन करते हुए प्रकटीकरण वित्तीय विवरणों की टिप्पणियों में दिया 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। 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। निदेशक स्वचलित वित्तीय विवरणों की टिप्पणी सं. ३८ की ओर सदस्यों का ध्यान आकर्षित करते हैं जो संबंधित पक्ष प्रकटीकरण का वर्णन करते हैं।

सेबी सूचीकरण विनियमों की अनुसूची 1 के भाग ए की धारा २ के साथ पठित विनियमन ३४ (३) और ५३ (एफ) के प्रावधानों के अनुसार सूचीबद्ध इकाई संबंधित पक्ष प्रकटीकरण पर लेखांकन मानक का अनुपालन करते हुए ऋणों और अग्रिमों के संबंध में प्रकटीकरण करेगी। आवश्यक प्रकटीकरण निम्नानुसार हैं :



समीक्षा अंतर्गत वर्ष के दौरान, कंपनी की चुकता इक्विटी शेयर पूंजी में १०% या उससे अधिक शेयर रखने वाले प्रमोटर/प्रमोटर समूह से संबंधित निम्नलिखित व्यक्ति या इकाई (इकाइयाँ) थीं :

व्यक्ति/इकाई का नाम	शेयरधारकता (%)
जमनालाल सन्स प्राइवेट लिमिटेड	१९.५९
बजाज होल्डिंग्स एंड इन्वेस्टमेंट लिमिटेड	१६.४१

सेबी सूचीकरण विनियमों की अनुसूची V के भाग ए की धारा २ए के साथ पठित विनियम ३४ (३) और ५३ (एफ) के प्रावधानों के अनुसार लेनदेनों का प्रकटीकरण **अनुलग्नक बी** के रूप में संलग्न है और इस रिपोर्ट का भाग है।

**ऋणों और अग्रिमों, गारंटियों या निवेश के विवरण**

इस अधिनियम की धारा १८६ और उसके अंतर्गत बनाए गए नियमों के प्रावधानों के अनुसार, दिए गए ऋणों, किए गए निवेशों या दी गई गारंटियों या उपलब्ध करवाई गई प्रतिभूतियों के विवरण स्टैंडअलोन वित्तीय विवरणों की टिप्पणियों में दिए गए हैं।

**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।

**कंपनी की वित्तीय स्थिति को प्रभावित करने वाले प्रमुख परिवर्तन एवं प्रतिबद्धताएँ, जो इस वित्तीय वर्ष के अंत के बीच हुई हैं, जिनसे यह वित्तीय विवरण इस रिपोर्ट की तिथि तक संबंधित है।**

कंपनी की वित्तीय स्थिति को प्रभावित करने वाले कोई भौतिक परिवर्तन और प्रतिबद्धताएँ नहीं हैं, जो कंपनी के लिए वित्तीय वर्ष के अंत, यानी ३१ मार्च, २०२१ और इस निदेशकों की रिपोर्ट की तिथि, यानी २५ मई, २०२१ के बीच हुई है।

**वित्तीय वर्ष के अंत में उनकी स्थिति के साथ-साथ वर्ष के दौरान दिवाला और दिवालियापन संहिता, २०१६ के तहत किया गया आवेदन या कोई लंबित कार्यवाही**

- (i) डेटामैक्स मार्केटिंग कंसल्टेंट्स, एकमात्र मालिक - श्री अमित धापर (“डेटामैक्स”), बिजली वितरण कार्य के निष्पादन के लिए विभिन्न राज्यों में विभिन्न स्थानों पर (कुशाल/अर्ध-कुशाल/अकुशाल) जनशक्ति की आपूर्ति के लिए कंपनी द्वारा नियुक्त एक उप-ठेकेदार, ने कंपनी के खिलाफ माननीय राष्ट्रीय कंपनी कानून न्यायाधिकरण, मुंबई बेंच के समक्ष दिवाला और दिवालियापन संहिता, २०१६ की धारा ९ के तहत एक आवेदन दायर किया है, जिसमें डेटामैक्स द्वारा आपूर्ति की जाने वाली सेवाओं के बदले कंपनी द्वारा बकाया ₹ २.७२ करोड़ की राशि का भुगतान न करने के कारण दावा किया गया है। कंपनी, डेटामैक्स द्वारा दोगुना बिलिंग, सांविधिक देय राशि का भुगतान न करने, मिलान उद्देश्यों के लिए डेटा/रिकॉर्ड प्रस्तुत न करने के आधार पर इस मामले का विरोध कर रही है। मामला अभी लंबित है।
- (ii) शिवप्रिया केबल्स प्राइवेट लिमिटेड (“शिवप्रिया”) ने कंपनी के खिलाफ माननीय राष्ट्रीय कंपनी कानून न्यायाधिकरण, मुंबई बेंच के समक्ष दिवाला और दिवालियापन

संहिता, २०१६ की धारा ९ के तहत एक आवेदन दायर किया है, जिसमें शिवप्रिया द्वारा आपूर्ति किए गए माल के लिए कंपनी द्वारा बकाया राशि का भुगतान न करने के कारण कंपनी से ₹ ०.९२ करोड़ की राशि का दावा किया गया है। कंपनी, घटिया सामग्री की आपूर्ति, मध्यांचल विद्युत वितरण निगम लिमिटेड द्वारा आगामी विवर्जन के मुद्दों पर विरोध कर रही है और कंपनी की शिवप्रिया के भुगतान पर कानूनी और न्यायसंगत पकड़ है। मामला अभी लंबित है।

**एकमुश्त निपटान के समय किए गए मूल्यांकन की राशि और बैंकों या वित्तीय संस्थानों से ऋण लेते समय किए गए मूल्यांकन के बीच का अंतर इसके कारणों सहित।**

समीक्षाधीन वर्ष के दौरान, बैंकों या वित्तीय संस्थानों के साथ एकमुश्त निपटान का कोई दृष्टांत नहीं था।

**बजाज इलेक्ट्रिकल्स लिमिटेड में समामेलन द्वारा स्टारलाइट लाइटिंग लिमिटेड के मर्जर की योजना**

२५ मई २०२१ को आयोजित अपनी बैठक में कंपनी के निदेशक मंडल ने अधिनियम (“मर्जर योजना”) की धारा २३० से २३२ और अन्य लागू प्रावधानों के अंतर्गत बजाज इलेक्ट्रिकल्स लिमिटेड में स्टारलाइट लाइटिंग लिमिटेड और उनके संबंधित शेयरधारकों के मर्जर की योजना पर विचार किया और मंजूरी प्रदान की।

यह मर्जर योजना राष्ट्रीय कंपनी कानून न्यायाधिकरण, दोनों कंगनियों के शेयरधारकों और लेनदारों के अनुमोदन सहित आवश्यक सांविधिक और न्यायाधीय अनुमोदन के अधीन 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। सीएसआर समिति के अध्यक्ष के रूप में श्री शेखर बजाज और समिति के सदस्य के रूप में डॉ. (श्रीमती) इन्दु शहानी और श्री सिद्धार्थ मेहता से मिलकर बनी थी। सीएसआर नीति कंपनी की वेबसाइट : www.bajajelectricals.com पर उपलब्ध है।

सीएसआर समिति के बारे में अन्य विवरण कॉर्पोरेट प्रशासन रिपोर्ट में प्रदान किए गए हैं जो इस रिपोर्ट का भाग हैं।

कंपनी ने सीधे और/या कार्यान्वित करने वाले सहभागियों के माध्यम से विभिन्न सीएसआर परियोजनाओं को कार्यान्वित किया है और कंपनी ने उसकी सीएसआर नीति और अधिनियम की अनुसूची तखक के अनुसार यह परियोजनाएँ आरंभ की हैं।

कंपनी (कॉर्पोरेट सामाजिक उत्तरदायित्व नीति) नियम, २०१४ के अंतर्गत यथा आवश्यक सीएसआर गतिविधियों पर रिपोर्ट अनुलग्नक सी में दिया गया है जो इस रिपोर्ट का भाग है।

**व्यवसाय उत्तरदायित्व रिपोर्ट**

सेबी सूचीकरण विनियमों के विनियम ३४(२) में अन्य बातों के साथ-साथ यह प्रावधान है कि बाजार पूंजीकरण (प्रत्येक वित्तीय वर्ष के ३१ मार्च को परिकलित) के आधार पर शीर्ष १००० सूचीबद्ध संस्थाओं की वार्षिक रिपोर्ट में एक व्यवसायिक उत्तरदायित्व रिपोर्ट/ बिज़नेस रिस्पॉन्सिबिलिटी रिपोर्ट (“बीआरआर”) शामिल की जाएगी।

कंपनी ने, ऐसी शीर्ष १००० सूचीबद्ध इकाइयों में से एक होने के नाते, इस वार्षिक रिपोर्ट के भाग रूप में, वित्त वर्ष २०२०-२१ के लिए बीआरआर को शामिल किया है जो पर्यावरणीय, सामाजिक और शासन के परिप्रेक्ष्य से उठाए गए कदमों का वर्णन करता है।

**कॉर्पोरेट प्रशासन**

कॉर्पोरेट प्रशासन के उच्च मानक बनाए रखना कंपनी के व्यवसाय का इसकी शुरुआत से ही मूल सिद्धांत रहा है।

सेबी सूचीबद्धता विनियमों की अनुसूची त के साथ पठित नियम ३४ (३) के अनुसार, फॉलोअिंग डिक्लरेशन/प्रमाण-पत्र के साथ कंपनी द्वारा अनुसरित कॉर्पोरेट प्रशासन प्रथाओं पर एक अलग अनुभाग इस कॉर्पोरेट प्रशासन रिपोर्टिंग का अभिन्न अंग है।

- अ. अध्यक्ष और प्रबंध निदेशक श्री शेखर बजाज द्वारा हस्ताक्षरित घोषणा में कहा गया है कि निदेशक मंडल के सदस्यों और वरिष्ठ प्रबंधन कर्मियों ने कंपनी की व्यापार आचरण और आचार संहिता के अनुपालन की पुष्टि की है;
- ब. कंपनी के सांविधिक लेखा परीक्षकों से कॉर्पोरेट प्रशासन की शर्तों के अनुपालन की पुष्टि करने वाला अनुपालन प्रमाण पत्र;
- क. कंपनी के सचिवीय लेखा परीक्षक से निदेशकों के अपात्र न होने का प्रमाण पत्र; और
- ड. 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 कॉर्पोरेट प्रशासन पर रिपोर्ट में संलग्न किया गया है।

**प्रबंधन चर्चा और विश्लेषण रिपोर्ट**

सेबी सूचीबद्धता विनियमों के अंतर्गत यथा आवश्यक कंपनी के परिचालनों पर प्रबंधन चर्चा और विश्लेषण रिपोर्ट एक अलग अनुभाग में प्रदान किया गया है और इस वार्षिक रिपोर्ट का अभिन्न भाग है।

**वार्षिक विवरण**

कंपनी (प्रबंधन और प्रशासन) नियम, २०१४ के नियम १२ के साथ पठित अधिनियम की धारा १३४(३)(ए) और धारा ९२(३) के प्रावधानों के अनुसार, ३१ मार्च २०२१ को समाप्त वित्तीय वर्ष के लिए कंपनी की वार्षिक विवरण को : <https://www.bajajelectricals.com/investors-updates/> पर देखा जा सकता है।

**चौकसी तंत्र**

वास्तविक चिंताओं या किसी खराब या अस्वीकार्य परिपाटी और कदाचार की किसी घटना के बारे में शिकायत 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: <https://www.bajajelectricals.com/investors-updates/> 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 सेबी (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 को शेयरधारकों द्वारा २८ अगस्त, २०२० को आयोजित उनकी ८१वीं वार्षिक आम सभा में संशोधित किया गया था, जिसमें इस योजना के तहत किसी व्यक्तिगत कर्मचारी को दिए जाने वाले कर्मचारी स्टॉक विकल्प (“विकल्प”) की अधिकतम संख्या ४०,००० (चालीस हजार) विकल्प से बढ़ाकर १,००,००० (एक लाख) विकल्प कर दिया गया था। ईएसओपी योजना सेबी एसबीईबी विनियमों के अनुसार हैं।

समीक्षाधीन वित्तीय वर्ष के दौरान, पात्र कर्मचारियों को ग्रांट की तिथि को नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड पर तत्कालीन मार्केट कीमत पर २,०७,५०० 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 जो इस रिपोर्ट का भाग है, 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।

कंपनी ने वैधानिक लेखा परीक्षकों से एक प्रमाणपत्र प्राप्त किया है, जिसमें यह कहा गया है कि ईएसओपी योजना को एराबीईबी विनियमों के अनुसार क्रियान्वित किया गया है। उक्त प्रमाणपत्र को वार्षिक आम सभा (“एजीएम”) सूचना के परिपत्र की तिथि से एजीएम की तिथि, यानी ११ अगस्त, २०२१ तक [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com) पर कंपनी को लिखित में देकर इलेक्ट्रॉनिक विधि के माध्यम से निरीक्षण हेतु उपलब्ध करवाया जाएगा।

मंडल ने दिनांक २५ मई, २०२१ को हुई अपनी बैठक में, कंपनी की ‘बजाज इलेक्ट्रिकल्स लिमिटेड कर्मचारी स्टॉक विकल्प योजना २०१५’ (“योजना”) में किसी वैयक्तिक कर्मचारी को इस योजना के अंतर्गत आवंटित किए जाने वाले कर्मचारी स्टॉक विकल्पों (“विकल्प”) की अधिकतम संख्या की सीमा को १,००,००० (एक लाख) विकल्पों से बढ़ाकर २,००,००० (दो लाख) विकल्प करके संशोधन को अनुमोदित किया है, जो कि कंपनी की आगामी ८२वीं एजीएम में शेयरधारकों के अनुमोदन के अधीन है।

**सहायक कंपनी, संयुक्त उद्यम और सहयोगी**

**कंपनियों की सहायक कंपनी /सहयोगी कंपनियाँ/संयुक्त उद्यमों का विवरण**

नाम	३१ मार्च २०२१ के अनुसार कंपनी की % हिस्सेदारी	स्थिति
निल्लेप एप्लायन्सेस प्राइवेट लिमिटेड (“निल्लेप”)	७९.८५	सहायक कंपनी
हिंद लैम्प्स लिमिटेड (“हिंद लैम्प्स”)	१९.००	सहयोगी
स्टारलाइट लाइटिंग लिमिटेड (“स्टारलाइट”)	४७.००	संयुक्त उद्यम

**सहायक कंपनी, संयुक्त उद्यम और सहयोगियों का प्रदर्शन**

**निल्लेप** : वित्त वर्ष २०२०-२१ में निल्लेप की कुल आय ₹ ५१.३७ करोड़ (गत वर्ष : ₹ ४२.२१ करोड़) थी। वर्ष के दौरान नुकसान ₹ ४.६९ करोड़ (गत वर्ष : ₹ ४.३६ करोड़) था।



**हिंद लैम्स** : वित्तीय वर्ष २०२०-२१ के लिए हिंद लैम्स की कुल आय ₹ ३.८१ करोड़ रही (पिछले वर्ष : ₹ २.९७ करोड़) थी। इस वर्ष के लिए मुनाफा ₹ ०.१७ करोड़ था (पिछले वर्ष का मुनाफा : ₹ ०.१६ करोड़)।

**स्टारलाइट** : वित्तीय वर्ष २०२०-२१ के लिए स्टारलाइट की कुल आय ₹ १८१.८२ करोड़ रही (पिछले वर्ष : ₹ १७३.४४ करोड़) थी। इस वर्ष के लिए मुकसान ₹ ४९.३५ करोड़ था (पिछले वर्ष का मुकसान : ₹ ४९.२९ करोड़)।

इस अधिनियम की धारा १२९ (३) के प्रावधानों के अनुसार, सहायक, सहयोगी और संयुक्त उद्यमों के प्रदर्शन और वित्तीय स्थिति पर रिपोर्ट समेकित वित्तीय विवरण में शामिल है और फॉर्म एओसी-१ में कंपनी के समग्र प्रदर्शन में उनका योगदान **अनुलग्नक डी** में दिया गया है, जो इस रिपोर्ट का भाग है।

अधिनियम की धारा १३६(१) के तिसरे प्रावधान के अनुसार, कंपनी की वार्षिक रिपोर्ट जिसमें कंपनी का स्टैंडअलोन और समेकित वित्तीय विवरण शामिल है, कंपनी की वेबसाइट : <https://www.bajajelectricals.com/investors-updates/> 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: <https://www.bajajelectricals.com/investors-updates/> पर उपलब्ध हैं। उपरोक्त दस्तावेजों की प्रति प्राप्त करने में रुचि रखने वाले किसी भी सदस्य 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 पंजीकृत कार्यालय में सभी कार्य दिवसों के दौरान सुबह ११.०० बजे से दोपहर ०१.०० बजे के बीच उपलब्ध रहेंगे।

मंडल द्वारा यथा अनुमोदित मूर्त सहायक कंपनी को निर्धारित करने की नीति तक कंपनी की वेबसाइट : <https://www.bajajelectricals.com/investors-updates/> पर पहुँचा जा सकता है।

#### नियंत्रण हस्तांतरण समझौते और शेयर सदस्यता समझौते का निष्पादन

क. ३० अप्रैल, २०२१ को आयोजित अपनी बैठक (“उल्लेखित बैठक”) में निदेशक मंडल द्वारा दी गई मंजूरी के साथ, ३० अप्रैल, २०२१ (“प्रभावी तिथि”) को अन्य बातों के साथ नियंत्रण हस्तांतरण समझौता (“सीटीए”) निम्नलिखित द्वारा और के बीच निष्पादित किया गया: (i) कंपनी, (ii) श्री रविंद्र भारती और श्री अरविंद भारती (सामूहिक रूप से, “निवर्तमान प्रवर्तक”), जो कंपनी के साथ स्टारलाइट के प्रवर्तक/संयुक्त प्रवर्तक थे, (iii) स्टारलाइट के कुछ अन्य शेयरधारक (निवर्तमान प्रवर्तकों से संबंधित या उनके व्यापार समूह से संबंधित), और (iv) स्टारलाइट:

- निवर्तमान प्रवर्तकों, कंपनी और स्टारलाइट द्वारा और के बीच शेयरधारक समझौता दिनांकित २२ फरवरी, २००७ को समाप्त करना; तथा
- कंपनी के पक्ष में इस प्रकार निवर्तमान प्रवर्तकों, द्वारा स्टारलाइट के संयुक्त नियंत्रण और प्रबंधन अधिकारों के त्याग और हस्तांतरण के लिए सहमत नियमों और शर्तों को अभिलेखित करना, कि कंपनी के पास प्रभावी तिथि को व्यवसायिक घंटों की शुरुआत से स्टारलाइट का एकमात्र नियंत्रण और प्रबंधन अधिकार होगा।

ख. कंपनी के पक्ष में निवर्तमान प्रवर्तकों द्वारा स्टारलाइट के संयुक्त नियंत्रण और प्रबंधन अधिकारों के उक्त त्याग और हस्तांतरण पर विचार करते हुए, कंपनी ने उक्त सीटीए के नियमों और शर्तों के अधीन निवर्तमान प्रवर्तकों को ₹ १४.८० करोड़ के कुल नियंत्रण प्रीमियम के साथ-साथ यथा लागू जीएसटी का भुगतान किया है।

ग. फलस्वरूप, स्टारलाइट प्रभावी तिथि से कंपनी की सहायक कंपनी बन गई है।

घ. इसके अलावा, ११ मई, २०२१ को अपनी उल्लेखित बैठक में कंपनी के निदेशक मंडल द्वारा प्रदान की गई मंजूरी के अनुसार, (i) कंपनी, (ii) स्टारलाइट, (iii) श्री रवींद्र भारती, और (iv) श्री अरविंद भारती द्वारा और के बीच निष्पादित शेयर सदस्यता समझौता दिनांकित ३० अप्रैल, २०२१ की शर्तों के अनुसार, कंपनी ने प्राइवेट प्लेसमेंट/प्रेफरेंशियल प्लांटमेंट (“मोड”) के आधार पर ₹ १०/- प्रति इकिटी शेयर की कीमत (“कीमत”) पर स्टारलाइट के ४,४९,९९,९९० इकिटी शेयरों (“सदस्यता शेयरों”) का अधिग्रहण किया है। इसके अलावा, कंपनी के दस (१०) पहचाने गए खरीदारों द्वारा समान कीमत पर और समान मोड के माध्यम से स्टारलाइट के १० इकिटी शेयरों का अधिग्रहण किया गया।

च. सदस्यता शेयरों के पूर्वोक्त अधिग्रहण के साथ, स्टारलाइट में कंपनी की कुल इकिटी हिस्सेदारी ४७% से बढ़कर ८८.४८% हो गई है, जबकि, स्टारलाइट में बजाज ग्रुप की होल्डिंग (यानी अपनी प्रवर्तक समूह इकाई - ‘जमनालाल संस प्राइवेट लिमिटेड’ के साथ कंपनी की कुल होल्डिंग) ६०% से बढ़कर ९१.३०% हो गई है।

#### समेकित वित्तीय विवरण

निदेशक लेखा-परीक्षित समेकित वित्तीय विवरण भी प्रस्तुत करते हैं जिनमें सहायक कंपनी, सहयोगी व संयुक्त उद्यमों के लेखा-परीक्षित वित्तीय विवरण शामिल हैं जिन्हें अधिनियम के अनुपालन में, लागू लेखा मानकों तथा सेबी सूचीबद्धता विनियम पर तैयार किया गया है, तथा वे इस रिपोर्ट का हिस्सा है।

#### वित्तीय विवरण

३१ मार्च २०२१ को समाप्त वर्ष के लिए कंपनी के वित्तीय विवरण अधिनियम की अनुसूची खखख के अनुसार है जो इस रिपोर्ट का हिस्सा है।

#### निदेशक और प्रमुख प्रबंधकीय कार्मिक

##### नियुक्ति/पुनर्नियुक्ति और चक्रानुक्रम द्वारा सेवानिवृत्ति के लिए आने वाले निदेशक

कंपनी के निदेशक मंडल ने नामांकन और पारिश्रमिक समिति की सिफारिश के आधार पर श्री शैलेश हरिभक्ति (डीआईएन: ००००७३४७) को कंपनी के एक स्वतंत्र निदेशक के रूप में नियुक्त किया है, जो ७ अगस्त, २०१९ से लेकर ६ अगस्त, २०२४ तक पाँच (५) वर्षों की अवधि के लिए चक्रानुक्रम द्वारा सेवानिवृत्त होने के लिए उत्तरदायी नहीं हैं और उक्त नियुक्ति को शेयरधारकों द्वारा २८ अगस्त, २०२० को आयोजित उनकी ८१वीं वार्षिक आम सभा में अनुमोदित किया गया।

अधिनियम की धारा १५२ के प्रावधानों और कंपनीज आर्टिकल्स ऑफ एसोसिएशन के अनुसार, श्री मधुर बजाज (डीआईएन: ०००१४५९३) और श्री राजीव बजाज (डीआईएन: ०००१८२६२), आगामी एजीएम में चक्रानुक्रम द्वारा सेवानिवृत्ति के लिए उत्तरदायी हैं और पात्र होने की वजह से पुनर्नियुक्ति के लिए खुद को प्रस्तुत करते हैं।

बोर्ड आगामी एजीएम में कंपनी के सदस्यों के विचार के लिए श्री मधुर बजाज और श्री राजीव बजाज की पुनर्नियुक्ति की सिफारिश करता है। श्री मधुर बजाज और श्री राजीव बजाज की प्रोफाइल और प्रासंगिक विवरण वार्षिक रिपोर्ट के भाग के रूप में एजीएम की नोटिस और कंपनी के कॉर्पोरेट प्रशासन पर रिपोर्ट में अलग से शामिल किए गए हैं।

इस रिपोर्ट की तिथि तक, कंपनी के मंडल में ग्यारह (११) निदेशक थे, जिनमें से नौ (९) गैर-कार्यकारी निदेशक (“एनईडी”) हैं जिनमें से दो (२) महिला निदेशक हैं। एनईडी

कुल सदस्य संख्या के ८१.८२% का प्रतिनिधित्व करता है। इसके अलावा, उक्त नौ (९) एनईडी में से छह (६) स्वतंत्र निदेशक हैं जो मंडल की कुल सदस्य संख्या के ५४.५५% का प्रतिनिधित्व करते हैं। मंडल की संरचना सेबी सूचीकरण विनियमों के विनियम १७ के और साथ ही अधिनियम के प्रावधानों के अनुरूप है।

कंपनी के स्वतंत्र निदेशक श्री सिद्धार्थ मेहता (डीआईएन : ०३०७२३५२), जिनका वर्तमान कार्यकाल २९ मई, २०२१ को समाप्त हो रहा था, ने अपनी व्यवसायिक प्रतिबद्धताओं के कारण दूसरे कार्यकाल के लिए पुनर्नियुक्ति नहीं लेने की इच्छा व्यक्त की है। तदनुसार, कंपनी के स्वतंत्र निदेशक के रूप में श्री सिद्धार्थ मेहता का कार्यकाल २९ मई, २०२१ को समाप्त हो गया।

#### स्वतंत्र निदेशक

कंपनी के सभी स्वतंत्र निदेशकों ने अधिनियम की धारा १४९ (७) के अंतर्गत घोषणा की है कि वे अधिनियम की धारा १४९ (६) और विनियम १६(१)(बी) और सेबी सूचीकरण विनियमों के अन्य लागू प्रावधानों के अंतर्गत यथा निर्धारित स्वतंत्रता के मानदंडों को पूरा करते हैं। सेबी सूचीकरण विनियमों के विनियम २५ (८) के संदर्भ में, स्वतंत्र निदेशकों ने इस बात की पुष्टि की है कि वे ऐसी किसी भी परिस्थिति या स्थिति से अवगत नहीं हैं, जो मौजूद है या यथोचित रूप से प्रत्याशित हो सकती है, जो वस्तुनिष्ठ स्वतंत्र निर्णय के साथ और किसी बाहरी प्रभाव के बिना अपने कर्तव्यों का निर्वहन करने की उनकी क्षमता को हानि पहुँचा सकती या प्रभावित कर सकती है। स्वतंत्र निदेशक पाँच वर्ष की निश्चित अवधि तक पद धारण करते हैं और चक्रानुक्रम द्वारा सेवानिवृत्ति के लिए उत्तरदायी नहीं होते हैं। कंपनी के सभी स्वतंत्र निदेशकों के पास कंपनी (निदेशक की नियुक्ति और योग्यता) पाँचवा संशोधन नियम, २०१९ के नियम ६ (१) अंतर्गत यथा आवश्यक इंडियन इंस्टीट्यूट ऑफ कॉर्पोरेट अफेयर्स के स्वतंत्र निदेशक डेटाबैंक में वैध पंजीकरण है। मंडल की राय में, स्वतंत्र निदेशक अधिनियम की धारा १४९ (६) (बी) और विनियम १६(१)(बी) और सेबी सूचीकरण विनियमों के अन्य लागू प्रावधानों के अंतर्गत निर्दिष्ट स्वतंत्रता की शर्तों को पूरा करते हैं।

स्वतंत्र निदेशकों की नियुक्ति के नियम और शर्तें कंपनी की वेबसाइट: <https://www.bajajelectricals.com/investors-updates/> पर डाली गई हैं।

सेबी 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 : <https://www.bajajelectricals.com/investors-updates/> पर भी उपलब्ध है।

#### प्रमुख प्रबंधकीय कार्मिक

अधिनियम की धारा २(५१) और २०३ के प्रावधानों के अनुसार, इसके तहत बनाए गए नियमों के साथ पठित, मंडल ने श्री शेखर बजाज, अध्यक्ष और प्रबंध निदेशक, श्री अनंत पुरंदरे, अध्यक्ष और मुख्य वित्तीय अधिकारी और श्री अजय नागले, ईवीपी तथा मुख्य-वैधानिक और कंपनी सचिव और अनुपालन अधिकारी, को कंपनी के प्रमुख प्रबंधकीय कार्मिकों के तौर पर नामित किया है।

समीक्षाधीन वर्ष के दौरान कंपनी के किसी भी प्रमुख प्रबंधकीय कार्मिकों ने त्यागपत्र नहीं दिया है।

इसके अलावा, २५ मई २०२१ को आयोजित अपनी बैठक में कंपनी के निदेशक मंडल ने :

क. अध्यक्ष और मुख्य वित्तीय अधिकारी और कंपनी के प्रमुख प्रबंधकीय कार्मिक श्री अनंत पुरंदरे की सेवानिवृत्ति की आयु प्राप्त करने पर ३० जून, २०२१ को व्यवसायिक घंटों की समाप्ति से प्रभावी होने के साथ सेवानिवृत्ति को रिकॉर्ड पर लिया है; तथा

ख. वर्तमान उपाध्यक्ष - वित्त और कंपनी के वित्त नियंत्रक श्री ई. सी. प्रसाद की १ जुलाई, २०२१ को व्यवसायिक घंटों की शुरुआत से कंपनी के नए मुख्य वित्तीय अधिकारी और प्रमुख प्रबंधकीय कार्मिक के रूप में नियुक्ति पर विचार कर मंजूरी प्रदान की है।

#### मंडल की बैठकों की संख्या

वित्त वर्ष २०२०-२१ के दौरान मंडल की छह (६) बैठकें हुई थीं। बैठकों के बीच का अंतराल अधिनियम और सेबी सूचीकरण विनियमों के अंतर्गत निर्धारित अवधि के भीतर था। वित्तीय वर्ष २०२०-२१ के दौरान हुई मंडल की बैठकों का ब्यौरा कॉर्पोरेट प्रशासन रिपोर्ट का भाग है।

#### मंडल की समितियाँ

३१ मार्च २०२१ को निदेशक मंडल की निम्नलिखित समितियाँ थी :

क. लेखा परीक्षा समिति

ख. नामांकन और पारिश्रमिक समिति

ग. हितधारकों की संबंध समिति

घ. जोखिम प्रबंधन समिति

च. कॉर्पोरेट सामाजिक उत्तरदायित्व समिति

छ. वित्त समिति

समितियों का विवरण, उनकी रचना, बैठकों की संख्या और बैठकों में उपस्थिति के साथ कॉर्पोरेट प्रशासन के रिपोर्ट में प्रदान किया गया है जो कि इस वार्षिक रिपोर्ट का हिस्सा है।

#### मंडल मूल्यांकन

अधिनियम के प्रावधानों और सेबी सूचीकरण विनियमों के अनुसार, मंडल ने निदेशकों की व्यक्तिगत और सामूहिक प्रतिपुष्टि के माध्यम से अलग-अलग निदेशकों के वार्षिक निष्पादन मूल्यांकन के साथ-साथ मंडल और मंडल की समितियों की कार्यप्रणाली का मूल्यांकन किया है। कंपनी द्वारा जिस प्रकार मूल्यांकन किया गया था और मूल्यांकन मानदंडों को कॉर्पोरेट प्रशासन रिपोर्ट में स्पष्ट किया गया है जो इस वार्षिक रिपोर्ट का भाग है।

निदेशक मंडल ने मूल्यांकन प्रक्रिया पर अपना संतोष जताया है।

#### निदेशकों की नियुक्ति और पारिश्रमिक की नीति

निदेशक मंडल ने निदेशकों, प्रमुख प्रबंधकीय कार्मिकों, निरिष्ठ प्रबंधन और कंपनी के अन्य कर्मचारियों की नियुक्ति और पारिश्रमिक के संबंध में ढांचा निर्धारित करने वाली नीति बनाई है (“नीति”)। यह नीति व्यापक रूप से कार्यकारी और गैर-कार्यकारी निदेशकों (बैठक शुल्क और कमीशन के माध्यम से), प्रमुख प्रबंधकीय कार्मिकों, निरिष्ठ प्रबंधन और अन्य कर्मचारियों को पारिश्रमिक के भुगतान के लिए मार्गदर्शक सिद्धांत, दर्शन और आधार निर्धारित करती है। यह नीति निदेशकों की योग्यता, सकारात्मक विशेषताओं और स्वतंत्रता को निर्धारित करने का मानदंड और प्रमुख प्रबंधकीय कार्मिकों/निरिष्ठ प्रबंधन की नियुक्ति और प्रदर्शन मूल्यांकन का मानदंड भी प्रदान करती है जिस पर नामांकन और पारिश्रमिक समिति और निदेशक मंडल द्वारा संभावित प्रत्याशियों पर कोई निर्णय लेने के दौरान विचार किया जाता है। उक्त नीति को ४ फरवरी २०२१ को हुई मंडल की बैठक में संशोधित किया गया था।



उपरोक्त नीति **अनुलग्नक ई** में दी गई है, जो इस रिपोर्ट का भाग है, और इसे कंपनी की वेबसाइट : <https://www.bajajelectricals.com/investors-updates/> पर भी पोस्ट किया गया 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। इन्हें नियमित रूप से सांविधिक और आंतरिक लेखा परीक्षकों द्वारा 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 तथा लेखा परीक्षा अनुशंसाओं के कार्यान्वयन की निगरानी करती है जिनमें कंपनी की जोखिम प्रबंधन नीतियों और प्रणालियों को मजबूत बनाने से संबंधित लेखा परीक्षा अनुशंसाएँ भी शामिल हैं।

वैधानिक लेखा परीक्षकों के रिपोर्ट 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 इंस्टीट्यूट ऑफ कंपनी सेक्रेटरीज़ ऑफ़ इंडिया 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, लागत लेखा परीक्षकों या साचिनिक लेखा परीक्षकों को अधिनियम की धारा १४३ (१२) और उसके अंतर्गत बनाए गए नियमों के अंतर्गत इसे कंपनी की लेखा परीक्षा समिति 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 आवधिक समीक्षा के साथ न्यूनीकरण प्रक्रियाओं 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।

### लेखा परीक्षा समिति

लेखा परीक्षा समिति में समिति के अध्यक्ष के रूप में श्री शैलेश हरिभक्ति, समिति के सदस्यों के रूप में डॉ. (श्रीमती) इन्दु शहानी, डॉ राजेंद्र प्रसाद सिंह और श्री सिद्धार्थ मेहता, चार निदेशक हैं।

समीक्षा अंतर्गत वर्ष के दौरान लेखा परीक्षा समिति की सभी अनुशंसाओं को मंडल द्वारा स्वीकार कर लिया गया था। लेखा परीक्षा समिति की भूमिका और जिम्मेदारियों का विवरण, आयोजित बैठकों का विवरण और ऐसी बैठकों में सदस्यों की उपस्थिति का विवरण कॉर्पोरेट प्रशासन पर रिपोर्ट में दिया गया है, जो इस वार्षिक रिपोर्ट का भाग है।

### लेखा परीक्षक और लेखा परीक्षक रिपोर्ट

#### वैधानिक लेखा परीक्षक

३ अगस्त, २०१७ को आयोजित कंपनी की ७८वीं वार्षिक आम सभा (“७८ वी एजीएम”) में सदस्यों ने पाँच वर्ष के कार्यकाल के लिए अर्थात ७८ वीं एजीएम से लेकर 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/ई३०००३) 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 एजीएम में वैधानिक लेखा परीक्षकों की नियुक्ति की पुष्टि किए जाने की आवश्यकता नहीं है।

वित्तीय विवरणों पर लेखा परीक्षक की रिपोर्ट इस वार्षिक रिपोर्ट का भाग है। लेखा परीक्षकों द्वारा अपने रिपोर्ट में दी गई कोई योग्यता, आरक्षण, प्रतिकूल टिप्पणी या अस्वीकरण नहीं है।

#### लागत लेखा परीक्षक

अधिनियम के अनुच्छेद १४८ के प्रावधानों, 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. नानाभाँय एंड कंपनी (फर्म पंजीकरण सं. ००००१०), लागत लेखाकार ने वर्ष के दौरान लागू व्यवसायों की लागत लेखा परीक्षा की है।

लेखा समिति की सिफारीश के आधार पर, निदेशक मंडल ने वित्तीय वर्ष २०२१-२२ के लिए मेसर्स आर. नानाभाँय एंड कंपनी (फर्म पंजीकरण सं. ००००१०), लागत लेखाकार, को लागत लेखा परीक्षक नियुक्त किया है। कंपनी को मेसर्स आर. नानाभाँय एंड कंपनी से इस बात की पुष्टि करने वाला प्रमाण पत्र मिला है कि वे कंपनी के लागत लेखा परीक्षक बने रहने के लिए अयोग्य नहीं हैं।

लागत लेखा परीक्षक को देय पारिश्रमिक आम सभा में सदस्यों के समक्ष उनके सुधार हेतु रखना आवश्यक है। तदनुसार, मेसर्स. आर. नानाभाँय एंड कंपनी; लागत लेखा परीक्षक के देय पारिश्रमिक के लिए सदस्यों की संपुष्टि की माँग करने वाले एक प्रस्ताव को एजीएम के नोटिस में आइटम संख्या ७ पर शामिल किया गया है।

लागत लेखा परीक्षक के विवरण तथा वित्त वर्ष २०१९-२० 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 २०१९-२०
रिपोर्ट दर्ज करने की नियत तिथि	३० सितंबर २०२०
दर्ज करने की वास्तविक तिथि	०७ सितंबर २०२०

कंपनी (लागत अभिलेख एवं लेखा परीक्षा) नियम, २०१४ के साथ पठित अधिनियम की धारा १४८ के अनुसार, कंपनी को लागत अभिलेख बनाए रखना होता है और तदनुसार, ऐसे लेखा और अभिलेख बनाए रखे गए हैं।

#### साचिविक लेखा परीक्षक

मंडल ने अधिनियम की धारा २०४ के प्रावधानों और उसके अंतर्गत बनाए नियमों के अनुसार पठित ३१ मार्च, २०२१ को समाप्त वित्तीय वर्ष के लिए कंपनी की सचिवीय लेखा परीक्षा करने के लिए साचिविक लेखा परीक्षक के रूप में मेसर्स अनंत बी. खमनकर एंड कंपनी; प्रेक्टिसिंग कंपनी सेक्रेटरीज़ (सदस्यता क्रमांक एफसीएस ३१९८; सीपी नंबर १८६०) को नियुक्त किया है। प्रपत्र एमआर-३ में सचिवीय लेखा परीक्षा रिपोर्ट को **अनुलग्नक एफ** के रूप में दिया गया है और इस रिपोर्ट का भाग है। सचिवीय लेखा परीक्षा रिपोर्ट में कोई योग्यता, आरक्षण, प्रतिकूल टिप्पणी या अस्वीकरण नहीं है।

इस संबंध में जारी किए गए रोबी परिपत्रों के साथ पठित रोबी सूचीकरण विनियमों के विनियम २४ए के प्रावधानों के अनुसार, कंपनी ने रोबी विनियमों और उनके अंतर्गत जारी किए गए परिपत्रों/मार्गदर्शनों के अनुसार सभी लागू अनुपालनों के लिए वित्तीय वर्ष २०२०-२१ के लिए लेखा परीक्षा की है। मेसर्स अनंत बी. खमनकर एंड कंपनी; प्रेक्टिसिंग कंपनी सेक्रेटरीज़ (सदस्यता क्रमांक एफसीएस ३१९८; सीपी नंबर १८६०) द्वारा विधिवत हस्ताक्षरित वार्षिक सचिवीय अनुपालन रिपोर्ट वित्त वर्ष की समाप्ति के ६० दिनों के भीतर स्टॉक एक्चरेंजों में जमा किया गया है।

### निवेशक शिक्षा और संरक्षण निधि में अंतरण

#### निवेशक शिक्षा और संरक्षण निधि में अदत्त/दावारहित लाभांश का अंतरण

यथा संशोधित निवेशक शिक्षा और संरक्षण निधि अधिकरण (लेखांकन, लेखा परीक्षा, अंतरण और वापसी) नियम, २०१६ (“आईईपीएफ नियम”) के साथ पठित अधिनियम की धारा १२४ और १२५ के प्रावधानों के अनुसार ३१ मार्च, २०१३ को समाप्त वित्तीय वर्ष से संबंधित *य८,९८,५५२/-* के अदत्त और/या दावा-रहित लाभांश का वर्ष के दौरान निवेशक शिक्षा और संरक्षण निधि (“आईईपीएफ”) में अंतरण किया गया।

#### आईईपीएफ में शेरों का अंतरण

आईईपीएफ नियमों के साथ पठित अधिनियम की धारा १२४ के प्रावधानों के अनुसार, ₹ २ प्रत्येक के अंकित मूल्य वाले ५७,१७९ इन्विटी शेरों, जिनके संबंध में लगातार सात वर्षों या उससे अधिक समय तक लाभांश का भुगतान नहीं किया गया था, या इसके लिए सदस्यों द्वारा दावा नहीं किया गया था, को वर्ष के दौरान कंपनी द्वारा आईईपीएफ में अंतरित कर दिया गया। अंतरित किए गए शेरों का विवरण आईईपीएफ के साथ-साथ 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 **अनुलग्नक ‘जी’** के रूप में जोड़ा गया है जो इस रिपोर्ट का भाग है।

### मानव संसाधन तथा औद्योगिक संबंध

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 कंपनी ने प्रतिभा प्रबंधन और उत्तराधिकार नियोजन प्रथाओं, मजबूत निष्पादन

प्रबंधन और अधिगम को प्रशिक्षण पहलों के साथ मिलाकर 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 अलावा, 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, अस्थाई 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 प्रावधानों का पालन करते हुए आंतरिक शिकायत समिति (आईसीसी) की स्थापना की गई है।

३१ मार्च, २०२१ तक पीओएसएच (पांश) की धारा २२ के तहत दर्ज मामलों और उनके निपटान की संख्या का विवरण निम्नलिखित है:

विवरण	संख्या
वित्तीय वर्ष की शुरुआत में लंबित शिकायतों की संख्या	शून्य
वित्तीय वर्ष के दौरान दर्ज शिकायतों की संख्या	१
वित्तीय वर्ष के अंत में लंबित शिकायतों की संख्या	शून्य

### कर्मचारियों का विवरण

कंपनी (प्रबंधकीय कार्मिकों की नियुक्ति और पारिश्रमिक) नियम, २०१४ के नियम ५ (१) के साथ पठित अधिनियम की धारा १९७ (१२) के प्रावधानों के संदर्भ में पारिश्रमिक और अन्य विवरणों से संबंधित प्रकटीकरण **अनुलग्नक एच** में दिया गया है, जो इस रिपोर्ट का भाग हैं।

इसके अलावा, कंपनी (प्रबंधकीय कार्मिकों की नियुक्ति और पारिश्रमिक) नियम, २०१४ के साथ पठित अधिनियम की धारा १९७(१२) और १३६(१) के प्रावधानों के अनुसार, पारिश्रमिक प्राप्त करने वाले कर्मचारियों के नाम और अन्य विवरणों से संबंधित सूची उपरोक्त नियमों में निर्धारित सीमा से अधिक होने पर, कंपनी के पंजीकृत कार्यालय में कार्य के घंटों के दौरान निरीक्षण के लिए खुली रखी गई है और उसमें निर्धारित रिपोर्ट और खाते कंपनी के सभी सदस्यों को भेजे जा रहे हैं। कोई भी सदस्य, जो इन्हें प्राप्त करने के इच्छुक हैं, कंपनी के पंजीकृत कार्यालय में कंपनी सचिव को लिख सकते हैं।



## निदेशकों के उत्तरदायित्व का वक्तव्य

आपके निदेशक यह पुष्टी करते हैं कि :

- (क) ३१ मार्च, २०२१ 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 ;
- (ख) 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 नुकसानों का एक सत्यतापूर्ण एवं उचित दृष्टिकोण मिल सके;
- (ग) 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;
- (घ) 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 इस तरह के 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 ।

## सराहना एवं आभार-पूर्ति

निदेशक हर स्तर के कर्मचारियों की उनकी कड़ी मेहनत, समर्पण और प्रतिबद्धता के लिए सराहना करते हैं, जो कि कंपनी की समग्र प्रगति प्राप्त करने हेतु अत्यावश्यक है ।

मंडल 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 ।

कृते तथा वास्ते

**बजाज इलेक्ट्रिकल्स लिमिटेड** का निदेशक मंडल

### शेखर बजाज

अध्यक्ष तथा प्रबंध निदेशक

DIN: ०००८९३५८

### अनंत पुरंदरे

प्रेसीडेंट व सीएफओ

मुंबइ, २५ मई, २०२१

कंपनी उन्हें अपनी प्रगति में सहभागी के रूप में देखती है और कंपनी ने उनके साथ विकास प्रतिफलों को साझा किया है । 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 । निदेशकगण इस अवसर पर सभी शेयरधारकों, ग्राहकों, विक्रेताओं, बैंको, सरकारी नियामकीय प्राधिकरणों और स्टॉक एक्सचेंजों को उनके निरंतर समर्थन के लिए धन्यवाद देना चाहते हैं ।

निदेशकों को कोविड-१९ वैश्विक महामारी से हुई जीवन की क्षति के लिए खेद है और वे हर उस व्यक्ति के प्रति आभारी हैं और सम्मान व्यक्त करते हैं, जिन्होंने इस महामारी से लड़ने के लिए अपने जीवन और अपनी सुरक्षा को जोखिम में डाला है ।

## अनुलग्नक

निम्नलिखित अनुलग्नक इस रिपोर्ट का हिस्सा हैं :

- क. लाभांश वितरण नीति - अनुलग्नक ए ;
- ख. सेबी सूचीकरण विनियमों की अनुसूची 1 के भाग ए की धारा २ ए के साथ पठित विनियम ३४ (३) और ५३ (एफ) के प्रावधानों के अनुसार लेनदेन का प्रकटीकरण - अनुलग्नक बी ;
- ग. सीएसआर गतिविधियों पर वार्षिक रिपोर्ट - अनुलग्नक सी ;
- घ. सहयोगियों / सहायक कंपनियों/ संयुक्त उद्यमोंके वित्तीय विवरण की मुख्य विशेषताओं वाला विवरण - अनुलग्नक डी ;
- च. निदेशकों, प्रमुख प्रबंधकीय कार्मिकों, वरिष्ठ प्रबंधन और कंपनी के अन्य कर्मचारियों की नियुक्ति और पारिश्रमिक की नीति - अनुलग्नक इ ;
- छ. साचिविक लेखापरीक्षा रिपोर्ट - अनुलग्नक एफ ;
- ज. ऊर्जा का संरक्षण, प्रौद्योगिकी समावेशन और विदेशी मुद्रा अर्जन और व्यय पर रिपोर्ट - अनुलग्नक जी ; तथा
- झ. कंपनी (प्रबंधकीय कार्मिकों की नियुक्ति और पारिश्रमिक) नियम, २०१४ के साथ पठित अधिनियम की धारा १९७ (१२) के अंतर्गत प्रकटीकरण - अनुलग्नक एच ।

### अनुज पोद्दार

कार्यकारी निदेशक

DIN:०१९०८००९

### अजय नागले

एक्ज़िक्युटिव वाइस प्रेसीडेंट तथा मुख्य- वैधानिक और कंपनी सचिव

आईसीएसआई सदस्यता सं. ए ९८५५

# काॅर्पोरेट प्रशासन पर रिपोर्ट

निदेशकगण (सूचीबद्धता दायित्व एवं प्रकटीकरण आवश्यकताएँ) विनियम, २०१५ (“सेबी सूचीबद्धता विनियम”) सिस्क्युरिटीज एवं एक्सचेंज बोर्ड ऑफ इंडिया की अनुसूची V के साथ पठित विनियम ३४ (३) के संदर्भ में ३१ मार्च, २०२१ को समाप्त वर्ष के लिए काॅर्पोरेट 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**

## काॅर्पोरेट प्रशासन 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 दूरदृष्ट संस्थापक ने इसकी नींव बहुत समय पहले सुरासन 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 ।

काॅर्पोरेट 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 चीज़ों 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 ।

कंपनी हितधारकों के हितों को सुरक्षित रखने के लिए अपने सभी सौदों में पूर्ण पारदर्शिता एवं जवाबदेही की आवश्यकता पर ज़ोर देती है । शासन संबंधी रूपरेखा संसाधनों के दक्षतापूर्वक उपयोग एवं प्रबंधन की जवाबदेही के लिए प्रेरित करती है । मंडल स्वयं को धनोपार्जन की सततता एवं जिम्मेदारी के लिए हितधारकों के विश्वास का संरक्षक समझता है और उनके प्रति अपने उत्तरदायित्व को स्वीकार करता है ।

## प्रशासन संरचना

कंपनी की काॅर्पोरेट प्रशासन संरचना इस प्रकार है :

**निदेशक मंडल :** मंडल को कंपनी के प्रबंधन, निर्देशन और कार्यप्रदर्शन की जिम्मेदारी सौंपी गई है । चूँकि 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, हितधारकों की संबंध समिति,जोखिम प्रबंधन समिति, काॅर्पोरेट सामाजिक उत्तरदायित्व समिति और वित्त समिति । उक्त में से प्रत्येक समिति के लिए निश्चित ढांचे के भीतर काम करना अनिवार्य बनाया गया है ।

**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 मंडल के अन्य सदस्यों के साथ कंपनी की रणनीति तैयार करने के लिए भी जिम्मेदार हैं ।

**कार्यकारी निदेशक :** मंडल और कोर प्रबंधन 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 सहित गैर-कार्यकारी निदेशक :** गैर-कार्यकारी निदेशक 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 म हत्वपूर्ण भूमिका निभाते हैं ।

**कोर प्रबंधन समिति :** कोर प्रबंधन 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 । कोर प्रबंधन 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 ।



## निदेशक मंडल

कंपनी के निदेशक मंडल में ऐसे श्रेष्ठ एवं प्रतिष्ठित लोग होते हैं जो ऐसे आवश्यक कौशल, सक्षमता और विशेषज्ञता लाते हैं, जिससे वे मंडल एवं उसकी समितियों में प्रभावी योगदान दे सकते हैं।

मंडल द्वारा व्यवसाय एवं हितधारकों के हित का ध्यान रखा जाता है। गैर-कार्यकारी निदेशक, जिनमें स्वतंत्र निदेशक शामिल हैं, वे औद्योगिक, निर्माण, सामान्य निगम प्रबंधन, वित्त, विधि, मीडिया, कॉर्पोरेट रणनीति, तकनीक, विपणन एवं अन्य संबद्ध पृष्ठभूमि के भलीभाँति अर्हता-प्राप्त, अनुभवी एवं जाने-माने लोग होते हैं। मंडल सदस्य मंडल एवं समिति बैठकों में सक्रिय रूप से भाग लेते हैं और वे अन्य के साथ-साथ व्यवसाय, शासन एवं अनुपालन के विभिन्न पहलुओं पर प्रबंधन को मूल्यवान मार्गदर्शन उपलब्ध करवाते हैं। मंडल का मार्गदर्शन दूरदर्शिता प्रदान करता है, पारदर्शिता को उन्नत बनाता है और निर्णय लेने की प्रक्रिया का मूल्य संवर्द्धन करता है। कंपनी वरिष्ठ प्रबंधन दल के साथ संयोजन में मंडल द्वारा प्रबंधित होती है।

किसी भी निदेशक की आयु पचहत्तर (७५) वर्ष से अधिक नहीं हुई है।

### ३१ मार्च, २०२१ को मंडल की संरचना एवं श्रेणी

सेबी सूचीकरण विनियमों के विनियम १७(१)(बी) के अनुसार, जहाँ अध्यक्ष कार्यकारी या कोई प्रवर्तक होता है, कंपनी के मंडल में कम से कम आधा हिस्सा स्वतंत्र निदेशकों से बना होना चाहिए। यह सुनिश्चित करने के लिए मंडल की संरचना और सुदृढ़ता की समय-समय पर समीक्षा की जाती है कि यह वैधानिक और साथ ही साथ व्यवसायिक आवश्यकताओं के साथ संरेखित रहे।

३१ मार्च २०२१ के अंत में निदेशक मंडल में ग्यारह (११) निदेशक शामिल थे, अर्थात् एक (१) कार्यकारी निदेशक - प्रवर्तक, एक (१) कार्यकारी निदेशक - गैर प्रवर्तक, तीन (३) गैर-कार्यकारी निदेशक - एक महिला निदेशक सहित प्रवर्तक, एक (१) गैर-कार्यकारी निदेशक - स्वतंत्र महिला निदेशक, और पाँच (५) गैर-कार्यकारी निदेशक - स्वतंत्र निदेशक तथा तदनुसार, उनकी निम्नलिखित संरचना है :

निदेशकों की श्रेणी	निदेशकों की संख्या	%
कार्यकारी निदेशक	२	१८.१८
गैर-कार्यकारी निदेशक - गैर- स्वतंत्र	३	२७.२७
गैर-कार्यकारी निदेशक - स्वतंत्र	६	५४.५५

मंडल का अध्यक्ष एक कार्यकारी निदेशक होता है। स्वतंत्र निदेशक मंडल की कुल सदस्य संख्या के आधे से भी अधिक हैं।

### मंडल की विविधता

पिछले कई सालों से कंपनी के पास अपने मंडल में निदेशकों के रूप में सेवाएँ देने के लिए विविध क्षेत्रों के श्रेष्ठ व्यक्तियों के होने का सौभाग्य मिलता रहा है। सेबी सूचीकरण विनियमों के अनुरूप, कंपनी की नामांकन एवं पारिश्रमिक नीति, अनुभव, ज्ञान, दृष्टिकोण, पृष्ठभूमि, लिंग, आयु एवं संस्कृति की दृष्टि से मंडल की विविधता सुनिश्चित करती है। यह नीति कंपनी की वेबसाइट :www.bajajelectricals.com पर प्रदर्शित है।

### निदेशकों की रूपरेखा

मंडल के सभी सदस्यों की संक्षिप्त रूपरेखा कंपनी की वेबसाइट :www.bajajelectricals.com पर प्रदर्शित है।

मंडल ने अपने व्यवसाय एवं उद्योग के संदर्भ में निम्नांकित कौशलों की पहचान की है, जो मंडल के साथ उपलब्ध हैं :

निदेशक का नाम	प्रमुख कौशल/दक्षताएँ / विशिष्ट कार्यात्मक क्षेत्र में विशेषज्ञता
श्री शेखर बजाज	उद्योगपति, विद्युत उपभोक्ता टिकाऊ उद्योग क्षेत्र, बड़े व्यवसाय समूह का प्रबंधन करने का अनुभव, व्यवसाय रणनीति और कॉर्पोरेट प्रबंधन।
श्री अनुज पोद्दार	उपभोक्ता और अन्य उद्योगों, व्यवसाय रणनीति और कॉर्पोरेट प्रबंधन में मजबूत व्यवसायिक अनुभव वाले सनदी लेखाकार।
श्री मधुर बजाज	उद्योगपति, बड़े औद्योगिक समूह का प्रबंधन करने का अनुभव।
श्री राजीव बजाज	उद्योगपति, बड़े औद्योगिक समूह का प्रबंधन करने का अनुभव।
श्रीमती पूजा बजाज	मजबूत वाणिज्यिक कुशाग्रता।
श्री हर्षवर्धन गोयंका	उद्योगपति, बड़े व्यवसाय समूह का प्रबंधन करने का अनुभव।
श्री शैलेश हरिभक्ती	लेखा-परीक्षण, कर एवं जोखिम परामर्शी सेवाओं में विशेषज्ञता।
डॉ. (श्रीमती) इन्दु शहानी	अकादमिक, शिक्षा।
डॉ राजेंद्र प्रसाद सिंह	बड़े औद्योगिक समूह का प्रबंधन करने का अनुभव।
श्री मुनीश खेत्रपाल	वैश्विक बाजारों में व्यापक नेतृत्व अनुभव रखने वाले प्रौद्योगिकी व्यवसायिक।
श्री सिद्धार्थ मेहता	कॉर्पोरेट और वाणिज्यिक कानूनों, मुकदमेबाजी और मध्यस्थता में भारत भर में और अन्य अंतरराष्ट्रीय क्षेत्र में अनुभव रखने वाले अधिवक्ता।

### 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 अस्थायी 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 प्रारंभिक 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।

### मंडल की बैठकों की संख्या

वर्ष २०२०-२१ के दौरान, मंडल छह बार मिला है, यानी १४ मई, २०२०, १९ जून, २०२०, ११ अगस्त, २०२०, ५ नवंबर, २०२०, ४ फरवरी, २०२१ एवं २५ मार्च, २०२१। किन्हीं दो बैठकों के बीच का अंतराल एक सौ बीस दिनों से कम का रहा है।

## निदेशकों का उपस्थिति अभिलेख :

वर्ष २०२०-२१ के लिए मंडल की संरचना एवं निदेशकों का उपस्थिति अभिलेख :

निदेशक का नाम	श्रेणी	अन्य निदेशकों के साथ संबंध	उपस्थिति वाली मंडल बैठकों की संख्या	क्या पिछली एजीएम में उपस्थिति रही?
श्री शेखर बजाज	अध्यक्ष तथा प्रबंध निदेशक, कार्यकारी	मधुर बजाज के भाई, पूजा बजाज के ससुर	६/६	हाँ
श्री अनुज पोद्दार	कार्यकारी निदेशक	-	६/६	हाँ
श्री मधुर बजाज	गैर-कार्यकारी	शेखर बजाज के भाई	६/६	हाँ
श्री राजीव बजाज	गैर-कार्यकारी	-	५/६	हाँ
श्रीमती पूजा बजाज	गैर-कार्यकारी	शेखर बजाज की बहू	६/६	हाँ
श्री हर्षवर्धन गोयंका	गैर-कार्यकारी, स्वतंत्र	-	६/६	हाँ
श्री शैलेश हरिभक्ति*	गैर-कार्यकारी, स्वतंत्र	-	६/६	हाँ
डॉ. (श्रीमती) इन्दु शहानी	गैर-कार्यकारी, स्वतंत्र	-	६/६	हाँ
डॉ. राजेंद्र प्रसाद सिंह	गैर-कार्यकारी, स्वतंत्र	-	६/६	हाँ
श्री मुनीश खेत्रपाल	गैर-कार्यकारी, स्वतंत्र	-	६/६	हाँ
श्री सिद्धार्थ मेहता**	गैर-कार्यकारी, स्वतंत्र	-	६/६	हाँ

\* मंडल में अतिरिक्त गैर-कार्यकारी स्वतंत्र निदेशक के रूप में दिनांक ७ अगस्त, २०१९ से प्रभावी होकर नियुक्त, दिनांक २८ अगस्त, २०२० को आयोजित एजीएम में शेखरभाऊ द्वारा विनियमित।

\*\* श्री सिद्धार्थ मेहता, किन्ना चर्तमान कार्यकाल २९ मई, २०२१ को समाप्त हो रहा है, वे अपनी पेशेवर प्रतिबद्धताओं के कारण दूरे कार्यकाल के लिए पुनर्नियुक्ति नहीं माँगने की इच्छा व्यक्त की है। तदनुसार कंपनी के एक स्वतंत्र निदेशक के रूप में श्री सिद्धार्थ मेहता की कालावधि २९ मई, २०२१ को समाप्त होगी।

### मंडल के समक्ष रखी गई जानकारी

कंपनी मंडल और मंडल की समितियों को लागू और प्रासंगिक सीमा तक सेबी 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 के कर्तव्य एवं प्रकार्य

निदेशक मंडल के कर्तव्यों का सेबी सूचीबद्धता विनियमों, अधिनियम की धारा १६६ और कंपनी अधिनियम, २०१३ (“अधिनियम”) के अनुसूची खत (अनुसूची खत विशेष रूप से स्वतंत्र निदेशकों के लिए है) में उल्लेख किया गया है। निदेशक मंडल के बीच जिम्मेदारियों और प्राधिकार का स्पष्ट सीमांकन है।

### स्वतंत्र निदेशकों की बैठक

समीक्षा अंतर्गत वर्ष के दौरान, स्वतंत्र निदेशक अग्रांकित पर चर्चा के लिए १९ जून, २०२० को परस्पर मिले : (१) गैर-स्वतंत्र निदेशकों एवं समग्र रूप से निदेशक मंडल के प्रदर्शन का मूल्यांकन; (२) कार्यकारी एवं गैर-कार्यकारी निदेशकों के विचारों को ध्यान में रखते हुए कंपनी के अध्यक्ष के प्रदर्शन का मूल्यांकन; (३) मंडल के लिए अपने कर्तव्यों का प्रभावी एवं उपयुक्त निर्वहन करने हेतु आवश्यक प्रबंधन व मंडल के बीच सूचनाओं के प्रवाह की गुणवत्ता, विषय-वस्तु एवं समय-सीमाओं का मूल्यांकन; एवं (४) अन्य संबंधित मसले। इस बैठक में सभी स्वतंत्र निदेशक उपस्थित थे।

### स्वतंत्र निदेशक का त्याग-पत्र

समीक्षा अंतर्गत इस वर्ष के दौरान, कंपनी के मंडल के किसी भी स्वतंत्र निदेशक ने त्याग-पत्र नहीं दिया।

### मंडल का मत

मंडल एतद् द्वारा पुष्टि करता है कि उसके मत में, मंडल के स्वतंत्र निदेशकों ने सेबी सूचीकरण विनियमों एवं अधिनियम में निर्दिष्ट शर्तों को पूरा किया है और वे प्रबंधन से स्वतंत्र हैं। अधिनियम में उपलब्ध करवाए अनुसार स्वतंत्र निदेशकों की नियुक्ति के औपचारिक पत्र जारी किए गए हैं और उन्हें कंपनी की वेबसाइट : www.bajajelectricals.com पर प्रकट किया गया है।



**समितियों की निदेशकता एवं सदस्यता**

३१ मार्च, २०२१ को निदेशकों की संख्या/निदेशकों के समिति पद :

निदेशक का नाम	निदेशक			सूचीबद्ध एवं असूचीबद्ध सार्वजनिक मर्यादित कंपनियों में समिति पद	
	इक्विटी सूचीबद्ध कंपनियों में	असूचीबद्ध सार्वजनिक मर्यादित कंपनियों में	निजी मर्यादित कंपनियों में	सदस्य के रूप में (अध्यक्ष के रूप में शामिल)	अध्यक्ष के रूप में
श्री शेखर बजाज	३	५	४	४	१
श्री अनुज पोद्दार	१	१	-	-	-
श्री मधुर बजाज	५	-	४	-	-
श्री राजीव बजाज	५	-	३	-	-
श्रीमती पूजा बजाज	१	-	-	१	१
श्री हर्ष वर्धन गोयंका	५	२	२	-	-
श्री शैलेश हरिभक्ति	७	३	९	१०	५
डॉ. (श्रीमती) इन्दु शहानी	४	१	४	८	१
डॉ. राजेंद्र प्रसाद सिंह	३	४	-	२	-
श्री मुनीश खेत्रपाल	१	-	-	-	-
श्री सिद्धार्थ मेहता	३	-	५	३	१

**टिप्पणी :** इनमें से कोई भी निदेशक एक ही समय में बीस कंपनियों से अधिक में एक निदेशक के रूप में, जिसमें वैकल्पिक निदेशक भी शामिल है, कार्यालय नहीं रखता/रखती है। इनमें से किसी के पास भी दस से अधिक सार्वजनिक कंपनियों में निदेशकता नहीं है। सार्वजनिक कंपनियों की सीमा की गणना के लिए निजी कंपनियों की निदेशकता, जो कि या तो धारकता हो या किसी सार्वजनिक कंपनी की सहायक कंपनी, को शामिल किया गया है, और निष्क्रिय कंपनियों में निदेशकता को बाहर रखा गया है। किसी भी स्वतंत्र निदेशक के पास कोई वैकल्पिक निदेशकता नहीं है।

प्राप्त घोषणाओं के अनुसार, इनमें से कोई भी निदेशक सात से अधिक इक्विटी सूचीबद्ध कंपनियों में एक स्वतंत्र निदेशक के रूप में सेवाएँ प्रदान नहीं करता/करती है। इसके अलावा, कंपनी के प्रबंध निदेशक एवं कार्यकारी निदेशक तीन से अधिक इक्विटी सूचीबद्ध कंपनियों में एक स्वतंत्र निदेशक के रूप में सेवाएँ प्रदान नहीं करता/करती है और वास्तव में एक एकल सत्ता के रूप में भी नहीं।

इनमें से कोई भी निदेशक उन सभी कंपनियों में, जिनमें वह निदेशक था/थी, दस से अधिक समितियों में सदस्य नहीं था/थी, न ही पाँच से अधिक समितियों में अध्यक्ष था/थी।

उन समितियों, जिन पर एक निदेशक सेवाएँ दे सकता/सकती है, की सीमा पर विचार करने के उद्देश्य से, उन सभी सार्वजनिक मर्यादित कंपनियों, चाहे वे सूचीबद्ध हों या नहीं, को शामिल किया गया है, और अन्य सभी कंपनियों, जिनमें निजी मर्यादित कंपनियों, विदेशी कंपनियों और अधिनियम के अनुच्छेद ८ के अंतर्गत कंपनियाँ शामिल हैं, को बाहर रखा गया है। समिति पदों की गणना के उद्देश्य से केवल लेखा-परीक्षण समिति एवं हितधारक संबंध समिति पर ही विचार किया गया है।

**इक्विटी सूचीबद्ध कंपनियों में निदेशकता**

उन इक्विटी सूचीबद्ध कंपनियों के नाम, जहाँ ३१ मार्च, २०२१ को कंपनी के निदेशकों की निदेशकता रही थी।

निदेशक का नाम	सूचीबद्ध संस्थाओं का नाम	श्रेणी
श्री शेखर बजाज	ए) बजाज इलेक्ट्रिकल्स लिमिटेड	अध्यक्ष एवं प्रबंध निदेशक, कार्यकारी
	बी) हक्यूल्स हॉइस्ट्स लिमिटेड	अध्यक्ष, गैर-कार्यकारी, गैर-स्वतंत्र
	सी) बजाज ऑटो लिमिटेड	गैर-कार्यकारी, गैर-स्वतंत्र
श्री अनुज पोद्दार	ए) बजाज इलेक्ट्रिकल्स लिमिटेड	कार्यकारी
श्री मधुर बजाज	ए) बजाज इलेक्ट्रिकल्स लिमिटेड	गैर-कार्यकारी, गैर-स्वतंत्र
	बी) बजाज होल्डिंग्स एंड इन्वेस्टमेंट लिमिटेड	गैर-कार्यकारी, गैर-स्वतंत्र
	सी) बजाज फाइनेंस लिमिटेड	गैर-कार्यकारी, गैर-स्वतंत्र
	डी) बजाज फिनसर्व लिमिटेड	गैर-कार्यकारी, गैर-स्वतंत्र
	ई) बजाज ऑटो लिमिटेड	गैर-कार्यकारी, गैर-स्वतंत्र

निदेशक का नाम	सूचीबद्ध संस्थाओं का नाम	श्रेणी
श्री राजीव बजाज	ए) बजाज इलेक्ट्रिकल्स लिमिटेड	गैर-कार्यकारी, गैर-स्वतंत्र
	बी) बजाज ऑटो लिमिटेड	प्रबंध निदेशक एवं सीईओ, कार्यकारी
	सी) बजाज फाइनेंस लिमिटेड	गैर-कार्यकारी, गैर-स्वतंत्र
	डी) बजाज फिनसर्व लिमिटेड	गैर-कार्यकारी, गैर-स्वतंत्र
	ई) बजाज होल्डिंग्स एंड इन्वेस्टमेंट लिमिटेड	गैर-कार्यकारी, गैर-स्वतंत्र
श्रीमती पूजा बजाज	ए) बजाज इलेक्ट्रिकल्स लिमिटेड	गैर-कार्यकारी, गैर-स्वतंत्र
श्री हर्षवर्धन गोयंका	ए) बजाज इलेक्ट्रिकल्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	बी) आरपीजी लाइफ साइंसेस लिमिटेड	अध्यक्ष, गैर-कार्यकारी, गैर-स्वतंत्र
	सी) सीएट लिमिटेड	अध्यक्ष, गैर-कार्यकारी, गैर-स्वतंत्र
	डी) केईसी इंटरनेशनल लिमिटेड	अध्यक्ष, गैर-कार्यकारी, गैर-स्वतंत्र
	ई) जेन्सर टेक्नोलॉजीस लिमिटेड	अध्यक्ष, गैर-कार्यकारी, गैर-स्वतंत्र
	ए) बजाज इलेक्ट्रिकल्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	बी) टोरेन्ट फार्मास्यूटिकल्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	सी) एसीसी लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	डी) अंबुजा सीमेंट्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	ई) ब्लू स्टार लिमिटेड	गैर-कार्यकारी, स्वतंत्र
श्री शैलेश हरिभक्ति	एफ) फ्यूचर लाइफस्टाइल फैशन लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	जी) एल एंड टी फाइनेंस होल्डिंग्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	ए) बजाज इलेक्ट्रिकल्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	बी) युनाइटेड स्पिरिट्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	सी) क्लेरिफंट कैमिकल्स (इंडिया) लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	डी) कोलगेट-गामोलिव (इंडिया) लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	ए) बजाज इलेक्ट्रिकल्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	बी) टेको इलेक्ट्रिक एंड इंजीनियरिंग कंपनी लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	सी) ज्योती स्ट्रक्चर्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	डी) बजाज इलेक्ट्रिकल्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
डॉ. (श्रीमती) इन्दु शहानी	ए) बजाज इलेक्ट्रिकल्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	बी) युनाइटेड स्पिरिट्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	सी) क्लेरिफंट कैमिकल्स (इंडिया) लिमिटेड	गैर-कार्यकारी, स्वतंत्र
डॉ. राजेंद्र प्रसाद सिंह	डी) कोलगेट-गामोलिव (इंडिया) लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	ए) बजाज इलेक्ट्रिकल्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	बी) टेको इलेक्ट्रिक एंड इंजीनियरिंग कंपनी लिमिटेड	गैर-कार्यकारी, स्वतंत्र
श्री मुनीश खेत्रपाल	सी) ज्योती स्ट्रक्चर्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	ए) बजाज इलेक्ट्रिकल्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	डी) बजाज इलेक्ट्रिकल्स लिमिटेड	गैर-कार्यकारी, स्वतंत्र
श्री सिद्धार्थ मेहता	बी) इंडो काउंट इंडस्ट्रीज लिमिटेड	गैर-कार्यकारी, स्वतंत्र
	सी) टीसीआई इंडस्ट्रीज लिमिटेड	गैर-कार्यकारी, स्वतंत्र

**निदेशकों के लिए डी एंड ओ बीमा**

कंपनी ने अपने सभी निदेशकों एवं वरिष्ठ प्रबंधन सदस्यों के लिए ऐसी मात्रा में और ऐसे जोखिमों के लिए, जैसा कि मंडल द्वारा निर्धारित किया गया है, निदेशक एवं अधिकारी बीमा (डी एंड ओ) लिया है।

**स्वतंत्र निदेशकों के लिए परिचयकरण कार्यक्रम**

स्वतंत्र 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, सेबी सूचीबद्धता विनियम और अन्य संविधियों के अंतर्गत निदेशकों से उनसे अपेक्षित अनुपालनों का भी विस्तार से वर्णन किया जाता है और पुष्टीकरण 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

में, स्वतंत्र निदेशकों 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 आईटी 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।

**नियुक्तियों के लिए क्रमबद्ध उत्तराधिकार की योजनाएँ**

समीक्षाधीन वर्ष के दौरान, मुख्य वित्तीय अधिकारी के पद के लिए एक क्रमबद्ध उत्तराधिकार के एक भाग के तौर पर, और नामांकन और पारिश्रमिक समिति और लेखा परीक्षा समिति की सिफारिश के आधार पर, मंडल ने ५ नवंबर, २०२१ को आयोजित अपनी बैठक में, श्री पुरंदरे की सेवानिवृत्ति के बाद कंपनी के “मुख्य वित्तीय अधिकारी” और एक प्रमुख प्रबंधकीय कार्यकारी का पदभार संभालने के लिए श्री ड. सी. प्रसाद की उम्मीदवारी को मंजूरी दे दी है।



## प्रशासन संहिताएँ

### व्यवसाय आचरण संहिता और आचार नीति

कंपनी ने व्यवसाय आचरण संहिता और आचार नीति (“संहिता”) अपनाई है जो 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 पर प्रदर्शित है।

### हितां 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 असैन्य 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 हितां के टकराव से बचते हैं। मंडल के सदस्य किसी भी चर्चा में भाग लेने 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 (“आईटी संहिता”) व्यापार के नियमन, निगरानी और सूचना के लिए आंतरिक आचरण संहिता’ अपनाई है। यह आईटी 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) (“उचित प्रकटीकरण संहिता”) के उचित प्रकटीकरण के लिए आचरण और प्रक्रिया संहिता’ भी तैयार की हैं।

उचित प्रकटीकरण संहिता कंपनी की वेबसाइट, अर्थात्, www.bajajelectricals.com पर प्रदर्शित है।

लेखापरीक्षा समिति के सदस्यों की उपस्थिति:

क्र. सं.	निदेशकों का नाम	पद	श्रेणी	बैठकों में उपस्थिति की संख्या
१.	श्री शैलेश हरिभक्ती	अध्यक्ष	स्वतंत्र निदेशक	६/६
२.	डॉ. राजेंद्र प्रसाद सिंह	सदस्य	स्वतंत्र निदेशक	६/६
३.	डॉ. (श्रीमती) इन्दु शहानी	सदस्य	स्वतंत्र निदेशक	६/६
४.	श्री सिद्धार्थ मेहता	सदस्य	स्वतंत्र निदेशक	६/६

### लेखा परीक्षा समिति की संदर्भ की शर्तें और कार्य

जैसा कि नीचे बताया गया है, लेखा परीक्षा समिति की संदर्भ की शर्तें सेबी सूचीबद्धता विनियम के विनियम १८ और अधिनियम की धारा १७७ में जो अधिदेशित है, उसके अनुरूप हैं :

१. 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;

## 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

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 सेबी सूचीबद्धता विनियमों के विनियम १८ के प्रावधानों के अनुसार हैं।

इस रिपोर्ट की तिथि को, लेखा परीक्षा समिति में (चार) ४ निदेशक : अध्यक्ष के रूप में श्री शैलेश हरिभक्ती और इसके सदस्य के रूप में डॉ. (श्रीमती) इन्दु शहानी, 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, कानूनी, 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 २०२०-२१ के दौरान लेखा परीक्षा समिति की छ (६) बार बैठक हुई। दो बैठकों के बीच अधिकतम अंतराल १२० दिनों से अधिक का नहीं था। समिति की १४ मई, २०२०, १९ जून, २०२०, ११ अगस्त, २०२०, ५ नवंबर, २०२०, ४ फरवरी, २०२१ और २५ मार्च, २०२१ को बैठक हुई थी। सभी बैठकों में अपेक्षित गणपूर्ति उपस्थित थी। लेखा परीक्षा समिति के अध्यक्ष २८ अगस्त, २०२० को आयोजित कंपनी की अंतिम एजीएम में उपस्थित थे।

- 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 :

- अधिनियमके 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।
- लेखापरीक्षा 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, राइट्स 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 राइट्स 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;
- लेखा परीक्षा की स्वतंत्रता और संगठन, और लेखा परीक्षा प्रक्रिया की प्रभावशीलता की समीक्षा और निगरानी;
- संबंधित पक्षों के साथ कंपनी के लेनदेन का अनुमोदन या कोई अनुवर्ती संशोधन;
- अंतर-कंपनी ऋण और निवेश की संवीक्षा;
- कंपनी के उपक्रमों या परिसंपत्तियों का मूल्यांकन, जहाँ भी यह आवश्यक हो;

- आंतरिक वित्तीय नियंत्रणों और जोखिम प्रबंधन प्रणालियों का मूल्यांकन;
- सांविधिक और आंतरिक लेखा परीक्षकों के प्रदर्शन, आंतरिक नियंत्रण प्रणालियों की पर्याप्तता की प्रबंधन के साथ समीक्षा;
- 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;
- किसी भी महत्वपूर्ण निष्कर्ष की आंतरिक लेखा परीक्षकों के साथ चर्चा और उस पर अनुवर्ती कार्रवाई;
- 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;

- 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;
- जमाकर्ताओं, ऋणपत्र धारकों, शेयरधारकों (धोषित लाभांश का भुगतान न होने की स्थिति में) और लेनदारों को भुगतान में महत्वपूर्ण चूक के कारणों की जाँच-पड़ताल;
- व्हिसिल ब्लोअर तंत्र के कामकाज की समीक्षा;
- 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 प्रकार्य का निर्वहन करने वाले किसी भी अन्य व्यक्ति) की नियुक्ति की स्वीकृति;
- लेखापरीक्षा समिति के संदर्भ की शर्तों में उल्लेखित कोई अन्य कार्य करना।
- वर्तमान ऋणों/अग्रिमों/निवेशों सहित सहायक कंपनी (कंपनियों) में ऋणों, अग्रिमों या दोनों के उपयोग की समीक्षा, जो य१०० 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 :

- प्रबंधन चर्चा और वित्तीय स्थिति और परिचालन के परिणामों के विश्लेषण की;
- प्रबंधन द्वारा प्रस्तुत महत्वपूर्ण संबंधित पक्ष लेनदेनों के विवरण (लेखा परीक्षा समिति द्वारा परिभाषित अनुसार) की;
- प्रबंधन पत्रों/सांविधिक लेखा परीक्षकों द्वारा जारी आंतरिक नियंत्रण दुर्बलताओं के पत्रों की;
- आंतरिक नियंत्रण दुर्बलताओं से संबंधित आंतरिक लेखा परीक्षा रिपोर्ट की;
- मुख्य आंतरिक लेखा परीक्षक की नियुक्ति, पदच्युति और पारिश्रमिक की शर्तों की; तथा
- विचलनों के विवरण की :
  - सेबी सूचीबद्धता विनियम के 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
  - सेबी सूचीबद्धता विनियम के 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।
  - 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**

३१ मार्च, २०२१ को नामांकन और पारिश्रमिक समिति में चार (४) निदेशक, यानी : अध्यक्ष के रूप में डॉ. (श्रीमती) इन्दु शहानी, और इसके सदस्य के रूप में श्री शेखर बजाज, डॉ. राजेंद्र प्रसाद सिंह और श्री सिद्धार्थ मेहता शामिल थे। कंपनी सचिव समिति के संयोजक के रूप में कार्य करते हैं।

**बैठकें और उपस्थिति**

वित्त वर्ष २०२०-२१ के दौरान नामांकन और पारिश्रमिक समिति की चार (४) बार अर्थात १९ जून, २०२०, ११ अगस्त २०२०, ५ नवंबर २०२० तथा ४ फरवरी, २०२१ को बैठकें हुई थी। सभी बैठकों में अपेक्षित गणपूर्ति उपस्थित थी। नामांकन और पारिश्रमिक समिति के अध्यक्ष २८ अगस्त, २०२० को आयोजित कंपनी की अंतिम एजीएम में उपस्थित थे।

नामांकन और पारिश्रमिक समिति के सदस्यों की उपस्थिति:

क्र. सं.	निदेशक का नाम	पद	श्रेणी	बैठकों में उपस्थिति की संख्या
१.	डॉ. (श्रीमती) इन्दु शहानी	अध्यक्ष	स्वतंत्र निदेशक	४/४
२.	श्री शेखर बजाज	सदस्य	कार्यकारी निदेशक	४/४
३.	डॉ. राजेंद्र प्रसाद सिंह	सदस्य	स्वतंत्र निदेशक	४/४
४.	श्री सिद्धार्थ मेहता	सदस्य	स्वतंत्र निदेशक	४/४

**नामांकन और पारिश्रमिक समिति की संदर्भ की शर्तें और कार्य**

निम्नानुसार नामांकन एवं पारिश्रमिक समिति के संदर्भ की व्यापक शर्तें अधिनियम के अनुच्छेद १७८ एवं सेबी सूचीबद्धता विनियम के विनियम १९ के अनुरूप हैं।

- 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, नामांकन और पारिश्रमिक समिति 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।
- 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;
- पॉलिसी प्रतिपादित करते समय यह निश्चित करना कि -
  - 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;
  - पारिश्रमिक से प्रदर्शन का संबंध स्पष्ट है और उचित प्रदर्शन कीर्तिमानों को पूरा करता है; और
  - 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।
- 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;
- स्वतंत्र निदेशक एवं मंडल के प्रदर्शन मूल्यांकन के लिए मूल्यांकन मानदंड निर्धारित करना/प्रतिपादित करना;
  - मंडल बहुरूपता पर एक नीति ढूँढ निकालना;
  - प्रस्तावित/वर्तमान निदेशकों की 'उपयुक्त और उचित' स्थिति सुनिश्चित करना;
  - स्वतंत्र निदेशक के प्रदर्शन मूल्यांकन की रिपोर्ट के आधार पर, मंडल को सिफारिश करना कि स्वतंत्र निदेशक की नियुक्ति का कार्यकाल बढ़ाना या जारी रखना है या नहीं।
  - पूर्णकालिक निदेशकों को देय पारिश्रमिक तथा पारिश्रमिक में परिवर्तन की समीक्षा और अनुमोदन करना।
  - मंडल को वरिष्ठ प्रबंधन (अर्थात, 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
  - सेबी (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।
  - मंडल द्वारा समय समय पर निर्धारित किये हुए विशिष्ट दायित्वों का भार उठाना;

**पारिश्रमिक नीति**

नामांकन और पारिश्रमिक समिति की सिफारिश पर मंडल ने एक नामांकन और पारिश्रमिक नीति ("नीति") का निर्माण किया है, जो (क) चयन, नियुक्ति एवं निकासी; (ख)

पारिश्रमिक; (ग) प्रदर्शन का मूल्यांकन; और (घ) मंडल विविधता प्रदान करता है। नीति उपलब्धियों की समीक्षा के आधार पर लाभदायक प्रदर्शन के लिए निर्देशित है। इसका लक्ष्य उच्च क्षमतावान प्रतिभा को आकर्षित करना है। नीति कंपनी की वेबसाइट: www.bajaelectricals.com पर प्रकाशित की गई है।

**पारिश्रमिक की सिफारिश के लिए मानदंड**

**अ) गैर-कार्यकारी निदेशकों का पारिश्रमिक**

गैर-कार्यकारी निदेशकों का पारिश्रमिक अधिनियम की धारा १९७ के तहत निर्धारित आधार पर लागू नियम के साथ पठित और सेबी सूचीकरण विनियमों के सीमा के भीतर तय किए गए हैं। कंपनी के गैर-कार्यकारी निदेशक 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 :

- निदेशक को मंडल द्वारा, अधिनियम के तहत निर्धारित समग्र सीमा के अंतर्गत स्वीकृत लेखा परीक्षा समिति और मंडल की प्रत्येक बैठक के लिए बैठक फीस ₹ १,००,०००/- और भाग ली हुई अन्य समितियों की बैठक के लिये बैठक फीस ₹ ५०,०००/-;
- दिनांक ७ अगस्त, २०१९ को आयोजित अस्सीवीं (८०वीं) एजीएम में सदस्यों द्वारा अनुमोदित किए अनुसार 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 अध्यक्षीन ₹ १,००,०००/- कमीशन का भुगतान किया जाएगा;
- मंडल और समिति की बैठकों में भाग लेने के लिए गैर-कार्यकारी निदेशकों द्वारा किए गए यात्रा और अन्य संबंधित खर्च की प्रतिपूर्ति;
- कंपनी का/की स्वतंत्र निदेशक और ऐसा कोई कर्मचारी/निदेशक, जो प्रमोटर हो या प्रमोटर ग्रुप से संबंधित हो, कंपनी की ईएसओपी में भाग लेने का/की पात्र नहीं है।

सर्विस कान्ट्रैक्ट, नोटिस अवधि तथा सेवरेन्स फीस गैर-कार्यकारी निदेशकों पर लागू नहीं हैं।

**ब) कार्यकारी निदेशकों का पारिश्रमिक**

कार्यकारी निदेशकों, अर्थात, अध्यक्ष और प्रबंध निदेशक और कार्यकारी निदेशक की नियुक्ति और पारिश्रमिक, नामांकन और पारिश्रमिक समिति की सिफारिश द्वारा तथा कंपनी के मंडल और शेयरधारकों द्वारा पारित प्रस्तावों से नियंत्रित होता है।

निम्नांकित की नियुक्ति और उन्हें देय पारिश्रमिक के नियम व शर्तें :

- श्री शेखर बजाज, अध्यक्ष एवं प्रबंध निदेशक, जैसा कि कंपनी के सदस्यों द्वारा डाक मतपत्र के माध्यम से पारित दिनांक २३ दिसंबर, २०१९ के विशेष प्रस्ताव द्वारा अनुमोदित किया गया, का आकलन इस वेबलिंग पर किया जा सकता है : www.bajaelectricals.com.

- श्री अनुज पोद्दार, कार्यकारी निदेशक, जैसा कि कंपनी के सदस्यों द्वारा दिनांक ०७ अगस्त, २०१९ को आयोजित वार्षिक साधारण सभा में पारित विशेष प्रस्ताव द्वारा अनुमोदित किया गया, का आकलन इस वेबलिंग पर किया जा सकता है :www.bajaelectricals.com.

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 नामांकन और पारिश्रमिक समिति द्वारा तय की जाती है और मंडल को उसकी स्वीकृति के लिए अनुशंसित की जाती है। प्रवर्तक कार्यकारी निदेशकों/गैर-कार्यकारी निदेशकों के लिए कंपनी की कोई स्टॉक विकल्प योजना नहीं है तथा केवल गैर-प्रवर्तक कार्यकारी निदेशक ही स्टॉक विकल्प योजनाओं के लिए पात्र हैं।

वित्त वर्ष २०२०-२१ के दौरान, कंपनी ने किराी भी निदेशक को कोई ऋण नहीं दिया है।

प्रबंध निदेशक एवं कार्यकारी निदेशक के कार्यालय की अवधि उनकी नियुक्ति की संबंधित तिथियों से ५ (पाँच) वर्ष है और इसे तीन माह की लिखित सूचना देकर किसी भी पक्ष द्वारा समाप्त किया जा सकता है। सेवरेन्स फीस के भुगतान का अलग से कोई प्रावधान नहीं है।

**क) 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।

**वित्तीय वर्ष २०२०-२१ के दौरान निदेशकों द्वारा प्राप्त पारिश्रमिक**

निदेशकों को प्रदत्त पारिश्रमिक अधिनियम के प्रावधानों के अनुरूप है और इन्हें कंपनी सदस्यों द्वारा उपयुक्त रूप से अनुमोदित किया गया है। कंपनी के किसी भी निदेशक का कंपनी से कोई वित्तीय संबंध नहीं है। गैर-कार्यकारी निदेशकों को प्रदत्त पारिश्रमिक सेबी सूचीकरण विनियमों के विनियम १७(६)(सीए) में निर्दिष्ट सीमाओं से अधिक नहीं है और विशेष प्रस्ताव द्वारा अंशधारकों का अनुमोदन नहीं बुलाया गया है। और, प्रबंध निदेशक एवं कार्यकारी निदेशक के पारिश्रमिकों का भुगतान उन्हें अधिनियम के अनुच्छेद १९६, १९७, १९८, २०३, अनुसूची त एवं इसके किन्हीं अन्य लागू प्रावधानों या सेबी सूचीबद्धता विनियम के अंतर्गत संबंधित विशेष प्रस्तावों के माध्यम से शेयर धारकों द्वारा अनुमोदित उनके पारिश्रमिक की शर्तों के अनुसार किया गया था।



इस वर्ष के दौरान निदेशकों द्वारा लिया गया पारिश्रमिक निम्नानुसार है :

**कार्यकारी निदेशक**

(राशि : ₹ लाख में)					
निदेशक (कों)का नाम	वेतन एवं भत्ते	अनुलाभ	सेवानिवृत्त लाभ	देय कमीशन	कुल
श्री शेखर बजाज	३६४.०८	११५.३६	८३.५९	४३३.७६	९९६.७९
श्री अनुज पोद्दार	३९२.६६*	६.१५	१३.५०	२७.११	४३९.४२

\* ₹ १०.०० लाख के प्रदर्शन संबद्ध शेरेटिव रहित।

श्री अनुज पोद्दार कंपनी की ईएसओपी योजना के अंतर्गत ८०००० स्टॉक विकल्प रखते हैं।

**गैर-कार्यकारी निदेशक**

गैर-कार्यकारी निदेशक(कों) का/के नाम	बैठक शुल्क(₹)	वित्तीय वर्ष २०२०-२१ के लिए प्रदान किया गया कमीशन(₹)	कुल(₹)	दिनांक ३१ मार्च, २०२१ को धारित इक्विटी शेयरों एवं कंवर्टिबल इंस्ट्रुमेंट्स की कुल संख्या
श्री मधुर बजाज	६,००,०००	६,००,०००	१२,००,०००	७०३१९९
श्री राजीव बजाज	५,००,०००	५,००,०००	१०,००,०००	-
श्रीमती पूजा बजाज	८,५०,०००	६,००,०००	१४,५०,०००	१९८९८७५
श्री हर्षवर्धन गोयंका	६,५०,०००	६,००,०००	१२,५०,०००	-
श्री शैलेश हरिभक्ति	१२,५०,०००	१२,००,०००	२४,५०,०००	-
डॉ. (श्रीमती) इन्दु शहानी	१७,५०,०००	१२,००,०००	२९,५०,०००	-
डॉ. राजेंद्र प्रसाद सिंह	१४,५०,०००	१२,००,०००	२६,५०,०००	-
श्री मुनीश खेत्रपाल	६,५०,०००	६,००,०००	१२,५०,०००	-
श्री सिद्धार्थ मेहता	१५,५०,०००	१२,००,०००	२७,५०,०००	-

**प्रदर्शन मूल्यांकन**

अधिनियम के प्रावधानों और सेबी सूचीबद्धता विनियमों के अनुसार, मंडल ने अपने स्वयं, अपनी समितियों और निदेशकों का व्यक्तिगत रूप से 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, एक संरचित प्रश्नावली तैयार की गई थी।

स्वतंत्र निदेशकों का प्रदर्शन मूल्यांकन संपूर्ण मंडल द्वारा किया गया, जिसमें मूल्यांकित हो रहे निदेशक शामिल नहीं थे। वैयक्तिक निदेशकों के प्रदर्शन का मूल्यांकन करने हेतु एक अलग अभ्यास किया गया था। निदेशक मंडल के अध्यक्ष द्वारा मंडल/समितियों के प्रकार्यों का एक सिंहावलोकन प्राप्त करने हेतु सभी निदेशकों से वैयक्तिक रूप से चर्चा की गई, जो अन्य विषयों के साथ-साथ इन व्यापक मानदंडों पर थी, जैसे मंडल/समितियों की बैठकों में उपस्थिति एवं प्रतिभागिता का स्तर, स्वतंत्र निदेशकों द्वारा किए गए निर्णयों की स्वतंत्रता, अंतरव्यक्तिगत संबंध इत्यादि इत्यादि। ऐसे एक मूल्यांकन के लिए विस्तृत मानदंड कंपनी की वेबसाइट <https://www.bajajelectricals.com/miscellaneous/> पर उपलब्ध है।

गैर-स्वतंत्र निदेशकों एवं समग्र रूप से मंडल का प्रदर्शन मूल्यांकन स्वतंत्र निदेशकों द्वारा किया गया था। कंपनी के कार्यकारी अध्यक्ष का प्रदर्शन मूल्यांकन भी स्वतंत्र निदेशकों द्वारा किया गया था, जो कि कार्यकारी निदेशक एवं गैर-कार्यकारी निदेशकों के विचारों को ध्यान में रखते हुए किया गया था।

प्रत्येक निदेशक द्वारा दी जाने वाली रेटिंग का एक समेकित सार तैयार किया गया था। फिर प्रदर्शन मूल्यांकन के प्रतिवेदन पर चर्चा हुई और उसे मंडल द्वारा दर्ज किया गया।

निदेशकों से प्राप्त निविष्टियों के आधार पर, निदेशकों के परामर्श से एक एक्शन प्लान तैयार किया गया, जिससे कंपनी के साथ उनकी अधिक संबद्धता प्रेरित हो।

**(ग) हितधारकों की संबंध समिति**

हितधारकों की संबंध समिति में तीन (३) निदेशक शामिल हैं। इसमें श्रीमती पूजा बजाज अध्यक्ष के रूप में, तथा डॉ. (श्रीमती) इन्दु शहानी और श्री शेखर बजाज सदस्यों के रूप में और शामिल हैं। यह समिति एक घोषणा-पत्र (चार्टर) द्वारा शासित है।

कंपनी सचिव, श्री अजय नागले को कंपनी का अनुपालन अधिकारी पदनामित किया गया है। उन्हें वैधानिक आवश्यकताओं के अनुरूप नोडल अधिकारी के रूप में भी नियुक्त किया गया।

**बैठकें और उपस्थिति**

वित्तीय वर्ष २०२०-२१ के दौरान हितधारकों की संबंध समिति चार (४) बार मिली, यानी २८ जुलाई, २०२०, १० सितंबर, २०२०, १५ दिसंबर, २०२० और १७ फरवरी, २०२१ को। इन सभी बैठकों में आवश्यक गणपूर्ति उपस्थित रही।

हितधारकों की संबंध समिति सदस्यों की उपस्थिति :

क्र. सं.	निदेशक का नाम	पद	श्रेणी	बैठकों में उपस्थिति की संख्या
१.	श्रीमती पूजा बजाज	अध्यक्ष	गैर-कार्यकारी निदेशक	४/४
२.	श्री शेखर बजाज	सदस्य	कार्यकारी निदेशक	४/४
३.	डॉ. (श्रीमती) इन्दु शहानी	सदस्य	स्वतंत्र निदेशक	४/४

**संदर्भ की शर्तें**

हितधारकों की संबंध समिति की संदर्भ की 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 प्रेफरेंस शेयरों का निर्गमन और आबंटन।
- आबंटन 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 आबंटन के संबंध में पैदा हो सकते हैं।
- आवश्यक होने पर शेयरों के निर्गमन, आबंटन, 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 इनटाइम इंडिया प्राइवेट लिमिटेड सीधे या सेबी, शेयर बाजारों, कॉरपोरेट मामलों के मंत्रालय, कंपनी रजिस्ट्रार, आदि के माध्यम से प्राप्त शेयरधारकों की सभी शिकायतों पर ध्यान देते हैं। हितधारकों की संबंध समिति की बैठकों के कार्यवृत्त मंडल द्वारा परिचालित 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।

वित्त वर्ष २०२०-२१ के दौरान शेयरधारकों की प्राप्त, निपटाई गई और लंबित शिकायतों का विवरण:

निवेशकों की शिकायतें	शिकायतों की संख्या
वर्ष के आरंभ में अनिर्णीत	१
वर्ष के दौरान प्राप्त	१
वर्ष के दौरान सुलझायी गयी	२
वर्ष के अंत में शेष अनसुलझी	कुछ नहीं

**(घ) जोखिम प्रबंधन समिति**

३१ मार्च, २०२१ को, जोखिम प्रबंधन समिति में चार (४) निदेशक और दो (२) प्रबंधन कर्मचारी जैसे श्री शेखर बजाज, अध्यक्ष और श्री अनुज पोद्दार, डॉ. (श्रीमती) इन्दु शहानी, श्री सिद्धार्थ मेहता, श्री अनंत पुरंदरे (अध्यक्ष और मुख्य वित्तीय अधिकारी) और श्री ऋषिराज हल्दनकर (उपाध्यक्ष और प्रमुख-आंतरिक लेखा परीक्षा) इसके सदस्य हैं। समिति एक चार्टर द्वारा शासित होती है।

कंपनी सचिव समिति के संयोजक के रूप में कार्य करते हैं।

समिति की संरचना सेबी सूचीबद्धता विनियमों के अनुरूप है, जिसमें अधिकांश सदस्य कंपनी के निदेशक हैं। समीक्षाधीन वर्ष के दौरान, उक्त समिति की २५ मार्च, २०२१ को एक बैठक हुई जिसमें सभी सदस्यों ने भाग लिया।

**संदर्भ की शर्तें**

समिति की निम्नलिखित जिम्मेदारियाँ हैं :

- क) 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 सिफारिश करना और इस संबंध में प्रमुख अग्रणी संकेतकों की समीक्षा करना।
- ख) कंपनी की जोखिम प्रबंधन प्रक्रियाओं और प्रथाओं सहित जोखिम प्रबंधन ढांचे की समय-समय पर समीक्षा और अनुमोदन करना।
- ग) कंपनी के लिए महत्वपूर्ण जोखिमों का मूल्यांकन करना और सम्योचित ढंग से जोखिमों का शमन करने के लिए प्रबंधन की कार्यवाही का आकलन करना।



घ) जोखिमों का शमन करने के लिए कार्य योजनाएँ विकसित और कार्यान्वित करना।

च) 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 पुनर्समीक्षा करना और अनुमोदन के लिए मंडल को किसी भी प्रस्तावित परिवर्तन की सिफारिश 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।

समिति इन उत्तरदायित्वों से हट सकती है और ऐसे अन्य उत्तरदायित्व ग्रहण कर सकती है, जो उसे अपने प्रकाशों के निर्वहन में आवश्यक या उपयुक्त लगें। जोखिम प्रबंधन समिति की भूमिकाओं और जिम्मेदारियों में ऐसी अन्य मद्दे 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।

#### (च) कॉर्पोरेट सामाजिक उत्तरदायित्व समिति

कॉर्पोरेट सामाजिक उत्तरदायित्व समिति का गठन कंपनी की कॉर्पोरेट सामाजिक उत्तरदायित्व नीति में उल्लेखित अनुसार विभिन्न कॉर्पोरेट सामाजिक उत्तरदायित्व

संबंधी गतिविधियाँ संचालित करने हेतु की गई थी, जिसमें समिति के अध्यक्ष के रूप में श्री शेखर बजाज तथा इसके सदस्यों के रूप में कंपनी के स्वतंत्र निदेशक, डॉ. (श्रीमती) इन्दु शहानी और श्री सिद्धार्थ मेहता हैं।

वित्तीय वर्ष २०२०-२१ के दौरान, यह समिति एक बार २५ मार्च, २०२१ को मिली थी और उक्त बैठक में समिति के सभी सदस्य उपस्थित थे।

#### (छ) वित्त समिति

कंपनी की वित्त समिति है, जिसमें तीन निदेशक हैं यानी, इसके अध्यक्ष के रूप में श्री शेखर बजाज, और सदस्यों के रूप में डॉ. राजेंद्र प्रसाद सिंह एवं श्रीमती पूजा बजाज है। कंपनी सचिव इस समिति के संयोजक के रूप में काम करते हैं।

यह समिति अन्य विषयों के साथ-साथ, कंपनी के ऋणों, यदि कोई हों, जो कंपनी की व्यवसायिक एवं कार्यशील पूँजी संबंधी आवश्यकताओं के लिए फंड एवं नॉन-फंड आधार पर लिए गए थे, से संबंधित मसलों को देखती है, कंपनी के बीमा कार्यक्रम की समीक्षा करती है, बैंक खाते खोलने / चलाने / बंद करने के लिए कंपनी के अधिकारियों को अधिकरण जारी करती है या अधिकरण वापस लेती है, उन अन्य शक्तियों के साथ, जो उसे समय-समय पर मंडल द्वारा दिए जाते हैं।

समीक्षाधीन वर्ष के दौरान, ८ जनवरी, २०२१ को समिति की एक बैठक हुई थी, जिसमें श्री शेखर बजाज और श्रीमती पूजा बजाज ने भाग लिया था, जबकि डॉ. राजेंद्र प्रसाद सिंह को अनुपस्थिति की छुट्टी प्रदान कर दी गई थी।

#### प्रबंधन चर्चा एवं विश्लेषण रिपोर्ट

प्रबंधन चर्चा एवं विश्लेषण रिपोर्ट को एक अलग अध्याय में संलग्न किया गया है और वह इस वार्षिक रिपोर्ट का हिस्सा है।

#### सहायक कंपनियाँ

कंपनी की यथा संशोधित सेबी सूचीबद्धता विनियमों के अनुरूप महत्वपूर्ण सहायक कंपनियाँ निर्धारित करने की नीति है और इसे कंपनी के वेबसाइट, लरक्षरक्षशश्रालीळलरश्री.ले 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।

#### वार्षिक आम सभा

##### पूर्व तीन एजीएम (वार्षिक आम सभा) का विवरण :

एजीएम	वित्तीय वर्ष	तिथि और समय	स्थान	विशेष प्रस्ताव का विवरण पारित
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	क. प्रतिभूति निर्गमन के माध्यम से उधारी; ख. कंपनी के प्रबंध निदेशक के रूप में श्री अनंत बजाज की प्रोन्नति और पुनः पदनामितिकरण; ग. कंपनी के पंजीकृत कार्यालय से भिन्न स्थान पर सांविधिक पंजिकाओं का रखरखाव; तथा घ. कंपनी अधिनियम, २०१३ के अनुरूप कंपनी के संस्था अंतर्नियम के नए सेट का अंगीकरण।

एजीएम	वित्तीय वर्ष	तिथि और समय	स्थान	विशेष प्रस्ताव का विवरण पारित
८० वीं एजीएम	२०१८-१९	बुधवार, ०७ अगस्त, २०१९ को दोपहर १२.३० बजे	कमलनयन बजाज हॉल, बजाज भवन, जमनालाल बजाज मार्ग, नरीमन पॉइंट, मुंबई-४०० ०२१	क. कार्यकारी निदेशक के रूप में श्री अनुज पोद्दार की नियुक्ति; ख. कंपनी के संस्था के अंतर्नियमों में परिवर्तन; ग. प्रतिभूतियों के निर्गमन द्वारा ऋण लेना; एवं घ. प्रतिभूतियों का आगामी निर्गमन।
८१ वीं एजीएम	२०१९-२०	शुक्रवार, २८ अगस्त, २०२०, २.३० बजे अपराह्न	कंपनी के पंजीकृत कार्यालय ४५-४७, वीर नरीमन रोड, मुंबई- ४००००१ (माने गए स्थल) में स्थापित वीडियो कॉन्फ्रेंसिंग/अन्य ऑडियो विजुअल माध्यमों के जरिए बैठक हुई थी।	क. प्रतिभूतियों के निर्गमन द्वारा ऋण लेना; ख. अधिनियम की धारा १८५ के तहत निर्दिष्ट कंपनी की किसी सहायक कंपनी या अन्य व्यक्ति द्वारा लिए गए ऋण के संबंध में ऋण या गारंटी देना या प्रतिभूति जमानत प्रदान करना; तथा ग. 'बजाज इलेक्ट्रिकल्स लिमिटेड कर्मचारी स्टॉक विकल्प योजना २०१५' में संशोधन।

#### डाक मतदान के माध्यम से पारित विशेष प्रस्ताव के विवरण, वे व्यक्ति जिन्होंने डाक मतदान अभ्यास संचालित किया और मतदान स्वरूप तथा डाक मतदान की प्रक्रिया के विवरण।

समीक्षाधीन वर्ष के दौरान, डाक मतदान की आवश्यकता वाला कोई विशेष प्रस्ताव पारित नहीं किया गया था। इसके अलावा, डाक मतदान के माध्यम से किसी प्रस्ताव को पारित करने हेतु कोई त्वरित प्रस्ताव नहीं है। आगामी वार्षिक आम सभा में निष्पादित होने वाले किसी भी व्यवसायिक प्रस्ताव के लिए डाक मतदान के माध्यम से विशेष प्रस्ताव पारित करने की आवश्यकता नहीं थी।

#### शेयरधारकों के साथ संचार के साधन

(i) अलेखापरीक्षित तिमाही/छमाही परिणाम, तिमाही की समाप्ति के पैंतालीस (४५) दिनों के भीतर घोषित कर दिए जाते हैं। लेखा परीक्षण किए हुए वार्षिक परिणाम, सेबी सूचीकरण विनियमों की आवश्यकता के अनुसार वित्तीय वर्ष के समापन से साठ (६०) दिनों के भीतर घोषित किए जाते हैं।

(ii) 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 (४८) घंटे के भीतर प्रकाशित होते हैं। फिलहाल इसे शेयरधारकों को अलग से नहीं भेजा जाता है।

(iii) कंपनी के वित्तीय परिणाम और आधिकारिक प्रेस विज्ञप्तियाँ कंपनी की वेबसाइट : www.bajajelectricals.com पर प्रदर्शित की जाती हैं।

(iv) सेबी सूचीकरण विनियमों के अंतर्गत सभी वित्तीय एवं अन्य अत्यावश्यक आधिकारिक समाचार जारीकरण एवं प्रलेख, जिनमें संस्थागत निवेशकों और/या विश्लेषकों को किए जाने वाले कोई प्रस्तुतिकरण शामिल हैं, से भी संबंधित स्टॉक एक्सचेंजों को अवगत करवा दिया गया था और इसके साथ उन्हें कंपनी की वेबसाइट पर भी प्रदर्शित किया गया था।

(v) तिमाही परिणाम, शेयरधारिता शैली, त्रैमासिक अनुपालन और अन्य सभी कॉर्पोरेट संचार, स्टॉक एक्सचेंजों जैसे की, बीएसई लिमिटेड ("बीएसई") और नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड ("एनएसई") 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 एनईपीएस पोर्टल के माध्यम से एनएसई के साथ भी उक्त जानकारी को इलेक्ट्रॉनिक रूप से साझा किया जाता है।

(vi) कंपनी की वेबसाइट पर एक अलग समर्पित अनुभाग, "इन्वेस्टर्स रिलेशन" दावा-रहित लाभांश, शेयरधारिता शैली, तिमाही/छमाही परिणाम और ब्याज की अन्य प्रासंगिक जानकारी निवेशकों/जनता को देता है।

(vii) सेबी एक केंद्रीकृत वेब-आधारित शिकायत निवारण प्रणाली यानी एससीओआईएस (स्कोर्स) 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।

(viii) कंपनी ने निवेशक से संपर्क के लिए ईमेल आईडी : legal@bajajelectricals.com को नामित किया है, और इसे कंपनी की वेबसाइट www.bajajelectricals.com पर प्रमुखता से दर्शाया गया है।

#### अभिपुष्टि और प्रकटीकरण

##### ए. संबंधित पक्ष लेनदेन

जैसा कि अधिनियम और सेबी सूचीबद्धता विनियमों के विनियम २३ के अंतर्गत परिभाषित किया गया है, वित्त वर्ष के दौरान संबंधित पक्षों के साथ किए गए सभी लेन-देन व्यवसाय की साधारण कार्यप्रणाली में एवं निष्पक्ष वाणिज्यिक आधार पर थे और ये अधिनियम की धारा १८८ के प्रावधानों के साथ अनुपालन में 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 सिफारिश हेतु रखा जाता है।

जैसा कि सेबी 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 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।



बी. 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।

पिछले तीन (३) वर्षों में कंपनी द्वारा गैर-अनुपालन की ऐसी कोई भी घटनाएँ नहीं हुई हैं, जिनके लिए कंपनी पर कोई अर्थदंड लगाने, स्टॉक एक्सचेंज या सेबी या किसी वैधानिक प्राधिकरण द्वारा कंपनी पर बाध्यताएँ लगाने की आवश्यकता हुई हो या पूँजी बाजारों से संबंधित कोई मसला नहीं हुआ है, सिवाय ₹ १०,००० के अर्थदंड के भुगतान के, जिसका भुगतान बीएसई और एनएसई को सेबी सूचीकरण विनियमों के विनियम ४४(३) के अंतर्गत निर्दिष्ट समय के भीतर, २६ मार्च, २०१९ को हुए डाक मतदान के मतदान परिणामों को जमा करने में एक (१) दिन के विलंब के लिए किया गया था।

**सी. चौकसी तंत्र/ व्हिसल ब्लोअर नीति**

अधिनियम के अनुच्छेद १७७(९) एवं (१०) के प्रावधानों एवं इनके अंतर्गत गठित नियमों, सेबी सूचीकरण विनियमों के विनियम २२ एवं सेबी (इनसाइडर ट्रेडिंग निषिद्धता) विनियम, २०१५, यथा संशोधित, के अनुरूप, कंपनी ने एक व्हिसल ब्लोअर नीति बनाई है, जो सभी कर्मचारियों एवं कंपनी के साथ व्यवहार करने वाले अन्य व्यक्तियों पर लागू है, जिसके अंतर्गत अन्य विषयों के साथ अस्वीकार्य अनुचित कार्यप्रणालियों और/या अनैतिक कार्यप्रणालियों और/या वास्तविक चिंताओं को प्रतिवेदित करना एवं अप्रकाशित मूल्य संवेदनशील सूचनाओं के प्रकटीकरण की घटनाएँ प्रतिवेदित करने हेतु जागरूकता लाना शामिल है।

व्हिसल ब्लोअर द्वारा समस्त संरक्षित प्रकटीकरण कंपनी सचिव और कंपनी के अनुपालन अधिकारी को संप्रेषित किए जाएँगे। कंपनी सचिव के विरुद्ध संरक्षित प्रकटीकरण को कंपनी के अध्यक्ष एवं प्रबंध निदेशक को संप्रेषित करना चाहिए और अध्यक्ष एवं प्रबंध निदेशक के विरुद्ध संरक्षित प्रकटीकरण लेखा-परीक्षण समिति के अध्यक्ष को संप्रेषित किया जाना चाहिए।

यह नीति ऐसी क्रिया विधि का उपयोग करने वाले सभी सचेतकों (व्हिसल ब्लोअर) को पीड़ितकरण के प्रति पर्याप्त सुरक्षा उपलब्ध करवाती है।

समीक्षा अंतर्गत वर्ष के दौरान, कंपनी के किसी भी कर्मचारी ने लेखा-परीक्षण समिति की पहुँच को अस्वीकृत नहीं किया है। व्हिसल ब्लोअर नीति कंपनी की वेबसाइट : www.bajajelectricals.com पर प्रदर्शित है।

**डी. गैर-अनिवार्य (विवेकाधीन) आवश्यकताओं के अंगीकरण का विवरण**

सेबी 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 रिपोर्टों 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।

**ई. कमोडिटी मूल्य जोखिम या फॉरेन एक्सचेंज 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।

**एफ. जैसा कि विनियम ३२ (७ ए) के अंतर्गत निर्दिष्ट है, अधिमानी आवंटन या अहंताप्राप्त संस्थानों के प्लेसमेंट के माध्यम से जुटाई गई निधियों के उपयोग का विवरण।**

कंपनी ने इशू की शर्तों के अनुसार तीन श्रंखलाओं में वित्तीय वर्ष २०१८-१९ के दौरान ₹ १०,००,०००/- (रुपए दस लाख) प्रत्येक के असुरक्षित, प्रतिदान-योग्य नॉन-कंवर्टिबल डिबेंचर (एनसीडी), जो समेकित रूप से ₹ १८५ करोड़ के हैं, निजी नियोजन आधार पर जारी एवं आवंटित किए हैं। एनसीडी जारी करने के माध्यम से प्राप्त निधियों का पूर्ण रूप से उपयोग, इशू प्रलेखों में निर्दिष्ट उपयोगों के लिए ही किया गया है और प्राप्तियों के उपयोग में कोई विचलन नहीं है।

**जी. व्यवसायरत कंपनी सचिव से प्रमाण पत्र कि कंपनी के मंडल में कोई भी निदेशक मंडल/कॉर्पोरेट 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।**

कंपनी को मेसर्स अनंत बी. खमनकर एंड कंपनी, प्रैक्टिसिंग कंपनी सेक्रेटरीज़ (सदस्यता क्रमांक : एफसीएस ३१९८; सीपी नं. १८६०) से इस बात का प्रमाण-पत्र प्राप्त हुआ है कि मंडल/कॉर्पोरेट मामलों के मंत्रालय द्वारा या किसी अन्य वैधानिक प्राधिकरण द्वारा कंपनी के मंडल के किसी भी निदेशक को नियुक्त होने से या कंपनियों की निदेशकता जारी रखने से वंचित या अपात्र नहीं किया गया है। यह इस रिपोर्ट का हिस्सा है।

**एच. 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**

**आई. वैधानिक लेखा-परीक्षकों को भुगतान किया गया शुल्क, जिसका भुगतान कंपनी और उसकी सहायक संस्थाओं द्वारा किया गया हो।**

३१ मार्च, २०२१ को समाप्त वर्ष के दौरान एस आर बी सी एंड कं. एलएलपी, जिसका आईसीएआई रजिस्ट्रेशन नंबर ३२४९८२ई/ई३००००३ है, कंपनी के वैधानिक लेखा-परीक्षकों एवं उस नेटवर्क संस्था में अन्य फर्मों, जिनके वैधानिक लेखा-परीक्षक हिस्सा हैं, को एक समेकित आधार पर कंपनी एवं इसकी सहायक संस्थाओं द्वारा सभी सेवाओं के लिए भुगतान किया गया कुल शुल्क इस प्रकार है :

(राशि : ₹ लाख में)	
विवरण	एस आर बी सी एंड कं. एलएलपी एवं उनकी नेटवर्क संस्थाएँ
लेखा-परीक्षण एवं संबंधित सेवाओं के लिए शुल्क	१७७.००
अन्य शुल्क	६.९५
<b>कुल</b>	<b>१८३.९५</b>

**जे. कार्यस्थल पर महिलाओं के यौन उत्पीड़न (रोकथाम, निषेध और निवारण) अधिनियम, २०१३ के संबंध में प्रकटीकरण।**

वर्ष के दौरान दाखिल और निपटाई गई और ३१ मार्च, २०२१ को लंबित शिकायतों की संख्या का विवरण निदेशकों के रिपोर्ट में दिया गया है।

**विनियम १७ से २७ और सेबी सूचीकरण विनियमों के विनियम ४६ (२) में निर्दिष्ट कॉर्पोरेट प्रशासन आवश्यकताओं के अनुपालन का प्रकटीकरण**

क्र. सं.	विवरण	विनियम	अनुपालन स्थिति (हाँ/नहीं/लागू नहीं)	विनियमों का संक्षिप्त विवरण
१.	निदेशक मंडल	१७	हाँ	<ul style="list-style-type: none"> <li>निदेशकों की संरचना एवं नियुक्ति</li> <li>बैठकें और गणपूर्ति</li> <li>अनुपालन प्रतिवेदनों की समीक्षा</li> <li>नियुक्तियों के लिए क्रमागत अनुक्रमण की योजनाएँ</li> <li>आचार संहिता</li> <li>गैर-कार्यकारी निदेशकों को शुल्क/प्रतिपूर्ति, मंडल के समक्ष रखी जाने वाली न्यूनतम जानकारी</li> <li>मुख्य कार्यकारी अधिकारी और मुख्य वित्तीय अधिकारी द्वारा अनुपालन प्रमाण-पत्र</li> <li>जोखिम आकलन और जोखिम प्रबंधन योजना</li> <li>स्वतंत्र निदेशकों का प्रदर्शन मूल्यांकन</li> <li>विशेष व्यवसाय की प्रत्येक मद के लिए मंडल की सिफारिश</li> <li>सूचीबद्ध संस्थाओं में निदेशकता</li> </ul>
२.	निदेशकता की अधिकतम संख्या	१७ए	हाँ	
३.	लेखा परीक्षा समिति	१८	हाँ	<ul style="list-style-type: none"> <li>संरचना</li> <li>बैठकें और गणपूर्ति</li> <li>वार्षिक साधारण सभा में उपस्थित अध्यक्ष</li> <li>समिति की भूमिका</li> </ul>
४.	नामांकन और पारिश्रमिक समिति	१९	हाँ	<ul style="list-style-type: none"> <li>संरचना</li> <li>वार्षिक साधारण सभा में उपस्थित अध्यक्ष</li> <li>बैठकें और गणपूर्ति</li> <li>समिति की भूमिका</li> </ul>



क्र. सं.	विवरण	विनियम	अनुपालन स्थिति (हाँ/नहीं/लागू नहीं)	विनियमों का संक्षिप्त विवरण
५.	हितधारकों की संबंध समिति	२०	हाँ	<ul style="list-style-type: none"> <li>संरचना</li> <li>वार्षिक साधारण सभा में उपस्थित अध्यक्ष</li> <li>बैठकें</li> <li>समिति की भूमिका</li> </ul>
६.	जोखिम प्रबंधन समिति	२१	हाँ	<ul style="list-style-type: none"> <li>संरचना</li> <li>बैठकें</li> <li>समिति की भूमिका</li> </ul>
७.	चौकसी तंत्र	२२	हाँ	<ul style="list-style-type: none"> <li>निदेशकों और कर्मचारियों के लिए निगरानी क्रियाविधि</li> <li>अत्याचार के विरुद्ध पर्याप्त सुरक्षा-उपाय</li> <li>लेखा परीक्षा समिति के अध्यक्ष तक सीधे पहुंच</li> </ul>
८.	संबंधित पक्ष लेनदेन	२३	हाँ	<ul style="list-style-type: none"> <li>संबंधित पक्ष लेनदेनों के महत्व और संबंधित पक्ष लेनदेनों के साथ व्यवहार पर नीति</li> <li>संबंधित पक्ष लेनदेनों के लिए लेखा परीक्षा समिति के सर्वग्राही अनुमोदन सहित पूर्व अनुमोदन</li> <li>संबंधित पक्ष लेनदेनों की सावधिक समीक्षा</li> <li>संबंधित पक्ष लेनदेनों पर प्रकटीकरण</li> </ul>
९.	कंपनी की सहायक कंपनियों	२४	हाँ	<ul style="list-style-type: none"> <li>लेखा परीक्षा समिति द्वारा सहायक कंपनियों के निवेशों तथा वित्तीय लेखा-विवरणों की समीक्षा</li> <li>सहायक कंपनियों के निदेशक मंडल के कार्यवृत्तों को निदेशक मंडल की बैठक में रखा गया है</li> <li>सहायक कंपनियों की व्यवस्थाओं और महत्वपूर्ण लेनदेनों को निदेशक मंडल की बैठक में रखा गया है</li> </ul>
१०.	साचिविक लेखा परीक्षण	२४ए	हाँ	<ul style="list-style-type: none"> <li>वार्षिक साचिविक परीक्षण रिपोर्ट और वार्षिक साचिविक अनुपालन रिपोर्ट</li> </ul>
११.	स्वतंत्र निदेशक के संबंध में दायित्व	२५	हाँ	<ul style="list-style-type: none"> <li>अधिकतम निदेशकताएँ और अवधि</li> <li>स्वतंत्र निदेशकों की बैठकें</li> <li>स्वतंत्र निदेशकों की समाप्ति और नियुक्ति</li> <li>स्वतंत्र निदेशकों द्वारा प्रदर्शन की समीक्षा</li> <li>स्वतंत्र निदेशकों का परिचितीकरण</li> <li>स्वतंत्र निदेशक की ओर से घोषणा, कि वह स्वतंत्रता के मानदंडों को पूरा करता/करती है</li> <li>सभी स्वतंत्र निदेशकों के लिए निदेशक एवं अधिकारी बीमा</li> </ul>
१२.	निदेशकों और वरिष्ठ प्रबंधन के संबंध में दायित्व	२६	हाँ	<ul style="list-style-type: none"> <li>समितियों में सदस्यता/अध्यक्षता</li> <li>निदेशकों और वरिष्ठ प्रबंधन द्वारा आचार संहिता के अनुपालन पर अभिप्रेति</li> <li>गैर-कार्यकारी निदेशकों द्वारा अंशधारकता का प्रकटीकरण</li> <li>हितों के संभावित टकराव के बारे में वरिष्ठ प्रबंधन द्वारा प्रकटीकरण</li> <li>प्रमुख प्रबंधकीय कर्मियों, निदेशक एवं प्रवर्तक द्वारा कंपनी की प्रतिभूतियों में डीलिंग के संबंध में प्रतिपूर्ति या लाभ साझाकरण के बारे में कोई सहमति (अनुबंध) नहीं</li> <li>कॉर्पोरेट प्रशासन पर त्रैमासिक, अर्द्ध-वार्षिक एवं वार्षिक अनुपालन प्रतिवेदन दाखिल करना</li> </ul>
१३.	अन्य कॉर्पोरेट प्रशासन आवश्यकताएँ	२७	हाँ	<ul style="list-style-type: none"> <li>स्वतंत्र निदेशकों की नियुक्ति के नियम व शर्तें</li> <li>निदेशक मंडल की विभिन्न समितियों की संरचना</li> <li>निदेशक मंडल एवं वरिष्ठ प्रबंधन कर्मियों की आचार संहिता</li> <li>चौकसी तंत्र / व्हिसिल ब्लोअर नीति की स्थापना के विवरण</li> <li>संबंधित पक्ष लेनदेनों के साथ डीलिंग पर नीति</li> <li>महत्वपूर्ण सहायक कंपनियों के निर्धारण हेतु नीति</li> <li>स्वतंत्र निदेशकों को प्रदत्त परिचितीकरण कार्यक्रमों के विवरण</li> </ul>
१४.	वेबसाइट	४६(२) (बी) से (i) तक	हाँ	

### सामान्य शेयरधारक जानकारी

#### क. कंपनी की जानकारी

यह कंपनी भारत के महाराष्ट्र राज्य में पंजीकृत है। कॉर्पोरेट मामलों के मंत्रालय (एमसीए) द्वारा कंपनी को जारी किया गया कॉर्पोरेट आईडेंटिटी नंबर (सीआईएन) है L३१५००MH१९३८PLC००९८८७।

#### ख. साधारण निकाय बैठकों की जानकारी

##### वित्तीय वर्ष २०२०-२१ के लिए एजीएम

दिन एवं समय	बुधवार, ११ अगस्त, २०२१
समय	दोपहर ३.०० बजे(भा.मा.स.)
विधि	विडियो कॉन्फ्रेंसिंग/अन्य ऑडियो विजुअल माध्यमों द्वारा
वित्तीय वर्ष	१ अप्रैल, २०२० से ३१ मार्च, २०२१

वित्तीय वर्ष २०२०-२१ के दौरान कोई ईजीएम/कोर्ट या ट्रिब्यूनल कंवेयड मीटिंग नहीं हुई थी।

#### ग. लाभांश :

कंपनी के मंडल ने वित्तीय वर्ष २०२०-२१ के लिए कोई लाभांश की सिफारिश नहीं की है।

##### लाभांश वितरण नीति

कंपनी ने सूचीकरण विनियमों की आवश्यकताओं के संदर्भ में लाभांश वितरण नीति अपनाई है और इसे इस वार्षिक रिपोर्ट के साथ संलग्न किया गया है और यह कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर भी उपलब्ध है।

##### पिछले १० वित्तीय वर्षों का लाभांश इतिहास

नीचे दी गई तालिका पिछले १० वित्तीय वर्षों में कंपनी द्वारा घोषित और भुगतान किए गए लाभांश का इतिहास प्रदान करती है :

क्र. सं.	वित्तीय वर्ष	लाभांश घोषित करने की तिथि	प्रति शेयर लाभांश
१.	२०१०-११	२८ जुलाई, २०११	₹ २.८०
२.	२०११-१२	२६ जुलाई, २०१२	₹ २.८०
३.	२०१२-१३	६ अगस्त, २०१३	₹ २.००
४.	२०१३-१४	३१ जुलाई, २०१४	₹ १.५०
५.	२०१४-१५	६ अगस्त, २०१५	₹ १.५०
६.	२०१५-१६	१० मार्च, २०१६	₹ २.८०
७.	२०१६-१७	३ अगस्त, २०१७	₹ २.८०
८.	२०१७-१८	९ अगस्त, २०१८	₹ ३.५०
९.	२०१८-१९	७ अगस्त, २०१९	₹ ३.५०
१०.	२०१९-२०	कोई लाभांश अनुशंसित नहीं हुआ	

#### घ. ३१ मार्च, २०२२ को समाप्त होने वाले वित्तीय वर्ष के लिए संभावित कैलेंडर

वित्तीय वर्ष - १ अप्रैल से ३१ मार्च

त्रैमासिक वित्तीय परिणामों पर विचार के लिए मंडल की बैठक की संभावित तारीखें इस प्रकार हैं :

तिमाही का ब्योरा	संभावित तिथियां
पहली तिमाही के परिणाम	अगस्त २०२१ के दूसरे हफ्ते में
दूसरी तिमाही तथा छमाही के परिणाम	नवंबर २०२१ के दूसरे हफ्ते में
तीसरी तिमाही के परिणाम	फरवरी २०२२ के दूसरे हफ्ते में
चौथी तिमाही तथा वार्षिक परिणाम	मई २०२२ के चौथे हफ्ते में

३१ मार्च, २०२१ को समाप्त वर्ष के दौरान वित्तीय परिणामों के अनुमोदन के लिए मंडल की बैठकें निम्नांकित तिथियों पर हुईं :

तिमाही का ब्योरा	संभावित तिथियां
पहली तिमाही के परिणाम	११ अगस्त, २०२०
दूसरी तिमाही तथा छमाही के परिणाम	५ नवंबर, २०२०
तीसरी तिमाही के परिणाम	४ फरवरी २०२१
चौथी तिमाही तथा वार्षिक परिणाम	२५ मई, २०२१

**च. स्टॉक एक्सचेंजों में सूचीबद्ध तथा स्टॉक कोड**

कंपनी के शेयर वर्तमान में निम्नलिखित स्टॉक एक्सचेंजों में सूचीबद्ध हैं :

स्टॉक एक्सचेंजों के नाम	पता	स्टॉक कोड
बीएसई लिमिटेड	फ़ीरोज जीजीभाई टॉवर्स, दलाल स्ट्रीट, मुंबई ४००००१	५०००३१
नेशनल स्टॉक एक्सचेंज ऑफ़ इंडिया लिमिटेड	एक्सचेंज प्लाजा, बांद्रा-कुर्ला काम्प्लेक्स, बांद्रा (पूर्व), मुंबई ४०००५१	BAJAJELEC

डिपॉजिटरीज (एनएसडीएल एवं सीडीएसएल) सिस्टम के अंतर्गत कंपनी के ₹ २ प्रत्येक के अंकित मूल्य के शेयरों को आर्वाटिड आईएसआईएन नंबर है INE१९३E०१०२५।

₹ १०,००,०००/- प्रत्येक अंकित मूल्य के असुरक्षित प्रतिदेय गैर-परिवर्तनीय डिबेंचर (एनसीडीज) नेशनल स्टॉक एक्सचेंज ऑफ़ इंडिया लिमिटेड के थोक ऋण बाजार खंड में सूचीबद्ध हैं।

वित्तीय वर्ष २०२१-२२ के लिए, कंपनी ने दोनों स्टॉक एक्सचेंजों को वार्षिक सूचीकरण शुल्क एवं दोनों डिपॉजिटरीयों को वार्षिक कस्टडी/इश्युअर शुल्क का भुगतान कर दिया है।

**छ. कंपनी द्वारा जारी एनसीडी के विवरण**

श्रृंखला	आईएसआईएन	मूलधन राशि (₹ लाख में)	परिपक्वता की तिथि	कूपन दर %
विकल्प बी	INE१९३E०८०२०	७,५००	२० अगस्त, २०२१	११% प्रति वर्ष की परिपक्वता की
विकल्प सी	INE१९३E०८०१२	७,५००	१८ फरवरी, २०२२	एक प्राप्ति पर शून्य कूपन वाली एनएसडी

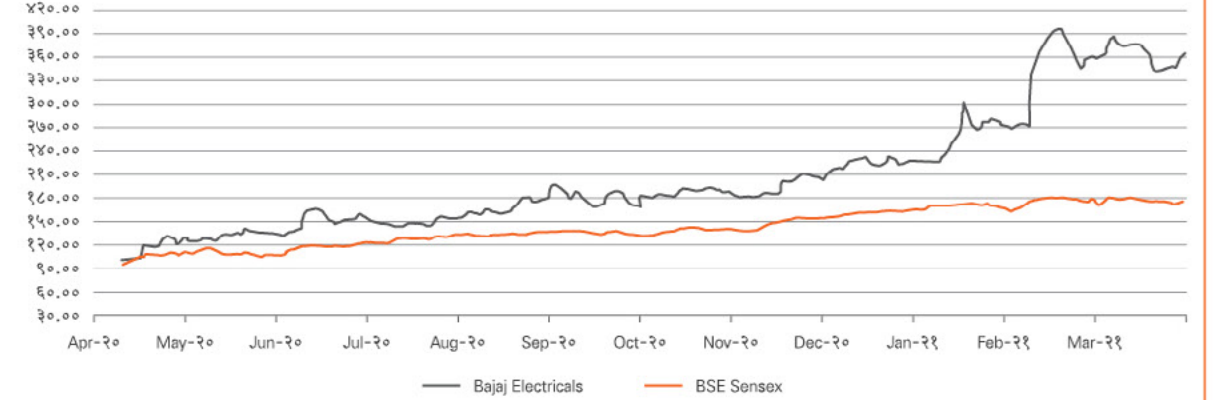
नोट : ₹३५ करोड़ पूर्ण योग के विकल्प ए एनसीडी (आईएसआईएन आईएनई१९३ई०८०२८) १८ फरवरी, २०२१ को भुनाए गए थे। चूंकि उक्त विकल्प ए एनसीडी के संबंध में प्रतिदान तिथि (अर्थात १९ फरवरी, २०२१) उस दिवस को आई जो एक व्यवसायिक दिवस नहीं था, इसलिए भुगतान सूचना ज्ञापन दिनांकित १८ फरवरी, २०१९ की शर्तों के अनुसार पिछले कारोबारी दिवस (यानी १८ फरवरी, २०२१) को किया गया।

**ज. बाजार मूल्य डेटा**

बीएसई सेंसेक्स अप्रैल २०२० - मार्च २०२१ के समक्ष बीएसई पर बीईएल शेयर मूल्य

माह	बीएसई सेंसेक्स समापन	बीईएल शेयर मूल्य			माह के दौरान ट्रेडेड शेयरों की संख्या	टर्नओवर (₹) करोड़
		उच्च (₹)	निम्न (₹)	समापन (₹)		
अप्रैल-२०	३३,७१७.६२	३६३.६५	२६०.००	३४०.३५	१८५८०३	६.२२
मई-२०	३२,४२४.१०	३८९.७५	३३२.०५	३६३.७०	६९३७५५	२४.१५
जून-२०	३४,९१५.८०	४६६.९०	३७२.५०	३९९.५०	३४३६४९	१४.३३
जुलाई-२०	३७,६०६.८९	४४९.४५	३७८.६५	४२५.९५	६०८३७७	२५.२४
अगस्त-२०	३८,६२८.२९	५४५.००	४१८.००	४९८.४५	७५४०४४	३६.०७
सितंबर-२०	३८,०६७.९३	५२०.००	४४१.९०	५०२.५५	७९७४२८	३९.५३
अक्टूबर-२०	३९,६१४.०७	५३४.००	४७७.७०	४८८.००	१९८५६७	१०.०७
नवंबर-२०	४४,१४९.७२	५८२.७५	४७४.००	५७२.७०	६३९७६७	३३.२६
दिसंबर-२०	४७,७५९.३३	६४८.००	५२६.८०	६१०.३५	५५४०३४	३३.९३
जनवरी-२१	४६,२८५.७७	८५८.९५	६०२.०५	७२२.५०	६९३१८७	५२.०८
फरवरी-२१	४९,०९९.९९	१,१२३.७०	७१४.५५	९५७.७०	१७०४००२	१६५.९५
मार्च-२१	४९,५०९.१५	१,०९९.००	८९५.३०	९७७.४०	२६८४६७	२७.०३

**बीएसई एवं बीएसई सेंसेक्स पर बीईएल शेयर मूल्य**

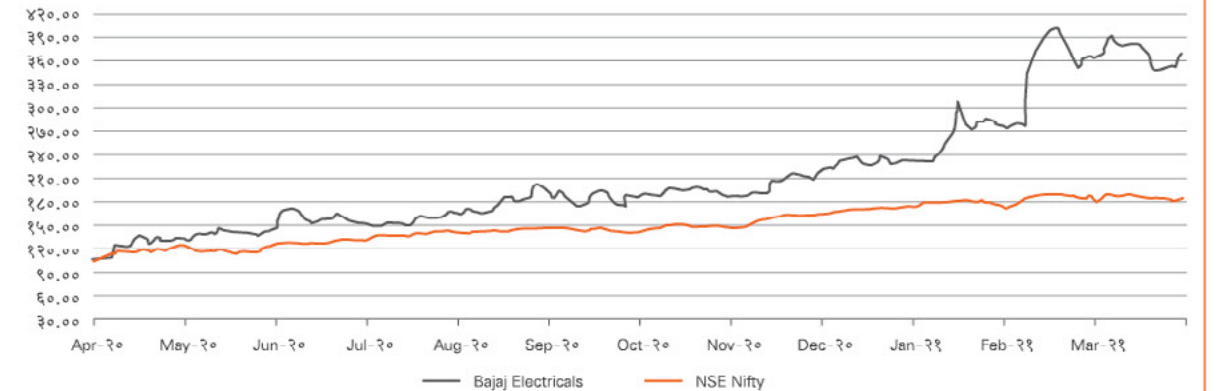


टिप्पणी : बजाज इलेक्ट्रिकल्स लिमिटेड का शेयर मूल्य और बीएसई सेंसेक्स १ अप्रैल, २०२० को १०० पर सूचीबद्ध किया गया है।

**एनएसई निफ्टी अप्रैल २०२० से मार्च २०२१ के समक्ष एनएसई पर बीईएल शेयर मूल्य**

माह	एनएसई निफ्टी समापन	बीईएल शेयर मूल्य			माह के दौरान ट्रेडेड शेयरों की संख्या	टर्नओवर (₹) करोड़समापन
		उच्च (₹)	निम्न (₹)	समापन (₹)		
अप्रैल-२०	९,८५९.९०	३६४.३०	२६०.००	३४०.४०	३९१२८२३	१३०.६०
मई-२०	९,५८०.३०	३८९.६०	३३२.००	३६३.९५	६४८५२४०	२३५.७८
जून-२०	१०,३०२.१०	४६६.२०	३७१.५०	३९२.८०	६७६५७७८	२८२.९५
जुलाई-२०	११,०७३.४५	४४९.८०	३७८.५०	४२४.६५	८४२१४३२	३४८.३९
अगस्त-२०	११,३८७.५०	५४४.९५	४१८.३०	४९८.००	१३३९६४९६	६४३.४९
सितंबर-२०	११,२४७.५५	५२०.४०	४४२.०५	५०३.२०	६६२५६४४	३२२.७७
अक्टूबर-२०	११,६४२.४०	५३४.००	४८०.४०	४८७.४५	५१४७३४३	२६३.५३
नवंबर-२०	१२,९६८.९५	५८२.६५	४८०.००	५७२.५५	८४५४६२८	४५४.९९
दिसंबर-२०	१३,९८१.७५	६४८.८०	५२०.००	६१०.५५	४२४३५३८	२५९.४२
जनवरी-२१	१३,६३४.६०	८५८.९५	६०२.२५	७२५.९५	१०३२७८९१	७८२.०५
फरवरी-२१	१४,५२९.१५	१,१२३.५५	७१३.२०	९५८.२५	२१९६६५५४	२,१४८.४९
मार्च-२१	१४,६९०.७०	१,०९९.८०	८९५.००	९७६.६०	३४७००३५	३५०.१९

**एनएसई एवं एनएसई निफ्टी पर बीईएल शेयर मूल्य**



टिप्पणी : बजाज इलेक्ट्रिकल्स लिमिटेड का शेयर मूल्य और एनएसई निफ्टी १ अप्रैल, २०२० को १०० पर सूचीबद्ध किया गया है।



**झ. शेयर ट्रांसफर सिस्टम / डिविडेंड एवं अन्य संबंधित मसले**

**i) शेयर ट्रांसफर सिस्टम**

भारतीय प्रतिभूति एवं विनियम मंडल द्वारा जारी अधिसूचना क्र. SEBI/LAD/NRO/GN/२०१८/२४ दिनांकित ८ जून, २०१८ के प्रावधानों एवं प्रेस विज्ञप्ति दिनांकित ३ दिसंबर, २०१८ के प्रकाश में, सदस्य कृपया यह ध्यान में रखें कि १ अप्रैल, २०१९ से प्रभावी होकर, शेयरों का ट्रांसफर (शेयरों के ट्रांसमिशन एवं ट्रांसपोजीशन को छोड़कर) केवल अभौतिक स्वरूप (डिमटेरियलाइज़्ड) में ही होगा।

जिन शेयरधारकों के पास शेयर भौतिक स्वरूप में हैं, उनसे अनुरोध है कि वे अपने शेयरों को जल्द से जल्द अभौतिक (डिमटेरियलाइज़्ड) करवा लें, जिससे उन्हें भविष्य में अपने शेयरों के हस्तांतरण में कोई असुविधा नहीं हो।

**ii) शेयरधारकता सुविधा के लिए नामांकन सुविधा**

अधिनियम के अनुच्छेद ७२ के अनुसार, सदस्यों के लिए उनके द्वारा धारित शेयरों के संबंध में नामांकन करने की सुविधा उपलब्ध है। भौतिक स्वरूप में शेयर धारण करने वाले सदस्य कंपनी के आरटीए से एक नामांकन प्रपत्र (फॉर्म एसएच-१३) ले सकते हैं या उसे कंपनी की वेबसाइट से डाउनलोड कर सकते हैं। अभौतिक (डिमटेरियलाइज़्ड) स्वरूप में शेयर धारण करने वाले सदस्यों को इस बारे में अपने डिपॉजिटरी पार्टिसिपेंट्स (डीपी) से संपर्क करना चाहिए।

**iii) परमिनेंट अकाउंट नंबर**

भौतिक स्वरूप में शेयर धारण करने वाले सदस्यों को सलाह दी जाती है कि वे अपने पेन कार्ड विवरण पंजीकृत करवाएँ, क्योंकि सेबी की ओर से यह अनिवार्य किया गया है कि हस्तांतरण, स्थानांतरण, संप्रेषण एवं डुप्लिकेट शेयर सर्टिफिकेट जारी करने संबंधी सेवाएँ प्राप्त करते समय, हस्तांतरणकर्ता(ओं), हस्तांतरी(यों), उत्तरजीवित संयुक्त धारकों/वैधानिक उत्तराधिकारियों के पेन कार्ड की एक प्रति कंपनी के पास जमा करनी होगी।

**iv) शेयरों का अवच्छेदन (सब डिवीज़न )**

कंपनी ने वर्ष २००९ में अपने इक्विटी शेयरों के अंकित मूल्य को अवच्छेदित करते हुए १० से २ कर दिया था। जिन सदस्यों के पास अभी भी १० के शेयर सर्टिफिकेट हैं, उनसे अनुरोध है कि वे ये सर्टिफिकेट कंपनी के रजिस्ट्रार और शेयर ट्रांसफर एजेंट को भेजकर (इनके संपर्क विवरण नीचे दिए गए हैं) य २ प्रति शेयर के अंकित मूल्य के शेयरों के साथ बदलवा लें।

३१ मार्च, २०२१ को दावा-रहित लाभांश एवं उनके अंतरण की नियत तिथियों के विवरण :

क्र. सं.	वित्तीय वर्ष	लाभांश घोषित होने की तिथि	दावा-रहित राशि (रु.)	आईईपीएफ खाते में अंतरित होने की नियत तिथि
१.	२०१३-१४	३१ जुलाई, २०१४	८,४४,७२०.५०	३० अगस्त, २०२१
२.	२०१४-१५	६ अगस्त, २०१५	९,५४,८९५.५०	५ सितंबर, २०२२
३.	२०१५-१६	१० मार्च, २०१६	१८,००,९१५.२०	९ अप्रैल, २०२३
४.	२०१६-१७	३ अगस्त, २०१७	१६,७९,४७३.६०	१ सितंबर, २०२४
५.	२०१७-१८	९ अगस्त, २०१८	१४,६६,२०२.५०	७ सितंबर, २०२५
६.	२०१८-१९	७ अगस्त, २०१९	९,६३,४३४.५०	५ सितंबर, २०२६
७.	२०१९-२०		लाभांश की सिफारीश नहीं	

**v) लाभांश / दावा-रहित लाभांश / दावा-रहित शेयर**

**ए) ऑटोमेटेड क्लियरिंग हाउस (एसीएच) के माध्यम से लाभांश का भुगतान**

कंपनी लाभांश को सीधे सदस्यों के बैंक खाते में जमा करने की सुविधा प्रदान करती है। सेबी सूचीकरण विनियमों के अंतर्गत भी कंपनी के लिए सदस्यों का लाभांश इलेक्ट्रॉनिक रूप से जमा करना अनिवार्य किया गया है। इसलिए सदस्यों से अनुरोध है कि वे इस सुविधा का लाभ लेकर बैंक के एसीएच मोड के माध्यम से अपने बैंक खाते में लाभांश तेजी से व सुरक्षित रूप से जमा होना सुनिश्चित करें।

जिन सदस्यों के पास डीमेट स्वरूप में शेयर हैं, उन्हें अपने डिपॉजिटरी पार्टिसिपेंट्स को, जबकि जिन सदस्यों के पास भौतिक स्वरूप में शेयर हैं, उन्हें कंपनी के रजिस्ट्रार और शेयर ट्रांसफर एजेंट (इनके संपर्क विवरण नीचे दिए गए हैं) को वे कोर बैंकिंग खाता विवरण बताना चाहिए, जो उन्हें उनके बैंकों द्वारा आबंटित किए गए हैं। अगर कोर बैंकिंग खाता विवरण उपलब्ध नहीं हों, तो ऐसी स्थिति में कंपनी द्वारा डिमांड ड्राफ्ट जारी किए जाएंगे, जिनमें कंपनी के साथ उपलब्ध मौजूदा बैंक विवरणों का उल्लेख होगा।

**बी) दावा-रहित लाभांश**

कंपनी के लिए ऐसे लाभांश, जो कंपनी के अप्रदत्त लाभांश खाते में राशि अंतरित होने की तिथि से सात (७) वर्षों की अवधि तक अप्रदत्त/दावा-रहित रहते हैं, को सरकार द्वारा स्थापित निवेशक शिक्षण एवं सुरक्षा निधि ("आईईपीएफ") में अंतरित करना आवश्यक है। तदनुसार, वित्तीय वर्ष २०२१-२२ के दौरान, ३१ मार्च, २०१४ को समाप्त अंतिम वर्ष के संबंध में दावा-रहित अंतिम लाभांश आईईपीएफ में अंतरित होगा।

दावा-रहित लाभांशों को आईईपीएफ में अंतरित करने से पहले, उन सदस्यों को वैयक्तिक पत्र/ इमेल सूचना / समाचार पत्रों में सूचना द्वारा भेजे / दिए जाएंगे, जिनके दावा-रहित लाभांश अंतरित होना बकाया हैं, जिससे वे ऐसे अंतरण की नियत तिथि से पहले लाभांशों का दावा कर सकें। दावा-रहित लाभांश की जानकारी कंपनी की वेबसाइट : [www.bajajelectricals.com](http://www.bajajelectricals.com) पर भी प्रकाशित की जाती है।

**सी) निवेशक शिक्षण एवं सुरक्षा निधि ("आईईपीएफ") में 'शेयरों' का अंतरण (ऐसे मामलों में जहाँ सात (७) क्रमागत वर्षों या उससे अधिक तक लाभांश का भुगतान नहीं हो या वे दावा-रहित रहे हों)।**

निवेशक शिक्षण एवं सुरक्षा निधि प्राधिकरण (लेखा, लेखा परीक्षा, अंतरण एवं धन-वापसी) नियम, २०१६, यथा संशोधित, के साथ पठित अधिनियम के अनुच्छेद १२४(६) के अनुसार, तथा समय-समय पर कॉर्पोरेट मामलों के मंत्रालय द्वारा जारी अधिसूचनाओं के अनुसार, कंपनी के लिए ऐसे शेयरों को, जिनके लाभांश सात क्रमागत वर्षों या उससे अधिक की अवधि तक अप्रदत्त/दावा-रहित रहते हैं, को केन्द्र सरकार द्वारा स्थापित आईईपीएफ खाते में अंतरित करना आवश्यक है। उक्त नियमों के अंतर्गत आवश्यकतानुसार, कंपनी ने आवश्यक संख्या में शेयर आईईपीएफ में अंतरित कर दिए हैं।

**आईईपीएफ में अंतरित शेयरों या दावा-रहित लाभांश के संबंध में निवेशक को दावा दाखिल करने हेतु दिशा-निर्देश :**

ऐसे निवेशक/जमाकर्ता, जिनके अप्रदत्त लाभांश, परिपक्व जमा या डिबेंचर आदि भूतपूर्व कंपनी अधिनियम, १९५६ और/या अधिनियम के अंतर्गत आईईपीएफ में अंतरित कर दिए गए हैं, वे धनराशि के लिए दावा कर सकते हैं। इसके अलावा, उन शेयरों के संबंध में भी दावे किए जा सकते हैं, जो निम्नांकित प्रक्रियाओं/दिशा-निर्देशों के अनुसार आईईपीएफ में अंतरित हो गए हैं :

- लाभांश/शेयरों की धन-वापसी के लिए दावा दाखिल करने हेतु आईईपीएफ की वेबसाइट ([www.iepf.gov.in](http://www.iepf.gov.in)) से फॉर्म आईईपीएफ-५ डाउनलोड करें। यह प्रपत्र भरने से पहले ई-फॉर्म के साथ-साथ वेबसाइट/निर्देश किट में दिए गए निर्देशों को सावधानी पूर्वक पढ़ लें।
- प्रपत्र भरने के बाद, इसे अपने कंप्यूटर पर सहेज लें और वेबसाइट पर अपलोड लिंक में दिए गए निर्देशों का पालन करते हुए उपयुक्त रूप से भरा गया प्रपत्र जमा कर दें। सफलता पूर्वक अपलोड कर देने के बाद, इसकी प्राप्ति निर्मित होगी, जिसमें एसआरएन होगा। इस प्रपत्र की भावी ट्रैकिंग के लिए कृपया इन एसआरएन विवरणों को लिख लें।
- उपयुक्त रूप से भरे गए प्रपत्र नं. आईईपीएफ-५ का तथा प्रपत्र अपलोड करने के बाद जारी हुई प्राप्ति का प्रिंटआउट ले लें।

iv) क्षतिपूर्ति बंध-पत्र (इडेमनीटी बाँड) की मूल प्रति, प्राप्ति की प्रति एवं स्व-प्रमाणित ई-प्रपत्र प्रति को प्रपत्र नं. आईईपीएफ-५ में उल्लेखित अन्य दस्तावेजों के साथ कंपनी के नोडल अधिकारी के पास उसके पंजीकृत कार्यालय में जमा करवाएँ, जिसके लिफाफे पर 'आईईपीएफ प्राधिकरण से धन-वापसी के लिए दावा / आईईपीएफ से शेयरों के लिए दावा', जैसा भी मामला हो, लिखा होना चाहिए। कृपया यह ध्यान रखें कि धन-वापसी की प्रक्रिया शुरू करने के लिए कंपनी के पास दस्तावेज जमा करना अनिवार्य है।

v) हर प्रकार से परिपूर्ण दावा प्रपत्रों को संबंधित कंपनी द्वारा सत्यापित किया जाएगा और कंपनी के सत्यापन प्रतिवेदन के आधार पर आईईपीएफ प्राधिकरण द्वारा दावाकर्ता के आधार-संबद्ध बैंक खाते में इलेक्ट्रॉनिक ट्रांसफर के माध्यम से धन-वापसी जमा कर दी जाएगी और/या शेयरों को दावाकर्ता के डीमेट खाते में जमा कर दिया जाएगा, जैसा भी मामला हो।

vi) आईईपीएफ धन-वापसी प्रक्रिया के लिए कंपनी के नोडल अधिकारी हैं श्री अजय नागले, एक्ज़िक्यूटिव वाइस प्रेसिडेंट तथा मुख्य-वैधानिक एवं कंपनी राचिव।

**डी) दावा-रहित शेयर**

अनुसूची तख 'दावा-रहित शेयरों के साथ व्यवहार का तरीका' के साथ पठित, सेबी सूचीकरण विनियमों के विनियम ३९(४) के अंतर्गत कंपनियों को ऐसे शेयरों को, जो डाक प्राधिकरणों द्वारा 'अनडिलिवर्ड' के रूप में वापस आ गए हैं, अभौतिक (डिमटेरियलाइज़्ड) करने और इन शेयरों को एक 'दावा-रहित संशय खाता' में, जिसे किसी भी डिपॉजिटरी, यानी नेशनल सिक्योरिटीज़ डिपॉजिटरी लिमिटेड (एनएसडीएल) या सेन्ट्रल डिपॉजिटरी सर्विसेस लि. (सीडीएसएल) में से किसी के साथ भी खोला जाना चाहिए, धारित रखने के निर्देश दिए गए हैं।

ऐसे शेयरों पर सभी प्रकार के कॉर्पोरेट लाभ, यानी बोनस, लाभांश आदि को सात (७) वर्ष की अवधि तक लागू अनुसार दावा-रहित संशय खाते में जमा किया जाएगा और उसके बाद उन्हें निवेशक शिक्षण एवं सुरक्षा निधि प्राधिकरण (लेखा, लेखा परीक्षा, अंतरण एवं धन-वापसी) नियम, २०१६ (आईईपीएफ नियम), जो अधिनियम के अनुच्छेद १२४(६) के साथ पठित हैं, के प्रावधानों के अनुसार अंतरित कर दिया जाएगा।

सेबी सूचीकरण विनियमों की अनुसूची V 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 शेयरधारका की संख्या, जिन्होंने वर्ष के दौरान सर्पेंस अकाउंट स 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 समापनपर सर्पेंस अकाउंट में पड़े बकाया शेयरों एवं शेयरधारकोंकी 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



**ट. शेरर पूँजी लेखा-परीक्षण का समाधान**

सेबी द्वारा तय आवश्यकता के अनुसार, कंपनी की शेरर पूँजी का त्रैमासिक लेखा-परीक्षण एक स्वतंत्र बाह्य लेखा-परीक्षक द्वारा, जारीकृत एवं सूचीबद्ध पूँजी के साथ, भौतिक स्वरूप में धारित तथा एनएसडीएल, एवं सीडीएसएल के साथ स्वीकृत कुल शेरर पूँजी के समाधान को दृष्टिगत रखते हुए किया जाना चाहिए। इसके संबंध में लेखा परीक्षक का प्रमाण-पत्र बीएसई लिमिटेड एवं एनएसई को जमा करना दिया गया है और इसे हितधारकों की संबंध समिति एवं निदेशक मंडल के समक्ष भी रख दिया गया है।

**ड. ३१ मार्च, २०२१ को शेररधारिता का वितरण :**

सभी श्रेणियों में शेररधारिता का वितरण :

श्रेणियाँ	३१ मार्च २०२१		३१ मार्च २०२०	
	शेररों की संख्या	कुल पूँजीका %	शेररों की संख्या	कुल पूँजीका %
प्रवर्तक और प्रवर्तक ग्रुप	७२३४२२७८	६३.१६	७१८७०८५८	६३.१७
एफआईआईज़	१४२३०४२८	१२.४२	९०५१४६४	७.९६
व्यक्ति (एचयूएफ सहित)	११०२२३६४	९.६२	१३६६६५३१	१२.०१
न्युचुअल फंड्स	१०७९३५५८	९.४२	१२९९२८२८	११.४२
न्यास	२१३५१७९	१.८६	२१२६६५५	१.८७
भारतीय निकाय निगम	१५३८८६७	१.३४	१५१६११३	१.३३
वैकल्पिक निवेश निधि	१००२५६७	०.८८	५६१७४४	०.४९
एनआरआईज़ और ओसीबीज़	९००८६८	०.७९	१०३५६०५	०.९१
आईईपीएफ	२९९१२९	०.२६	२४६७५८	०.२३
बीमा कंपनियाँ	१६९७९१	०.१५	५९२८३९	०.५२
समाशोधन सदस्य	८३५४८	०.०७	७८९३२	०.०७
बैंक, एनबीएफसीज़ तथा एफआईज़	१७४३०	०.०२	२७१८५	०.०२
विदेशी नागरिक	६१२	०.००	१९५	०.००
<b>कुल</b>	<b>११४५३६६१९</b>	<b>१००.००</b>	<b>११३७६७७०७</b>	<b>१००.००</b>

३१ मार्च, २०२१ को आकार श्रेणी के अनुसार शेररधारिता का वितरण :

श्रेणियाँ	फोलियोज़ की संख्या	कुल शेररधारकों का %	शेररों की संख्या	कुल शेररों का %
१ से १०००	५००३९	९६.२६२२	३२५४०४९	२.८४१९
१००१ से २०००	८३०	१.५९६७	१२००५८३	१.०४८२
२००१ से ३०००	३५१	०.६७५२	८६९४७४	०.७५९१
३००१ से ४०००	१४७	०.२८२८	५१०५०६	०.४४५७
४००१ से ५०००	१०६	०.२०३९	४८६८६०	०.४२५१
५००१ से १००००	२१४	०.४११७	१५१५८६३	१.३२३५
१०००१ से २००००	१२८	०.२४६२	१८०८२००	१.५७८७
२०००१ और उससे अधिक	१६७	०.३२१३	१०४८९१०८४	९१.५७८६
<b>कुल</b>	<b>५१९८२</b>	<b>१००.००००</b>	<b>११४५३६६१९</b>	<b>१००.००००</b>

**ड. शेररों का अभौतिकीकरण (डिमटेरियलाइज़ेशन) एवं तरलता**

३१ मार्च, २०२१ को, कंपनी के ११२९२२०८४ (९८.५९%) इक्विटी शेरर डिमटेरियलाइज़्ड स्वरूप में थे, जबकि ३१ मार्च, २०२० को ११२०८४८५१ (९८.५२%) इक्विटी शेरर थे। ३१ मार्च, २०२१ को भौतिक एवं इलेक्ट्रॉनिक विधि में धारित शेरर नीचे बताए गए हैं :

	३१ मार्च २०२१ को स्थिति		३१ मार्च २०२० को स्थिति		वित्तवर्ष २०२०-२१ के दौरान शुद्ध परिवर्तन	
	शेररों की संख्या	कुल शेररधारिता का %	शेररों की संख्या	कुल शेररधारिता का %	शेररों की संख्या	कुल शेररधारिता का %
<b>भौतिक (ए)</b>	१६१४५३५	१६१४५३५	१६८२८५६	१.४८	(६८३२१)	(०.०६)
<b>डिमैट</b>						
एनएसडीएल	११०५९६२२४	११०५९६२२४	१०९०८६६१३	९५.८९	१५०९६११	१.३३
सीडीएसएल	२३२५८६०	२३२५८६०	२९९८२३८	२.६३	(६७२३७८)	(०.५९)
<b>कुल डिमैट (बी)</b>	११२९२२०८४	११२९२२०८४	११२०८४८५१	९८.५२	८३७२३३	०.७४
<b>कुल (ए) + (बी)</b>	<b>११४५३६६१९</b>	<b>११४५३६६१९</b>	<b>११३७६७७०७</b>	<b>१००.००</b>	<b>७६८९१२</b>	<b>०.६८</b>

**ड. बकाया वैश्विक डिपॉजिटरी रसीदें या अमेरिकी डिपॉजिटरी रसीदें या वारंट या किसी भी तरह के परिवर्तनीय इंस्ट्रूमेंट, परिवर्तन तारीख और इक्विटी पर संभावित प्रभाव: लागू नहीं**

**त. क्रेडिट रेटिंग**

कंपनी ने आईसीआरए (इक्रा) लिमिटेड से क्रेडिट रेटिंग प्राप्त की है। वित्तीय वर्ष २०२०-२१ के दौरान कंपनी की रेटिंग में चढ़ाव था, जिसके विवरण नीचे दिए गए हैं :

रेटिंग एजेंसी	डेट के विवरण	परिवर्तन/गिरावट के विवरण
आईसीआरए (इक्रा) लिमिटेड	लाइन ऑफ क्रेडिट (लॉन्ग-टर्म)	[आईसीआरए] से [आईसीआरए] तक (स्थिर)
	लाइन ऑफ क्रेडिट (शॉर्ट-टर्म)	[आईसीआरए]२+ से [आईसीआरए]१ तक (स्थिर)
	नॉन-कंवर्टिबल डिबेंचर	[आईसीआरए] से [आईसीआरए] तक (स्थिर)

**थ. डिबेंचर ट्रस्टी**

**एक्सिस ट्रस्टी सर्विसेज़ लिमिटेड**

द रुबी, दूसरी मंजिल, एसडब्ल्यू, २९, सेनापती बापट मार्ग, दादर (पश्चिम), मुंबई - ४०० ०२८. फोन नं. : +९१-२२-६२३००४५१ फेक्स : +९१-२२-६२३००७०० ई-मेल : debenturetrustee@axistrustee.com; complaints@axistrustee.com

**द. पत्र व्यवहार हेतु पता :**

शेररधारकों के समस्त पत्र लिंक इनटाइम इंडिया प्राइवेट लिमिटेड, कंपनी के रजिस्ट्रार व शेरर ट्रांसफर एजेंट या अनुपालन अधिकारी को भिजवाए जाने चाहिए, जिनके पते नीचे दिए गये हैं :

लिंक इनटाइम इंडिया प्राइवेट लिमिटेड	अजय नागले, अनुपालन अधिकारी
सी १०१, २४७ पार्क, एल बी एस मार्ग, विक्रोली (पश्चिम), मुंबई - ४०० ०८३.	वैधानिक व सेक्रेटेरियल विभाग बजाज इलेक्ट्रिकल्स लिमिटेड ४५/४७, वीर नरीमन रोड, मुंबई - ४०० ००९.
फ़ोन : ०२२-४९९८६०००	फ़ोन : ०२२-६११०७८०० / ६१४९७०००
फैक्स : ०२२-४९९८६०६०	फ़ोन : ०२२-६११०७८०० / ६१४९७०००
ई-मेल : rnt.helpdesk@linkintime.co.in	ई-मेल : legal@bajajelectricals.com
वेबसाइट : www.linkintime.com	वेबसाइट : www.bajajelectricals.com

**ध. कारखानों / प्लांट्स की अवस्थिति :**

चाकण इकाई :	रांजनगांव इकाई :	विंड फ़ार्म :	शिकोहाबाद इकाई:	परवानू इकाई
ग्राम महालुंगे, चाकण, चाकण-तलेगांव मार्ग, तालुका : खेड़, जिला : पुणे, महाराष्ट्र - ४१० ५०९.	एमआईडीसी-रांजनगांव, ग्राम : ढोकसांगवी, तालुका : शिरूर, जिला : पुणे, महाराष्ट्र-४१२ २१०.	ग्राम : वंजुसावड़े तालुका : पाटण, जिला : सातारा, महाराष्ट्र-४१५ २०६.	शिकोहाबाद, फिरोजाबाद, उत्तर प्रदेश - २०५ १४१.	प्लाट सं. ४६-४८, सेक्टर - ५, परवानू, सोलन, हिमाचल प्रदेश - १७३ २२०.



# Independent Auditor's Report

To the Members of **Bajaj Electricals Limited**

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

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, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS 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, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone 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

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, 2021. 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.

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

#### A. Cost to complete estimates in the EPC business segment (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 related contract risks and their financial estimation; scope of deliveries and services required for fulfilling the contractually defined obligations and expected delays, if any.

Accordingly, cost to complete estimates have been considered as a key audit matter.

### How our audit addressed the key audit matters

Our audit procedures included the following:

- Performed procedures to test the design and operating effectiveness of controls relating to cost estimation;
- Selected projects by applying audit sampling techniques and examined whether the cost estimates for these projects are in line with the supplier quotations obtained by the management and other internal estimates where latest supplier quotations are not available.
- Examined whether the future supply quantities in the selected projects are in line with the contractual Bill of Quantities (BOQ) / survey conducted by the management. Further, also performed audit tests in respect of erection and other overhead costs considered in the selected projects.

### Key audit matters

### How our audit addressed the key audit matters

- Examined the contingencies identified by the management in these selected projects and corroborated the same with internal / external evidence available with the management.
- Examined project contractual terms and customer correspondences for the selected projects, to determine any adjustments to be considered to the project margins.
- Assessed management impact on account of COVID-19 on potential delays and cost increases.

#### B. Impairment allowance on trade receivables pertaining to operationally closed projects in Power Distribution (PD) and Transmission Line Tower (TLT) business (Refer Note 1D(2) and Note 6 of the standalone Ind AS financial statements)

As at 31 March 2021, trade receivables of ₹ 32,355.86 lakhs (net of impairment allowance of ₹ 4,484.98 lakhs) 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 ageing status and likelihood of collection based on contractual terms, past experience, customer correspondences etc. Based on such assessment, specific allowances are made for receivables that are unlikely to be collected.

Due to the involvement of management's judgement and materiality of the amounts involved, we have considered the same as a key audit matter.

Our audit procedures included the following

- Obtained management's assessment of recoverability of receivables from operationally closed projects.
- Discussed with the business heads in the PD and TLT business on the steps taken by them for recovery of the amounts, including discussions with customers during the period under audit.
- For material samples, assessed whether the rationale behind the management's judgment in determining the impairment provisions are in line with the customer correspondences (including any disputes), material reconciliations (where done during the year) and post year end payments.

#### C. Recoverability of advances to joint venture and recognition of liability for guarantee given for loans taken by the joint venture (Refer Notes 5.1, 5.2, 7, 10, 14 and 40a(x) of the standalone Ind AS financial statements)

As at 31 March 2021, the Company has the following exposure in respect of Starlite Lighting Limited ('SLL'), other than those provided for in the books: -

- Trade advances of ₹ 5,395.32 lakhs
- Loans of ₹ 7,240.00 lakhs
- Financial guarantee given by the Company for loans taken by SLL from the banks

(outstanding balance of such loans taken by SLL is ₹ 22,986.70 lakhs as on 31 March 2021)

Further, subsequent to the reporting date, the Company has acquired control over SLL by payment of a control premium of ₹ 1,480 lakhs. Also, the Board of directors have approved a scheme of merger of SLL into the Company.

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: -

Our audit procedures included the following:

- Obtained management's future cash flow forecasts (including COVID 19 considerations) along with the discounted cash flow working for SLL and tested the mathematical accuracy of the underlying calculations.
- Compared historical actual results to those budgeted and inquired with management on the reasons for significant deviations, to assess the quality of management's forecasts.
- Assessed the key assumptions used in the fair value assessment, comprising sales growth rates with reference to the contractual arrangements with SLL, EBITDA margin perpetual growth rate and discount rates.
- Examined the valuation report obtained by the management from external valuation specialists. Also, examined the objectivity and competence of the specialists involved.
- Assessed the sensitivity analysis of key assumptions used, including management assessment on the impact on change in assumptions.

**Key audit matters**

- No further impairment is required to be recorded for the year ended 31 March 2021
- No liability is probable on the financial guarantee given by the Company for loans taken by SLL.

Considering the judgments / estimates as discussed above, it has been determined as a key audit matter.

**D. Timing of revenue recognition for Consumer Product business (Refer Notes 1B(2)(1) and 24 of the standalone Ind AS financial statements)**

Revenue from contracts with customers is recognised upon transfer of control of promised goods and is measured at the fair value of the consideration received or receivable, net of returns, schemes and rebates, based on contractually defined terms.

The timing of transfer of control in case of sales to distributors is basis the arrangements including delivery specifications and incoterms, payment terms and ability of customers to return the goods if unsold in the market which create complexity and judgement in determining the timing of recognition of revenues.

The risk is, therefore, that revenue is not recognized in the correct period and accordingly, it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.

**How our audit addressed the key audit matters**

- Assessed subsequent events with respect to acquisition of control of SLL by the Company and scheme of merger of SLL into the Company approved by Board of Directors and considered any committed investment in the exposure assessment

Audit procedures included the following:

- Assessed the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.
- Assessed the design and tested the operating effectiveness of internal financial controls related to timing of revenue recognition.
- For sample customers, obtained and assessed the arrangements with the Company and impact on revenue recognition including their payment terms and right to returns
- Performed sample tests of individual sales transaction based on sales invoices and other related documents. In respect of the samples selected, tested the timing of revenue recognition in accordance with Ind AS 115.
- Selected sample of sales transactions made pre and post-year end, agreed the period of revenue recognition to underlying documents and the terms of sale.
- Performed analytical procedures on sales and sales return trend
- For sample customer balances, obtained direct confirmation and tested the reconciliations if any

We have determined that there are no other key audit matters to communicate in our report.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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.

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**

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.

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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 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.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;



- (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 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(a) 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 **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

**Vikram Mehta**  
Partner  
Membership Number: 105938  
UDIN: 21105938AAAADB1720  
Mumbai, May 25, 2021

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF BAJAJ ELECTRICALS LIMITED ('THE COMPANY')

- (i) (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.
- (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 explanation given by the management, the title deeds of immovable property included in property, plant and equipment 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. Inventories lying with third parties have been confirmed by them as at year-end and no material discrepancies were noticed in respect of such confirmations.
- (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 Companies Act, 2013. 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 Companies Act 2013 in respect of loans to directors including 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.
- (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 of its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and as explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, labour welfare fund, profession tax, income tax, goods and service tax, customs duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no undisputed statutory dues including provident fund, employees' state insurance, labour welfare fund, profession tax, income-tax, goods and service tax, customs duty, cess and other material statutory dues which were outstanding, at the year-end for a period of more than six months.

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, on account of any dispute, are as follows:

(₹ in lakhs)

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	-	-	-	1.15
	2015-16	1.70	-	-	-	1.70
Sales tax	2005-07	37.80	-	8.19	-	45.99
	2007-10	50.86	-	0.99	-	51.85
	2010-12	19.60	-	-	6.40	26.00
	2012-14	473.25	-	1,114.84	41.96	1,630.02
	2014-15	216.72	19.38	-	-	236.10
Service Tax	2015-17	1,984.80	81.95	10.79	-	2,077.54
	2005-10	139.14	-	-	-	139.14
Customs	2016-17	-	-	15.49	-	15.49
Income Tax	2012-13	30.00	-	-	-	30.00
Grand total		2,955.02	101.33	1,150.27	48.36	4,254.98

- (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 bank or dues to debenture holders. The Company did not have any outstanding loans or borrowings due to government during the year.
- (ix) In our opinion and according to information and explanation given by the management, the Company has utilized the monies by way of further public offer (Right issue) and term loans for the purposes for which they have were raised.
- (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 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 and audit procedures performed by us, 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 Companies Act, 2013.
- (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 and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act,

2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) 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 and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act. 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 Firm Registration Number: 324982E/E300003

per **Vikram Mehta**  
Partner  
Membership Number: 105938  
UDIN: 21105938AAAADB1720  
Mumbai, May 25, 2021

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF BAJAJ ELECTRICALS LIMITED ('THE COMPANY')

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Bajaj Electricals Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements.

### Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

A company's internal financial controls with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI

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

per **Vikram Mehta**  
Partner  
Membership Number: 105938  
UDIN: 21105938AAAADB1720  
Mumbai, May 25, 2021



# Balance Sheet

as at 31st March 2021

(₹ in Lakhs)

Particulars	Notes	As at 31-Mar-21	As at 31-Mar-20
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	27,146.60	28,088.11
Capital work in progress	2	1,002.01	936.70
Right-of-use assets	3	6,123.05	12,047.28
Intangible assets	4	213.01	285.28
Intangible assets under development	4	781.50	156.70
Investment property	4.1	12,600.00	-
Investments in subsidiary, associate and joint venture	5.1	3,315.32	3,999.85
<b>Financial Assets</b>			
i) Investments	5.2	469.74	1,286.23
ii) Trade receivables	6	40,470.53	48,754.67
iii) Loans	7	11,144.74	4,186.80
iv) Other financial assets	8	2,946.14	2,684.46
Deferred tax assets (net)	9	5,249.35	4,530.57
Non-current tax assets (net)		7,560.12	9,738.85
Other non-current assets	10	10,994.42	10,340.99
<b>Total Non-Current Assets</b>		<b>1,30,016.53</b>	<b>1,27,036.49</b>
<b>Current Assets</b>			
Inventories	11	97,104.86	69,077.13
<b>Financial Assets</b>			
i) Trade receivables	6	1,51,150.52	2,04,898.71
ii) Cash and cash equivalents	12	4,562.91	10,160.64
iii) Bank balances other than (ii) above	12	1,592.54	307.55
iv) Loans	7	1.02	2.57
v) Other current financial assets	13	389.60	479.55
Other current assets	14	33,042.96	33,048.90
Contract assets	41	6,861.30	10,592.55
<b>Total Current Assets</b>		<b>2,94,705.71</b>	<b>3,28,567.60</b>
Assets classified as held for sale	15	287.02	250.19
<b>Total Current Assets</b>		<b>2,94,992.73</b>	<b>3,28,817.79</b>
<b>Total Assets</b>		<b>4,25,009.26</b>	<b>4,55,854.28</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	2,290.73	2,275.35
Other Equity	17	1,58,170.03	1,35,650.95
Share application money pending allotment		12.51	0.02
<b>Total Equity</b>		<b>1,60,473.27</b>	<b>1,37,926.32</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	18	2,457.61	7,991.45
ii) Lease liabilities	3	2,210.59	7,316.57
iii) Other financial liabilities	19	84.37	201.02
Provisions	20	2,094.64	2,238.43
Employee benefit obligations	21	6,764.10	7,099.66
<b>Total Non-Current Liabilities</b>		<b>13,611.31</b>	<b>24,847.13</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	18	23,420.16	65,757.17
ii) Lease liabilities	3	1,652.70	2,546.31
iii) Trade payables	22	-	-
Total Outstanding dues of micro enterprises & small enterprises		10,977.22	7,420.99
Total Outstanding dues of other than micro enterprises & small enterprises		83,434.13	82,608.59
iv) Other current financial liabilities	19	74,186.78	67,027.55
Provisions	20	8,966.27	8,734.79
Employee benefit obligations	21	1,183.04	2,062.00
Current tax liabilities (net)		2,382.58	962.47
Contract liabilities	41	20,545.95	37,046.31
Other current liabilities	23	24,175.85	18,914.65
<b>Total Current Liabilities</b>		<b>2,50,924.68</b>	<b>2,93,080.83</b>
<b>Total Liabilities</b>		<b>2,64,535.99</b>	<b>3,17,927.96</b>
<b>Total Equity &amp; Liabilities</b>		<b>4,25,009.26</b>	<b>4,55,854.28</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**

ICAI Firm Registration No. 324982E/E300003

Chartered Accountants

**per Vikram Mehta**Partner  
Membership No.105938  
Mumbai, May 25, 2021**Ajay Nagle**Executive Vice President  
Legal & Company Secretary  
Mumbai, May 25, 2021**For and on behalf of the Board of directors****Shekhar Bajaj**Chairman & Managing Director  
DIN: 00089358**Anuj Poddar**Executive Director  
DIN: 01908009**Anant Purandare**President &  
Chief Financial Officer**Shailesh Haribhakti**Chairman - Audit Committee  
DIN: 00007347

# Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Notes	31-Mar-21	31-Mar-20
<b>Income:</b>			
Revenue from operations	24	4,57,306.34	4,97,708.58
Other income	25	7,268.64	5,263.32
<b>Total Income</b>		<b>4,64,574.98</b>	<b>5,02,971.90</b>
<b>Expenses:</b>			
Cost of raw materials consumed	26	29,378.51	27,342.03
Purchases of traded goods		2,97,245.53	2,96,999.27
Changes in inventories of work-in-progress, finished goods, traded goods	26	(26,970.43)	8,797.48
Erection & subcontracting expenses	27	24,368.64	31,063.45
Employee benefit expenses	28	38,827.79	39,601.54
Depreciation and amortisation expense	29	6,926.12	6,801.17
Other expenses	30	64,302.09	73,212.38
Finance cost	31	7,555.16	16,915.53
<b>Total Expenses</b>		<b>4,41,633.41</b>	<b>5,00,732.85</b>
<b>Profit before exceptional items and tax</b>		<b>22,941.57</b>	<b>2,239.05</b>
Exceptional Items	44	(1,176.12)	-
<b>Profit before tax</b>		<b>24,117.69</b>	<b>2,239.05</b>
<b>Income tax expense:</b>			
Current tax	32	4,761.14	119.00
Deferred tax	9	992.45	2,133.21
<b>Total tax expenses</b>		<b>5,753.59</b>	<b>2,252.21</b>
<b>Profit / (loss) for the year</b>		<b>18,364.10</b>	<b>(13.16)</b>
<b>Other comprehensive (income) / loss</b>			
Items that will not be reclassified to profit and loss in subsequent periods			
Remeasurement (gains)/losses on defined benefit plans	21	(928.22)	1,140.81
Tax impacts on above	9	233.61	(287.12)
Gain on bargain purchase on demerger	44	(165.18)	-
<b>Other comprehensive (income) / loss, net of tax</b>		<b>(859.79)</b>	<b>853.69</b>
<b>Total Comprehensive Income / (loss) , net of tax</b>		<b>19,223.89</b>	<b>(866.85)</b>
<b>Earnings per equity share before exceptional items (face value per share ₹ 2)</b>	39		
Basic		15.05	(0.01)
Diluted		15.00	(0.01)
<b>Earnings per equity share after exceptional items (face value per share ₹ 2)</b>	39		
Basic		16.08	(0.01)
Diluted		16.02	(0.01)
<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**

ICAI 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**Anant Purandare**President &  
Chief Financial Officer**Shailesh Haribhakti**Chairman - Audit Committee  
DIN: 00007347**per Vikram Mehta**Partner  
Membership No.105938  
Mumbai, May 25, 2021**Ajay Nagle**Executive Vice President  
Legal & Company Secretary  
Mumbai, May 25, 2021

# Statement of changes in equity

for the year ended March 31, 2021

## A. Equity share capital (Note 16)

Particulars	Year Ended 31st March 2021		Year Ended 31st March 2020	
At the beginning of the year				
Issue of equity share capital during the year		2,275.35		2,047.99
		15.38		227.36
<b>At the end of the year</b>		<b>2,290.73</b>		<b>2,275.35</b>

## B. Other equity (Note 17)

Particulars	Reserves and surplus				Other reserves				
	Securities premium reserve	Debt Redemption Reserve	Shares Option Outstanding	General Reserve	Retained earnings*	Total	Capital Redemption Reserve	Capital Reserve	Total
<b>Balance at 31st March 2020</b>	60,139.79	4,625.00	1,261.09	43,256.34	26,223.02	1,35,505.24	135.71	10.00	1,35,650.95
Profit for the year	-	-	-	-	18,364.10	18,364.10	-	-	18,364.10
Other comprehensive income	-	-	-	-	694.61	694.61	-	165.18	859.79
<b>Total comprehensive income for the year</b>	60,139.79	4,625.00	1,261.09	43,256.34	45,281.73	1,54,563.95	135.71	175.18	1,54,874.84
Exercise of options - proceeds received	1,030.84	-	-	-	-	1,030.84	-	-	1,030.84
Exercise of options - transferred from shares options outstanding account	378.98	-	(378.98)	-	-	-	-	-	-
Securities premium proceeds received on issue of equity shares	0.05	-	-	-	-	0.05	-	-	0.05
(Note 16(iii))									
Securities premium on issue of shares on demerger (refer note 44)	1,842.31	-	-	-	-	1,842.31	-	-	1,842.31
Employee stock option expense for the year	-	-	421.99	-	-	421.99	-	-	421.99
Transferred to retained earnings for vested cancelled options	-	-	(122.71)	-	122.71	-	-	-	-
Transfer from Debt redemption reserve to General Reserve	-	(875.00)	-	875.00	-	-	-	-	-
Transfer from Retained Earnings to General Reserve	-	-	-	1,836.41	(1,836.41)	-	-	-	-
<b>Balance at 31st March 2021</b>	<b>63,391.97</b>	<b>3,750.00</b>	<b>1,181.39</b>	<b>45,567.75</b>	<b>43,568.03</b>	<b>1,57,859.14</b>	<b>135.71</b>	<b>175.18</b>	<b>1,58,170.03</b>

\*Retained earnings includes revaluation reserve of ₹ 808.60 lakhs subsumed during transition to Ind AS

# Statement of changes in equity

for the year ended March 31, 2021

## B. Other equity (Note 17)

Particulars	Reserves and surplus				Other reserves				
	Securities premium reserve	Debt Redemption Reserve	Shares Option Outstanding	General Reserve	Retained earnings*	Total	Capital Redemption Reserve	Capital Reserve	Total
<b>Balance at 31st March 2019</b>	25,461.14	4,625.00	913.77	43,163.78	31,412.21	1,05,575.90	135.71	10.00	1,05,721.61
Loss for the year	-	-	-	-	(13.16)	(13.16)	-	-	(13.16)
Other comprehensive income	-	-	-	-	(853.69)	(853.69)	-	-	(853.69)
<b>Total comprehensive income for the year</b>	25,461.14	4,625.00	913.77	43,163.78	30,545.36	1,04,709.05	135.71	10.00	1,04,854.76
Exercise of options - proceeds received	200.66	-	-	-	-	200.66	-	-	200.66
Exercise of options - transferred from shares options outstanding account	81.36	-	(81.36)	-	-	-	-	-	-
Securities premium proceeds received on issue of equity shares	34,766.71	-	-	-	-	34,766.71	-	-	34,766.71
Rights issue expenses	(370.08)	-	-	-	-	(370.08)	-	-	(370.08)
Employee stock option expense for the year	-	-	521.24	-	-	521.24	-	-	521.24
Transferred to General reserve for vested cancelled options	-	-	(92.56)	92.56	-	-	-	-	-
Dividend on equity shares	-	-	-	-	(3,585.26)	(3,585.26)	-	-	(3,585.26)
Dividend distribution tax	-	-	-	-	(737.08)	(737.08)	-	-	(737.08)
<b>Balance at 31st March 2020</b>	<b>60,139.79</b>	<b>4,625.00</b>	<b>1,261.09</b>	<b>43,256.34</b>	<b>26,223.02</b>	<b>1,35,505.24</b>	<b>135.71</b>	<b>10.00</b>	<b>1,35,650.95</b>

\*Retained earnings includes revaluation reserve of ₹ 808.60 lakhs subsumed during transition to Ind AS

## Summary of significant accounting policies (Note 1B)

### The accompanying notes are an integral part of the Financial Statements

As per our report attached of even date

For **S R B C & CO LLP**

ICAI Firm Registration No. 324982/E300003

Chartered Accountants

For and on behalf of the Board of directors

**per Vikram Mehta**  
Partner  
Membership No.105938  
Mumbai, May 25, 2021

**Ajay Nagle**  
Executive Vice President  
Legal & Company Secretary  
Mumbai, May 25, 2021

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

**Anant Purandare**  
President &  
Chief Financial Officer

**Anuj Poddar**  
Executive Director  
DIN: 01908009

**Shailesh Haribhakti**  
Chairman - Audit Committee  
DIN: 00007347



# Standalone cash flow statement

for the year ended March 31, 2021

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flow from operating activities</b>		
<b>Profit before income tax</b>	<b>24,117.69</b>	<b>2,239.05</b>
Adjustments for:		
Depreciation and amortisation expense	6,926.12	6,801.17
Employee share-based payment expense	421.99	521.24
(Gain)/Loss on disposal of property, plant and equipment	(2,256.81)	(27.86)
Measurement of financial assets held at fair value through Profit or Loss	(117.00)	38.13
Measurement of financial assets and liabilities held at amortised cost	(229.10)	(462.51)
Measurement of provisions at fair value	(341.47)	(309.51)
Derecognition of investment in associate pursuant to demerger	(1,176.12)	-
Impairment of property, plant & equipment	-	(24.61)
Finance costs	7,555.16	16,915.53
Interest income	(2,264.88)	(1,660.55)
Impairment allowance for doubtful debts & advances (net of write back)	(1,224.30)	(1,990.70)
Bad debts and other irrecoverable debit balances written off	3,016.36	348.61
	<b>34,427.64</b>	<b>22,387.99</b>
<b>Change in operating assets and liabilities:</b>		
(Increase)/decrease in trade receivables (current & non-current)	60,429.51	62,564.65
(Increase)/decrease in financial and other assets (current & non-current)	(383.72)	10,881.85
(Increase)/decrease in inventories	(27,259.99)	13,025.70
Increase/(decrease) in trade payables, provisions, employee benefit obligations, other financial liabilities and other liabilities (current & non-current)	(89.01)	(41,611.03)
<b>Cash generated from operations</b>	<b>67,124.43</b>	<b>67,249.16</b>
Income taxes paid (net of refunds)	(1,157.26)	(4,508.01)
<b>Net cash inflow from operating activities</b>	<b>65,967.17</b>	<b>62,741.15</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment including capital work in progress and capital advances	(2,145.70)	(2,921.22)
Purchase of intangible assets including intangible assets under development	(818.55)	(13.82)
Proceeds from sale of property, plant and equipment including advances received	1,983.45	96.87
Loans and advances given to subsidiary, associate and joint venture	(8,698.19)	(2,576.86)
Loans and advances repaid by subsidiary, associate and joint venture	-	344.00
Purchase of investments	(0.00)	(161.31)
(Increase)/decrease in bank deposits	(2,219.20)	116.38
Interest received	848.18	494.08
<b>Net cash used in from investing activities</b>	<b>(11,050.01)</b>	<b>(4,621.88)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares (net of issue expenses)	1,049.33	34,816.83
Proceeds from borrowings	1,724.44	29,518.69
Repayment of borrowings	(53,880.51)	(92,628.59)
Payment of lease liabilities	(2,708.53)	(2,206.65)
Interest paid	(6,703.57)	(14,256.31)
Dividends paid to Company's shareholders	-	(3,585.26)
Tax on dividend paid	-	(737.08)
<b>Net cash used in from financing activities</b>	<b>(60,518.84)</b>	<b>(49,078.37)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(5,601.68)</b>	<b>9,040.90</b>
Cash and cash equivalents at the beginning of the financial year	10,160.64	1,119.74
Acquired on demerger of Hind Lamps Limited (refer note 44)	3.95	-
<b>Cash and cash equivalents at end of March 31, 2021</b>	<b>4,562.91</b>	<b>10,160.64</b>

# Standalone cash flow statement

for the year ended March 31, 2021

Change in liability arising from financing activities	(₹ in Lakhs)	
	Year Ended 31st March 2021	Year Ended 31st March 2020
<b>Borrowings as on the beginning of the year</b>	<b>95,715.22</b>	<b>1,58,220.52</b>
Proceeds from borrowings*	1,724.44	29,518.69
Repayment of borrowings	(53,880.51)	(92,628.59)
Acquired on demerger of Hind Lamps Limited	2,775.55	-
Foreign exchange movement	38.45	604.60
<b>Borrowings as on the end of the year</b>	<b>46,373.15</b>	<b>95,715.22</b>

\*Proceeds from borrowings includes ₹ NIL towards non-current borrowings.

For changes in liability arising from lease liabilities, refer note 3

## Summary of significant accounting policies (Note 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

ICAI Firm Registration No. 324982E/E300003

Chartered Accountants

### per Vikram Mehta

Partner

Membership No.105938

Mumbai, May 25, 2021

### Ajay Nagle

Executive Vice President

Legal &amp; Company Secretary

Mumbai, May 25, 2021

### For and on behalf of the Board of directors

#### Shekhar Bajaj

Chairman &amp; Managing Director

DIN: 00089358

#### Anuj Poddar

Executive Director

DIN: 01908009

#### Anant Purandare

President &amp;

Chief Financial Officer

#### Shailesh Haribhakti

Chairman - Audit Committee

DIN: 00007347

# Notes to financial statements

for the year ended March 31, 2021

## 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 transmission line towers, power distribution and Illumination Projects). 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 (INR).

The financial statements are approved for issue by the Company's Board of Directors on May 25, 2021.

### 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.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### 2 Revenue from contract with customers:

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The recognition criteria for sale of products and construction contracts is described below

##### (1) Sale of products

Revenue from sale of products is recognized at the point in time when control of the asset is transferred to the customer, generally on 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 and warranties).

# Notes to financial statements

for the year ended March 31, 2021

In determining the transaction price for the sale of product, the Company considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company has a loyalty points program, "Retailer Bonding Program", which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as deferred revenue until the points are redeemed. Revenue is recognized upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the deferred revenue are charged against revenue.

The Company provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are bundled together with the sale of products. Contracts for bundled sales of products and a service-type warranty comprise two performance obligations because the product and service-type warranty are both sold on a stand-alone basis and are distinct within the context of contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type

warranty and recognised as deferred revenue. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

##### (2) Construction contracts

Performance obligation in case of construction contracts is satisfied over a period of time, as the Company creates an asset that the customer control and the Company has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of technical, political, regulatory and other related contract risks and their financial estimation; scope of deliveries and services required for fulfilling the contractually defined obligations and expected delays, if any. Provision for foreseeable losses/ construction contingencies on said contracts is made based on technical assessments of costs to be incurred and revenue to be accounted for. The Company 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 March 31, 2021

## Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

## 3 Leases:

### As a lessee:

#### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised

The Company has determined leasehold lands also as, right of use assets and hence the same has been classified from property, plant and equipment to right of use assets.

#### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual

value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

#### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below ₹ 5,00,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 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.

## 4 Other income:

(1) Interest income on financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments.

(2) Others:

The Company recognises other income (including 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.

# Notes to financial statements

for the year ended March 31, 2021

## 5 Property, plant and equipment :

### A) Asset class:

- i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.
- ii) All other items of property, plant and equipment (including capital work in progress) are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- iii) Capital goods manufactured by the Company for its own use are carried at their cost of production (including duties and other levies, if any) less accumulated depreciation and impairment losses if any.
- iv) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.
- v) Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipments which are carried at cost are recognised in the statement of profit and loss.

### B) Depreciation:

- i) Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Premium of Leasehold land and leasehold improvements cost are amortised over the primary period of lease.
- ii) 100% depreciation is provided in the month of addition for temporary structure cost at project site
- iii) Where a significant component (in terms of cost) of an asset has an economic useful life different than that of 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 24
Electric Installations	1 to 25
Office Equipment	1 to 10
Vehicles	8 to 10
Dies & Jigs	1 to 10
Leasehold Improvements	2 to 10
Roads & Borewell	3 to 21
IT hardware	1 to 10
Laboratory equipments	1 to 10

- vi) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

## 6 Intangible assets:

An intangible asset shall be recognised if, and only if:

- (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company; and
- (b) the cost of the asset can be measured reliably.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

# Notes to financial statements

for the year ended March 31, 2021

## Asset class & depreciation:

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

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

## 7 Investment property:

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Company does not charge depreciation to investment property land which is held for future undetermined use. Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use.

## 8 Impairment of non-financial assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely

independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment loss is charged to the Statement of Profit & Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in the prior accounting periods is reversed if there has been change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised.

## 9 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### I. Financial Assets

#### A) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### B) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

#### • Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

# Notes to financial statements

for the year ended March 31, 2021

#### • Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### • Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### • Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 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.



# Notes to financial statements

for the year ended March 31, 2021

## D) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## II. Financial Liabilities

### A) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### B) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not

subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

- Loans and Borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The fair value of financial guarantees is determined as the present value of the 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.

# Notes to financial statements

for the year ended March 31, 2021

## 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.

## 10. Fair value measurements:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

# Notes to financial statements

for the year ended March 31, 2021

## 11. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet and for the purpose of the statement of cash flows, include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 12. Inventories:

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.

## 13. 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 (INR), which is the Company's functional and presentation currency.

- On initial recognition, all foreign currency transactions are recorded at the functional currency spot rate at the date the transaction first qualifies for recognition.
- 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.
- Exchange differences arising on settlement of translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair

value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively)

## 14. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and unabsorbed depreciation.

Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

### A. Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Company establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

### B. Deferred tax

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

# Notes to financial statements

for the year ended March 31, 2021

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

## 15. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs also include exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

## 16. Provisions, contingent liabilities and contingent assets

### A. Provisions

A provision is recognised if

- the Company has present legal or constructive obligation as a result of an event in the past;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation has been reliably estimated.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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.

## 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 statement of profit or loss.



# Notes to financial statements

for the year ended March 31, 2021

## C. Post-employment obligations

The company operates the following post-employment schemes

- (a) defined benefit plans - gratuity and obligation towards shortfall of Provident Fund Trusts
- (b) defined contribution plans - Provident fund (RPFC Contributions), superannuation and pension

### Defined benefit plans :

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets excluding non-qualifying asset (reimbursement right). The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Insurance policy held by the company from insurers who are related parties are not qualifying insurance policies and hence the right to reimbursement is recognised as a separate assets under other non-current and/or current assets as the case may be.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Defined contribution plans :

In respect of certain employees, the Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been

paid. Such contributions are 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.

## 18. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

# Notes to financial statements

for the year ended March 31, 2021

Operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. Two or more operating segments are aggregated by the Company into a single operating segment if aggregation is consistent with the core principle of Ind AS 108, the segments have similar economic characteristics, and the segments are similar in aspects as defined by Ind AS.

The Company reports separately, information about an operating segment that meets any of quantitative thresholds as defined by Ind AS. Operating segments that do not meet any of the quantitative thresholds, are considered reportable and separately disclosed, only if management of the Company believes that information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are not reportable separately are combined and disclosed in an 'all other segments' category.

## 19. Dividends

The Company recognises a liability to pay dividend to equity holders when the distribution is authorised and is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## 20. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit of loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

21. 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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021

## 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 standard warranties for its consumer products. Based on the evaluation of the past warranty trends, management has estimated that warranty costs for 25% of sales arises in the year of sale itself, warranty costs for 50% of the sales in Year 1 and the balance 25% in Year 2. Based on the same, the related provision for future warranty claims has been determined.

The Company also sells lighting fitting to its customers. In few lighting fittings products, the drivers are an essential part and are expected to last for a longer period. In such cases, the Company provides warranties beyond fixing defects that existed at the time of sale. Basis this, the Company recognises this as a separate performance obligation and recognises revenue only in the period in which such service is provided based on time elapsed.

The assumptions made in relation to serviceable sales and related standard or serviceable warranty provision for the current period are consistent with those in the prior years.

### 2 Impairment allowance for trade receivables

The Company makes allowances for doubtful accounts receivable using a simplified approach which is a dual policy of an ageing based provision and historical / anticipated customer experience. Management believes that this simplified model closely represents the expected credit loss model to be applied on financial assets as per Ind AS 109. Further, in case of operationally closed projects, Company makes specific assessment of the overdue balances by considering the customer's historical payment patterns, latest

# Notes to financial statements

for the year ended March 31, 2021

correspondences with the customers for recovery of the amounts outstanding and credit status of the significant counterparties where available. Accordingly, a best judgment estimate is made to record the impairment allowance in respect of operationally closed projects.

### 3 Project revenue and costs

Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. The percentage-of-completion method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

### 4 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. Refer Note 34 of financial statements for the fair value disclosures and related sensitivity.

### 5 Employee benefits

The cost of the defined benefit gratuity plan and other post-employment leave benefits 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. Refer note 21.

### 6 Leases

Estimates are required to determine the appropriate discount rate used to measure lease liabilities. The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates, bank rates to the Company for a loan of a similar tenure, etc). The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

### 7 Impairment of non-financial assets

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

### 8 Retailer Bonding Program

The Company has a loyalty points program, "Retailer Bonding Program", which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as deferred revenue until the points are redeemed. Revenue is recognized upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company considers various judgement and estimates like determination of fair value, redeemed points, etc. The Company updates its estimates on a quarterly basis and any adjustments to the deferred revenue are charged against revenue.

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

## Notes to financial statements

for the year ended March 31, 2021

### Note 2 : Property, plant and equipment

Particulars	(₹ in Lakhs)														
	Freehold Land	Lease hold Land	Building	Ownership Premises	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Vehicles	Dies & Jigs	Leasehold Improvements	Temporary Structures	Roads & Borewell	IT Hardware	Total
Opening gross block as at 1st April 2019	3,728.06	2,822.49	4,179.10	11,228.42	7,904.82	1,748.04	594.77	1,558.83	923.36	2,731.09	194.02	120.66	126.66	7,058.70	44,919.02
Additions	-	-	4.45	-	134.28	538.98	19.71	134.49	58.23	588.95	187.49	5.18	3.41	958.80	2,613.97
Disposals	-	-	-	(5.73)	(52.13)	(30.58)	-	(7.23)	(15.51)	(40.67)	-	-	-	(63.62)	(215.47)
Asset classified as held for sale	-	-	(35.23)	-	-	-	-	-	-	-	-	-	-	-	(35.23)
Reclassified to Right of Use Asset	-	(2,822.49)	-	-	-	-	-	-	-	-	-	-	-	-	(2,822.49)
Closing gross block as at 31st March 2020	3,728.06	-	4,148.32	11,222.69	7,986.97	2,256.44	614.48	1,686.09	966.08	3,259.37	381.51	125.84	130.07	7,953.88	44,459.80
Additions	-	-	97.94	-	220.68	71.04	213.84	75.24	12.92	948.60	-	0.75	-	149.80	1,790.81
Disposals	-	-	-	(156.84)	(9.96)	(24.53)	(8.14)	(29.36)	(34.53)	(46.43)	(2.70)	-	-	(59.94)	(372.43)
Acquired on demerger of Hind Lamps Limited (refer note 44)	-	-	800.00	-	166.00	35.92	30.00	1.63	9.21	-	-	-	-	-	1,042.66
Asset classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassified to Right of Use Asset	-	(166.44)	-	-	-	-	-	-	-	-	-	-	-	-	(166.44)
Closing accumulated depreciation as at 31st March 2020	3,728.06	-	5,046.26	10,987.85	8,363.69	2,338.77	850.18	1,733.60	953.68	4,161.54	378.81	126.59	130.07	8,043.74	46,842.84
Depreciation charge during the year	-	-	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
Disposals	-	-	(154.20)	(0.45)	(18.07)	(17.44)	-	(7.15)	(3.55)	(39.29)	-	-	-	(60.50)	(146.45)
Asset classified as held for sale	-	-	(4.45)	-	-	-	-	-	-	-	-	-	-	-	(4.45)
Reclassified to Right of Use Asset	-	(166.44)	-	-	-	-	-	-	-	-	-	-	-	-	(166.44)
Closing accumulated depreciation as at 31st March 2021	3,728.06	-	4,991.77	11,829.60	11,807.16	2,321.33	850.18	1,733.60	953.68	4,161.54	378.81	126.59	130.07	8,043.74	46,842.84
Depreciation charge during the year	-	-	295.90	198.61	655.24	237.95	70.23	236.66	90.96	558.11	32.47	0.75	8.48	1,151.58	3,536.94
Disposals	-	-	-	(21.99)	(9.75)	(12.60)	(3.08)	(25.68)	(21.46)	(44.81)	(2.70)	-	-	(59.93)	(202.00)
Asset classified as held for sale	-	-	-	(10.39)	-	-	-	-	-	-	-	-	-	-	(10.39)
Closing accumulated depreciation as at 31st March 2021	3,728.06	-	4,991.77	11,829.60	11,807.16	2,321.33	850.18	1,733.60	953.68	4,161.54	378.81	126.59	130.07	8,043.74	46,842.84
Impairment allowance as on March 31, 2019	-	-	-	-	729.36	-	-	-	-	-	-	-	-	-	729.36
Impairment charge / (reversal) during the year (Refer Note v below)	-	-	-	-	(24.60)	-	-	-	-	-	-	-	-	-	(24.60)
Impairment allowance as on March 31, 2020	-	-	-	-	704.76	-	-	-	-	-	-	-	-	-	704.76
Impairment charge during the year (Refer Note v below)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment allowance as on March 31, 2021	-	-	-	-	704.76	-	-	-	-	-	-	-	-	-	704.76
Closing Net carrying amount as at 31st March 2020	3,728.06	-	3,488.59	10,179.98	3,123.50	1,316.98	369.16	828.70	659.98	1,167.29	208.70	-	74.24	2,942.93	28,088.11
Closing Net carrying amount as at 31st March 2021	3,728.06	-	4,090.63	9,776.91	2,854.73	1,173.96	537.71	665.23	578.08	1,556.16	176.23	-	65.76	1,941.14	27,146.60



# Notes to financial statements

for the year ended March 31, 2021

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

### (i) Leased assets

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

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Plant and Machinery		
Cost / Deemed cost	637.91	718.52
Accumulated depreciation	319.61	289.76
Net carrying amount	318.30	428.76

### (ii) Property, plant and equipment pledged as security

Refer to note 18 for information on property, plant and equipment pledged as security by the Company.

### (iii) Contractual obligations

Refer to note 40(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

### (iv) Capital work-in-progress

Capital work-in-progress mainly comprises of Electrical Installations and Dies & Jigs amounting to ₹ 314.20 lakhs (March 31, 2020 - ₹ 501.22 lakhs) and ₹ 543.13 lakhs (March 31, 2020 - ₹ 245.21 lakhs) 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 lakhs has been impaired in financial year 2019. In the previous year, the Company has sold few of these assets and accordingly, the impairment charge of ₹ 24.60 lakhs has been reversed and profit on sale of assets has been recognised.

### (vi) Title deeds

The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

## Note 3 : Right of use assets and Lease liabilities

The details of the right-of-use asset held by the Company is as follows:

Particulars	(₹ in Lakhs)			
	Buildings	Equipments	Leasehold land	Total
<b>Gross block recognised on transition date (April 1, 2019)</b>	<b>7,564.10</b>	-	<b>2,822.49</b>	<b>10,386.59</b>
Additions for the year	5,141.48	-	-	5,141.48
Asset classified as held for sale	-	-	(16.80)	(16.80)
Deletions for the year	(458.97)	-	-	(458.97)
<b>Gross block as on March 31, 2020</b>	<b>12,246.61</b>	-	<b>2,805.69</b>	<b>15,052.30</b>
Adjustments	57.63	-	-	57.63
Additions for the year	2,802.33	-	-	2,802.33
Acquired on demerger of Hind Lamps Limited (refer note 44)	-	22.72	-	22.72
Asset classified as held for sale	-	-	-	-
Reassessments (modifications) *	(5,687.71)	-	-	(5,687.71)
Deletions for the year	(3,184.22)	-	-	(3,184.22)
<b>Closing gross block as on March 31, 2021</b>	<b>6,234.64</b>	<b>22.72</b>	<b>2,805.69</b>	<b>9,063.05</b>

# Notes to financial statements

for the year ended March 31, 2021

## Note 3 : Right of use assets and Lease liabilities (Contd..)

Particulars	(₹ in Lakhs)			
	Buildings	Equipments	Leasehold land	Total
<b>Accumulated depreciation recognised on transition date (April 1, 2019)</b>	-	-	<b>166.44</b>	<b>166.44</b>
Depreciation for the year	2,930.54	-	37.38	2,967.92
Asset classified as held for sale	-	-	(16.80)	(16.80)
Deletions for the year	(112.54)	-	-	(112.54)
<b>Accumulated depreciation as on March 31, 2020</b>	<b>2,818.00</b>	-	<b>187.02</b>	<b>3,005.02</b>
Adjustments	(3.96)	-	-	(3.96)
Depreciation for the year	3,076.45	9.33	37.38	3,123.16
Asset classified as held for sale	-	-	-	-
Deletions for the year	(3,184.22)	-	-	(3,184.22)
<b>Closing accumulated depreciation as on March 31, 2021</b>	<b>2,706.27</b>	<b>9.33</b>	<b>224.40</b>	<b>2,940.00</b>
<b>Net carrying value of right of use assets as on March 31, 2020</b>	<b>9,428.61</b>	-	<b>2,618.67</b>	<b>12,047.28</b>
<b>Net carrying value of right of use assets as on March 31, 2021</b>	<b>3,528.37</b>	<b>13.39</b>	<b>2,581.29</b>	<b>6,123.05</b>

The details of the lease liabilities held by the Company is as follows:

### Lease liabilities

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Opening lease liabilities</b>	<b>9,862.88</b>	<b>7,354.86</b>
Additions for the period	2,784.65	5,077.80
Deletions / Modifications for the period*	(6,100.87)	(363.13)
Acquired on demerger of Hind Lamps Limited	25.15	-
Finance cost for the period	944.13	1,073.96
Lease instalments paid for the period	(3,652.65)	(3,280.61)
<b>Closing lease liabilities</b>	<b>3,863.29</b>	<b>9,862.88</b>
- classified as current	1,652.70	2,546.31
- classified as non-current	2,210.59	7,316.57

For maturity profile of lease liabilities, refer Note 35 (B)(ii)

\*Modification in right of use assets and lease liabilities are mainly due to migration / termination of leases due to the new logistics agreement entered by the Company.

## Note 4: Other Intangible Assets

Particulars	(₹ in Lakhs)		
	Trade Marks	Computer Software	Total
<b>Opening gross block as at 1st April 2019</b>	<b>0.51</b>	<b>666.79</b>	<b>667.30</b>
Additions	-	96.43	96.43
<b>Closing gross block as at 31st March 2020</b>	<b>0.51</b>	<b>763.22</b>	<b>763.73</b>
Additions	-	193.75	193.75
<b>Closing gross block as at 31st March 2021</b>	<b>0.51</b>	<b>956.97</b>	<b>957.48</b>
<b>Opening accumulated amortization as at 1st April 2019</b>	<b>0.20</b>	<b>239.68</b>	<b>239.88</b>
Amortisation charge for the year	0.05	238.52	238.57
<b>Closing accumulated amortization as at 31st March 2020</b>	<b>0.25</b>	<b>478.20</b>	<b>478.45</b>
Amortisation charge for the year	0.05	265.97	266.02
<b>Closing accumulated amortization as at 31st March 2021</b>	<b>0.30</b>	<b>744.17</b>	<b>744.47</b>
<b>Closing Net carrying amount as at 31st March 2020</b>	<b>0.26</b>	<b>285.02</b>	<b>285.28</b>
<b>Closing Net carrying amount as at 31st March 2021</b>	<b>0.21</b>	<b>212.80</b>	<b>213.01</b>

### Note

Intangible assets under development mainly comprises of IT softwares license cost amounting to ₹ 781.50 lakhs (March 31, 2020 - ₹ 156.70 lakhs).

# Notes to financial statements

for the year ended March 31, 2021

## Note 4.1 : Investment property

Particulars	(₹ in Lakhs)	
	Land	Total
<b>Closing gross block as at 31st March 2020</b>	-	-
Acquired on demerger of Hind Lamps Limited (refer note 44)	12,600.00	12,600.00
<b>Closing gross block as at 31st March 2021</b>	<b>12,600.00</b>	<b>12,600.00</b>
<b>Closing accumulated depreciation as at 31st March 2020</b>	-	-
Amortisation charge for the year	-	-
<b>Closing accumulated depreciation as at 31st March 2021</b>	-	-
<b>Closing net carrying amount as at 31 March 2020</b>	-	-
<b>Closing net carrying amount as at 31 March 2021</b>	<b>12,600.00</b>	<b>12,600.00</b>

The amounts recorded above are fair values on acquisition date based on valuation performed by an accredited independent valuer. The Company has no restrictions on the realisability of its investment property. There is no significant change in the fair value as at March 31, 2021.

## Note 5.1 : Investments in subsidiary, associate and joint venture

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Investment in equity instruments of subsidiary, associate &amp; joint venture (fully paid up)</b>		
<b>Unquoted</b>		
<b>Measured at cost</b>		
Non-current equity investments (unquoted) in Nirlep Appliances Pvt Ltd		
- 593,724 (March 31, 2020 - 593,724) equity shares of ₹ 100 each	3,070.42	3,070.42
Fair Value of the call and put options on equity shares of Nirlep Appliances Pri-vate Ltd held by non-controlling shareholders***	244.90	244.90
	<b>3,315.32</b>	<b>3,315.32</b>
Non-current equity investments (unquoted) in Hind Lamps Limited		
- 1,140,000 (March 31, 2020 - 1,140,000) equity shares of ₹ 25 each **	-	1,684.53
Accumulated impairment allowance in value of investments in Hind Lamps Limited	-	(1,000.00)
	-	<b>684.53</b>
Non-current equity investments (unquoted) in Starlite Lighting Ltd.		
- 5,875,000 (March 31, 2020 - 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	(1,637.19)	(1,637.19)
	-	-
<b>Total investments in subsidiary, associate &amp; joint venture</b>	<b>3,315.32</b>	<b>3,999.85</b>

## Note 5.2 : Financial assets (Investments)

### 5.2 (a) Investment in equity instruments

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<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 *	-	-

# Notes to financial statements

for the year ended March 31, 2021

## Note 5.2 : Financial assets (Investments) (Contd..)

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
- 48,000 (March 31, 2020 - 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, 2020 - 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, 2020 - 100) equity shares of ₹ 100/- each.	0.10	0.10
<b>Total equity instruments</b>	<b>0.10</b>	<b>0.10</b>

### 5.2 (b) Investment in debt instruments

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<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	469.27	352.27
<b>Investment in other securities</b>		
<b>Unquoted</b>		
Gold coins	0.37	-
<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	(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	(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)**	-	933.86
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	(4,294.18)	(4,294.18)
	-	-
<b>Total debt instruments</b>	<b>469.64</b>	<b>1,286.13</b>
<b>Total non-current investments</b>	<b>469.74</b>	<b>1,286.23</b>
<b>Aggregate value of quoted investments</b>	-	-
<b>Aggregate value of unquoted investments</b>	<b>469.74</b>	<b>1,286.23</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 lakhs have not been paid by the Company. On principles of prudence the entire investment in M.P. Lamps Ltd. is considered as impaired and accordingly carried at ₹ NIL.

\*\*During the year, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated May 21, 2020 had approved the scheme of arrangement for demerger of the manufacturing undertaking of the Hind Lamps Limited (associate of the Company) into the Company, which has been filed with the Registrar of Companies on June 30, 2020. The Company has accounted for the demerger as a business combination under Ind AS 103 as per the Scheme and accounted for the fair value of assets and liabilities acquired. Consequently, the Company has derecognised



# Notes to financial statements

for the year ended March 31, 2021

## Note 5.2 : Financial assets (Investments) (Contd..)

its existing 19% of the proportionate investment in the manufacturing undertaking of Hind Lamps Limited. Refer note 44 for more details

\*\*\*During the financial year 2019, Company had 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 6 : Trade receivables

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Current	151,150.52	204,898.71
Non-current	40,470.53	48,754.67
	<b>191,621.05</b>	<b>253,653.38</b>
Unsecured, considered good	191,621.05	253,653.38
Unsecured, credit impaired	11,822.36	12,791.43
<b>Total</b>	<b>203,443.41</b>	<b>266,444.81</b>
Impairment allowance, credit impaired (allowance for bad and doubtful debts)	(11,822.36)	(12,791.43)
<b>Total trade receivables (net of impairment allowance)</b>	<b>191,621.05</b>	<b>253,653.38</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.

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Unsecured borrowing (Note 18)	-	788.22
Other financial liabilities (Note 19)	37,849.71	34,263.18
<b>Total transferred receivables</b>	<b>37,849.71</b>	<b>35,051.40</b>

Trade receivable are non-interest bearing and are generally on term of 30-90 days from the time they are contractually due. 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 7 : Loans

### (Unsecured, considered good unless otherwise stated)

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Non Current</b>		
Unsecured, considered good	11,144.74	4,186.80
Unsecured, credit impaired	280.00	280.00
<b>Total</b>	<b>11,424.74</b>	<b>4,466.80</b>
Impairment allowance, credit impaired	(280.00)	(280.00)
<b>Total Non-current loans</b>	<b>11,144.74</b>	<b>4,186.80</b>

Unsecured, considered good, consists of loans given to Nirlep Appliances Pvt Limited (Subsidiary of the Company) for meeting its capex and working capital requirements.

# Notes to financial statements

for the year ended March 31, 2021

## Note 7 : Loans (Contd..)

Unsecured, considered good also includes loan is given to Starlite Lighting Limited (Joint Venture of the Company), for meeting its capex and working capital requirements.

Particulars	Amount (₹ in Lakhs)	Interest Rate	Tenure
Nirlep Appliances Pvt Ltd - repayment in 8 equal instalments of ₹ 200 lakhs each commencing from June 30, 2022 till March 31, 2024.	1,600.00	11.0%	5 years
Nirlep Appliances Pvt Ltd - repayment in 8 equal instalments of ₹ 50 lakhs each commencing from June 30, 2022 till March 31, 2024.	400.00	11.0%	5 years
Nirlep Appliances Pvt Ltd - bullet repayment in FY2025	600.00	11.0%	5 years
Nirlep Appliances Pvt Ltd - bullet repayment in FY2026	1,300.00	10.3%	5 years
Starlite Lighting Ltd - bullet repayment in FY2026	7,240.00	10.3%	5 years

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Current</b>		
Secured, considered good	1.02	2.57
<b>Total current loans</b>	<b>1.02</b>	<b>2.57</b>

## Note 8 : Other financial assets

### (Unsecured, considered good unless otherwise stated)

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Security deposits, considered good	1,798.52	2,407.73
Security deposits, credit impaired	586.50	623.64
Impairment allowance for credit impaired security deposits	(586.50)	(623.64)
	<b>1,798.52</b>	<b>2,407.73</b>
Fixed deposit under lien	1,019.88	62.58
Fair value of call option (Refer Note 5.1)	110.11	213.00
Interest accrued on fixed deposits	17.63	1.15
<b>Total non-current other financial assets</b>	<b>2,946.14</b>	<b>2,684.46</b>

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

## Note 9 : Deferred tax assets (net)

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Deferred tax assets	11,649.70	7,482.55
Deferred tax liabilities	(6,400.35)	(2,951.98)
<b>Total deferred tax assets (net)</b>	<b>5,249.35</b>	<b>4,530.57</b>

# Notes to financial statements

for the year ended March 31, 2021

## Note 9 : Deferred tax assets (net) (Contd..)

Deferred tax assets comprise of the following:

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Employee benefit obligations (gratuity)	128.63	162.83
Employee benefit obligations (leave obligations)	384.64	803.28
Impairment allowance (allowance for doubtful debts and advances)	3,883.18	4,140.20
Financial assets measured at amortised cost	0.62	31.49
Assets held for sale	501.77	542.95
Carried forward losses*	3,880.71	-
Others	2,870.15	1,801.80
<b>Total deferred tax assets</b>	<b>11,649.70</b>	<b>7,482.55</b>

\*Acquired on demerger of Hind Lamps Limited (refer note 44). The appointed date of scheme being March 1, 2014, the Company is in the process of revising its tax returns for the earlier years. Accordingly, these losses will be utilised when the revised returns are filed.

### Movement in deferred tax assets

(₹ in Lakhs)								
Particulars	Employee benefit obligations (gratuity)	Employee benefit obligations (leave obligations)	Impairment allowance (allowance for doubtful debts and advances)	Financial assets measured at amortised cost	Assets held for sale	Carried forward losses	Others	Total
<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>-</b>	<b>1,631.21</b>	<b>9,710.09</b>
(Charged) / Credited :								
to statement of profit and loss	(129.52)	(163.52)	(2,154.87)	(112.11)	76.19	-	(30.83)	(2,514.66)
to other comprehensive income	85.70	-	-	-	-	-	201.42	287.12
<b>At 31st March, 2020</b>	<b>162.83</b>	<b>803.28</b>	<b>4,140.20</b>	<b>31.49</b>	<b>542.95</b>	<b>-</b>	<b>1,801.80</b>	<b>7,482.55</b>
(Charged) / Credited :								
to statement of profit and loss	(43.87)	(462.68)	(299.86)	(30.87)	(41.18)	-	613.18	(265.28)
to other comprehensive income	(201.23)	-	-	-	-	-	(32.38)	(233.61)
acquired on demerger of Hind Lamps Ltd (Refer note 44)	210.90	44.04	42.84	-	-	3,880.71	487.55	4,666.04
<b>At 31st March, 2021</b>	<b>128.63</b>	<b>384.64</b>	<b>3,883.18</b>	<b>0.62</b>	<b>501.77</b>	<b>3,880.71</b>	<b>2,870.15</b>	<b>11,649.70</b>

Deferred tax liabilities comprise of the following:

(₹ in Lakhs)		
	31-Mar-21	31-Mar-20
Property, plant and equipment	2,384.17	2,114.38
Financial assets measured at amortised cost	77.12	100.86
Financial liabilities measured at amortised cost	120.43	89.98
Investment property*	2,473.20	-
Others**	1,345.43	646.76
<b>Total deferred tax liabilities</b>	<b>6,400.35</b>	<b>2,951.98</b>

\*Acquired on demerger of Hind Lamps Limited (refer note 44)

\*\*Mainly includes deferred tax liabilities on lease liabilities of ₹ 1,328.44 lakhs (March 31, 2020 - ₹ 646.76 lakhs)

# Notes to financial statements

for the year ended March 31, 2021

## Note 9 : Deferred tax assets (net) (Contd..)

Movement in deferred tax liabilities

(₹ in Lakhs)							
Particulars	Property, plant and equipment	Financial Assets measured at Amortised Cost	Financial Liabilities measured at Amortised Cost	Employee benefit obligations (gratuity)	Investment property	Others	Total
<b>At 31st March, 2019</b>	<b>3,147.54</b>	<b>106.93</b>	<b>78.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,333.43</b>
Charged / (credited) :							
to Statement of Profit or Loss	(1,033.16)	(6.07)	11.02	-	-	646.76	(381.45)
to other comprehensive income	-	-	-	-	-	-	-
<b>At 31st March, 2020</b>	<b>2,114.38</b>	<b>100.86</b>	<b>89.98</b>	<b>-</b>	<b>-</b>	<b>646.76</b>	<b>2,951.98</b>
Charged / (credited) :							
to Statement of Profit or Loss	21.79	(23.74)	30.45	-	-	698.67	727.17
to other comprehensive income	-	-	-	-	-	-	-
acquired on demerger of Hind Lamps Ltd (Refer note 44)	248.00	-	-	-	2,473.20	-	2,721.20
<b>At 31st March, 2021</b>	<b>2,384.17</b>	<b>77.12</b>	<b>120.43</b>	<b>-</b>	<b>2,473.20</b>	<b>1,345.43</b>	<b>6,400.35</b>

## Note 10 : Other non-current assets

(₹ in Lakhs)		
	31-Mar-21	31-Mar-20
Capital advances	719.80	430.22
Impairment allowance for credit impaired capital advances	(21.56)	(21.56)
	<b>698.24</b>	<b>408.66</b>
Sales tax recoverables	4,080.81	3,891.93
Balances with government authorities	-	15.00
Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies)	3,654.02	3,389.61
Advance to Starlite Lighting Limited	2,200.00	2,200.00
Others *	3,078.62	3,168.06
	<b>13,711.69</b>	<b>13,073.26</b>
Impairment allowance for doubtful advances	(517.27)	(532.27)
Impairment allowance for advances to Starlite Lighting Limited	(2,200.00)	(2,200.00)
<b>Total other non-current assets</b>	<b>10,994.42</b>	<b>10,340.99</b>

\*Others mainly include prepaid expenses of ₹ 53.66 lakhs (March 31, 2020 ₹ 41.03 lakhs) and advances to suppliers of ₹ 3,023.71 lakhs (31 March 31, 2020 ₹ 3,104.57 lakhs).

## Note 11 : Inventories

(₹ in Lakhs)		
	31-Mar-21	31-Mar-20
Raw material	8,724.63	7,696.46
Work-in-progress	1,531.03	1,303.95
Finished goods	1,921.75	3,627.10
Traded goods	83,502.08	52,657.14
Material in Transit (traded goods)	1,155.20	3,551.44
Stores and spares	270.17	241.04
<b>Total Inventories</b>	<b>97,104.86</b>	<b>69,077.13</b>

### Amounts recognised in profit or loss

Write-down of inventories to net realisable value amounting to ₹ 13,454.64 lakhs (March 31, 2020 - ₹ 898.40 lakhs) was recognised as an expense during the year.



# Notes to financial statements

for the year ended March 31, 2021

## Note 12 : Cash and cash equivalents

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Balances with banks		
in current accounts	2,198.96	1,323.43
in cash credit accounts	1,501.80	8,765.37
Deposits with maturity of less than three months	800.00	-
Cash on hand	62.15	71.84
<b>Total cash and cash equivalents</b>	<b>4,562.91</b>	<b>10,160.64</b>

There are no restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior period.

## Note 12 : Bank balances

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Unpaid Dividend Accounts	77.10	85.87
Deposits with maturity of more than three months & less than twelve months	1,515.39	221.34
Others	0.05	0.34
<b>Total other bank balances</b>	<b>1,592.54</b>	<b>307.55</b>

## Note 13 : Other current financial assets

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Interest accrued on fixed deposits	12.28	12.82
Security deposits	371.79	223.98
Receivable from gratuity fund	3.71	-
Derivative asset	1.82	242.75
<b>Total other current financial assets</b>	<b>389.60</b>	<b>479.55</b>

## Note 14 : Other current assets

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Advance to Hind Lamps Ltd (associate)	-	3,755.95
Advance to Starlite Lighting Limited (joint venture)	5,395.32	5,214.77
Advance to Nirlep Appliance Pvt Ltd (subsidiary)	314.04	155.86
Export benefits	664.63	552.73
Balances with government authorities	17,326.28	15,033.37
Right to reimbursement against employee benefit obligations for insurers who are related parties	1,706.56	1,613.44
(Non-qualifying insurance policies)		
Others*	7,636.13	6,722.78
<b>Total other current assets</b>	<b>33,042.96</b>	<b>33,048.90</b>

\*Others mainly includes prepaid expenses of ₹ 1,791.23 lakhs (March 31, 2020 ₹ 1,977.89 lakhs) and advances to suppliers of ₹ 5,091.81 lakhs (March 31, 2020 ₹ 3,652.75 lakhs)

# Notes to financial statements

for the year ended March 31, 2021

## Note 15 : Assets classified as held for sale

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Buildings	219.41	250.19
Ownership premises	67.61	-
<b>Total assets classified as held for sale</b>	<b>287.02</b>	<b>250.19</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 lakhs from the purchaser in relation to this sale and is expected to be completed in FY 2021-22. The same is shown as a liability under other current liabilities.

Further in the current year, the Board of Directors have passed resolutions on February 24, 2021 to sell ownership premises at Bangalore. The Company has already identified the buyer and has also received part of the sale proceeds in advance. Both parties stay committed to close the transfer. The Company expects the same to be closed in the next financial year.

## Note 16 : Equity share capital

	(₹ in Lakhs)	
	31-Mar-21 Amount	31-Mar-20 Amount
<b>Authorised</b>		
20,00,00,000 equity shares (March 31, 2020 - 20,00,00,000) of ₹ 2/- each.	4,000.00	4,000.00

### i) Movement in Issued, Subscribed and Paid up Equity Share Capital Issued capital

	(₹ in Lakhs)	
	No of Shares	Amount
<b>Issued capital</b>		
<b>As at 31st March 2019</b>	<b>102,399,601</b>	<b>2,047.99</b>
Exercise of Options under employee stock option scheme	80,150	1.60
Issued under rights issue (refer note iii below)	11,287,956	225.76
<b>As at 31st Mar 2020</b>	<b>113,767,707</b>	<b>2,275.35</b>
Exercise of Options under employee stock option scheme	297,485	5.95
Issued pursuant to the scheme of arrangement for demerger of the manufacturing undertaking of the Hind Lamps Limited (associate of the Company) into the Company (refer note vi below)	471,420	9.43
Issued under rights issue (refer note iii below)	7	0.00
<b>As at 31st Mar 2021</b>	<b>114,536,619</b>	<b>2,290.73</b>
<b>Paid-up capital</b>		
Calls in arrears @ ₹ 2 per share, under rights issue (refer note iii below)	(55)	(0.00)
<b>As at 31st Mar 2021</b>	<b>114,536,564</b>	<b>2,290.73</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 March 31, 2021

## Note 16 : Equity share capital (Contd..)

### iii) Issue of shares under Rights Issue:

In the previous year, Board of Directors of the Company at their meeting held on January 6, 2020, approved the offer and issue of 11,290,142 fully paid-up equity shares of the Company by way of a rights issue to eligible shareholders of the Company as on the record date in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018, as amended and other applicable laws, at a price of ₹ 310 per share including a premium of ₹ 308 per share.

Pursuant to the finalisation of the basis of allotment of the Issue in consultation with BSE Limited, the designated stock exchange for the Issue, the Rights Issue Committee at its meeting held on March 13, 2020 considered and approved the allotment of 11,287,956 Rights Equity Shares, at an issue price of ₹310 per Rights Equity Share, including a premium of ₹308 per Rights Equity Share to the eligible applicants in the Issue.

In light of the Ministry of Finance (Department of Financial Services) (Banking Division) and Reserve Bank of India imposing a moratorium on Yes Bank Limited ("Yes Bank") with effect from 18.00 hours on March 5, 2020 until April 3, 2020, 2186 Rights Equity Shares of applicants who have made application in the Rights Equity Shares using Applications Supported by Blocked Amount ("ASBA") facility of Yes Bank, have been kept in abeyance which shall be allotted post receipt of the requisite funds. The Company has received funds for 7 shares, which is lying in share application money pending allotment account. The Company has allotted these shares at the subsequent rights issue committee meeting held on May 14, 2020. The Company has forfeited the remainder 2,179 shares.

Further, with regards to 55 shares, the Company has received final certificates from the Banks who have blocked the funds using ASBA Facility. However these Banks are yet to transfer the funds to the Company.

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

(₹ in Lakhs)

Name of the Shareholder	As at 31st March 2021		As at 31st March 2020	
	Nos.	% Holding	Nos.	% Holding
Jamnala Sons Private Limited	22,443,275	19.59	22,395,260	19.69
Bajaj Holdings & Investment Limited	18,793,840	16.41	18,793,840	16.52
Kiran Bajaj	7,545,224	6.59	5,912,179	5.20
HDFC Small Cap Fund	6,775,359	5.92	8,769,682	7.71
Smallcap World Fund, Inc	7,218,607	6.30	3,931,964	3.46

### v) 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.

### vi) Issue of shares under demerger scheme

During the year, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated May 21, 2020 had approved the scheme of arrangement for demerger of the manufacturing undertaking of the Hind Lamps Limited (associate of the Company) into the Company, which has been filed with the Registrar of Companies on June 30, 2020. The Company has issues 471,420 shares to the shareholders of Hind Lamps Limited on December 15, 2020.

## Note 17 : Other Equity

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
i) Securities premium reserve	63,391.97	60,139.79
ii) Debenture redemption reserve	3,750.00	4,625.00
iii) General reserve	45,967.75	43,256.34
iv) Share options outstanding account	1,181.39	1,261.09
v) Retained earnings	43,568.03	26,223.02
vi) Capital reserve	175.18	10.00
vii) Capital redemption reserve	135.71	135.71
<b>Total reserves and surplus</b>	<b>158,170.03</b>	<b>135,650.95</b>

# Notes to financial statements

for the year ended March 31, 2021

## Note 17 : Other Equity (Contd..)

### i) Securities premium reserve

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
<b>Opening Balance</b>	60,139.79	25,461.14
Exercise of options - proceeds received	1,030.84	200.66
Exercise of options - transferred from shares options outstanding account	378.98	81.36
Securities premium proceeds received on issue of equity shares (Note 16(iii))	0.05	34,766.71
Rights issue expenses	-	(370.08)
Securities premium on issue of shares on demerger (refer note 44)	1,842.31	-
<b>Closing Balance</b>	<b>63,391.97</b>	<b>60,139.79</b>

### ii) Debenture redemption reserve

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
<b>Opening Balance</b>	4,625.00	4,625.00
Add / (Less): Transferred from / to General Reserve	(875.00)	-
<b>Closing Balance</b>	<b>3,750.00</b>	<b>4,625.00</b>

### iii) General Reserve

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
<b>Opening Balance</b>	43,256.34	43,163.78
Add : Transferred from debenture redemption reserve	875.00	-
Add : Transferred from stock options reserve for vested cancelled options	-	92.56
Add : Transferred from retained earnings	1,836.41	-
<b>Closing Balance</b>	<b>45,967.75</b>	<b>43,256.34</b>

### iv) Shares options outstanding account

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
<b>Opening Balance</b>	1,261.09	913.77
Add : Employee stock option expense	421.99	521.24
Less : Transferred to retained earnings / general reserve for vested cancelled options	(122.71)	(92.56)
Less : Transferred to securities premium for exercise of options	(378.98)	(81.36)
<b>Closing Balance</b>	<b>1,181.39</b>	<b>1,261.09</b>

### v) Retained earnings

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
<b>Opening Balance</b>	26,223.02	31,412.21
Net profit for the period	18,364.10	(13.16)
Other comprehensive income (net of tax)	694.61	(853.69)
Add : Transferred from stock options reserve for vested cancelled options	122.71	-
Less: Dividend on equity shares	-	(3,585.26)
Less: Dividend distribution tax	-	(737.08)
Less: Transferred to general reserve	(1,836.41)	-
<b>Closing Balance</b>	<b>43,568.03</b>	<b>26,223.02</b>



# Notes to financial statements

for the year ended March 31, 2021

## Note 17 : Other Equity (Contd..)

### vi) Capital reserve

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Opening Balance	10.00	10.00
Gain on bargain purchase on demerger (note 44)	165.18	-
<b>Closing Balance</b>	<b>175.18</b>	<b>10.00</b>

### vii) Capital redemption reserve

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
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.

#### Debenture Redemption Reserve

The Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the Company creates DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the Company. The amounts credited to the debenture redemption reserve will not be utilised except to redeem debentures.

#### General Reserve

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

#### Share options outstanding account

The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

#### Dividends paid and proposed

	(₹ in Lakhs)	
Particulars	31-Mar-21	31-Mar-20
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend paid for the year ended March 31, 2020 of NIL per share (March 31, 2019 - ₹ 3.5 per share)	-	3,585.26
Dividend distribution tax on final dividend	-	737.08
<b>Dividend not recognised at the end of the reporting period (*)</b>		
Proposed dividend of ₹ Nil (March 31, 2020 - NIL per share)	-	-
Dividend distribution tax on proposed dividend	-	-

\*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 March 31, 2021

## Note 18 : Borrowings

		(₹ in Lakhs)	
	Note No.	31-Mar-21	31-Mar-20
<b>Non-current</b>			
<b>Unsecured</b>			
Sales tax deferral liability	Note a	124.28	352.78
Foreign currency term loan	Note c	-	1,138.67
Rupee term loans	Note d	2,333.33	6,500.00
<b>Total unsecured non-current borrowings</b>		<b>2,457.61</b>	<b>7,991.45</b>
<b>Total non-current borrowings</b>		<b>2,457.61</b>	<b>7,991.45</b>
<b>Current</b>			
<b>Secured</b>			
Cash credits	Note b	215.85	1,513.82
Working capital rupee loan	Note e	11,200.00	15,771.49
<b>Total secured current borrowings</b>		<b>11,415.85</b>	<b>17,285.31</b>
<b>Unsecured</b>			
Short term borrowings	Note f	9,500.00	5,000.00
Sales bills discounting		-	788.22
Buyer's credit (foreign currency loan)		-	6,551.26
Hundi acceptances	Note g	2,504.31	36,132.38
<b>Total unsecured current borrowings</b>		<b>12,004.31</b>	<b>48,471.86</b>
<b>Total current borrowings</b>		<b>23,420.16</b>	<b>65,757.17</b>

Refer Note H for security details. The maturity dates of the loans and their interest rates are as given below:

#### Note a:

Sales tax deferral liability is interest free and repayable over predefined instalments from the initial date of deferment of liability, as per the respective schemes as given below:

	(₹ in Lakhs)
	31-Mar-21
<b>Non-current</b>	
FY 2022-23	107.63
FY 2023-24	16.65
	<b>124.28</b>
<b>Current (note 19)</b>	
FY 2021-22	228.50
	<b>352.78</b>

#### Note b:

Cash credits are secured, repayable on demand and bear interest in the range of 7.90% to 13.00%.

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

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ Lakhs as on 31-Mar-21
Kotak Mahindra Bank Ltd	9-May-21	6M LIBOR + 225 bps	1,100.22

\*shown under other current financial liabilities as current maturities (note 19)

# Notes to financial statements

for the year ended March 31, 2021

## Note 18 : Borrowings (Contd..)

### Note d: Rupee term loan is as per the following terms

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ Lakhs as on 31-Mar-21
IDFC First Bank Ltd*	23-May-21	9.00%	3,000.00
Bank of Bahrain & Kuwait B.S.C.*	17-Aug-21	7.85%	1,167.00
Bank of Bahrain & Kuwait B.S.C.	17-Aug-22	7.85%	1,167.00
Bank of Bahrain & Kuwait B.S.C.	17-Aug-23	7.85%	1,166.00
<b>Total</b>			<b>6,500.00</b>

\*shown under other current financial liabilities as current maturities (note 19)

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

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ Lakhs as on 31-Mar-21
State Bank of India	6-Apr-21	7.90%	4,000.00
HDFC Bank Ltd	8-Apr-21	6.00%	2,200.00
State Bank of India	13-Apr-21	7.90%	1,700.00
HDFC Bank Ltd.	22-Apr-21	6.00%	900.00
HDFC Bank Ltd	28-Apr-21	6.00%	1,800.00
IDBI Bank Ltd.	30-Apr-21	7.55%	600.00
<b>Total</b>			<b>11,200.00</b>

### Note f: Short term borrowings is as per the following terms

Name of the Subscriber	Date of Maturity	Interest rate %	Liability In ₹ Lakhs as on 31-Mar-21
Kotak Mahindra Bank Ltd	17-Apr-21	4.95%	1,200.00
Kotak Mahindra Bank Ltd	28-Apr-21	4.95%	1,300.00
Kotak Mahindra Bank Ltd	4-May-21	4.95%	1,100.00
Kotak Mahindra Bank Ltd	11-May-21	4.95%	1,400.00
Kotak Mahindra Bank Ltd	12-May-21	4.90%	1,000.00
Kotak Mahindra Bank Ltd	18-May-21	4.90%	1,000.00
CTBC BANK CO. LTD	1-Jun-21	4.45%	1,200.00
CTBC BANK CO. LTD	8-Jun-21	4.45%	1,300.00
<b>Total</b>			<b>9,500.00</b>

### Note g: Hundi acceptances

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 5.25 % p.a. to 9.70 % p.a. and are for a period of upto 90 days.

### Note H: 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

# Notes to financial statements

for the year ended March 31, 2021

## Note 18 : Borrowings (Contd..)

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

- Ranjangaon Units : Village Dhoksanghvi, Taluka Shirur, Ranjangaon, Dist. Pune - 412210;
- Chakan Unit : Village Mahalunge, Chakan Talegaon Road, Khed, Pune - 410501;
- Wind Farm : Village Vankusawade, Tal. Patan, Dist. Satara, Maharashtra 415206;
- Showroom on Ground floor and Office Premises on Second Floor at Bajaj Bhawan 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.
- Office Premises No : 001, 502, 701 and 801, 'Rustomjee Aspiree', Bhanu Shankar Yagnik Marg, Off Eastern Highway, Sion (East), Mumbai - 400 022
- Kosi Factory Unit at Khasra No.647,648, NH 02, Km 109 Mile Stone, Village Dautana, Chhatta, Kosi Kallan, Mathura 281403.
- R & D centre at Plot no. 27/ pt 2/ at Millennium Business Park, TTC Industrial area, Mahape, Navi Mumbai

d These securities also extend to the various credit facilities including Bank Guarantees and Letters of Credit of ₹ 163,010.45 lakhs (Previous year ₹ 176,904.53 lakhs) 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 19 : Other Financial Liabilities

	31-Mar-21	31-Mar-20
(₹ in Lakhs)		
<b>Non Current</b>		
Deposits received	-	6.05
Fair value of put option (Note 5.1)	84.37	153.56
Employee benefit liabilities	-	41.41
<b>Total other non-current financial liabilities</b>	<b>84.37</b>	<b>201.02</b>

	31-Mar-21	31-Mar-20
(₹ in Lakhs)		
<b>Current</b>		
Current maturities of Non Convertible Debenture (NCD) *	15,000.00	18,500.00
Current maturities of foreign currency loan (Note 18 c)	1,100.22	1,138.67
Accrued interest on Non Convertible Debenture but not due	3,823.22	2,320.73
Current maturities of sales tax deferral liability (Note 18 a)	228.50	327.93
Current maturities of long term rupee loans (Note 18 d)	4,166.67	2,000.00
Capital creditors	1,096.80	23.31
Unpaid dividends	77.10	85.87
Trade deposits (dealers, vendors etc.)	972.67	996.62
Interest (payable) accrued and not due	18.78	208.08
Interest accrued and due on borrowings	75.54	167.53
Channel financing liability (Note 6)	37,849.71	34,263.18
Derivative liability	74.67	-
Other payables	5,082.55	3,280.12
Employee benefit liabilities	4,620.35	3,715.51
<b>Total other current financial liabilities</b>	<b>74,186.78</b>	<b>67,027.55</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 March 31, 2021

## Note 19 : Other Financial Liabilities (Contd..)

\*Details of the current maturities of NCD are as below

Interest rate	Maturity Date	Lending Bank
Redeemable at premium at ₹ 13,08,774.70 per debenture (face value of ₹ 10,00,000 per debenture)	₹ 7500 Lakhs - 20-08-2021	HDFC Mutual Fund
Redeemable at premium at ₹ 13,81,775.74 per debenture (face value of ₹ 10,00,000 per debenture)	₹ 7500 Lakhs - 18-02-2022	

## Note 20 : Provisions

(₹ in Lakhs)

	31-Mar-21			31-Mar-20		
	Current	Non Current	Total	Current	Non Current	Total
Service warranties*	7,018.58	2,094.64	9,113.22	6,870.10	2,238.43	9,108.53
Legal claims	543.80	-	543.80	545.04	-	545.04
Other matters**	1,360.14	-	1,360.14	1,275.90	-	1,275.90
E-Waste Management	43.75	-	43.75	43.75	-	43.75
<b>Total Provisions</b>	<b>8,966.27</b>	<b>2,094.64</b>	<b>11,060.91</b>	<b>8,734.79</b>	<b>2,238.43</b>	<b>10,973.22</b>

### Movement in provisions is as given below:

Particulars	E - Waste Provision	Service Warranties	Legal Claims	Other matters
<b>Opening balance as on 1st April, 2019</b>	-	<b>7,038.19</b>	<b>542.92</b>	<b>3,027.00</b>
Arising during the year	43.75	6,749.17	2.12	187.46
Unwinding of discount (finance cost)	-	166.78	-	-
Utilised during the year	-	(4,845.61)	-	(1,938.56)
<b>Closing balance as on 31st March, 2020</b>	<b>43.75</b>	<b>9,108.53</b>	<b>545.04</b>	<b>1,275.90</b>
Arising during the year	-	5,606.81	-	84.24
Unwinding of discount (finance cost)	-	215.87	-	-
Utilised during the year	-	(5,817.99)	(1.24)	-
<b>Closing balance as on 31st March, 2021</b>	<b>43.75</b>	<b>9,113.22</b>	<b>543.80</b>	<b>1,360.14</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 21: Employee Benefit Obligations

Particulars	31-Mar-21			31-Mar-20		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	306.82	1,221.45	1,528.27	785.75	2,405.93	3,191.68
Interest rate guarantee on provident fund	-	547.21	547.21	-	319.73	319.73
Gratuity	876.22	4,995.44	5,871.66	1,276.25	4,374.00	5,650.25
<b>Total employee benefit obligations</b>	<b>1,183.04</b>	<b>6,764.10</b>	<b>7,947.14</b>	<b>2,062.00</b>	<b>7,099.66</b>	<b>9,161.66</b>

### 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.

# Notes to financial statements

for the year ended March 31, 2021

## Note 21: Employee Benefit Obligations (Contd..)

### (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 <sup>#</sup>
Benefit on normal retirement	15/26* GS* SER
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	₹ 20 lakhs

### (ii) The Company's gratuity scheme :

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

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

Salary for calculation of Gratuity (GS)	HO Category E & PSG: Basic Salary 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
Benefit on early retirement / termination / resignation / withdrawal	Between 10 & 14 years	70% x GS x SER
	Between 15 & 24 years	80% x GS x SER
	25 years & Above	GS x SER
	<b>Service</b>	<b>Benefits</b>
Benefit on death in service	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
Limit	No Limit	

<sup>#</sup>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.

# Notes to financial statements

for the year ended March 31, 2021

## Note 21: Employee Benefit Obligations (Contd..)

Changes in the Present Value of Obligation are as given below (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
<b>Present Value of Obligation as at the beginning</b>	<b>5,983.39</b>	<b>5,074.42</b>
Current Service Cost	618.67	677.81
Interest Cost	351.06	368.68
<b>Re-measurement (gain) / loss arising from:</b>		
- change in demographic assumptions	-	(0.71)
- change in financial assumptions	34.65	257.97
- experience adjustments (i.e. Actual experience vs assumptions)	(102.95)	34.46
Benefits Paid	(1,024.58)	(429.24)
Acquisition Adjustment ( HLL Mfg Undertaking absorbed in Demerger )	837.85	-
<b>Present Value of Obligation as at the end</b>	<b>6,698.09</b>	<b>5,983.39</b>

Changes in the Fair Value of Plan Assets is as given below (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
<b>Fair Value of Plan Assets as at the beginning</b>	<b>337.18</b>	<b>322.80</b>
Investment Income	21.40	23.45
Employer's Contribution	574.96	7.00
Benefits Paid	(107.18)	(16.41)
Return on plan assets , excluding amount recognised in interest (expense)/income	3.97	0.34
<b>Fair Value of Plan Assets as at the end</b>	<b>830.33</b>	<b>337.18</b>

Changes in the Fair Value of Reimbursement Right is as given below \* (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
<b>Fair Value of Reimbursement Right as at the beginning</b>	<b>5,003.05</b>	<b>4,162.57</b>
Investment Income	317.47	302.43
Employer's Contribution	-	1,000.00
Benefits Paid	(687.22)	(412.83)
Return on plan assets , excluding amount recognised in interest (expense)/income	727.28	(49.12)
<b>Fair Value of Reimbursement Right as at the end</b>	<b>5,360.58</b>	<b>5,003.05</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 10 and Note 14 of the financials statements

Changes in the Fair Value of Reimbursement Right is as given below \* (Amounts in ₹ Lakhs) :

Particulars	As on	
	31-Mar-21	31-Mar-20
Present Value of Obligation	6,698.09	5,983.39
Fair Value of Plan Assets	830.33	337.18
<b>Surplus / (Deficit)</b>	<b>(5,867.76)</b>	<b>(5,646.21)</b>

# Notes to financial statements

for the year ended March 31, 2021

## Note 21: Employee Benefit Obligations (Contd..)

Particulars	As on	
	31-Mar-21	31-Mar-20
Effects of Asset Ceiling, if any	-	-
<b>Net Actuarially Valued Asset / (Liability)</b>	<b>(5,867.76)</b>	<b>(5,646.21)</b>
<b>Liability on an actual basis for employees at foreign branches</b>	<b>(3.91)</b>	<b>(4.04)</b>
<b>Total Net Asset / (Liability)</b>	<b>(5,871.67)</b>	<b>(5,651.25)</b>

Amount recognised in statement of profit and loss and other comprehensive income is as given below (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
<b>Costs charged to statement of profit and loss :</b>		
Current Service Cost	618.67	677.81
Interest Expense or Cost	351.06	368.68
Investment Income	(338.87)	(325.88)
<b>Expense recognised in statement of profit and loss</b>	<b>630.86</b>	<b>720.61</b>
<b>Re-measurement (gain) / loss arising from:</b>		
Change in demographic assumptions	-	(0.71)
Change in financial assumptions	34.65	257.97
Experience adjustments (i.e. Actual experience vs assumptions)	(102.95)	34.46
Return on plan assets , excluding amount recognised in interest expense/(income)	(731.25)	48.77
<b>(Income) / Expense recognised in Other Comprehensive Income</b>	<b>(799.55)</b>	<b>340.49</b>
<b>Total Expense Recognised during the year</b>	<b>(168.69)</b>	<b>1,061.10</b>

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

Particulars	As on	
	31-Mar-21	31-Mar-20
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-21	31-Mar-20
Discount rate (per annum)	6.20%	6.35%
Salary growth rate (per annum)	For HLL- 8.00%	8.50%
	For Others - 8.50%	



# Notes to financial statements

for the year ended March 31, 2021

## Note 21: Employee Benefit Obligations (Contd..)

### Demographic Assumptions

Particulars	As on	
	31-Mar-21	31-Mar-20
Mortality Rate	100% of IALM 12-14	100% of IALM 12-14
Withdrawal rates, based on age: (per annum) :		
Up to 30 years	For HLL- 4.00% For Others - 21.00%	21.00%
31 - 44 years	For HLL- 4.00% For Others - 14.00%	14.00%
Above 44 years	For HLL- 4.00% For Others - 12.00%	12.00%

### Summary of Membership Status

Particulars	As on	
	31-Mar-21	31-Mar-20
Number of employees	2,966	3,035
Total monthly salary (₹ in Lakhs)	873.54	856.78
Average past service (years)	8.17	6.01
Average age (years)	37.67	35.88
Average remaining working life (years)	20.34	22.13
Number of completed years valued	24,229	18,232
Decrement adjusted remaining working life (years)	6.24	6.03
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. (Amounts in ₹ Lakhs)

Particulars	31-Mar-21	31-Mar-20
Defined Benefit Obligation (Base)	6,698.09	5,983.39

(₹ in Lakhs)

Particulars	31-Mar-21		31-Mar-20	
	Result of decrease	Result of increase	Result of decrease	Result of increase
Discount Rate (- / + 1%)	7,070.72	6,365.66	6,303.81	5,697.89
(% change compared to base due to sensitivity)	5.6%	-5.0%	5.4%	-4.8%
Salary Growth Rate (- / + 1%)	6,389.38	7,036.17	5,718.35	6,274.09
(% change compared to base due to sensitivity)	-4.6%	5.0%	-4.4%	4.9%
Attrition Rate (- / + 50% of attrition rates)	7,428.19	6,312.66	6,679.46	5,618.76
(% change compared to base due to sensitivity)	10.9%	-5.8%	11.6%	-6.1%
Mortality Rate (- / + 10% of mortality rates)	6,697.23	6,698.97	5,982.33	5,984.47
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

# Notes to financial statements

for the year ended March 31, 2021

## Note 21: Employee Benefit Obligations (Contd..)

### 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 (Amounts in ₹ Lakhs)

Particulars	31-Mar-21	31-Mar-20
The Company's best estimate of Contribution during the next year	1,098.66	1,258.16

#### c) Maturity Profile of Defined Benefit Obligation

Particulars	31-Mar-21	31-Mar-20
Weighted average duration (based on discounted cashflows)	6 years	5 years

(₹ in Lakhs)

Expected cash flows over the next (valued on undiscounted basis) :	31-Mar-21	31-Mar-20
1 year	1,706.56	1,613.44
More than 1 and upto 2 years	593.73	623.89
More than 2 and upto 5 years	1,813.51	1,561.14
More than 5 and upto 10 years	2,524.63	2,167.66
More than 10 years	3,336.44	2,953.36

#### 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 March 31, 2021

## Note 21: Employee Benefit Obligations (Contd..)

The benefit valued under PF obligation are summarised below:

Normal Retirement Age	58 Years *
Benefit on normal retirement	Accrued Account Value
Benefit on early retirement / termination / resignation / withdrawal	Accrued Account Value
Benefit on death in service	Accrued Account Value

\*The standard retirement date for executive employees is June 30th of every year and the same is April 1st of every year for the staff employees.

The company's compliances for provident fund is governed by Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Responsibility for governance of the plans, including investment decisions and contribution schedules lies jointly with the company and the board of trustees. The board of trustees are composed of representatives of the company and plan participants in accordance with the plan's regulations

Changes in the Present Value of Obligation of Trusts are as given below (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
<b>Present Value of Obligation as at the beginning</b>	<b>15,716.67</b>	<b>13,565.54</b>
Interest Cost	1,296.82	1,145.31
Current Service Cost	864.85	664.95
Employee's Contributions	1,401.26	1,479.05
Transfer In / (out) of the liability	302.80	511.81
Benefits Paid	(2,576.04)	(1,739.64)
<b>Re-measurement (gain) / loss arising from:</b>		
- experience variance (i.e. Actual experience vs assumptions), loss if positive	122.54	89.65
<b>Present Value of Obligation as at the end</b>	<b>17,128.90</b>	<b>15,716.67</b>

Changes in the Fair Value of Plan Assets of Trusts are as given below (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
<b>Fair Value of Plan Assets as at the beginning</b>	<b>14,543.19</b>	<b>13,159.38</b>
Investment Income	1,236.17	1,138.29
Employer's Contributions	864.85	664.95
Employee's Contributions	1,401.26	1,479.05
Transfers In	302.80	511.81
Benefits Paid	(2,576.04)	(1,739.64)
Return on plan assets, excluding amount recognised in interest (expense)/income	483.81	(670.65)
<b>Fair Value of Plan Assets as at the end</b>	<b>16,256.04</b>	<b>14,543.19</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) (Amounts in ₹ Lakhs) :

Particulars	As on	
	31-Mar-21	31-Mar-20
Present Value of Obligation	423.00	351.38
Fair Value of Plan Assets	820.27	739.13
<b>Surplus / (Deficit)</b>	<b>397.27</b>	<b>387.75</b>

# Notes to financial statements

for the year ended March 31, 2021

## Note 21: Employee Benefit Obligations (Contd..)

Particulars	As on	
	31-Mar-21	31-Mar-20
Effects of Asset Ceiling, if any	-	-
<b>Net Asset / (Liability)</b>	<b>397.27</b>	<b>387.75</b>

The present value of obligation of Matchwel Electricals (India) Ltd Employees' Provident Fund Trust represents the aggregate of accumulated fund value of ₹ 412.07 lakhs (As on March 31, 2020 - ₹ 344.23 lakhs) and interest rate guarantee ₹ 10.92 lakhs (As on March 31, 2020 - ₹ 7.15 lakhs). Of the above, the interest rate guarantee is recognised as provision in the Company's books, while the accumulated fund value is recognised by the Trust. The interest rate guarantee so recognised in the Company's books is considered as non-current liability

Bajaj Electricals Limited Employees' Provident Fund Trust (for H.O. employees) (Amounts in ₹ Lakhs) :

Particulars	As on	
	31-Mar-21	31-Mar-20
Present Value of Obligation	16,705.89	15,365.28
Fair Value of Plan Assets	15,435.77	13,804.06
<b>Surplus / (Deficit)</b>	<b>(1,270.12)</b>	<b>(1,561.22)</b>
Effects of Asset Ceiling, if any	-	-
<b>Net Asset / (Liability)</b>	<b>(1,270.12)</b>	<b>(1,561.22)</b>

The present value of obligation of Bajaj Electricals Limited Employees' Provident Fund Trust represents the aggregate of accumulated fund value of ₹ 16,274.54 lakhs (As on March 31, 2020 - ₹ 15,052.70 lakhs) and interest rate guarantee ₹ 431.35 lakhs (As on March 31, 2020 - ₹ 312.58 lakhs). Of the above, the interest rate guarantee is recognised as provision in the Company's books, while the accumulated fund value is recognised by the Trust. The interest rate guarantee so recognised in the Company's books is considered as non-current liability.

Since interest rate guarantee is already accounted in BEL's books, the liability of ₹ 838.77 lakhs which is Accumulated Fund Value of ₹ 16,274.54 lakhs in excess of Fair Value of Plan Assets of ₹ 15,435.77 lakhs 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 as well as DHFL (including interest foregone by Trust) and the same is recognised as actuarial loss in the Other Comprehensive Income of BEL in the year in which the Investments were impaired

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 (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
<b>Costs charged to statement of profit and loss :</b>		
Current Service Cost	864.85	664.95
Interest Cost	1,296.82	1,145.31
Investment Income	(1,236.17)	(1,138.29)
<b>Expense recognised in statement of profit and loss</b>	<b>925.50</b>	<b>671.97</b>
<b>Re-measurement (gain) / loss arising from:</b>		
Experience variance (i.e. Actual experience vs assumptions) *	122.54	89.65
Return on plan assets, excluding amount recognised in interest expense/(income)	(483.81)	670.65
<b>Expense recognised in Other Comprehensive Income</b>	<b>(361.27)</b>	<b>760.30</b>
<b>Total Expense Recognised during the year</b>	<b>564.23</b>	<b>1,432.27</b>

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



# Notes to financial statements

for the year ended March 31, 2021

## Note 21: Employee Benefit Obligations (Contd..)

The significant actuarial assumptions are as follows :

### Financial and Demographic Assumptions

Particulars	As on			
	31-Mar-21		31-Mar-20	
	HO Unit	Chakan Unit	HO Unit	Chakan Unit
Discount rate (per annum)	6.52%	6.52%	6.65%	6.65%
Interest rate guarantee (per annum)	8.50%	8.50%	8.50%	8.50%
Discount Rate for the Remaining Term to Maturity of the Investment (p.a.)	6.52%	6.52%	6.65%	6.65%
Average Historic Yield on the Investment (p.a.)	8.06%	8.06%	8.44%	8.44%
Mortality Rate	100% of IALM 2012-14		100% of IALM 2012-14	

Particulars	As on	
	31-Mar-21	31-Mar-20
	Live Employees	Live Employees
Attrition Rate, based on ages:		
- Upto 30 years	4.99%	4.99%
- 31 to 44 years	3.63%	3.63%
- 45 to 57 years	3.62%	3.62%
- Above 57 years	0.38%	0.38%

### Summary of Membership Status :

Particulars	As on	
	31-Mar-21	31-Mar-20
Dormant/Inoperative Employees	3,371	3,300
Live Number of employees	1,714	1,928
<b>Total Number of employees</b>	<b>5,085</b>	<b>5,228</b>
Average age (years)	40.19	39.24

### Summary of Membership Status :

Particulars	As on	
	31-Mar-21	31-Mar-20
Government of India securities	4.5%	5.7%
State Government securities	36.6%	40.0%
High quality corporate bonds	28.7%	34.5%
Equity shares of listed companies	0.0%	0.0%
Public Sector Bonds	0.0%	0.0%
Special Deposit Scheme	8.8%	10.5%
Funds managed by Insurer	0.0%	0.0%
Bank balance	0.2%	1.0%
Other Investments	21.3%	8.5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

# Notes to financial statements

for the year ended March 31, 2021

## Note 21: Employee Benefit Obligations (Contd..)

### Sensitivity Analysis

The sensitivity analysis is determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. (Amounts in ₹ Lakhs)

Particulars	31-Mar-21	31-Mar-20
Defined Benefit Obligation (Base)	17,128.90	15,716.67

Particulars	31-Mar-21		31-Mar-20	
	Result of decrease	Result of increase	Result of decrease	Result of increase
Discount Rate (- / + 1%)	17,302.81	16,961.50	15,881.47	15,558.57
(% change compared to base due to sensitivity)	1.02%	-0.98%	1.05%	-1.01%
Interest rate guarantee (- / + 1%)	16,686.61	18,144.23	15,396.93	16,648.84
(% change compared to base due to sensitivity)	-2.58%	5.93%	-2.03%	5.93%

### 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 RPF Contributions

#### b) Expected contribution during the next annual reporting period (Amounts in ₹ Lakhs)

Particulars	31-Mar-21	31-Mar-20
The Trusts' best estimate of Contribution during the next year	908.09	698.20

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)	<b>Government Securities and Related Investments</b>	<b>Minimum 45% and upto 50%</b>
(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 March 31, 2021

## Note 21: Employee Benefit Obligations (Contd..)

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

(₹ in Lakhs)

Particulars	Provident Fund		Superannuation		Pension	
	For the year ended		For the year ended		For the year ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Expense recognised in the statement of Profit & Loss	344.57	146.93	240.76	260.50	581.64	603.95

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

## Note 22 : Trade Payables

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
<b>Current</b>		
Trade payable	81,032.73	77,278.91
Dues to micro and small enterprises*	10,977.22	7,420.99
Acceptances	2,260.08	5,192.08
Trade payable to related parties	141.32	137.60
<b>Total current trade payables</b>	<b>94,411.35</b>	<b>90,029.58</b>

\*Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
Principal	10,649.17	7,085.91
Interest	328.05	335.08
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.	335.08	13.98
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.	328.05	335.08
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.	-	-

## Note 23 : Other Current Liabilities

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
Statutory liabilities payable	3,639.27	2,897.63
Deferred revenue*	18,611.33	1,4226.21
Others	1,925.25	1,790.81
<b>Total other current liabilities</b>	<b>24,175.85</b>	<b>18,914.65</b>

\*Deferred revenue includes ₹ 18,261.64 lakhs (March 31, 2020 - ₹ 13,886.31 lakhs) for accrual of points under the Retailer Bonding Program and ₹ 349.70 lakhs (March 31, 2020 - ₹ 339.90) for warranty provision considered as a separate performance obligation

# Notes to financial statements

for the year ended March 31, 2021

## Note 24 : Revenue from operations

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
Sale of products	376,857.97	360,461.77
Contract Revenue	76,705.89	132,464.18
Other operating revenue*	3,742.48	4,782.63
<b>Total revenue from operations (Refer Note 41(ii))</b>	<b>457,306.34</b>	<b>497,708.58</b>

\*Other operating revenue mainly comprises of scrap sales, insurance claims and writeback of provisions amounting to ₹ 2,614.88 lakhs (March 31, 2020 - ₹ 1,876.32 lakhs), ₹ 757.98 lakhs (March 31, 2020 - ₹ 388.62 lakhs) and ₹ NIL (March 31, 2020 - ₹ 1929.65) respectively.

## Note 25 : Other income

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
Interest income on bank deposits and others	1,516.41	1,246.60
Interest income from financial assets at amortised cost	676.94	1,348.92
Interest on income tax refund	394.85	120.15
Rental income	268.38	279.10
Net gain / (losses) on disposal of property, plant & equipment	1,782.25	27.86
Others*	2,629.81	2,240.69
<b>Total other income</b>	<b>7,268.64</b>	<b>5,263.32</b>

\*Others mainly includes excess impairment allowance on trade receivables and others written back, credit balance written back and gain on termination of right-of-use assets of ₹ 746.37 lakhs (March 31, 2020 - ₹ 1,058.08 lakhs), ₹ 1,324.72 lakhs (March 31, 2020 - ₹ 420.14 lakhs) and ₹ 474.56 lakhs (March 31, 2020 - 16.70 lakhs) respectively.

## Note 26 : Cost of raw materials consumed

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
Raw materials at the beginning of the year	7,696.46	11,949.33
Add : Purchases	30,406.68	23,089.16
Less : Raw materials at the end of the year	8,724.63	7,696.46
<b>Total cost of raw material consumed</b>	<b>29,378.51</b>	<b>27,342.03</b>

## Note 26 : Changes in inventories of work-in-progress, finished goods, traded goods

(₹ in Lakhs)

	31-Mar-21	31-Mar-20
<b>Opening balance</b>		
Work in progress	1,303.95	1,764.60
Finished Goods	3,627.10	2,951.14
Traded goods	56,208.58	65,221.37
<b>Total opening balance</b>	<b>61,139.63</b>	<b>69,937.11</b>
<b>Closing balance</b>		
Work in progress	1,531.03	1,303.95
Finished Goods	1,921.75	3,627.10
Traded goods	84,657.28	56,208.58
<b>Total Closing balance</b>	<b>88,110.06</b>	<b>61,139.63</b>
<b>Total Changes in inventories of work in progress, traded goods and finished goods</b>	<b>(26,970.43)</b>	<b>8,797.48</b>



# Notes to financial statements

for the year ended March 31, 2021

## Note 27 : Erection & subcontracting expenses

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Erection and subcontracting expense	24,368.64	31,063.45
<b>Total Erection &amp; subcontracting expense</b>	<b>24,368.64</b>	<b>31,063.45</b>

## Note 28 : Employee benefit expenses

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Salaries, wages and bonus	35,144.44	35,425.18
Contribution to provident and other funds (Note 21)	1,628.48	1,728.09
Employees share based payment expense (Note 33)	421.99	521.24
Gratuity (Note 21)	630.87	722.07
Staff welfare expenses	1,002.01	1,204.96
<b>Total employee benefit expense</b>	<b>38,827.79</b>	<b>39,601.54</b>

## Note 29 : Depreciation and amortisation expense

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Depreciation of property, plant and equipment (Note 2)	3,536.94	3,595.87
Amortisation of intangible assets (Note 4)	266.02	238.57
Depreciation of Right of Use assets (Note 3)	3,123.16	2,966.73
<b>Total depreciation and amortisation expense</b>	<b>6,926.12</b>	<b>6,801.17</b>

## Note 30 : Other expenses

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Consumption of stores & spares	608.87	840.07
Packing material consumed	1,122.85	887.42
Power and fuel	970.99	1,197.64
Rent	1,607.89	2,268.08
Repairs and maintenance		
Plant and machinery	1,053.98	1,044.00
Buildings	1.85	9.54
Others	421.21	365.73
Telephone and communication charges	700.31	766.31
Rates and taxes	226.66	69.22
Travel and conveyance	3,283.43	6,028.50
Insurance	1,168.33	1,429.04
Printing and stationery	151.35	234.88
Directors fees & travelling expenses	92.79	74.59
Non executive directors commission	77.00	18.97
Advertisement & publicity	11,237.39	9,436.00
Freight & forwarding	10,156.75	11,122.18
Product promotion & service charges	10,502.49	9,345.34
Sales commission	1,267.13	1,786.80
Provision for service warranties	(211.18)	1,903.59

# Notes to financial statements

for the year ended March 31, 2021

## Note 30 : Other expenses (Contd..)

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Impairment allowance for doubtful debts and advances (net of reversals)	(477.93)	997.04
Bad debts and other irrecoverable debit balances written off	3,019.62	348.61
Payments to auditors (refer note 30(a))	166.35	161.91
Corporate social responsibility expenditure (refer note 43)	384.91	514.38
Fair value loss on financial instruments at fair value through profit and loss	-	38.13
E-Waste Management	-	43.75
Legal and professional fees	2,300.56	4,030.65
Site support charges	3,303.39	4,528.60
Sales tax expenses	74.11	207.06
Security service charges	1,543.99	2,138.84
Miscellaneous expenses	9,547.00	11,375.51
<b>Total other expenses</b>	<b>64,302.09</b>	<b>73,212.38</b>

## Note 30(a) : Details of payment to auditors

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Payment to Auditors		
As Auditor		
Audit fee	111.00	103.00
Tax audit fee	5.00	5.00
Limited review fees	44.00	40.00
In other capacities		
Certification fees	4.00	7.45
Re-imbursment of expenses	2.35	6.46
<b>Total payment to auditors*</b>	<b>166.35</b>	<b>161.91</b>

For the previous year, the Company has paid ₹ 75.35 lakhs towards issue expenses for rights issue. This amount has been debited to equity and does not form part of profit and loss account.

## Note 31 : Finance cost

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Interest expense on borrowings	6,095.64	12,991.76
Interest expense on mobilization advances	88.84	2,182.20
Interest expense on lease liability	944.13	1,073.96
Unwinding of discount on provisions	225.50	171.71
Exchange differences regarded as an adjustment to borrowing costs	54.19	283.65
Other borrowing costs	146.86	212.25
<b>Total</b>	<b>7,555.16</b>	<b>16,915.53</b>

# Notes to financial statements

for the year ended March 31, 2021

## Note 32 : Income Tax Expense

### (a) Income Tax Expense

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Current Tax</b>		
Current income tax charge	4,761.14	119.00
<b>Total Current tax expense</b>	<b>4,761.14</b>	<b>119.00</b>
<b>Deferred Tax (refer note 9)</b>		
Decrease / (increase) in deferred tax assets	(2,455.94)	2,514.66
(Decrease) / increase in deferred tax liabilities	3,448.39	(381.45)
<b>Total deferred tax expense / (benefit)</b>	<b>992.45</b>	<b>2,133.21</b>
<b>Income tax expense in the statement of profit and loss</b>	<b>5,753.59</b>	<b>2,252.21</b>

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

	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Profit / (Loss) from continuing operations before income tax expense	24,117.69	2,239.04
Income Tax @ standard tax rate of 25.168% (March 31, 2020 - 25.168%)	6,069.94	563.52
<b>Tax effect of amounts which are not deductible in calculating taxable income :</b>		
- Corporate Social responsibility Expenditure	47.40	88.65
<b>Other items affecting effective tax rate:</b>		
- Effects of changes in statutory tax rate	-	1,662.82
- Deferred Tax Asset recognised on Asset held for Sale	-	(76.19)
- Exceptional items pursuant to demerger of Hind Lamps Limited	(296.01)	-
- Others	(67.74)	13.41
<b>Income Tax Expense reported in statement of profit and loss</b>	<b>5,753.59</b>	<b>2,252.21</b>

The Company had computed the tax expense for the previous period as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, (a) the provision for current and deferred tax were determined at the rate of 25.17%, and (b) the deferred tax assets and deferred tax liabilities as on 1st April 2019 were restated at the rate of 25.17% (March 31, 2019 – 34.94%). As a result, the tax expense for the year ended March 31, 2020 was higher by ₹ 1,662.82 lakhs.

## Note 33 : Employee stock options :

### A. Summary of Status of ESOPs Granted :

The position of the existing schemes is summarized as under :

Sr. Particulars No.	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 financial statements

for the year ended March 31, 2021

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

Sr. Particulars No.	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	The Scheme was amended by shareholders at their Annual General Meeting held on 28 August 2020, by increasing the maximum number of employee stock options to be granted to an individual employee from 40,000 (Forty Thousand) Options to 1,00,000 (One Lakh) Options
9 Equity shares reserved for issue under Employee Stock Option Scheme and Outstanding as at March 31, 2021			The Company has 10,830,633 Equity Shares of ₹ 2/- each available to issue as Employees Stock Options as its Total Pool Size as of March 31, 2021, of which number of stock options not yet granted under ESOP 2015 scheme are 1,166,013, number of stock options vested & exercisable under ESOP 2011 & ESOP 2015 schemes are 346,665 and number of stock options unvested under ESOP 2015 scheme are 784,875. Thus, total equity shares reserved for issuance under ESOP Scheme outstanding as at March 31, 2021 are 2,297,553.

### II. Option Movement during the year ended March 31, 2021 :

Sr. Particulars No.	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	-	-	132,500	282.71	1,267,800	422.99
2 Options Granted during the year	-	-	-	-	207,500	610.57
3 Options Forfeited / Surrendered during the year	-	-	6,250	316.25	149,875	437.06
4 Options Expired (Lapsed) during the year	-	-	20,150	312.42	2,500	259.24
5 Options Exercised during the year	-	-	77,700	269.55	219,785	376.44
6 Number of options outstanding at the end of the year	-	-	28,400	290.26	1,103,140	466.01
7 Number of options exercisable at the end of the year	-	-	28,400	290.26	318,265	428.98



# Notes to financial statements

for the year ended March 31, 2021

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

### Option Movement during the year ended March 31, 2020 :

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	-	-	237,975	281.66	1,013,450	456.71
2	Options Granted during the year	-	-	-	-	465,000	357.09
3	Options Forfeited / Surrendered during the year	-	-	26,950	297.81	184,775	438.55
4	Options Expired (Lapsed) during the year	-	-	24,250	281.84	-	-
5	Options Exercised during the year	-	-	54,275	263.11	25,875	229.79
6	Number of options outstanding at the end of the year	-	-	132,500	282.71	1,267,800	422.99
7	Number of Options exercisable at the end of the year	-	-	132,500	282.71	308,175	394.81

### 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, 2021</b>		
0 to 100	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
101 to 200	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
201 to 300	Nil	0.95	1.70
No. of Options Outstanding	Nil	17,900	69,175
301 to 400	Nil	0.27	4.00
No. of Options Outstanding	Nil	10,500	437,540
401 to 500	Nil	Nil	3.85
No. of Options Outstanding	Nil	Nil	198,800
501 to 600	Nil	Nil	3.48
No. of Options Outstanding	Nil	Nil	84,375
601 to 700	Nil	Nil	3.16
No. of Options Outstanding	Nil	Nil	200,750
701 to 800	Nil	Nil	5.50
No. of Options Outstanding	Nil	Nil	112,500
<b>Range of Exercise Price</b>	<b>Weighted average contractual life (years) as on March 31, 2020</b>		
0 to 100	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
101 to 200	Nil	0.62	2.87
No. of Options Outstanding	Nil	6,400	9,750
201 to 300	Nil	1.75	2.54
No. of Options Outstanding	Nil	79,250	183,175
301 to 400	Nil	0.86	4.71
No. of Options Outstanding	Nil	46,850	537,375

# Notes to financial statements

for the year ended March 31, 2021

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

	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
401 to 500	Nil	Nil	3.51
No. of Options Outstanding	Nil	Nil	155,000
501 to 600	Nil	Nil	4.41
No. of Options Outstanding	Nil	Nil	90,000
601 to 700	Nil	Nil	4.01
No. of Options Outstanding	Nil	Nil	292,500

### IV Weighted Average Fair Value of Options Granted during the year ended March 31, 2021 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	240.38
(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, 2020 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	131.15
(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, 2021	Nil	616.71	721.47
During the year ended March 31, 2020	Nil	463.37	522.14

### VI Method and Assumptions used to estimate the Fair Value of Options Granted during the year ended March 31, 2021 :

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
	<b>Weighted Average</b>	<b>Weighted Average</b>	<b>Weighted Average</b>
1. Risk Free Interest Rate			5.14%
2. Expected Life (in years)			4.15
3. Expected Volatility			41.35%
4. Dividend Yield	No options granted during the year	No options granted during the year	0.16%
5. Exercise Price (₹)			610.57
6. Price of the underlying share in market at the time of the option grant. (₹)			610.57

# Notes to financial statements

for the year ended March 31, 2021

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

Method and Assumptions used to estimate the Fair Value of Options Granted during the year ended March 31, 2020 :

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
<b>Variables</b>	<b>Weighted Average</b>	<b>Weighted Average</b>	<b>Weighted Average</b>
1. Risk Free Interest Rate			6.08%
2. Expected Life (in years)			4.15
3. Expected Volatility			38.38%
4. Dividend Yield	No options granted during the year	No options granted during the year	0.96%
5. Exercise Price (₹)			363.27
6. Price of the underlying share in market at the time of the option grant. (₹)			363.27

### Assumptions:

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered

Volatility: The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information. The volatility is calculated considering the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE), over a period prior to the date of grant corresponding with the expected life of the options.

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

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

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

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 (₹ In Lakhs) :

Particulars	31-Mar-21	31-Mar-20
1 Employee Stock Option Plan Expense	421.99	521.24
2 Total ESOP Reserve at the end of the year	1,181.39	1,261.09

## Note 34 : Fair value measurements

### (i) Financial instruments by category

The carrying amounts of financial instruments by class are as follows

	31-Mar-21	31-Mar-20
<b>A. Financial assets</b>		
<b>I. Measured at amortized cost</b>		
Investments	0.00	933.86
Trade Receivables	191,621.05	253,653.38
Loans	11,145.76	4,189.37

# Notes to financial statements

for the year ended March 31, 2021

## Note 34 : Fair value measurements (Contd..)

	31-Mar-21	31-Mar-20
Cash and Cash Equivalents	4,562.91	10,160.64
Bank Balances other than above	1,592.54	307.56
Other Financial Assets	3,223.80	2,708.25
<b>II. Measured at fair value through profit and loss (FVTPL)</b>		
Other Financial Assets		
- Forward contracts	1.82	242.75
- Fair value of call option	110.11	213.00
Investments	469.74	352.37
	<b>212,727.73</b>	<b>272,761.18</b>
<b>B. Financial liabilities</b>		
<b>I. Measured at amortized cost</b>		
Borrowings	25,877.78	73,748.62
Trade Payables	94,411.35	90,029.58
Other Financial Liabilities	74,112.10	67,075.01
Lease Liabilities	3,863.29	9,862.88
<b>II. Measured at fair value through profit and loss (FVTPL)</b>		
Other Financial Liabilities		
- Forward contracts	74.67	-
- Fair value of put option	84.37	153.56
	<b>198,423.56</b>	<b>240,869.65</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, 2021</b>						
Other Financial Assets						
- Forward contracts	Mark to Market	1.82	1.82		1.82	
- Fair value of call option	Note b	110.11	110.11			110.11
Investments	Discounted Cash Flow / Net Asset Value (note a)	469.74	469.74			469.74
Other Financial Liabilities						
- Forward contracts	Mark to Market	74.67	74.67		74.67	
- Fair value of put option	Note b	84.37	84.37			84.37
		<b>740.71</b>	<b>740.71</b>	<b>-</b>	<b>76.49</b>	<b>664.22</b>
<b>As at March 31, 2020</b>						
Other Financial Assets						
- Forward contracts	Mark to Market	242.75	242.75		242.75	
- Fair value of call option	Note b	213.00	213.00			213.00
Investments	Discounted Cash Flow / Net Asset Value (note a)	352.37	352.37			352.37



# Notes to financial statements

for the year ended March 31, 2021

## 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	-	-			
- Fair value of put option	Note b	153.56	153.56			153.56
		<b>961.69</b>	<b>961.68</b>	-	<b>242.75</b>	<b>718.93</b>

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

### Note a

In case of Bharat Innovation Fund, the fair value has been determined based on the NAV (net asset value) as per the statement issued by Bharat Innovation Fund.

The fair value of shares Starlite Lighting Limited is less than its face value and the entire amount has been fully impaired in the books. The Company has given long term loans and guarantees for loans taken by Starlite Lighting Limited from the external lenders. The Company has determined the amount of loss allowance as per impairment requirements of Ind AS 109. Based on independent valuation performed by an external valuer based on the discounted cash flow model, the Company has determined that no liability has materialised as at March 31, 2021. The valuation has been performed using the below stated significant unobservable inputs as at March 31, 2021.

### Significant unobservable inputs used in Level 3 fair values as at March 31, 2021

Particulars	Significant Unobservable Inputs	Sensitivity
Investments (Equity and Preference shares of Starlite Lighting Limited) and Corporate guarantees given by the Company on behalf of Starlite Lighting Limited	Discount rate – 13.60%	The enterprise value is greater than the value of the external debt of SLL and considering the sensitivity around the assumptions used, there is no impairment required as on March 31, 2021
	Terminal value growth rate – 3%	1% increase in discount rate will decrease fair value by ₹ 3,039.17 lakhs.
		1% decrease in discount rate will increase the fair value by ₹ 3,647.67 lakhs
		1% increase in terminal value growth rate will increase fair value by ₹ 2,395.07 lakhs.
		1% decrease in terminal value growth rate will decrease the fair value by ₹ 1,992.71 lakhs

### Note b

The call and put option has been valued by applying the Black & Scholes Model considering risk free rate of 3.48%, time to maturity of 0.42 years and annualised volatility of 37.07%

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 March 31, 2021

## Note 34 : Fair value measurements (Contd..)

### (iii) Reconciliation of Level 3 fair value measurement

Particulars	(₹ in Lakhs)	
		31-Mar-21
Opening balance as on 31st March 2020		718.93
Additions made during the period		0.37
Loss recognised in statement of profit and loss		(55.07)
<b>Closing balance as on 31st March 2021</b>		<b>664.23</b>

## Note 35: Financial risk management objectives and policies

The Company's principal financial liabilities comprise of borrowings, trade and other payables, lease liabilities 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 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.

# Notes to financial statements

for the year ended March 31, 2021

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

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.

The maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of such trade and other receivables as shown in note 6, 8 and 13 of the financials.

### Reconciliation of impairment allowance on trade and other receivables

(₹ in Lakhs)	
Particulars	Amount
<b>Impairment allowance on March 31, 2020</b>	<b>13,968.89</b>
Additions during the year	2,362.09
Reversals during the year since amounts are written off	(3,072.87)
Reversal during the year since provision no longer required	(750.65)
Acquired on demerger of Hind Lamps Limited	170.23
<b>Impairment allowance on March 31, 2021</b>	<b>12,947.69</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 March 31, 2021 and March 31, 2020 is the carrying value of such cash and cash equivalents and deposits with banks as shown in note 12 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 and Starlite Lighting Limited) to meet their capex and working capital requirements. 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. (Refer Note 5, 10 and 14)

## (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 March 31, 2021

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

### (i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period

(₹ in Lakhs)		
Particulars	31-Mar-21	31-Mar-20
Floating / Fixed Rate		
- Expiring within One year (Bank overdraft and other facilities)	232,675	204,348

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, 2021	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	25,877.78	23,420.16	1,274.29	1,183.33	-	25,877.78
Trade payables	94,411.35	94,411.35	-	-	-	94,411.35
Lease liabilities	3,863.29	1,937.17	1,246.54	1,216.19	-	4,399.90
Other financial liabilities	74,271.14	75,354.60	84.37	-	-	75,438.97
<b>Total</b>	<b>198,423.56</b>	<b>195,123.28</b>	<b>2,605.20</b>	<b>2,399.52</b>	<b>-</b>	<b>200,128.00</b>

Particulars	Carrying value as at March 31, 2020	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	73,748.62	65,757.17	5,533.18	2,458.27	-	73,748.62
Trade payables	90,029.58	90,029.58	-	-	-	90,029.58
Lease Liabilities	9,862.88	3,518.01	2,702.53	4,553.50	2,372.19	13,146.23
Other financial liabilities	67,228.57	70,507.88	201.02	-	-	70,708.90
<b>Total</b>	<b>240,869.65</b>	<b>229,812.64</b>	<b>8,436.73</b>	<b>7,011.77</b>	<b>2,372.19</b>	<b>247,633.33</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.

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, foreign currency term loans, etc. As these commercial transactions are recorded in currency other than the functional currency (INR), the company is exposed to Foreign Exchange risk arising from future commercial transactions and recognised assets and liabilities. The company is a net importer as its imports and other forex liabilities exceeds the exports. It ascertains its forex exposure and bifurcates the same into forex receivables and payables. These exposures are covered by taking appropriate forward cover from the banks.



# Notes to financial statements

for the year ended March 31, 2021

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

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 INR, are as follows :

(₹ in Lakhs)

Particulars	31-Mar-21		31-Mar-20	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	472.20	7,423.26	2,962.28	10,656.17
EUR	-	7.66	-	33.11
RMB	49.92	-	62.63	-
CFA	261.52	191.22	51.55	-
GBP	42.55	-	42.16	-
RMB	10.78	57.44	-	-
KES	2,290.94	-	178.93	-
ZMW	7.87	75.83	1.79	-
AED	43.44	20.39	0.66	0.39

Further, the Company has open foreign exchange forward contracts amounting to USD 117.77 lakhs (March 31, 2020 - USD 110.74 lakhs)

### b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments is given below

(₹ in Lakhs)

Particulars	Impact on profit after tax & Equity	
	31-Mar-21	31-Mar-20
USD sensitivity		
INR appreciates by 5% (31 March 2020 - 5%)	347.55	384.69
INR depreciated by 5%(31 March 2020 - 5%)	(347.55)	(384.69)

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

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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 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

# Notes to financial statements

for the year ended March 31, 2021

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

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

	31-Mar-21	31-Mar-20
Total debt	46,373.15	95,715.22
Total equity	160,473.27	137,926.32
Total debt to equity ratio	0.29	0.69

## 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, Power Distribution and Illumination; and "Others" includes Wind Energy.

### 1) Segment Results

(₹ in Lakhs)

Particulars	31-Mar-21	31-Mar-20
a) Consumer Products	32,400.81	20,822.53
b) EPC	(5,412.63)	(3,462.24)
c) Others	(27.87)	(15.28)
<b>Operating Segment Profit</b>	<b>26,960.31</b>	<b>17,345.01</b>
<b>Unallocated income / (expenses)</b>		
Depreciation & amortisation expenses	(30.16)	(26.90)

# Notes to financial statements

for the year ended March 31, 2021

## NOTE 37: Segment reporting (Contd..)

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Finance Cost	(7,555.16)	(16,915.53)
Interest income on financial assets measured at amortised cost	890.51	88.74
Profit / (Loss) on sale of Property, plant & equipment	1,748.00	(17.19)
Rent received	258.24	258.61
Interest on Income Tax refund	394.85	120.16
Others	274.98	1,386.15
<b>Profit before income tax and exceptional items</b>	<b>22,941.57</b>	<b>2,239.05</b>
Exceptional items	(1,176.12)	-
<b>Profit before income tax</b>	<b>24,117.69</b>	<b>2,239.05</b>

The operating segment results includes depreciation and amortization of ₹ 5,074.31 lakhs (March 31, 2020 – ₹ 4,680.17 lakhs) for consumer products, ₹ 1,783.39 lakhs (March 31, 2020 – ₹ 2,055.84 lakhs) for EPC and ₹ 38.26 lakhs (March 31, 2020 – ₹ 38.26 lakhs) for others.

## 2) Segment Revenue:

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
a) Consumer Products	330,353.97	308,462.33
b) EPC	126,893.41	189,175.59
c) Others	58.96	70.66
<b>Sub-total</b>	<b>457,306.34</b>	<b>497,708.58</b>
Less: Inter Segment Revenue	-	-
<b>Net Sales / Income from Operations</b>	<b>457,306.34</b>	<b>497,708.58</b>

There is no single customer which is more than 10% of the entity's revenues. The amount of revenue from external customers broken down by location of the customers is shown in table below:

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
India	443,649.99	482,668.42
Outside India	13,656.35	15,040.16
<b>Total</b>	<b>457,306.34</b>	<b>497,708.58</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 Lakhs)	
	31-Mar-21	31-Mar-20
a) Consumer Products	158,542.88	141,812.07
b) EPC	193,385.75	251,816.13
c) Others	133.10	128.08
<b>Total Segment Assets</b>	<b>352,061.73</b>	<b>393,756.28</b>
<b>Unallocated</b>		
Deferred tax assets	5,249.35	4,530.57
Income tax assets (net)	7,560.12	9,738.85
Investments	3,785.06	5,286.09
Investment property	12,600.00	-

# Notes to financial statements

for the year ended March 31, 2021

## NOTE 37: Segment reporting (Contd..)

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Property, Plant & Equipments, Capital work in progress, Intangible assets and Intangible assets under development	18,988.27	20,578.39
Cash & cash equivalents	4,562.91	10,468.19
Others	20,201.82	11,495.91
<b>Total assets as per balance sheet</b>	<b>425,009.26</b>	<b>455,854.28</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 Lakhs)	
	31-Mar-21	31-Mar-20
India	66,326.01	61,506.51
Outside India	94.68	87.40
<b>Total</b>	<b>66,420.69</b>	<b>61,593.91</b>

The capital expenditure incurred for consumer products is ₹ 1,184.63 lakhs (March 31, 2020 – ₹ 607.35 lakhs), for EPC is ₹ 305.07 lakhs (March 31, 2020 – ₹ 180.38 lakhs) and for Unallocable is ₹ 494.86 lakhs (March 31, 2020 – ₹ 1,922.67 lakhs).

## 4) Segment Liabilities

Segment liabilities are measured on the same principles as they have been for the purpose of these financial statements. The Company's borrowings and derivative financial instruments are not considered to be segment liabilities but are managed by the treasury function.

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
a) Consumer Products	122,653.89	103,695.58
b) EPC	82,707.78	110,444.91
c) Others	-	-
<b>Total Segment Liabilities</b>	<b>205,361.67</b>	<b>214,140.49</b>
<b>Unallocated</b>		
Borrowings	46,373.17	95,715.22
Others	12,801.15	8,072.25
<b>Total liabilities as per balance sheet</b>	<b>264,535.99</b>	<b>317,927.96</b>

## Note 38: Disclosure of transactions with related parties

Name of Related Party and Nature of relationship	Nature of Transaction	2020-21		2019-20	
		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 - Nirlep Appliances Private Limited</b>					
	Purchases	4,524.49	(151.98)	3,456.75	(155.26)
	MEIS License Purchase	-	-	27.12	-
	Royalty Paid	43.31	(11.65)	34.53	(5.81)
	Loan given	1,300.00	3,900.00	1,000.00	2,600.00
	Trade Advance Given	1,350.00	314.04	950.00	155.86



# Notes to financial statements

for the year ended March 31, 2021

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

(₹ in Lakhs)

Name of Related Party and Nature of relationship	Nature of Transaction	2020-21		2019-20	
		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
	Deposit Given	-	-	-	-
	Interest Received	352.51	22.31	292.52	23.23
	Sales of Asset	9.37	0.48	15.80	-
<b>(C) Associate - Hind Lamps Limited</b>					
	Purchases	329.08	-	6,190.50	(215.19)
	Trade Advance Given	-	-	-	3,755.95
	Loan given	380.00	-	1,577.00	1,577.00
	Interest on loan and advance	59.40	-	225.82	40.32
	Sales	356.61	60.50	4,609.15	42.22
	Rent Received	7.55	1.35	24.78	-
	0% Non Convertible Redeemable Preference Shares	-	-	-	933.86
	Finance Income of preference shares (financial asset at amortised cost)	24.51	-	88.74	-
<b>(D) Joint Venture - Starlite Lighting Limited</b>					
	Purchases	17,623.99	-	14,945.29	(105.41)
	Trade Advance Given*	1,400.00	5,395.32	550.00	5,214.77
	Loans given	7,240.00	7,240.00	-	-
	Interest on loan and advance	1,169.60	-	806.85	64.20
	Interest Paid	-	-	21.75	(19.58)
	Sales of Components	2,303.06	3.03	1,734.32	-
<b>(E) Key Management Personnel#</b>					
	Short-term employee benefits	1,706.39	(531.36)	941.82	(54.71)
	Gratuity Settlement	-	-	-	-
	Post-employment benefits (contribution to super annuation fund)	60.64	-	54.48	-
	Long-term employee benefits (contribution to provident fund)	46.19	-	40.84	-
	Perquisite value of ESOPs exercised during the year	16.46	-	8.34	-
	<b>Total Compensation</b>	<b>1,829.67</b>	<b>(531.36)</b>	<b>1,045.48</b>	<b>(54.71)</b>
	<b>Dividend paid</b>	<b>-</b>	<b>-</b>	<b>708.50</b>	<b>-</b>
	<b>Right Shares Issued</b>	<b>-</b>	<b>-</b>	<b>7,641.87</b>	<b>-</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>					
	Advance given	1.80	1.80	-	-
	Reimbursement of Expenses	37.58	(6.56)	229.08	(45.09)
	Services Received	25.81	(39.46)	147.11	(71.37)

\* 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.

# Notes to financial statements

for the year ended March 31, 2021

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

(₹ in Lakhs)

Name of Related Party and Nature of relationship	Nature of Transaction	2020-21		2019-20	
		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
	Interest Received	0.17	-	-	-
	CSR Contribution	-	-	32.13	-
	Right Shares Issued	-	-	260.53	-
	Rent Paid	57.00	-	54.75	-
	Deposits given	-	28.24	-	29.70
	Deposits Refund	1.57	-	-	-
	Dividend Paid	-	-	59.17	-
	Other Expenses	-	-	-	-
	Sales	777.38	352.28	664.15	160.62
	Purchases	75.21	(57.43)	190.09	-
<b>(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</b>					
	Advance for Insurance premium	-	624.61	-	605.36
	Claims Received	32.31	-	34.57	-
	Insurance Premium paid	1,221.65	-	971.52	-
	Other Expenses	4.25	(0.74)	3.28	-
	Contribution to Gratuity Fund	-	5,360.58	1,000.00	5,003.05
	CSR Contribution	175.37	-	436.70	-
	Sales	23.93	26.35	146.38	67.11
	Sale of Asset	6.00	-	-	-
	Advance for Capital Asset	-	-	0.97	-
	Right Shares Issued	-	-	15,114.24	-
	Reimbursement of Expenses	4.79	0.03	5.59	0.03
	Rent Deposit Advanced	-	150.00	-	150.00
	Rent Paid	35.40	(3.21)	35.40	(2.70)
	Fixed Assets Purchase	-	-	0.59	-
	Dividend Paid	-	-	1,453.83	-
	Purchases	1.46	-	-	-
	Inter Corporate Deposit taken	-	-	20,000.00	-
	Interest on Inter Corporate Deposit	-	-	676.44	-
	Advance given	5.00	-	-	-
	Services Received	9.20	(1.45)	-	-
	Rent Received	2.11	0.18	11.69	(0.43)
<b>(H) Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures has significant influence over the entities</b>					
	Right Shares Issued	-	-	311.31	-
	Dividend Paid	-	-	28.00	-

# Notes to financial statements

for the year ended March 31, 2021

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

(₹ in Lakhs)

Name of Related Party and Nature of relationship	Nature of Transaction	2020-21		2019-20	
		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>(I) Transactions with the entities which are the post employment benefit plans as identified in para 9 (b) (v) of Ind AS 24 - Related Party Disclosures</b>					
Trustees Bajaj Electricals Ltd Employ-ees Provident Fund		2,123.55	(170.88)	2,097.93	(176.57)
Matchwel Electrical India Limited Em-employees Provident Fund Trust		41.49	(3.69)	46.34	(3.97)
<b>(J) Transactions with the persons identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures</b>					
Refund of Advance Rent			(15.00)	-	(15.00)

## Note 39. Earnings per share:

Particulars	31-Mar-21	31-Mar-20
(Loss) / Profit for the year (A) (₹ In Lakhs) - before exceptional	17,187.98	(13.16)
(Loss) / Profit for the year (A) (₹ In Lakhs) - after exceptional	18,364.10	(13.16)
Weighted average number of equity shares for basic EPS ( B )	114,218,703	103,879,353
Add: Effect of dilution (employee stock options - Refer Note 33)	404,101	109,139
Weighted average number of equity shares for diluted EPS ( C )	114,622,804	103,988,492
<b>Earnings Per Share in ₹ :- after exceptional items</b>		
(a) Basic EPS (A/B)	16.08	(0.01)
(b) Diluted EPS (A/C)	16.02	(0.01)
<b>Earnings Per Share in ₹ :- before exceptional items</b>		
(a) Basic EPS (A/B)	15.05	(0.01)
(b) Diluted EPS (A/C)	15.00	(0.01)

## Note 40. Commitments and contingencies

### a. Contingent liabilities

(₹ in Lakhs)

Particulars	31-Mar-21	31-Mar-20
<b>Contingent Liabilities not provided for :</b>		
i) Claims against the Company not acknowledged as debts (Refer Note xi, xii, xiii below)	2,067.20	2,228.95
ii) Guarantees on behalf of Joint Venture ₹ 27,200.00 Lakhs (Previous Year ₹ 26,700.00 Lakhs) (refer note x below)	22,986.70	22,890.44
iii) Excise and Customs duty matters under dispute	15.49	15.49
iv) Service Tax matters under dispute	149.40	149.40
v) Income Tax matters under dispute	385.76	355.76
vi) Sales Tax matters under dispute	4,655.82	9,429.28
vii) Uncalled liability in respect of partly paid Shares held as investments	7.20	7.20
viii) Others	181.60	-

# Notes to financial statements

for the year ended March 31, 2021

## Note 40. Commitments and contingencies (Contd..)

- ix. The Company's fluorescent and mercury containing lamps (CFL/FTL) fall within the purview of the E-waste (Management) Rules, 2016 (the "E-waste Rules") which has come in force with effect from October 01, 2016. Under the E-waste Rules the Company is responsible for collection and safe disposal of end of life CFL/FTL in terms of Extended Producer Responsibility (EPR) obligation set out therein. In the 57th meeting of Technical Review Committee of Central Pollution Control Board ("CPCB"), the compliances and implementation of EPR Authorisation conditions including targets under the E-waste Rules for the existing producers of CFL/ FTL were deferred till May 01, 2017. Electric Lamp and Component Manufacturers Association of India (ELCOMA), on behalf of all its members, has filed the Writ Petition (C) 5461 of 2016 ("Writ Petition") in the Hon'ble Delhi High Court challenging the inclusion of 'fluorescent and mercury containing lamps' under E-waste Rules. The Hon'ble Delhi High Court by its order dated September 28, 2016, directed the producers of CFL/FTL, to apply for EPR Authorisation without prejudice to their rights and contentions in the said Writ Petition. Subsequently, vide a later order (dated August 5, 2019) the Hon'ble Delhi High Court directed that the said interim order (dated September 28, 2016) shall continue to be operative during the pendency of the Writ.

The matter was supposed to be listed in March, 2020 but progress of the case was stalled due to lockdown as courts were only taking up extremely urgent cases through video conferences and since then no development has taken place in the matter.

The Company has been granted EPR authorization under E-Waste (Management) Rules, 2016 by Central Pollution Control Board for Electricals and Electronic Equipment with a collection target of 986.67 MT for FY 2019-20. The Company has entered into agreements with Trans Thane Creek Waste Management Association and GATI Logistics for collection and disposal of E-waste.

- x. The Company has given guarantees / letter of comfort for all borrowings (long term / short term) taken by its joint venture, Starlite Lighting Limited (SLL). As on March 31, 2021, the utilised amounts of these facilities were ₹ 22,986.70 lakhs. Management has determined the enterprise value of SLL based on the discounted cash flow projections for a period of 5 years, terminal growth rate of 3% and a discounting factor of 13.60%. The perpetuity value used in valuation is calculated under a 2-stage DCF model i.e., high growth phase and mature phase. The 5-year high growth period (FY22 – FY26) is considered which has contributed ₹ 177.42 crores to the enterprise value. Post high growth period, perpetuity sales growth rate is considered at 3%. 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 (Refer Note 34).
- xi. These represent legal claims filed against the Company by various parties and these matters are in litigation. Management has assessed that in all these cases the outflow of resources embodying economic benefits is not probable.
- xii. The Company had in earlier years terminated employment agreements of few die casting workmen at the Chakan plant. On 3rd July, 2018, the Honourable Hight Court of Bombay had awarded the appeal in favour of the Company. On 27th June, 2019, the appeal on the matter has been admitted in the Honourable Supreme Court. Management has assessed that the outflow of resources embodying economic benefits is not probable and has accordingly considered the claim of ₹ 292.28 lakhs as contingent liability.
- xiii. The Company has issued purchase orders to a vendor for procurement of "AB cables and service cables" to its Madhyanchal ("MVVNL") and Purvanchal ("PVVNL") projects site in UP. The vendor being a MSME registered party has filed the case under MSMED Act, 2006 claiming interest as well as principal against the Company. Per the case, vendor claims to have supplied consignments as per the terms and conditions mentioned in the purchase orders however payments have not been made by the Company. The management has filed a Statement of Defence and Counter Claim since the vendor has failed to comply with the terms and conditions in the purchase order (viz. timely supply of material, supply of the material as per specifications, making good of any short supply of material, providing replacement of material flagged as not meeting specifications or deficient in quality). Accordingly, the management has assessed the exposure in this regard to be not probable and disclosed ₹ 182.83 lakhs as contingent liability.
- xiv. 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.



# Notes to financial statements

for the year ended March 31, 2021

## Note 40. Commitments and contingencies (Contd..)

### b. Commitments

- Estimated amounts of contracts remaining to be executed in capital account (net of capital advances) is ₹ 1,474.86 lakhs (March 31, 2020, ₹ 687.44 lakhs).
- During the previous 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 CIE Advisors Private Limited (the fund manager), for a contribution of ₹ 1,300 lakhs. As on March 31, 2021, only ₹ 418.94 Lakhs has been drawn down by Bharat Innovation Fund.

## Note 41: Disclosures of revenue from contracts with customers

The disclosures as required for revenue from contracts with customers are as given below

### (i) Disaggregation of revenue

Disaggregation of the Company's revenue from contracts with customers and reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price is as given below.

Particulars	31-Mar-21	31-Mar-20
<b>A. Revenue from contracts with customers</b>		
Consumer products (includes appliances, lighting and fans)	330,102.00	308,178.92
Engineering, procurement and construction (EPC) (includes power distribution, transmission line towers and illumination)	126,076.73	188,552.51
Others	58.97	70.67
	<b>456,237.70</b>	<b>496,802.11</b>
<b>B. Reconciliation of contracted price with (A) above</b>		
Revenue at contracted price	468,290.26	523,149.74
Unbilled on account of work under certification	(3,731.26)	(8,394.88)
Billing in excess of contract revenue	5,924.97	(5,147.68)
Revenue deferred on customer loyalty program	(4,385.12)	(6,071.15)
Discounts	(9,598.67)	(7,086.16)
Others	(262.48)	352.23
<b>Revenue from contracts with customers (a)</b>	<b>456,237.70</b>	<b>496,802.10</b>
<b>Add: Other revenue (b)</b>		
Claims received, export incentives, etc	1,068.64	906.48
<b>Revenue from operations (a+b)</b>	<b>457,306.34</b>	<b>497,708.58</b>

(₹ in Lakhs)

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
Timing of revenue recognition		
At a point in time	330,412.93	308,533.00
Over a period of time	126,893.41	189,175.58
<b>Revenue from operations</b>	<b>457,306.34</b>	<b>497,708.58</b>

# Notes to financial statements

for the year ended March 31, 2021

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

### (ii) Contract balances

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

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Contract assets	6,861.30	10,592.55
Contract liabilities	20,545.95	37,046.31
Accounts receivables	191,621.05	253,653.38
Revenue recognised in the period from:		
Amounts included in contract liability at the beginning of the period	16,551.91	42,354.30

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.

Contract liabilities are relates to payments received in advance of performance under the contract and billing in excess of contract revenue recognised. Contract liabilities are recognised as revenue when the Company satisfies the performance obligation under the contract.

### (iii) Performance obligations

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

#### Consumer Product 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.

##### c) Extended warranties:

The Company provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are bundled together with the sale of products. Contracts for bundled sales of products and a service-type warranty comprise two performance obligations because the product and service-type warranty are both sold on a stand-alone basis and are distinct within the context of contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as deferred revenue. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

# Notes to financial statements

for the year ended March 31, 2021

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

### 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 Lakhs)	
	31-Mar-21	31-Mar-20
Consumer products	18,261.64	13,886.31
EPC	79,255.75	163,320.14
<b>Total</b>	<b>97,517.39</b>	<b>177,206.45</b>

### (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 Lakhs)	
	31-Mar-21	31-Mar-20
Unamortised portion of cost to obtain a contract	11.01	153.18
Amount recognised in the profit and loss account	2,408.46	3,403.43

## Note 42: Leases:

The Company for the consumer products segment, generally takes godowns on lease to store the goods at various locations. These godowns generally have a term of 1 year to 3 years. There are few godowns with a longer lease period of 5 years or more also. Similarly, the Company also takes on lease, storage places at various EPC sites to store the inventories which are used for construction. These leases are generally short term in nature, with very few contracts having a tenure of 1-2 years. Further, the Company has few guest houses, residential premises and office premises also on leases which generally for a longer period ranging from 2-5 years.

The Company's obligations under its leases are secured by the lessor's title to the leased assets. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, on the commencement of the lease. There are several lease contracts that include extension and termination options. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The leases which the Company enters, does not have any variable payments. The lease rents are fixed in nature with gradual escalation in lease rent.

Apart from the above, the Company also has various leases which are either short term in nature or the assets which are taken on the leases are generally low value assets (e.g. printers). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company has determined leasehold lands also as, right of use assets and hence the same has been classified from property, plant and equipment to right of use assets.

# Notes to financial statements

for the year ended March 31, 2021

## Note 42: Leases: (Contd..)

### Disclosures under Ind AS 116

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Amortization charge for right of use assets	3,123.16	2,966.73
Interest expense on lease liabilities	944.13	1,073.96
Lease rent expenses for short term leases	1,273.20	1,972.62
Lease rent expenses for low value assets	111.09	213.46
Cash outflow towards lease liabilities	3,652.65	3,280.61
- as principal	2,708.52	2,206.65
- as interest	944.13	1,073.96
Carrying amount of right of use assets	6,123.04	12,047.28
Carrying amount of lease liabilities	3,863.29	9,862.88

For movement of right of use assets, refer note 3

For movement of lease liability, refer note 3. For maturity profile of lease liabilities, refer note 35 (liquidity risk)

For significant judgements used for accounting right of use assets and lease liabilities, refer note 1D(6)

## Note 43: Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, the gross amount to be spent by the Company during financial year 20-21 is ₹ 384.91 lakhs (Previous year ₹ 505.92 Lakhs). The Company has spent ₹ 387.24 lakhs (Previous year ₹ 514.38 Lakhs) on various CSR initiatives as below

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Two percent of average net profit of the company as per section 135(5)	384.91	505.92
Spent on ongoing projects	65.84	435.82
Spent on other than ongoing projects	109.32	
Administrative expenses	5.17	9.56
Others	-	69.00
<b>Total Amount Spent for the Financial Year. (in ₹) (a)</b>	<b>180.33</b>	<b>514.38</b>
<b>Total Amount transferred to Unspent CSR Account as per section 135(6) (b)</b>	<b>204.58</b>	-
<b>Total (a + b)</b>	<b>384.91</b>	<b>514.38</b>

**Note 44:** During the year, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated May 21, 2020 had approved the scheme of arrangement for demerger of the manufacturing undertaking of the Hind Lamps Limited (associate of the Company) into the Company, which has been filed with the Registrar of Companies on June 30, 2020. The Company has accounted for the demerger as a business combination under Ind AS 103 as per the Scheme and accounted for the fair value of assets and liabilities acquired. Consequently, the Company has derecognised its existing 19% of the proportionate investment in the manufacturing undertaking of Hind Lamps Limited, resulting in a gain of ₹ 1,176.16 lakhs which has been disclosed as an exceptional items in the financial statements. As per the Ind AS 103 and the Scheme, the difference of ₹ 165.19 lakhs, between the fair value of the assets acquired, liabilities assumed and the consideration has been credited to other comprehensive income and accumulated in equity as capital reserve.

Particulars	(₹ in Lakhs)	
	Amount	
<b>Assets</b>	<b>16,656.12</b>	
Cash and cash equivalents	3.95	
Others current financial assets	68.22	
Inventories	767.73	
Other current assets	159.47	
Deferred tax assets (net)	1,944.83	



# Notes to financial statements

for the year ended March 31, 2021

## Note 44: (Contd..)

Particulars	Amount
	(₹ in Lakhs)
Financial Assets - Non Current	35.34
Income tax assets (net)	5.14
Investment Properties	12,600.00
Other non-current assets	6.06
Property, plant and equipment	1,042.66
Right of Use Assets	22.72
<b>Liabilities</b>	<b>14,166.30</b>
Financial Liabilities - Current	4,276.55
Other Current Liabilities	3,985.86
Provisions - Current	100.00
Employee Benefit Obligations - Non Current	1,117.78
Financial Liabilities - Non Current	4,686.11
<b>Fair value of net assets acquired (a)</b>	<b>2,489.82</b>
<b>Consideration (equity shares of BEL and derecognition of existing equity) (b)</b>	<b>2,324.64</b>
Equity shares issued	9.43
Securities premium	1,842.31
Derecognition of existing value of equity as an associate	472.90
<b>Gain on bargain purchase on demerger (a-b)</b>	<b>165.18</b>

**Note 45:** The company has evaluated subsequent events from the balance sheet date through May 25, 2021 (date of adoption of accounts), the date at which the standalone financial statements were available to be issued, and determined that there are no material items to disclose other than those disclosed above.

Further to the above, the Company has executed Control Transfer Agreement as per the details below.

### Execution of Control Transfer Agreement:

The Company, at its meeting held on Friday, April 30, 2021 ("Effective Date"), executed the Control Transfer Agreement ("CTA") with (i) Shri Ravindra Bharati and Shri Arvind Bharati (collectively, the "Outgoing Promoters"), who, along with the Company, were promoters / joint promoters of Starlite Lighting Limited ("SLL"), (ii) some other shareholders of SLL (related to the outgoing promoters or belonging to their business group), and (iii) SLL

- to terminate the Shareholders Agreement dated February 22, 2007 by and between the outgoing promoters, company and SLL; and
- to record the agreed terms and conditions for the relinquishment and transfer of the joint control and management rights of SLL by the outgoing promoters in favour of the Company such that the Company shall have the sole control and management rights of SLL from the start of the business hours on the Effective Date.

In consideration of the said relinquishment and transfer of joint control and management rights of SLL by outgoing promoters in favour of the Company, the Company will pay an aggregate control premium of ₹1,480 lakhs, plus GST as applicable, to the outgoing promoters, subject to the terms and conditions of the said CTA.

Subsequently, SLL has become a subsidiary of the Company w.e.f. the Effective Date (i.e. April 30, 2021)

### Execution of Share Subscription Agreement:

With the approval granted by the Board of the Company at its Meeting, the Share Subscription Agreement ("SSA") has been executed on April 30, 2021 (after the execution of CTA) by and amongst: (i) the Company, (ii) SLL, (iii) Shri Ravindra Bharati, and (iv) Shri Arvind Bharati, for subscribing to the 4,50,00,000 Equity Shares of SLL ("Subscription Shares") by the Company and/or by its identified purchaser(s) at a price of ₹10/- per Equity Share, which are to be issued on a

# Notes to financial statements

for the year ended March 31, 2021

## Note 45: (Contd..)

private placement / preferential allotment basis, subject to the approval of the board of directors and shareholders of SLL.

### Scheme of merger of SLL into the Company:

The Board of Directors of the Company, at its meeting held on May 25, 2021, considered and approved the Scheme of Merger by Absorption of Starlite Lighting Limited ("Transferor Company") with the Transferee Company and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme is subject to the necessary statutory and regulatory approvals including the approvals of Hon'ble National Company Law Tribunal, the shareholders and creditors of each of the companies.

**Note 46:** 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 46

As per our report attached of even date

### For S R B C & CO LLP

ICAI Firm Registration No. 324982E/E300003

Chartered Accountants

### per Vikram Mehta

Partner

Membership No.105938

Mumbai, May 25, 2021

### Ajay Nagle

Executive Vice President

Legal & Company Secretary

Mumbai, May 25, 2021

### For and on behalf of the Board of directors

#### Shekhar Bajaj

Chairman & Managing Director

DIN: 00089358

#### Anuj Poddar

Executive Director

DIN: 01908009

#### Anant Purandare

President &

Chief Financial Officer

#### Shailesh Haribhakti

Chairman - Audit Committee

DIN: 00007347

# Consolidated Financial Statements



## Independent Auditor's Report

### To the Members of Bajaj Electricals Limited

#### Report on the Audit of the Consolidated 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, 2021, 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 subsidiary, associates and joint venture 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, 2021, 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, associate and joint venture 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, 2021. 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 and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.



Key audit matters	How our audit addressed the key audit matters
<p><b>(a) A. Cost to complete estimates in the EPC business segment (Refer Note 1D(3) of the consolidated Ind AS financial statements)</b></p> <p>Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of related contract risks and their financial estimation; scope of deliveries and services required for fulfilling the contractually defined obligations and expected delays, if any.</p> <p>Accordingly, cost to complete estimates have been considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Performed procedures to test the design and operating effectiveness of controls relating to cost estimation;</li> <li>Selected projects by applying audit sampling techniques and examined whether the cost estimates for these projects are in line with the supplier quotations obtained by the management and other internal estimates where latest supplier quotations are not available.</li> <li>Examined whether the future supply quantities in the selected projects are in line with the contractual Bill of Quantities (BOQ) / survey conducted by the management. Further, also performed audit tests in respect of erection and other overhead costs considered in the selected projects.</li> <li>Examined the contingencies identified by the management in these selected projects and corroborated the same with internal / external evidence available with the management.</li> <li>Examined project contractual terms and customer correspondences for the selected projects, to determine any adjustments to be considered to the project margins.</li> <li>Assessed management impact on account of COVID-19 on potential delays and cost increases.</li> </ul>
<p><b>B. Impairment allowance on trade receivables pertaining to operationally closed projects in Power Distribution (PD) and Transmission Line Tower (TLT) business (Refer Note 1D(2) and Note 6 of the consolidated Ind AS financial statements)</b></p> <p>As at 31 March 2021, trade receivables of ₹ 32,355.86 lakhs (net of impairment allowance of ₹ 4,484.98 lakhs) related to amounts collectible in respect of operationally closed projects in the PD and TLT business.</p> <p>In determining whether an impairment allowance is required, the management takes into consideration the ageing status and likelihood of collection based on contractual terms, past experience, customer correspondences etc. Based on such assessment, specific allowances are made for receivables that are unlikely to be collected.</p> <p>Due to the involvement of management's judgement and materiality of the amounts involved, we have considered the same as a key audit matter.</p>	<p>Our audit procedures included the following</p> <ul style="list-style-type: none"> <li>Obtained management's assessment of recoverability of receivables from operationally closed projects.</li> <li>Discussed with the business heads in the PD and TLT business on the steps taken by them for recovery of the amounts, including discussions with customers during the period under audit.</li> <li>For material samples, assessed whether the rationale behind the management's judgment in determining the impairment provisions are in line with the customer correspondences (including any disputes), material reconciliations (where done during the year) and post year end payments.</li> </ul>
<p><b>C. Recoverability of advances to joint venture and recognition of liability for guarantee given for loans taken by the joint venture (Refer Notes 5.1, 5.2, 7, 10, 14 and 40a(ix) of the consolidated Ind AS financial statements)</b></p> <p>As at 31 March 2021, the Holding Company has the following exposure in respect of Starlite Lighting Limited ('SLL'), other than those provided for in the books: -</p> <ul style="list-style-type: none"> <li>Trade advances of ₹ 5,395.32 lakhs</li> <li>Loans of ₹ 7,240.00 lakhs</li> <li>Financial guarantee given by the Holding Company for loans taken by SLL from the banks (outstanding balance of such loans taken by SLL is ₹ 22,986.70 lakhs as on 31 March 2021)</li> </ul> <p>Further, subsequent to the reporting date, the Holding Company has acquired control over SLL by payment of a control premium of ₹ 1,480 lakhs. Also, the Board of directors have approved a scheme of merger of SLL into the Holding Company.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Obtained management's future cash flow forecasts (including COVID 19 considerations) along with the discounted cash flow working for SLL and tested the mathematical accuracy of the underlying calculations.</li> <li>Compared historical actual results to those budgeted and inquired with management on the reasons for significant deviations, to assess the quality of management's forecasts.</li> <li>Assessed the key assumptions used in the fair value assessment, comprising sales growth rates with reference to the contractual arrangements with SLL, EBITDA margin perpetual growth rate and discount rates.</li> </ul>

Key audit matters	How our audit addressed the key audit matters
<p>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: -</p> <ul style="list-style-type: none"> <li>No further impairment is required to be recorded for the year ended 31 March 2021</li> <li>No liability is probable on the financial guarantee given by the Company for loans taken by SLL.</li> </ul> <p>Considering the judgments / estimates as discussed above, it has been determined as a key audit matter.</p> <p><b>D. Timing of revenue recognition for Consumer Product business (Refer Notes 1B(3)(1) and 24 of the consolidated Ind AS financial statements)</b></p> <p>Revenue from contracts with customers is recognised upon transfer of control of promised goods and is measured at the fair value of the consideration received or receivable, net of returns, schemes and rebates, based on contractually defined terms.</p> <p>The timing of transfer of control in case of sales to distributors is basis the arrangements including delivery specifications and incoterms, payment terms and ability of customers to return the goods if unsold in the market which create complexity and judgment in determining the timing of recognition of revenues.</p> <p>The risk is, therefore, that revenue is not recognized in the correct period and accordingly, it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>Examined the valuation report obtained by the management from external valuation specialists. Also, examined the objectivity and competence of the specialists involved.</li> <li>Assessed the sensitivity analysis of key assumptions used, including management assessment on the impact on change in assumptions.</li> <li>Assessed subsequent events with respect to acquisition of control of SLL by the Holding Company and scheme of merger of SLL into the Holding Company approved by Board of Directors and considered any committed investment in the exposure assessment</li> </ul> <p>Audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the Holding Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.</li> <li>Assessed the design and tested the operating effectiveness of internal financial controls related to timing of revenue recognition.</li> <li>For sample customers, obtained and assessed the arrangements with the Company and impact on revenue recognition including their payment terms and right to returns</li> <li>Performed sample tests of individual sales transaction based on sales invoices and other related documents. In respect of the samples selected, tested the timing of revenue recognition in accordance with Ind AS 115.</li> <li>Selected sample of sales transactions made pre and post-year end, agreed the period of revenue recognition to underlying documents and the terms of sale.</li> <li>Performed analytical procedures on sales and sales return trend</li> <li>For sample customer balances, obtained direct confirmation and tested the reconciliations if any</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management for the Consolidated 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 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 Ind AS 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of 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 of 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 of its associate and joint venture of which we are the independent auditors and whose financial information we have audited, 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 Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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, 2021 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 profit and loss of ₹ 0.00 lakhs for the year ended March 31, 2021, 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 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 auditors.

In 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 furnished to us 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 of an associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- 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;
- 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;
- 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;
- 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;

- On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 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 Company, an associate Company and joint venture, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary Company, as associate Company and joint venture, refer to our separate Report in "Annexure 1" to this report;
- In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, an associate and joint venture, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiary, an 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;
- 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 an associate, as noted in the 'Other matter' paragraph:
  - 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 in its consolidated Ind AS financial statements – Refer Note 40 to the consolidated Ind AS financial statements;
  - The Group, its associate and joint venture 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;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary, an associate and joint venture, incorporated in India during the year ended March 31, 2021.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**

Partner

Membership Number: 36738

UDIN: 21105938AAAADC7663

Mumbai, May 25, 2021



# Annexure 1 to the Independent Auditor's Report

## Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Bajaj Electricals Limited ('The Company')

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Bajaj Electricals Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary Company, (the Holding Company and its subsidiary together referred to as "the Group"), its associate Company and joint venture which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, its associate Company and Joint venture which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

### Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Group, its associate and joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria

established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to the subsidiary Company, its 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.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**

Partner

Membership Number: 36738

UDIN: 21105938AAAADC7663

Mumbai, May 25, 2021

# Consolidated Balance Sheet

as at 31st March 2021

Particulars	Notes	(₹ in Lakhs)	
		As at 31-Mar-21	As at 31-Mar-20
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	30,579.85	30,554.92
Capital work in progress	2	1,002.49	939.27
Right-of-use assets	3	6,123.05	12,047.28
Intangible assets	4	1,155.09	1,617.96
Intangible assets under development	4	781.50	156.70
Investment property	4.1	12,600.00	–
Goodwill	44	2,644.36	2,644.36
Investments in associate and joint venture	5.1	–	–
<b>Financial Assets</b>			
i) Investments	5.2	471.45	1,287.94
ii) Trade receivables	6	40,470.53	48,754.67
iii) Loans	7	7,244.74	1,586.80
iv) Other financial assets	8	2,884.34	2,512.27
Deferred tax assets (net)	9	5,249.35	4,509.70
Non-current tax assets (net)		7,574.32	9,752.74
Other non-current assets	10	11,012.87	10,454.09
<b>Total Non-Current Assets</b>		<b>129,793.94</b>	<b>126,818.70</b>
<b>Current Assets</b>			
Inventories	11	98,639.97	69,886.72
<b>Financial Assets</b>			
i) Trade receivables	6	151,215.95	204,899.08
ii) Cash and cash equivalents	12	4,563.58	10,163.33
iii) Bank balances other than (ii) above	12	1,598.71	309.61
iv) Loans	7	1.02	2.57
v) Other current financial assets	13	389.66	479.57
Other current assets	14	33,420.95	33,317.29
Contract assets	41	6,861.30	10,592.55
		<b>296,691.14</b>	<b>329,650.72</b>
Assets classified as held for sale	15	287.02	250.19
<b>Total Current Assets</b>		<b>296,978.16</b>	<b>329,900.91</b>
<b>Total Assets</b>		<b>426,772.10</b>	<b>456,719.61</b>

# Consolidated Balance Sheet

as at 31st March 2021

Particulars	Notes	(₹ in Lakhs)	
		As at 31-Mar-21	As at 31-Mar-20
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	2,290.73	2,275.35
Other Equity	17	155,519.38	132,549.72
Share application money pending allotment		12.51	0.02
Non-controlling interest	44	–	–
<b>Total Equity</b>		<b>157,822.62</b>	<b>134,825.09</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	18	2,555.11	7,991.45
i) Lease liabilities	3	2,210.59	7,316.57
iii) Other financial liabilities	19	988.06	948.40
Provisions	20	2,149.02	2,292.81
Employee benefit obligations	21	6,896.31	7,238.56
<b>Total Non-Current Liabilities</b>		<b>14,799.09</b>	<b>25,787.79</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	18	24,012.39	66,244.42
ii) Lease liabilities	3	1,652.70	2,546.31
iii) Trade payables	22		
Total Outstanding dues of micro enterprises & small enterprises		11,775.27	7,797.99
Total Outstanding dues of other than micro enterprises & small enterprises		84,239.90	83,189.08
iv) Other current financial liabilities	19	74,353.01	67,088.61
Provisions	20	8,983.64	8,750.39
Employee benefit obligations	21	1,233.11	2,114.86
Current tax liabilities (net)		2,382.61	962.62
Contract liabilities	41	20,545.95	37,050.83
Other current liabilities	23	24,971.81	20,361.62
<b>Total Current Liabilities</b>		<b>254,150.39</b>	<b>296,106.73</b>
<b>Total Liabilities</b>		<b>268,949.48</b>	<b>321,894.52</b>
<b>Total Equity &amp; Liabilities</b>		<b>426,772.10</b>	<b>456,719.61</b>
<b>Summary of significant accounting policies</b>	1B		
<b>The accompanying notes are an integral part of the Consolidated Financial Statements</b>			

As per our report attached of even date

**For S R B C & CO LLP**

ICAI 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

Mumbai, May 25, 2021

**Ajay Nagle**

Executive Vice President

Legal &amp; Company Secretary

Mumbai, May 25, 2021

**Anant Purandare**

President &amp;

Chief Financial Officer

**Shailesh Haribhakti**

Chairman - Audit Committee

DIN: 00007347



# Consolidated Statement of Profit and Loss

for the year ended 31st March 2021

Particulars	Notes	(₹ in Lakhs)	
		31-Mar-21	31-Mar-20
<b>Income:</b>			
Revenue from operations	24	458,460.46	498,723.44
Other income	25	6,920.48	4,615.15
<b>Total Income</b>		<b>465,380.94</b>	<b>503,338.59</b>
<b>Expenses:</b>			
Cost of raw materials consumed	26	35,015.06	30,612.81
Purchases of traded goods		291,613.05	293,462.85
Changes in inventories of work-in-progress, finished goods, traded goods	26	(27,072.70)	8,886.05
Erection & subcontracting expenses	27	24,371.20	31,066.35
Employee benefit expenses	28	39,450.58	40,155.68
Depreciation and amortisation expense	29	7,516.48	7,367.03
Other expenses	30	64,765.85	73,708.44
Finance cost	31	7,643.45	17,078.46
<b>Total Expenses</b>		<b>443,302.97</b>	<b>502,337.67</b>
<b>Profit before share of profit / (loss) of an associate and a joint venture, exceptional items and tax</b>		<b>22,077.97</b>	<b>1,000.92</b>
Exceptional Items	45	(2,548.61)	–
<b>Profit before share of profit / (loss) of an associate and a joint venture and tax</b>		<b>24,626.58</b>	<b>1,000.92</b>
Share of profit / (loss) of associate and joint venture		–	(285.22)
<b>Profit before tax</b>		<b>24,626.58</b>	<b>715.70</b>
Income tax expense:			
Current tax	32	4,761.14	119.00
Deferred tax	9	969.55	1,617.01
Adjustment of tax relating to earlier periods		–	8.44
<b>Total tax expenses</b>		<b>5,730.69</b>	<b>1,744.45</b>
<b>Profit / (loss) for the year</b>		<b>18,895.89</b>	<b>(1,028.75)</b>
<b>Other comprehensive (income) / loss</b>			
Items that will not be reclassified to profit and loss in subsequent periods			
Remeasurement (gains)/losses on defined benefit plans	21	(936.30)	1,157.11
Share of other comprehensive income of associates and joint ventures after tax accounted for using equity method		–	24.96
Tax impacts on above	9	235.65	(291.22)
Gain on bargain purchase on demerger	45	(165.18)	–
<b>Other comprehensive (income) / loss, net of tax</b>		<b>(865.83)</b>	<b>890.85</b>
<b>Total Comprehensive Income / (loss), net of tax</b>		<b>19,761.72</b>	<b>(1,919.60)</b>

# Consolidated Statement of Profit and Loss

for the year ended 31st March 2021

Particulars	Notes	(₹ in Lakhs)	
		31-Mar-21	31-Mar-20
<b>Profit / (loss) for the year attributable to</b>			
Equity holders of the parent		19,054.69	(928.04)
Non-controlling interest		(158.80)	(100.71)
<b>Other comprehensive (income) / loss for the year attributable to</b>			
Equity holders of the parent		(864.61)	888.39
Non-controlling interest		(1.22)	2.46
<b>Total comprehensive income / (loss) for the year attributable to</b>			
Equity holders of the parent		19,919.30	(1,816.43)
Non-controlling interest		(157.58)	(103.17)
<b>Earnings per equity share before exceptional items (face value per share ₹ 2)</b>	39		
Basic		14.31	(0.99)
Diluted		14.26	(0.99)
<b>Earnings per equity share after exceptional items (face value per share ₹ 2)</b>	39		
Basic		16.54	(0.99)
Diluted		16.49	(0.99)
<b>Summary of significant accounting policies</b>	1B		
<b>The accompanying notes are an integral part of the Consolidated Financial Statements</b>			

As per our report attached of even date

**For S R B C & CO LLP**

ICAI Firm Registration No. 324982E/E300003

Chartered Accountants

**per Vikram Mehta**

Partner

Membership No.105938

Mumbai, May 25, 2021

**Ajay Nagle**

Executive Vice President

Legal &amp; Company Secretary

Mumbai, May 25, 2021

**For and on behalf of the Board of directors****Shekhar Bajaj**

Chairman &amp; Managing Director

DIN: 00089358

**Anuj Poddar**

Executive Director

DIN: 01908009

**Anant Purandare**

President &amp;

Chief Financial Officer

**Shailesh Haribhakti**

Chairman - Audit Committee

DIN: 00007347

# Consolidated Statement of changes in equity

for the year ended 31st March 2021

## A. Equity share capital (Note 16)

Particulars	Year Ended	
	31st March 2021	31st March 2020
At the beginning of the year	2,275.35	2,047.99
Issue of equity share capital during the year	15.38	227.36
At the end of the year	2,290.73	2,275.35

## B. Other equity (Note 17)

Particulars	Reserves and surplus						Other reserves		Total
	Securities premium reserve	Debenture Redemption Reserve	Shares Option Outstanding	General Reserve	Retained earnings *	Total	Capital Redemption Reserve	Capital Reserve	
<b>Balance at 31st March 2020</b>	<b>60,139.79</b>	<b>4,625.00</b>	<b>1,261.09</b>	<b>43,256.34</b>	<b>23,121.79</b>	<b>132,404.01</b>	<b>135.71</b>	<b>10.00</b>	<b>132,549.72</b>
Profit for the year	–	–	–	–	19,054.69	19,054.69	–	–	19,054.69
Other comprehensive income	–	–	–	–	699.43	699.43	–	165.18	864.61
<b>Total comprehensive income for the year</b>	<b>60,139.79</b>	<b>4,625.00</b>	<b>1,261.09</b>	<b>43,256.34</b>	<b>42,875.91</b>	<b>152,158.13</b>	<b>135.71</b>	<b>175.18</b>	<b>152,469.02</b>
Exercise of options - proceeds received	1,030.84	–	–	–	–	1,030.84	–	–	1,030.84
Exercise of options - transferred from shares options outstanding account	378.98	–	(378.98)	–	–	–	–	–	–
Securities premium proceeds received on issue of equity shares (Note 16(iii))	0.05	–	–	–	–	0.05	–	–	0.05
Securities premium on issue of shares on demerger (refer note 45)	1,842.31	–	–	–	–	1,842.31	–	–	1,842.31
Employee stock option expense for the year	–	–	421.99	–	–	421.99	–	–	421.99
Transferred to retained earnings for vested cancelled options	–	–	(122.71)	–	122.71	–	–	–	–
Transfer from Debenture redemption reserve to General Reserve	–	(875.00)	–	875.00	–	–	–	–	–
Fair value of non-controlling interest put option (Note 44)	–	–	–	–	(244.83)	(244.83)	–	–	(244.83)
Transfer from retained earnings to general reserve	–	–	–	1,836.41	(1,836.41)	–	–	–	–
<b>Balance at 31st March 2021</b>	<b>63,391.97</b>	<b>3,750.00</b>	<b>1,181.39</b>	<b>45,967.75</b>	<b>40,917.38</b>	<b>155,208.49</b>	<b>135.71</b>	<b>175.18</b>	<b>155,519.38</b>

\* Retained earnings includes revaluation reserve of ₹ 808.60 lakhs subsumed during transition to Ind AS

# Consolidated Statement of changes in equity

for the year ended 31st March 2021

## B. Other equity (Note 17)

Particulars	Reserves and surplus					Other reserves		Total	
	Securities premium reserve	Debenture Redemption Reserve	Shares Option Outstanding	General Reserve	Retained earnings *	Capital Redemption Reserve	Capital Reserve		
<b>Balance at 31st March 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>103,391.34</b>	<b>135.71</b>	<b>10.00</b>	<b>103,537.05</b>
Profit for the year	–	–	–	–	(928.04)	(928.04)	–	–	(928.04)
Other comprehensive income	–	–	–	–	(888.39)	(888.39)	–	–	(888.39)
<b>Total comprehensive income for the year</b>	<b>25,461.14</b>	<b>4,625.00</b>	<b>913.77</b>	<b>43,163.78</b>	<b>27,411.22</b>	<b>101,574.91</b>	<b>135.71</b>	<b>10.00</b>	<b>101,720.62</b>
Exercise of options - proceeds received	200.66	–	–	–	–	200.66	–	–	200.66
Exercise of options - transferred from shares options outstanding account	81.36	–	(81.36)	–	–	–	–	–	–
Securities premium proceeds received on issue of equity shares (Note 16(iii))	34,766.71	–	–	–	–	34,766.71	–	–	34,766.71
Rights issue expenses	(370.08)	–	–	–	–	(370.08)	–	–	(370.08)
Employee stock option expense for the year	–	–	521.24	–	–	521.24	–	–	521.24
Transferred to General reserve for vested cancelled options	–	–	(92.56)	92.56	–	–	–	–	–
Dividend on equity shares	–	–	–	–	(3,585.26)	(3,585.26)	–	–	(3,585.26)
Dividend distribution tax	–	–	–	–	(737.08)	(737.08)	–	–	(737.08)
Fair value of non-controlling interest put option	–	–	–	–	32.91	32.91	–	–	32.91
<b>Balance at 31st March 2020</b>	<b>60,139.79</b>	<b>4,625.00</b>	<b>1,261.09</b>	<b>43,256.34</b>	<b>23,121.79</b>	<b>132,404.01</b>	<b>135.71</b>	<b>10.00</b>	<b>132,549.72</b>

\* Retained earnings includes revaluation reserve of ₹ 808.60 lakhs subsumed during transition to Ind AS

### Summary of significant accounting policies (Note 1B)

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report attached of even date

### For S R B C & CO LLP

ICAI Firm Registration No. 324982E/E300003

Chartered Accountants

### per Vikram Mehta

Partner  
Membership No.105938  
Mumbai, May 25, 2021

### Ajay Nagle

Executive Vice President  
Legal & Company Secretary  
Mumbai, May 25, 2021

### For and on behalf of the Board of directors

### Shekhar Bajaj

Chairman & Managing Director  
DIN: 00089358

### Anuj Poddar

Executive Director  
DIN: 01908009

### Anant Purandare

President &  
Chief Financial Officer

### Shailesh Haribhakti

Chairman - Audit Committee  
DIN: 00007347



# Consolidated Cash Flow statement

for the year ended 31st March 2021

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
<b>Cash flow from operating activities</b>		
<b>Profit before income tax</b>	<b>24,626.58</b>	<b>715.70</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	7,516.48	7,367.03
Employee share-based payment expense	421.99	521.24
(Gain)/Loss on disposal of property, plant and equipment	(2,256.81)	(27.86)
Measurement of financial assets held at fair value through Profit or Loss	(117.00)	38.13
Measurement of financial assets and liabilities held at amortised cost	(229.12)	(462.51)
Measurement of provisions at fair value	(341.47)	(309.51)
Share of loss of associate and joint venture	–	285.22
Derecognition of investment in associate pursuant to demerger	(2,548.61)	–
Impairment of property, plant and equipment	–	(24.61)
Finance costs	7,643.45	17,078.46
Interest income	(1,916.69)	(1,373.63)
Impairment allowance for doubtful debts & advances (net of write back)	(1,228.96)	(1,955.57)
Bad debts and other irrecoverable debit balances written off	3,016.36	369.92
	<b>34,586.20</b>	<b>22,222.01</b>
<b>Change in operating assets and liabilities:</b>		
(Increase)/decrease in trade receivables (current & non-current)	60,368.97	62,654.96
(Increase)/decrease in financial and other assets (current & non-current)	(762.42)	11,021.01
(Increase)/decrease in inventories	(27,985.52)	13,138.10
Increase/(decrease) in trade payables, provisions, employee benefit obligations, other financial liabilities and other liabilities (current & non-current)	767.45	(41,881.51)
<b>Cash generated from operations</b>	<b>66,974.68</b>	<b>67,154.57</b>
Income taxes paid (net of refunds)	(1,157.16)	(4,510.36)
<b>Net cash inflow from operating activities</b>	<b>65,817.52</b>	<b>62,644.21</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment including capital work in progress and capital advances	(3,214.24)	(3,082.55)
Purchase of intangible assets including intangible assets under development	(818.92)	(17.91)
Proceeds from sale of property, plant and equipment including advances received	1,983.45	119.00
Loans and advances (given) / repaid by associate and joint venture (net)	(7,240.00)	(1,577.00)
Purchase of investments	(0.00)	(160.73)
(Increase)/decrease in bank deposits	(2,223.31)	150.29
Interest received	495.84	495.22
<b>Net cash used in from investing activities</b>	<b>(11,017.18)</b>	<b>(4,073.68)</b>

# Consolidated Cash Flow statement

for the year ended 31st March 2021

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares (net of issue expenses)	1,049.33	34,816.83
Proceeds from borrowings	1,860.30	29,518.69
Repayment of borrowings	(53,813.88)	(92,919.31)
Payment of lease liabilities	(2,708.53)	(2,201.97)
Interest paid	(6,791.26)	(14,419.82)
Dividends paid to Company's shareholders	–	(3,585.26)
Tax on dividend paid	–	(737.08)
<b>Net cash used in from financing activities</b>	<b>(60,404.04)</b>	<b>(49,527.92)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(5,603.70)</b>	<b>9,042.61</b>
Cash and cash equivalents at the beginning of the financial year	10,163.33	1,120.72
Acquired on demerger of Hind Lamps Limited (refer note 45)	3.95	–
<b>Cash and cash equivalents at end of March 31, 2021</b>	<b>4,563.58</b>	<b>10,163.33</b>

Particulars	(₹ in Lakhs)	
	Year ended 31st March 2021	Year ended 31st March 2020
<b>Change in liability arising from financing activities</b>		
<b>Borrowings as on the beginning of the year</b>	<b>96,202.47</b>	<b>158,998.48</b>
Proceeds from borrowings *	1,860.30	29,518.69
Repayment of borrowings	(53,813.88)	(92,919.31)
Acquired on demerger of Hind Lamps Limited	2,775.55	–
Foreign exchange movement	38.45	604.61
<b>Borrowings as on the end of the year</b>	<b>47,062.89</b>	<b>96,202.47</b>

\* Proceeds from borrowings includes ₹ 97.50 lakhs towards non-current borrowings for year ended March 31, 2021.

For changes in liability arising from lease liabilities, refer note 3

## Summary of significant accounting policies (Note 1B)

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report attached of even date

### For S R B C & CO LLP

ICAI Firm Registration No. 324982E/E300003

Chartered Accountants

### per Vikram Mehta

Partner  
Membership No.105938  
Mumbai, May 25, 2021

### Ajay Nagle

Executive Vice President  
Legal & Company Secretary  
Mumbai, May 25, 2021

### For and on behalf of the Board of directors

#### Shekhar Bajaj

Chairman & Managing Director  
DIN: 00089358

#### Anuj Poddar

Executive Director  
DIN: 01908009

#### Anant Purandare

President &  
Chief Financial Officer

#### Shailesh Haribhakti

Chairman - Audit Committee  
DIN: 00007347

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## 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 transmission line towers, power distribution and Illumination Projects). The equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The consolidated financial statements are presented in Indian Rupee (INR).

The consolidated financial statements are approved for issue by the Company's Board of Directors on May 25, 2021.

### 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.

Name of the Company	Country of Incorporation	% share holding of the Company	Consolidated / Equity accounted as
Starlite Lighting Limited	India	47%	Joint Venture
Hind Lamps Limited	India	19%	Associate
Nirlep Appliances Pvt Ltd	India	79.85%	Subsidiary

Estimates, judgements and assumptions used in the preparation of the consolidated financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements, which may differ from the actual results at a subsequent date. The critical estimates, judgements and assumptions are presented in Note no. 1D.

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities as classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### Basis of consolidation

The consolidated financial statements includes financial statements of Bajaj Electricals Limited and its subsidiary (together referred as a Group) and results of a joint venture, consolidated in accordance with Ind AS 28 - Investments in associate and joint venture, Ind AS 111 – Joint Arrangements and Ind AS 110 – Consolidated financial statements as given below:

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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:

- 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.
- 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.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Put options held by non-controlling interests in the Group's subsidiaries entitle the non-controlling interest to sell its interest in the subsidiary to the Group at pre-determined values and on contracted dates. In such cases, the Group consolidates the non-controlling interest's share of the equity in the subsidiary and recognises the fair value of the non-controlling interest's put option, being the present value of the estimated future purchase price, as a financial liability in the statement of financial position. In raising this liability, the non-controlling interest is derecognised and any excess or shortfall is charged or realised directly in retained earnings in the statement of changes in equity.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the



# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

## 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 and warranties). In determining the transaction price for the sale of product, the Group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

The Group provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group has a loyalty points program, "Retailer Bonding Program", which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as deferred revenue until the points are redeemed. Revenue is recognized upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the deferred revenue are charged against revenue.

The Group provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are bundled together with the sale of products. Contracts for bundled sales of products and a service-type warranty comprise two performance obligations because the product and service-type warranty are both sold on a stand-alone basis and are distinct within the context of contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as deferred revenue. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

### (2) Construction contracts

Performance obligation in case of construction contracts is satisfied over a period of time, as the Group creates an asset that the customer control and the Group has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of technical, political, regulatory and other related contract risks and their financial estimation; scope of deliveries and services required for fulfilling the contractually defined obligations and expected delays, if any. Provision for foreseeable losses/ construction contingencies on said contracts is made based on technical assessments of costs to be incurred and revenue to be accounted for. The Group pays insurance and bank guarantee charges for each contract that they obtain for supply of

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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 Leases:

### As a lessee:

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use

assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has determined leasehold lands also as, right of use assets and hence the same has been classified from property, plant and equipment to right of use assets.

### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases that are considered of low value (i.e., below ₹ 5,00,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 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 is 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## 5 Other income:

- (1) Interest income on financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instruments.

- (2) Others:

The Group recognises other income (including 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.

## 6 Property, plant and equipment :

### A) Asset class:

- i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.
- ii) All other items of property, plant and equipment (including capital work in progress) are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- 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 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 estimated useful lives and considering residual value which are different from the one prescribed in Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.
- v) Useful life of asset is as given below:

Asset block	Useful Lives (in years)
Leasehold Land	Over the period of the lease
Building - Office	5 to 70
Building - Factory	2 to 30
Ownership Premises	60
Plant & Machinery	1 to 22
Furniture & Fixtures	1 to 24
Electric Installations	1 to 25
Office Equipment	2 to 10
Vehicles	8 to 10
Dies & Jigs	1 to 10
Leasehold Improvements	2 to 10
Roads & Borewell	3 to 21
IT hardware	1 to 10
Laboratory Equipment	1 to 10

- vi) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.



# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## 7 Intangible assets:

An intangible asset shall be recognised if, and only if:

- (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group; and
- (b) the cost of the asset can be measured reliably.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

### Asset class & depreciation:

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

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

Brand (Nirlep) is recognised on business combination and is amortised over a period of 5 years.

## 8 Investment property:

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Group does not charge depreciation to investment property land which is held for future undetermined use. Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use.

## 9 Impairment of non-financial assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment loss is charged to the Statement of Profit & Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in the prior accounting periods is reversed if there has been change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised.

## 10 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### I. Financial Assets

#### A) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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 AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding 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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## D) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## II. Financial Liabilities

### A) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### B) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This

category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss.

- Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

- Financial guarantee contracts

Financial guarantee contracts issued by the 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the contractual payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

## C) De-recognition

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

## III. Reclassification of financial assets / liabilities

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations.

## IV. Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of Group or the counterparty.

## V. Derivatives and hedging activities

The Group enters derivatives like forwards contracts to hedge its foreign currency risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently marked to market at the end of each reporting period with profit/loss being

recognised in consolidated statement of profit and loss. Derivative assets/liabilities are classified under "other financial assets/other financial liabilities". Profits and losses arising from cancellation of contracts are recognised in the consolidated statement of profit and loss.

## 11. Fair value measurements:

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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.

## 12. Cash and cash equivalents:

Cash and cash equivalents in the consolidated balance sheet and for the purpose of the consolidated statement of cash flows, include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 13. Inventories:

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.

## 14. Foreign currency transactions:

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is the Group functional and presentation currency.

- a) On initial recognition, all foreign currency transactions are recorded at the functional currency spot rate at the date the transaction first qualifies for recognition.

- b) Monetary assets and liabilities in foreign currency outstanding at the close of reporting date are translated at the functional currency spot rates of exchange at the reporting date.

- c) Exchange differences arising on settlement of translation of monetary items are recognised in the Consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively)

## 15. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and unabsorbed depreciation.

Current and deferred tax is recognized in the consolidated statement of profit and loss except to the extent, it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

### 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

# Notes to Consolidated Financial Statements

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is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

## 16. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs also include exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

## 17. Provisions, contingent liabilities and contingent assets

### A. Provisions

A provision is recognised if

- the Group has present legal or constructive obligation as a result of an event in the past;

- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation has been reliably estimated.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 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.

## 18. Employee benefits

### A. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in the same period in which the employees renders the related service and are measured at the amounts expected to be paid when the liabilities are settled.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## 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 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),

# Notes to Consolidated Financial Statements

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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.

## 19. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. Two or more operating segments are aggregated by the Group into a single operating segment if aggregation is consistent with the core principle of Ind AS 108, the segments have similar economic characteristics, and the segments are similar in aspects as defined by Ind AS.

The Group reports separately, information about an operating segment that meets any of quantitative thresholds as defined by Ind AS. Operating segments that do not meet any of the quantitative thresholds, are considered reportable and separately disclosed, only if management of the Group believes that information about the segment would be useful to users of the consolidated financial statements

Information about other business activities and operating segments that are not reportable separately are combined and disclosed in an 'all other segments' category

## 20. Dividends

The Company recognises a liability to pay dividend to equity holders when the distribution is authorised and is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## 21. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the 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 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.

- 22. 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 ISSUES BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021

## 1D SUMMARY OF CRITICAL ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgment in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included below.

### 1 Warranty provision

The Group generally offers 1 to 2 year warranties for its consumer products. Based on the evaluation of the past warranty trends, management has estimated that warranty costs for 25% of sales arises in the year of sale itself, warranty costs for 50% of the sales in Year 1 and the balance 25% in Year 2. Based on the same, the related provision for future warranty claims has been determined.

The Group also sells lighting fitting to its customers. In few lighting fittings products, the drivers are an essential part and are expected to last for a longer period. In such cases, the Group provides warranties beyond fixing defects that existed at the time of sale. Basis this, the Group recognises this as a separate performance obligation and recognises revenue only in the period in which such service is provided based on time elapsed.



# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

The assumptions made in relation to serviceable sales and related standard or serviceable warranty provision for the current period are consistent with those in the prior years.

## 2 Impairment allowance for trade receivables

The Group makes allowances for doubtful accounts receivable using a simplified approach which is a dual policy of an ageing based provision and historical / anticipated customer experience. Management believes that this simplified model closely represents the expected credit loss model to be applied on financial assets as per Ind AS 109. Further, in case of operationally closed projects, Group makes specific assessment of the overdue balances by considering the customer's historical payment patterns, latest correspondences with the customers for recovery of the amounts outstanding and credit status of the significant counterparties where available. Accordingly, a best judgment estimate is made to record the impairment allowance in respect of operationally closed projects.

## 3 Project revenue and costs

Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. The percentage-of-completion method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Group re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

## 4 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. Refer Note 34 of consolidated financial statements for the fair value disclosures and related sensitivity.

## 5 Employee benefits

The cost of the defined benefit gratuity plan and other post-employment leave benefits 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. Refer note 21

## 6 Leases

Estimates are required to determine the appropriate discount rate used to measure lease liabilities. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates, bank rates to the Group for a loan of a similar tenure, etc). The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

## 7 Impairment of non-financial assets and goodwill

In case of non-financial assets, the Group estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used. Refer note 44.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## 8 Retailer Bonding Program

The Company has a loyalty points program, "Retailer Bonding Program", which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as deferred revenue until the

points are redeemed. Revenue is recognized upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company considers various judgement and estimates like determination of fair value, redeemed points, etc. The Company updates its estimates on a quarterly basis and any adjustments to the deferred revenue are charged against revenue.

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

# Notes to Consolidated Financial Statements

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## Note 2 : Property, plant and equipment

Particulars	Freehold Land	Lease hold Land	Building	Ownership Premises	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Vehicles	Dies & Jigs	Leasehold Improvements	Temporary Structures	Roads & Borewell	IT Hardware	Total
Opening gross block as at 1st April 2019	4,251.44	2,822.49	4,957.28	11,228.42	9,435.38	1,748.04	606.92	1,576.69	923.36	2,798.48	194.02	120.66	126.66	7,058.70	47,948.54
Additions	-	-	22.21	-	140.55	538.98	20.70	135.05	58.23	593.37	187.49	5.18	3.41	971.97	2,677.14
Asset classified as held for sale	-	-	(35.23)	-	-	-	-	-	-	-	-	-	-	-	(35.23)
Disposals	-	-	-	(5.73)	(52.15)	(45.24)	(0.37)	(13.85)	(15.51)	(54.78)	-	-	-	(66.95)	(254.58)
Adjusted in business combination	16.62	-	(38.18)	-	(277.56)	23.00	30.85	(2.86)	-	17.61	-	-	-	-	(230.52)
Reclassified to Right of Use Asset	-	(2,822.49)	-	-	-	-	-	-	-	-	-	-	-	-	(2,822.49)
Adjustment*	-	-	-	-	(15.35)	-	-	(13.12)	-	-	-	-	-	13.32	(15.15)
<b>Closing gross block as at 31st March 2020</b>	<b>4,268.06</b>	<b>-</b>	<b>4,906.08</b>	<b>11,222.69</b>	<b>9,230.87</b>	<b>2,264.78</b>	<b>658.10</b>	<b>1,681.91</b>	<b>966.08</b>	<b>3,354.68</b>	<b>381.51</b>	<b>125.84</b>	<b>130.07</b>	<b>7,977.04</b>	<b>47,167.71</b>
Additions	-	-	609.89	-	709.45	95.57	282.88	85.34	12.92	1,009.04	-	0.75	-	151.00	2,956.64
Disposals	-	-	-	(156.84)	(9.96)	(24.53)	(8.14)	(29.36)	(34.53)	(46.43)	(2.70)	-	-	(59.94)	(372.43)
Asset classified as held for sale	-	-	-	(78.00)	-	-	-	-	-	-	-	-	-	-	(78.00)
Acquired on demerger of Hind Lamps Limited (refer note 45)	-	-	800.00	-	166.00	35.82	30.00	1.63	9.21	-	-	-	-	-	1,042.66
<b>Closing gross block as at 31st March 2021</b>	<b>4,268.06</b>	<b>-</b>	<b>6,315.97</b>	<b>10,987.85</b>	<b>10,096.36</b>	<b>2,371.64</b>	<b>962.64</b>	<b>1,739.52</b>	<b>953.68</b>	<b>4,317.29</b>	<b>378.81</b>	<b>126.59</b>	<b>130.07</b>	<b>8,068.10</b>	<b>50,716.58</b>
Opening accumulated depreciation as at 1st April 2019	-	166.44	517.45	842.20	3,512.41	699.37	186.76	634.76	217.38	1,565.29	140.98	120.66	45.90	3,835.27	12,484.87
Depreciation on charge during the year	-	-	196.19	200.96	826.41	264.00	74.19	235.72	92.27	589.70	31.83	5.18	9.93	1,241.55	3,767.93
Disposals	-	-	-	(0.45)	(18.09)	(22.33)	(0.25)	(12.06)	(3.55)	(43.41)	-	-	-	(65.28)	(163.42)
Asset classified as held for sale	-	-	(4.44)	-	-	-	-	-	-	-	-	-	-	-	(4.44)
Reclassified to Right of Use Asset	-	(166.44)	-	-	-	-	-	-	-	-	-	-	-	-	(166.44)
Adjustment*	-	-	-	-	(3.24)	-	(14.85)	-	-	-	-	-	-	7.82	(10.47)
<b>Closing accumulated depreciation as at 31st March 2020</b>	<b>-</b>	<b>-</b>	<b>709.20</b>	<b>1,042.71</b>	<b>4,317.49</b>	<b>941.04</b>	<b>260.70</b>	<b>843.57</b>	<b>306.10</b>	<b>2,111.58</b>	<b>172.81</b>	<b>125.84</b>	<b>55.83</b>	<b>5,021.16</b>	<b>15,908.03</b>
Depreciation on charge during the year	-	-	318.75	198.61	800.06	239.88	76.59	237.90	90.96	572.37	32.47	0.75	8.48	1,159.51	3,736.33
Disposals	-	-	-	(21.99)	(9.75)	(12.60)	(3.08)	(25.68)	(21.46)	(44.81)	(2.70)	-	-	(59.93)	(202.00)
Asset classified as held for sale	-	-	-	(10.39)	-	-	-	-	-	-	-	-	-	-	(10.39)
<b>Closing accumulated depreciation as at 31st March 2021</b>	<b>-</b>	<b>-</b>	<b>1,027.95</b>	<b>1,208.94</b>	<b>5,107.80</b>	<b>1,168.32</b>	<b>334.21</b>	<b>1,065.79</b>	<b>375.60</b>	<b>2,639.14</b>	<b>202.58</b>	<b>126.59</b>	<b>64.31</b>	<b>6,120.74</b>	<b>19,431.97</b>
Impairment allowance as on March 31, 2019	-	-	-	-	729.36	-	-	-	-	-	-	-	-	-	729.36
Impairment charge / (reversal) during the year (Refer Note v below)	-	-	-	-	(24.60)	-	-	-	-	-	-	-	-	-	(24.60)
<b>Impairment allowance as on March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>704.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>704.76</b>
Impairment charge during the year (Refer Note v below)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

Particulars	Freehold Land	Lease hold Land	Building	Ownership Premises	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Vehicles	Dies & Jigs	Leasehold Improvements	Temporary Structures	Roads & Borewell	IT Hardware	Total
Impairment allowance as on March 31, 2021	-	-	-	-	704.76	-	-	-	-	-	-	-	-	-	704.76
Closing Net carrying amount as at 31st March 2020	4,268.06	-	4,196.88	10,179.98	4,208.62	1,323.74	397.40	838.34	659.98	1,243.10	208.70	-	74.24	2,955.88	30,554.92
Closing Net carrying amount as at 31st March 2021	4,268.06	-	5,288.02	9,778.91	4,283.80	1,203.32	628.43	683.73	578.08	1,678.15	176.23	-	65.76	1,947.36	30,579.85

\* Adjustment includes few assets which have been moved from property, plant and equipment block to intangible block, due to migration of assets to fixed assets module

## (i) Leased assets

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

Particulars	31-Mar-21	31-Mar-20
Plant and Machinery	637.91	718.52
Cost / Deemed cost	319.61	289.76
Accumulated depreciation	318.30	428.76
Net carrying amount	-	-

## (ii) Property, plant and equipment pledged as security

Refer to note 18 for information on property, plant and equipment pledged as security by the Group.

## (iii) Contractual obligations

Refer to note 40(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

## (iv) Capital work-in-progress

Capital work-in-progress mainly comprises of Electrical Installations and Dies & Jigs amounting to ₹ 314.68 lakhs (March 31, 2021 - ₹ 501.22 lakhs) and ₹ 543.13 lakhs (March 31, 2021 - ₹ 245.21 lakhs) 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 lakhs has been impaired in financial year 2019. In the previous year, the Group has sold few of these assets and accordingly, the impairment charge of ₹ 24.60 lakhs has been reversed and profit on sale of assets has been recognised.

## (vi) Title deeds

The title deeds of immovable properties included in property, plant and equipment are held in the name of the Group.



# Notes to Consolidated Financial Statements

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## Note 3: Right of use assets and Lease liabilities

The details of the right-of-use asset held by the Group is as follows:

### Right-of-use assets

Particulars	(₹ in Lakhs)			
	Buildings	Equipments	Leasehold land	Total
<b>Gross block recognised on transition date (April 1, 2019)</b>	<b>7,564.10</b>	–	<b>2,822.49</b>	<b>10,386.59</b>
Additions for the year	5,141.48	–	–	5,141.48
Asset classified as held for sale	–	–	(16.80)	(16.80)
Deletions for the year	(458.97)	–	–	(458.97)
<b>Gross block as on March 31, 2020</b>	<b>12,246.61</b>	–	<b>2,805.69</b>	<b>15,052.30</b>
Adjustments	57.63	–	–	57.63
Additions for the year	2,802.33	–	–	2,802.33
Acquired on demerger of Hind Lamps Limited (refer note 45)	–	22.72	–	22.72
Reassessments (modifications) *	(5,687.71)	–	–	(5,687.71)
Deletions for the year	(3,184.22)	–	–	(3,184.22)
<b>Closing gross block as on March 31, 2021</b>	<b>6,234.64</b>	<b>22.72</b>	<b>2,805.69</b>	<b>9,063.05</b>
<b>Accumulated depreciation recognised on transition date (April 1, 2019)</b>	–	–	<b>166.44</b>	<b>166.44</b>
Depreciation for the year	2,930.54	–	37.38	2,967.92
Asset classified as held for sale	–	–	(16.80)	(16.80)
Deletions for the year	(112.54)	–	–	(112.54)
<b>Accumulated depreciation as on March 31, 2020</b>	<b>2,818.00</b>	–	<b>187.02</b>	<b>3,005.02</b>
Adjustments	(3.96)	–	–	(3.96)
Depreciation for the year	3,076.45	9.33	37.38	3,123.16
Deletions for the year	(3,184.22)	–	–	(3,184.22)
<b>Closing accumulated depreciation as on March 31, 2021</b>	<b>2,706.27</b>	<b>9.33</b>	<b>224.40</b>	<b>2,940.00</b>
<b>Net carrying value of right of use assets as on March 31, 2020</b>	<b>9,428.61</b>	–	<b>2,618.67</b>	<b>12,047.28</b>
<b>Net carrying value of right of use assets as on March 31, 2021</b>	<b>3,528.37</b>	<b>13.39</b>	<b>2,581.29</b>	<b>6,123.05</b>

The details of the lease liabilities held by the Group is as follows:

### Lease liabilities

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Opening lease liabilities</b>	<b>9,862.88</b>	<b>7,354.86</b>
Additions for the period	2,784.65	5,077.80
Deletions / Modifications for the period *	(6,100.86)	(363.13)
Acquired on demerger of Hind Lamps Limited	25.15	–
Finance cost for the period	944.13	1,073.96
Lease instalments paid for the period	(3,652.65)	(3,280.61)
<b>Closing lease liabilities</b>	<b>3,863.29</b>	<b>9,862.88</b>
- classified as current	1,652.70	2,546.31
- classified as non-current	2,210.59	7,316.57

For maturity profile of lease liabilities, refer Note 35 (B)(ii)

\* Modification in right of use assets and lease liabilities are mainly due to migration / termination of leases due to the new logistics agreement entered by the Group.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 4: Other Intangible Assets

Particulars	(₹ in Lakhs)					
	Trade Marks	Computer Software	Brand	Distributor / Dealer Network	Customer relationships	Total
<b>Opening gross block as at 1st April 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>
Additions	–	96.43	–	–	–	96.43
Disposals	–	(8.97)	–	–	–	(8.97)
Adjustment *	–	15.17	–	–	–	15.17
<b>Closing gross block as at 31st March 2020</b>	<b>0.51</b>	<b>769.42</b>	<b>1,952.33</b>	<b>195.57</b>	<b>26.10</b>	<b>2,943.93</b>
Additions	–	194.12	–	–	–	194.12
<b>Closing gross block as at 31st March 2021</b>	<b>0.51</b>	<b>963.54</b>	<b>1,952.33</b>	<b>195.57</b>	<b>26.10</b>	<b>3,138.05</b>
<b>Opening accumulated amortization as at 1st April 2019</b>	<b>0.20</b>	<b>239.68</b>	<b>229.94</b>	<b>195.57</b>	<b>26.10</b>	<b>691.49</b>
Amortisation charge for the year	0.05	241.85	390.47	–	–	632.37
Disposals	–	(8.36)	–	–	–	(8.36)
Adjustment *	–	10.47	–	–	–	10.47
<b>Closing accumulated amortization as at 31st March 2020</b>	<b>0.25</b>	<b>483.64</b>	<b>620.41</b>	<b>195.57</b>	<b>26.10</b>	<b>1,325.97</b>
Additions	–	–	–	–	–	–
Amortisation charge for the year	0.05	266.47	390.47	–	–	656.99
<b>Closing accumulated amortization as at 31st March 2021</b>	<b>0.30</b>	<b>750.11</b>	<b>1,010.88</b>	<b>195.57</b>	<b>26.10</b>	<b>1,982.96</b>
<b>Closing Net carrying amount as at 31st March 2020</b>	<b>0.26</b>	<b>285.78</b>	<b>1,331.92</b>	–	–	<b>1,617.96</b>
<b>Closing Net carrying amount as at 31st March 2021</b>	<b>0.21</b>	<b>213.43</b>	<b>941.45</b>	–	–	<b>1,155.09</b>

\* Adjustment includes few assets which have been moved from property, plant and equipment block to intangible block, due to migration of assets to fixed assets module

### Note

Intangible assets under development mainly comprises of IT softwares license cost amounting to ₹ 781.50 lakhs (March 31, 2020 - ₹ 156.70 lakhs).

## Note 4.1: Investment property

Particulars	(₹ in Lakhs)	
	Land	Total
<b>Closing gross block as at 31st March 2020</b>	–	–
Acquired on demerger of Hind Lamps Limited (refer note 45)	12,600.00	12,600.00
<b>Closing gross block as at 31st March 2021</b>	<b>12,600.00</b>	<b>12,600.00</b>
<b>Closing accumulated depreciation as at 31st March 2020</b>	–	–
Amortisation charge for the year	–	–
<b>Closing accumulated depreciation as at 31st March 2021</b>	–	–
<b>Closing net carrying amount as at 31 March 2020</b>	–	–
<b>Closing net carrying amount as at 31 March 2021</b>	<b>12,600.00</b>	<b>12,600.00</b>

The amounts recorded above are fair values on acquisition date based on valuation performed by an accredited independent valuer. The Group has no restrictions on the realisability of its investment property. There is no significant change in the fair value as at March 31, 2021.

# Notes to Consolidated Financial Statements

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## Note 5.1 : Investments in associate and joint venture

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Investment in equity instruments of associate &amp; joint venture (fully paid up)</b>		
<b>Unquoted</b>		
<b>Measured at cost</b>		
Non-current equity investments (unquoted) in Hind Lamps Limited.		
- 1,140,000 (March 31, 2020 - 1,140,000) equity shares of ₹ 25 each **	-	1,000.00
Accumulated impairment allowance in value of investments in Hind Lamps Limited	-	(1,000.00)
	-	-
Non-current equity investments (unquoted) in Starlite Lighting Ltd.		
- 5,875,000 (March 31, 2020 - 5,875,000) equity shares of ₹ 10 each	579.42	579.42
Accumulated impairment allowance in value of investments in Starlite Lighting Ltd	(579.42)	(579.42)
	-	-
<b>Total investments in associate &amp; joint venture</b>	<b>-</b>	<b>-</b>

## Note 5.2 : Financial assets (Investments)

### 5.2 (a) Investment in equity instruments

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<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, 2020 - 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, 2020 - 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, 2020 - 100) equity shares of ₹ 100/- each.	0.10	0.10
Investment in equity shares of co-operative banks	1.71	1.71
<b>Total equity instruments</b>	<b>1.81</b>	<b>1.81</b>

### 5.2 (b) Investment in debt instruments

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<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	469.27	352.27
<b>Investment in other securities</b>		
<b>Unquoted</b>		
Gold coins	0.37	-
<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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 5.2 : Financial assets (Investments) (Contd..)

### 5.2 (b) Investment in debt instruments (Contd..)

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Accumulated Impairment Allowance on Preference Shares	(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	(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)**	-	933.86
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	(4,294.18)	(4,294.18)
	-	-
<b>Total debt instruments</b>	<b>469.64</b>	<b>1,286.13</b>
<b>Total non-current investments</b>	<b>471.45</b>	<b>1,287.94</b>
<b>Aggregate value of quoted investments</b>	<b>-</b>	<b>-</b>
<b>Aggregate value of unquoted investments</b>	<b>471.45</b>	<b>1,287.94</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 Lakhs have not been paid by the Group. On principles of prudence the entire investment in M.P. Lamps Ltd. is considered as impaired and accordingly carried at ₹ NIL.

\*\* During the year, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated May 21, 2020 had approved the scheme of arrangement for demerger of the manufacturing undertaking of the Hind Lamps Limited (associate of the Company) into the Company, which has been filed with the Registrar of Companies on June 30, 2020. The Group has accounted for the demerger as a business combination under Ind AS 103 as per the Scheme and accounted for the fair value of assets and liabilities acquired. Consequently, the Group has derecognised its existing 19% of the proportionate investment in the manufacturing undertaking of Hind Lamps Limited. Refer note 45 for more details.

## Note 6 : Trade receivables

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Current	151,215.95	204,899.08
Non-current	40,470.53	48,754.67
	<b>191,686.48</b>	<b>253,653.75</b>
Unsecured, considered good	191,686.48	253,653.75
Unsecured, credit impaired	12,237.62	13,211.62
<b>Total</b>	<b>203,924.10</b>	<b>266,865.37</b>
Impairment allowance, credit impaired (allowance for bad and doubtful debts)	(12,237.62)	(13,211.62)
<b>Total trade receivables (net of impairment allowance)</b>	<b>191,686.48</b>	<b>253,653.75</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 Group has transferred the relevant receivables to the factor in exchange for cash. The said facilities are with recourse to Group. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as unsecured borrowings / other financial liabilities.



# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 6 : Trade receivables (Contd..)

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Unsecured borrowing (Note 18)	–	788.22
Other financial liabilities (Note 19)	37,849.71	34,263.18
Total Transferred receivables	37,849.71	35,051.40

Trade receivable are non-interest bearing and are generally on term of 30-90 days from the time they are contractually due. No trade or other receivable are due from directors or other officers of the Group 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 7 : Loans

(Unsecured, considered good unless otherwise stated)

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Non Current</b>		
Unsecured, considered good	7,244.74	1,586.80
Unsecured, credit impaired	280.00	280.00
<b>Total</b>	<b>7,524.74</b>	<b>1,866.80</b>
Impairment allowance, credit impaired	(280.00)	(280.00)
<b>Total Non-current loans</b>	<b>7,244.74</b>	<b>1,586.80</b>

Unsecured, considered good loan is given to Starlite Lighting Limited (Joint Venture of the Company), for meeting its working capital requirements. The loan is bearing interest at 10.3% and is repayable in FY 2026 with bullet repayment.

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Current</b>		
Secured, considered good	1.02	2.57
<b>Total current loans</b>	<b>1.02</b>	<b>2.57</b>

## Note 8 : Other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Security deposits, considered good	1,846.83	2,448.54
Security deposits, credit impaired	586.50	623.64
Impairment allowance for credit impaired security deposits	(586.50)	(623.64)
	<b>1,846.83</b>	<b>2,448.54</b>
Fixed deposit under lien	1,019.88	62.58
Interest accrued on fixed deposits	17.63	1.15
<b>Total non-current other financial assets</b>	<b>2,884.34</b>	<b>2,512.27</b>

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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 9 : Deferred tax assets (net)

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Deferred tax assets	12,260.48	8,172.61
Deferred tax liabilities	(7,011.13)	(3,662.91)
<b>Total deferred tax assets (net)</b>	<b>5,249.35</b>	<b>4,509.70</b>

### Deferred tax assets comprise of the following:

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Employee benefit obligations (gratuity)	173.90	212.96
Employee benefit obligations (leave obligations)	391.07	809.08
Impairment allowance (allowance for doubtful debts and advances)	4,020.50	4,279.08
Financial assets measured at amortised cost	0.62	31.49
Assets held for sale	501.77	542.95
Carry forward losses of Subsidiary and demerged unit of Hind Lamps Limited *	4,277.43	472.36
Others	2,895.19	1,824.69
<b>Total deferred tax assets</b>	<b>12,260.48</b>	<b>8,172.61</b>

\* Acquired on demerger of Hind Lamps Limited (refer note 45). The appointed date of scheme being March 1, 2014, the Company is in the process of revising its tax returns for the earlier years. Accordingly, these losses will be utilised when the revised returns are filed.

### Movement in deferred tax assets

Particulars	(₹ in Lakhs)							
	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, 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>
(Charged) / Credited :								
to statement of profit and loss	(129.16)	(163.45)	(2,149.93)	(112.11)	76.19	(35.21)	75.80	(2,437.87)
to other comprehensive income	89.80	–	–	–	–	201.42	–	291.22
<b>At 31st March, 2020</b>	<b>212.96</b>	<b>809.08</b>	<b>4,279.08</b>	<b>31.49</b>	<b>542.95</b>	<b>1,824.69</b>	<b>472.36</b>	<b>8,172.61</b>
(Charged) / Credited :								
to statement of profit and loss	(46.69)	(462.05)	(301.42)	(30.87)	(41.18)	582.95	(75.64)	(374.90)
to other comprehensive income	(203.27)	–	–	–	–	–	–	(203.27)
acquired on demerger of Hind Lamps Ltd (Refer note 45)	210.90	44.04	42.84	–	–	487.55	3,880.71	4,666.04
<b>At 31st March, 2021</b>	<b>173.90</b>	<b>391.07</b>	<b>4,020.50</b>	<b>0.62</b>	<b>501.77</b>	<b>2,895.19</b>	<b>4,277.43</b>	<b>12,260.48</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 9 : Deferred tax assets (net) (Contd..)

Deferred tax liabilities comprise of the following:

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Property, plant and equipment	2,758.00	2,490.09
Intangible assets on business combination	236.95	335.22
Financial assets measured at amortised cost	77.12	100.86
Financial liabilities measured at amortised cost	120.43	89.98
Investment property *	2,473.20	-
Others **	1,345.43	646.76
<b>Total deferred tax liabilities</b>	<b>7,011.13</b>	<b>3,662.91</b>

\* Acquired on demerger of Hind Lamps Limited (refer note 45)

\*\* Mainly includes deferred tax liabilities on lease liabilities of ₹ 1,328.44 lakhs (March 31, 2020 - ₹ 646.76 lakhs)

## Movement in deferred tax liabilities

Particulars	(₹ in Lakhs)							
	Property, plant and equipment	Intangible assets	Financial Assets measured at Amortised Cost	Financial Liabilities measured at Amortised Cost	Employee benefit obligations (gratuity)	Investment property	Others	Total
<b>At 31st March, 2019</b>	<b>3,776.57</b>	<b>601.87</b>	<b>106.93</b>	<b>78.96</b>	-	-	-	<b>4,564.33</b>
Charged / (credited) :								
to Statement of Profit or Loss	(1,286.48)	(266.65)	(6.07)	11.02	-	-	646.76	(901.42)
to other comprehensive income	-	-	-	-	-	-	-	-
<b>At 31st March, 2020</b>	<b>2,490.09</b>	<b>335.22</b>	<b>100.86</b>	<b>89.98</b>	-	-	<b>646.76</b>	<b>3,662.91</b>
Charged / (credited) :								
to Statement of Profit or Loss	19.91	(98.27)	(23.74)	30.45	-	-	698.67	627.02
to other comprehensive income	-	-	-	-	-	-	-	-
acquired on demerger of Hind Lamps Ltd (Refer note 45)	248.00	-	-	-	-	2,473.20	-	2,721.20
<b>At 31st March, 2021</b>	<b>2,758.00</b>	<b>236.95</b>	<b>77.12</b>	<b>120.43</b>	-	<b>2,473.20</b>	<b>1,345.43</b>	<b>7,011.13</b>

## Note 10 : Other non-current assets

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Capital advances	725.37	530.98
Impairment allowance for credit impaired capital advances	(21.56)	(21.56)
	<b>703.81</b>	<b>509.42</b>
Sales tax recoverables	4,080.81	3,891.93
Balances with government authorities	-	15.00
Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies)	3,654.02	3,389.61
Advance to Starlite Lighting Limited	2,200.00	2,200.00
Others	3,221.85	3,310.47
	<b>13,860.49</b>	<b>13,316.43</b>
Impairment allowance for doubtful advances	(647.62)	(662.34)
Impairment allowance for advances to Starlite Lighting Limited	(2,200.00)	(2,200.00)
<b>Total other non-current assets</b>	<b>11,012.87</b>	<b>10,454.09</b>

\*Others mainly include prepaid expenses of ₹ 53.66 lakhs (March 31, 2020 ₹ 41.03 lakhs) and advances to suppliers of ₹ 3,163.41 lakhs (March 31, 2020 ₹ 3,246.98 lakhs).

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 11 : Inventories

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Raw material	10,007.74	8,356.33
Work-in-progress	1,666.70	1,400.01
Finished goods	2,124.07	3,751.63
Traded goods	83,411.37	52,579.64
Material in Transit (traded goods)	1,159.92	3,558.07
Stores and spares	270.17	241.04
<b>Total Inventories</b>	<b>98,639.97</b>	<b>69,886.72</b>

## Amounts recognised in profit or loss

Write-down of inventories to net realisable value amounting to ₹ 13,439.26 lakhs (March 31, 2020 - ₹ 886.01 lakhs) was recognised as an expense during the year.

## Note 12 : Cash and cash equivalents

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Balances with banks		
in current accounts	2,199.50	1,324.09
in cash credit accounts	1,501.80	8,765.37
Deposits with maturity of less than three months	800.00	-
Cash on hand	62.28	73.87
<b>Total cash and cash equivalents</b>	<b>4,563.58</b>	<b>10,163.33</b>

There are no restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior period.

## Note 12 : Bank balances

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Unpaid Dividend Accounts	77.10	85.87
Deposits with maturity of more than three months & less than twelve months	1,521.56	223.40
Others	0.05	0.34
<b>Total other bank balances</b>	<b>1,598.71</b>	<b>309.61</b>

## Note 13 : Other current financial assets

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Interest accrued on fixed deposits	12.34	12.84
Security deposits	371.79	223.98
Receivable from Gratuity Fund	3.71	-
Derivative Asset	1.82	242.75
<b>Total other current financial assets</b>	<b>389.66</b>	<b>479.57</b>



# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 14 : Other current assets

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Advance to Hind Lamps Ltd (associate)	—	3,755.95
Advance to Starlite Lighting Limited (joint venture)	5,395.32	5,214.77
Export benefits	683.50	557.76
Balances with government authorities	17,983.29	15,436.30
Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies)	1,706.56	1,613.44
Others	7,652.28	6,739.07
<b>Total other current assets</b>	<b>33,420.95</b>	<b>33,317.29</b>

\*Others mainly includes prepaid expenses of ₹ 1,799.00 lakhs (March 31, 2020 ₹ 1,982.09) and advances to suppliers of ₹ 5,095.09 lakhs (March 31, 2020 ₹ 3,661.74 lakhs)

## Note 15 : Assets classified as held for sale

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Buildings	219.41	250.19
Ownership premises	67.61	—
<b>Total assets classified as held for sale</b>	<b>287.02</b>	<b>250.19</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 lakhs from the purchaser in relation to this sale and is expected to be completed in FY 2021-22. The same is shown as a liability under other current liabilities.

## Note 16 : Equity share capital

Particulars	(₹ in Lakhs)	
	31-Mar-21 Amount	31-Mar-20 Amount
Authorised		
20,00,00,000 equity shares (March 31, 2020 - 20,00,00,000) of ₹ 2/- each.	4,000.00	4,000.00

### i) Movement in Issued, Subscribed and Paid up Equity Share Capital Issued capital

Particulars	(₹ in Lakhs)	
	No of Shares	Amount
<b>Issued capital</b>		
<b>As at 31st Mar 2019</b>	<b>102,399,601</b>	<b>2,047.99</b>
Exercise of Options under employee stock option scheme	80,150	1.60
Issued under rights issue (refer note iii below)	11,287,956	225.76
<b>As at 31st Mar 2020</b>	<b>113,767,707</b>	<b>2,275.35</b>
Exercise of Options under employee stock option scheme	297,485	5.95
Issued pursuant to the scheme of arrangement for demerger of the manufacturing undertaking of the Hind Lamps Limited (associate of the Company) into the Company (refer note vi below)	471,420	9.43
Issued under rights issue (refer note iii below)	7	0.00
<b>As at 31st Mar 2021</b>	<b>114,536,619</b>	<b>2,290.73</b>
<b>Paid-up capital</b>		
Calls in arrears @ ₹ 2 per share, under rights issue (refer note iii below)	(55)	(0.00)
<b>As at 31st Mar 2021</b>	<b>114,536,564</b>	<b>2,290.73</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 16 : Equity share capital (Contd..)

### ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### iii) Issue of shares under Rights Issue:

In the previous year, Board of Directors of the Company at their meeting held on January 6, 2020, approved the offer and issue of 11,290,142 fully paid-up equity shares of the Company by way of a rights issue to eligible shareholders of the Company as on the record date in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018, as amended and other applicable laws, at a price of ₹ 310 per share including a premium of ₹ 308 per share.

Pursuant to the finalisation of the basis of allotment of the Issue in consultation with BSE Limited, the designated stock exchange for the Issue, the Rights Issue Committee at its meeting held on March 13, 2020 considered and approved the allotment of 11,287,956 Rights Equity Shares, at an issue price of ₹310 per Rights Equity Share, including a premium of ₹308 per Rights Equity Share to the eligible applicants in the Issue.

In light of the Ministry of Finance (Department of Financial Services) (Banking Division) and Reserve Bank of India imposing a moratorium on Yes Bank Limited ("Yes Bank") with effect from 18.00 hours on March 5, 2020 until April 3, 2020, 2186 Rights Equity Shares of applicants who have made application in the Rights Equity Shares using Applications Supported by Blocked Amount ("ASBA") facility of Yes Bank, have been kept in abeyance which shall be allotted post receipt of the requisite funds. The Company has received funds for 7 shares, which is lying in share application money pending allotment account. The Company has allotted these shares at the subsequent rights issue committee meeting held on May 14, 2020. The Company has forfeited the remainder 2,179 shares.

Further, with regards to 55 shares, the Company has received final certificates from the Banks who have blocked the funds using ASBA Facility. However these Banks are yet to transfer the funds to the Company.

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

Name of the Shareholder	(₹ in Lakhs)			
	As at 31st March 2021		As at 31st March 2020	
	Nos.	% Holding	Nos.	% Holding
Jamnala Sons Private Limited	22,443,275	19.59	22,395,260	19.69
Bajaj Holdings & Investment Limited	18,793,840	16.41	18,793,840	16.52
Kiran Bajaj	7,545,224	6.59	5,912,179	5.20
HDFC Small Cap Fund	6,775,359	5.92	8,769,682	7.71
Smallcap World Fund, Inc	7,218,607	6.30	3,931,964	3.46

### v) 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.

### vi) Issue of shares under demerger scheme

During the year, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated May 21, 2020 had approved the scheme of arrangement for demerger of the manufacturing undertaking of the Hind Lamps Limited (associate of the Company) into the Company, which has been filed with the Registrar of Companies on June 30, 2020. The Company has issued 471,420 shares to the shareholders of Hind Lamps Limited on December 15, 2020.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 17 : Other Equity

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
i) Securities premium reserve	63,391.97	60,139.79
ii) Debenture redemption reserve	3,750.00	4,625.00
iii) General reserve	45,967.75	43,256.34
iv) Share options outstanding account	1,181.39	1,261.09
v) Retained earnings	40,917.38	23,121.79
vi) Capital reserve	175.18	10.00
vii) Capital redemption reserve	135.71	135.71
<b>Total reserves and surplus</b>	<b>155,519.38</b>	<b>132,549.72</b>

### i) Securities premium reserve

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Opening Balance</b>	60,139.79	25,461.14
Exercise of options - proceeds received	1,030.84	200.66
Exercise of options - transferred from shares options outstanding account	378.98	81.36
Securities premium proceeds received on issue of equity shares (Note 16(iii))	0.05	34,766.71
Rights issue expenses	—	(370.08)
Securities premium on issue of shares on demerger (refer note 45)	1,842.31	—
<b>Closing Balance</b>	<b>63,391.97</b>	<b>60,139.79</b>

### ii) Debenture redemption reserve

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Opening Balance</b>	4,625.00	4,625.00
Less: Transferred to General Reserve	(875.00)	—
<b>Closing Balance</b>	<b>3,750.00</b>	<b>4,625.00</b>

### iii) General Reserve

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Opening Balance</b>	43,256.34	43,163.78
Add : Transferred from debenture redemption reserve	875.00	—
Add : Transferred from stock options reserve for vested cancelled options	—	92.56
Add : Transferred from retained earnings	1,836.41	—
<b>Closing Balance</b>	<b>45,967.75</b>	<b>43,256.34</b>

### iv) Shares options outstanding account

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Opening Balance</b>	1,261.09	913.77
Add : Employee stock option expense	421.99	521.24
Less : Transferred to retained earnings / general reserve for vested cancelled options	(122.71)	(92.56)
Less : Transferred to securities premium for exercise of options	(378.98)	(81.36)
<b>Closing Balance</b>	<b>1,181.39</b>	<b>1,261.09</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 17 : Other Equity (Contd..)

### v) Retained earnings

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Opening Balance</b>	23,121.79	29,227.65
Net profit for the period	19,054.69	(928.04)
Other comprehensive income (net of tax)	699.43	(888.39)
Transferred to General reserve for vested cancelled options	122.71	—
Less: Dividend on equity shares	—	(3,585.26)
Less: Dividend distribution tax	—	(737.08)
Less: Fair value of non-controlling interest put option	(244.83)	32.91
Less: Transferred to general reserve	(1,836.41)	—
<b>Closing Balance</b>	<b>40,917.38</b>	<b>23,121.79</b>

### vi) Capital reserve

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Opening Balance</b>	10.00	10.00
Gain on bargain purchase on demerger (refer note 45)	165.18	—
<b>Closing Balance</b>	<b>175.18</b>	<b>10.00</b>

### vii) Capital redemption reserve

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Opening Balance</b>	135.71	135.71
<b>Closing Balance</b>	<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.

#### 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.



# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 17 : Other Equity (Contd..)

### Dividends paid and proposed

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend paid for the year ended March 31, 2020 of NIL per share (March 31, 2019 - ₹ 3.5 per share)	–	3,585.26
Dividend distribution tax on final dividend	–	737.08
<b>Dividend not recognised at the end of the reporting period (*)</b>		
Proposed dividend of ₹ Nil (March 31, 2020 - NIL 5 per share)	–	–
Dividend distribution tax on proposed dividend	–	–

\* 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.

## Note 18 : Borrowings

Particulars	Note No.	(₹ in Lakhs)	
		31-Mar-21	31-Mar-20
<b>Non-current</b>			
<b>Secured</b>			
Term loan	Note e	97.50	–
<b>Total secured non-current borrowings</b>		<b>97.50</b>	<b>–</b>
<b>Unsecured</b>			
Sales tax deferral liability	Note a	124.28	352.78
Foreign currency term loan	Note c	–	1,138.67
Rupee Loans	Note d	2,333.33	6,500.00
<b>Total unsecured non-current borrowings</b>		<b>2,457.61</b>	<b>7,991.45</b>
<b>Total non-current borrowings</b>		<b>2,555.11</b>	<b>7,991.45</b>
<b>Current</b>			
<b>Secured</b>			
Cash credits	Note b	769.72	2,001.07
Working capital rupee loan	Note e	11,200.00	15,771.49
Rupee Loans	Note e	38.36	–
<b>Total secured current borrowings</b>		<b>12,008.08</b>	<b>17,772.56</b>
<b>Unsecured</b>			
Short term borrowings	Note f	9,500.00	5,000.00
Sales bills discounting		–	788.22
Buyer's credit (foreign currency loan)		–	6,551.26
Hundi acceptances	Note g	2,504.31	36,132.38
<b>Total unsecured current borrowings</b>		<b>12,004.31</b>	<b>48,471.86</b>
<b>Total current borrowings</b>		<b>24,012.39</b>	<b>66,244.42</b>

Refer Note H for security details. 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 2021

## Note 18 : Borrowings (Contd..)

### Note a:

Sales tax deferral liability is interest free and repayable over predefined instalments from the initial date of deferment of liability, as per the respective schemes as given below:

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Non-current</b>		
FY 2022-23	107.63	–
FY 2023-24	16.65	–
	<b>124.28</b>	<b>–</b>
<b>Current (note 19)</b>		
FY 2021-22	228.50	–
	<b>352.78</b>	<b>–</b>

### Note b:

Cash credits are secured, repayable on demand and bear interest in the range of 7.90% to 13.00%.

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

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ Lakhs as on 31-Mar-21
Kotak Mahindra Bank Ltd	9-May-21	6M LIBOR + 225 bps	1,100.22

\* shown under other current financial liabilities as current maturities (note 19)

### Note d: Rupee term loan is as per the following terms

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ Lakhs as on 31-Mar-21
IDFC First Bank Ltd *	23-May-21	9.00%	3,000.00
Bank of Bahrain & Kuwait B.S.C. *	17-Aug-21	7.85%	1,167.00
Bank of Bahrain & Kuwait B.S.C.	17-Aug-22	7.85%	1,167.00
Bank of Bahrain & Kuwait B.S.C.	17-Aug-23	7.85%	1,166.00
	<b>Total</b>		<b>6,500.00</b>

\* shown under other current financial liabilities as current maturities (note 19)

### Note e: Rupee Loans

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ Lakhs as on 31-Mar-21
Bank of Maharashtra	36 instalments of ₹ 3.75 lakhs starting from June 2021	7.50%	135.86

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 18 : Borrowings (Contd..)

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

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ Lakhs as on 31-Mar-21
State Bank of India	6-Apr-21	7.90%	4,000.00
HDFC Bank Ltd	8-Apr-21	6.00%	2,200.00
State Bank of India	13-Apr-21	7.90%	1,700.00
HDFC Bank Ltd.	22-Apr-21	6.00%	900.00
HDFC Bank Ltd	28-Apr-21	6.00%	1,800.00
IDBI Bank Ltd.	30-Apr-21	7.55%	600.00
	<b>Total</b>		<b>11,200.00</b>

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

Name of the Subscriber	Date of Maturity	Interest rate %	Liability In ₹ Lakhs as on 31-Mar-21
Kotak Mahindra Bank Ltd	17-Apr-21	4.95%	1,200.00
Kotak Mahindra Bank Ltd	28-Apr-21	4.95%	1,300.00
Kotak Mahindra Bank Ltd	4-May-21	4.95%	1,100.00
Kotak Mahindra Bank Ltd	11-May-21	4.95%	1,400.00
Kotak Mahindra Bank Ltd	12-May-21	4.90%	1,000.00
Kotak Mahindra Bank Ltd	18-May-21	4.90%	1,000.00
CTBC BANK LTD	1-Jun-21	4.45%	1,200.00
CTBC BANK LTD	8-Jun-21	4.45%	1,300.00
	<b>Total</b>		<b>9,500.00</b>

Note g: Hundi acceptances

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 5.25 % p.a. to 9.70 % p.a. and are for a period of upto 90 days.

Note H : Charge on secured borrowings is as given below

- First pari passu charge by way of hypothecation of inventories, book debts and all movable assets under the head 'property, plant and equipment'.
- First pari passu charge on the Company's immovable properties at
  - Wardha premises - Plot no. 36, Block no. 17, Mouza no. 225, Bacharaj road, Gandhi Chowk, Wardha
  - Hari Kunj - Flat No. 103 and 104, 'B' wing, Sindhi Society, Chembur East, Mumbai - 400071
- Second pari passu charge over present and future property, plant and equipment of the Company, situated at;
  - Ranjangaon Units : Village Dhoksanghvi, Taluka Shirur, Ranjangaon, Dist. Pune - 412210;
  - Chakan Unit : Village Mahalunge, Chakan Talegaon Road, Khed, Pune - 410501;
  - Wind Farm : Village Vankusawade, Tal. Patan, Dist. Satara, Maharashtra 415206;
  - Showroom on Ground floor and Office Premises on Second Floor at Bajaj Bhawan 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.
  - Office Premises No : 001, 502, 701 and 801, 'Rustomjee Aspiree', Bhanu Shankar Yagnik Marg, Off Eastern Highway, Sion (East), Mumbai - 400 022
  - Kosi Factory Unit at Khasra No.647,648, NH 02, Km 109 Mile Stone, Village Dautana, Chhatta, Kosi Kallan, Mathura 281403.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 18 : Borrowings (Contd..)

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

d The below assets of the subsidiary have been kept on charge for the secured borrowings.

- Equitable mortgage of open land at Gut No 09, situated at Naighavan Khandewadi, Paithan District, Aurangabad
- Mortgage of land and building at Gut No 16, Naighavan Khandewadi, Paithan, Aurnagabad
- First and exclusive charge by way of hyphothecation of entire current assets of the subsidiary

All the above loans are also secured by the personal guarantee of Director - Shri Mukund N. Bhogale and corporate guarantee of the Company

e These securities also extend to the various credit facilities including Bank Guarantees and Letters of Credit of ₹ 163,066.73 lakhs (Previous year ₹ 176,924.16 lakhs) 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 19 : Other Financial Liabilities

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Non Current</b>		
Deposits received	—	6.05
Redemption liability of non-controlling interest at fair value	973.02	885.76
Employee benefit liabilities	15.04	56.59
<b>Total other non-current financial liabilities</b>	<b>988.06</b>	<b>948.40</b>
<b>Current</b>		
Current maturities of Non Convertible Debenture (NCD) *	15,000.00	18,500.00
Current maturities of foreign currency loan	1,100.22	1,138.67
Accrued interest on Non Convertible Debenture but not due	3,823.22	2,320.73
Current maturities of sales tax deferral liability (Note 18)	228.50	327.93
Current maturities of long term rupee loans	4,166.67	2,000.00
Capital creditors	1,179.10	28.62
Unpaid dividends	77.10	85.87
Trade deposits (dealers, vendors etc.)	981.13	1,005.09
Interest (payable) accrued and not due	18.78	208.08
Interest accrued and due on borrowings	76.14	167.53
Channel financing liability (Note 6)	37,849.71	34,263.18
Derivative liability	74.67	—
Other payables	5,082.55	3,253.20
Employee benefit liabilities	4,695.22	3,789.71
<b>Total other current financial liabilities</b>	<b>74,353.01</b>	<b>67,088.61</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.

\* Details of the current maturities of NCD are as below

Interest Rate	Maturity Date	Lending Bank
Redeemable at premium at ₹ 13,08,774.70 per debenture (face value of ₹ 10,00,000 per debenture)	₹ 7500 Lakhs - 20-08-2021	HDFC Mutual
Redeemable at premium at ₹ 13,81,775.74 per debenture (face value of ₹ 10,00,000 per debenture)	₹ 7500 Lakhs - 18-02-2022	Fund

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 20 : Provisions

Particulars	31-Mar-21			31-Mar-20		
	Current	Non Current	Total	Current	Non Current	Total
Service warranties*	7,018.58	2,149.02	9,167.60	6,870.10	2,292.81	9,162.91
Legal claims	543.80	—	543.80	545.04	—	545.04
Other matters**	1,377.51	—	1,377.51	1,291.50	—	1,291.50
E-Waste Management	43.75	—	43.75	43.75	—	43.75
<b>Total Provisions</b>	<b>8,983.64</b>	<b>2,149.02</b>	<b>11,132.66</b>	<b>8,750.39</b>	<b>2,292.81</b>	<b>11,043.20</b>

### Movement in provisions is as given below:

Particulars	31-Mar-21				31-Mar-20			
	E - Waste Provision	Service Warranties	Legal Claims	Other matters	E - Waste Provision	Service Warranties	Legal Claims	Other matters
<b>Opening balance as on 1st April, 2019</b>	—	<b>7,092.57</b>	<b>542.92</b>	<b>3,040.82</b>	—	<b>7,092.57</b>	<b>542.92</b>	<b>3,040.82</b>
Arising during the year	43.75	6,749.17	2.12	189.24	—	6,749.17	2.12	189.24
Unwinding of discount (finance cost)	—	166.78	—	—	—	166.78	—	—
Utilised during the year	—	(4,845.61)	—	(1,938.56)	—	(4,845.61)	—	(1,938.56)
<b>Closing balance as on 31st March, 2020</b>	<b>43.75</b>	<b>9,162.91</b>	<b>545.04</b>	<b>1,291.50</b>	—	<b>9,162.91</b>	<b>545.04</b>	<b>1,291.50</b>
Arising during the year	—	5,606.81	—	86.01	—	5,606.81	—	86.01
Unwinding of discount (finance cost)	—	215.87	—	—	—	215.87	—	—
Utilised during the year	—	(5,817.99)	(1.24)	—	—	(5,817.99)	(1.24)	—
<b>Closing balance as on 31st March, 2021</b>	<b>43.75</b>	<b>9,167.60</b>	<b>543.80</b>	<b>1,377.51</b>	—	<b>9,167.60</b>	<b>543.80</b>	<b>1,377.51</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 21 : Employee Benefit Obligations

Particulars	31-Mar-21			31-Mar-20		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	311.61	1,242.24	1,553.85	789.72	2,424.99	3,214.71
Interest rate guarantee on provident fund	—	547.21	547.21	—	319.73	319.73
Gratuity	921.50	5,106.86	6,028.36	1,325.14	4,493.84	5,818.98
<b>Total employee benefit obligations</b>	<b>1,233.11</b>	<b>6,896.31</b>	<b>8,129.42</b>	<b>2,114.86</b>	<b>7,238.56</b>	<b>9,353.42</b>

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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 21 : Employee Benefit Obligations (Contd..)

### (i) The provisions of the Payment of Gratuity Act, 1972 :

Benefits as per the Payment of Gratuity Act, 1972	
Salary for calculation of Gratuity (GS)	Last drawn basic salary including dearness allowance (if any)
Gratuity Service (SER)	Completed years of Continuous Service with part thereof in excess of six months
Vesting period	5 Years #
Benefit on normal retirement	15/26 * GS * SER
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	₹ 20 lakhs

### (ii) The Company's gratuity scheme :

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

Benefits as per the Company's Gratuity Scheme for HO (Category E - Executives, Category PSG - Project Services Group and Category Factory Staff - Chakan & Ranjangaon Employees)		
Salary for calculation of Gratuity (GS)	HO Category E & PSG: Basic Salary 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
Benefit on early retirement / termination / resignation / withdrawal	<b>Service</b>	<b>Benefits</b>
	25 years & Above	GS x SER
	Between 5 & 9 years	60% x GS x SER
	Between 10 & 14 years	70% x GS x SER
Benefit on death in service	Between 15 & 24 years	80% x GS x SER
	25 years & Above	90% x GS x SER
	HO Category E & PSG: GS x SER	
Benefit on death in service	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.



# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 21 : Employee Benefit Obligations (Contd..)

Changes in the Present Value of Obligation are as given below (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
<b>Present Value of Obligation as at the beginning</b>	<b>6,152.13</b>	<b>5,220.07</b>
Current Service Cost	627.59	685.78
Interest Cost	362.36	379.92
<b>Re-measurement (gain) / loss arising from:</b>		
- change in demographic assumptions	-	(0.75)
- change in financial assumptions	34.11	267.93
- experience adjustments (i.e. Actual experience vs assumptions)	(110.50)	40.85
Benefits Paid	(1,048.75)	(441.67)
Acquisition Adjustment ( HLL Mfg Undertaking absorbed in Demerger )	837.85	-
<b>Present Value of Obligation as at the end</b>	<b>6,854.79</b>	<b>6,152.13</b>

Changes in the Fair Value of Plan Assets is as given below (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
<b>Fair Value of Plan Assets as at the beginning</b>	<b>337.18</b>	<b>322.80</b>
Investment Income	21.40	23.45
Employer's Contribution	574.96	7.00
Benefits Paid	(107.18)	(16.41)
Return on plan assets , excluding amount recognised in interest (expense)/income	3.97	0.34
<b>Fair Value of Plan Assets as at the end</b>	<b>830.33</b>	<b>337.18</b>

Subsidiary's gratuity liability is unfunded

Changes in the Fair Value of Reimbursement Right is as given below \* (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
<b>Fair Value of Reimbursement Right as at the beginning</b>	<b>5,003.05</b>	<b>4,162.57</b>
Investment Income	317.47	302.43
Employer's Contribution	-	1,000.00
Benefits Paid	(687.22)	(412.83)
Return on plan assets , excluding amount recognised in interest (expense)/income	727.28	(49.12)
<b>Fair Value of Reimbursement Right as at the end</b>	<b>5,360.58</b>	<b>5,003.05</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 10 and Note 14 of the financials statements

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 21 : Employee Benefit Obligations (Contd..)

Amount recognised in balance sheet is as given below (Amounts in ₹ Lakhs) :

Particulars	As on	
	31-Mar-21	31-Mar-20
<b>Present Value of Obligation</b>	<b>6,854.79</b>	<b>6,152.13</b>
Fair Value of Plan Assets	830.33	337.18
<b>Surplus / (Deficit)</b>	<b>(6,024.46)</b>	<b>(5,814.95)</b>
Effects of Asset Ceiling, if any	-	-
<b>Net Asset / (Liability)</b>	<b>(6,024.46)</b>	<b>(5,814.95)</b>
Liability on an actual basis for employees at foreign branches	(3.91)	(4.04)
<b>Total Net Asset / (Liability)</b>	<b>(6,028.37)</b>	<b>(5,818.99)</b>

Amount recognised in statement of profit and loss and other comprehensive income is as given below (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
<b>Costs charged to statement of profit and loss :</b>		
Current Service Cost	627.59	685.78
Interest Expense or Cost	362.36	379.92
Investment Income	(338.87)	(325.88)
<b>Expense recognised in statement of profit and loss</b>	<b>651.08</b>	<b>739.82</b>
<b>Re-measurement (gain) / loss arising from:</b>		
Change in demographic assumptions	-	(0.75)
Change in financial assumptions	34.11	267.93
Experience adjustments (i.e. Actual experience vs assumptions)	(110.50)	40.85
Return on plan assets , excluding amount recognised in interest expense/(income)	(731.25)	48.77
<b>(Income) / Expense recognised in Other Comprehensive Income</b>	<b>(807.64)</b>	<b>356.80</b>
<b>Total Expense Recognised during the year</b>	<b>(156.56)</b>	<b>1,096.62</b>

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

Particulars	As on	
	31-Mar-21	31-Mar-20
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 - Group

Particulars	As on	
	31-Mar-21	31-Mar-20
Discount rate (per annum) - Range	6.20% - 6.75%	6.35% - 6.70%
Salary growth rate (per annum) - Range	5.00% - 8.50%	5.00% - 8.50%

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 21 : Employee Benefit Obligations (Contd..)

### Demographic Assumptions - BEL

Particulars	As on	
	31-Mar-21	31-Mar-20
Mortality Rate	(%100 of IALM 12-14)	(%100 of IALM 12-14)
Withdrawal rates, based on age: (per annum) : *		
Up to 30 years	For HLL - 4.00% For Others - 21.00%	21.00%
31 - 44 years	For HLL - 4.00% For Others - 14.00%	14.00%
Above 44 years	For HLL - 4.00% For Others - 12.00%	12.00%

\*For the subsidiary, it is 1.6% across all categories

### Summary of Membership Status - Company

Particulars	As on	
	31-Mar-21	31-Mar-20
Number of employees	2,966	3,164
Total monthly salary (₹ Lakhs)	873.54	879.11
Average past service (years)	8.17	6.01 - 12.97
Average age (years)	37.67	35.88 - 41.46
Average remaining working life (years)	20.34	16.57 - 22.13
Number of completed years valued	24,229	19,905
Decrement adjusted remaining working life (years)	6.24	6.03 - 13.30
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-21	31-Mar-20
Number of employees	147	129
Total monthly salary (₹ Lakhs)	23.94	22.33
Average past service (years)	10.63	12.97
Average age (years)	39.31	41.46
Average remaining working life (years)	18.71	16.57
Number of completed years valued	1,562	1,673
Decrement adjusted remaining working life (years)	14.88	13.30
Normal retirement age	58 years #	58 years #

# The retirement date for Nirlep employee is the 58th date of birth of the employee

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 21 : Employee Benefit Obligations (Contd..)

### Sensitivity Analysis

The sensitivity analysis is determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. (Amounts in ₹ Lakhs)

Particulars	31-Mar-21		31-Mar-20	
	Result of decrease	Result of increase	Result of decrease	Result of increase
Defined Benefit Obligation (Base)			6,854.79	6,152.13

(₹ in Lakhs)

Particulars	31-Mar-21		31-Mar-20	
	Result of decrease	Result of increase	Result of decrease	Result of increase
Discount Rate (- / + 1%)	7,239.11	6,512.22	6,484.13	5,856.55
(% change compared to base due to sensitivity)	5.6%	-5.0%	5.4%	-4.8%
Salary Growth Rate (- / + 1%)	6,535.87	7,204.47	5,876.94	6,454.32
(% change compared to base due to sensitivity)	-4.7%	5.1%	-4.5%	4.9%
Attrition Rate (- / + 50% of attrition rates)	7,583.74	6,470.40	6,847.09	5,788.49
(% change compared to base due to sensitivity)	10.6%	-5.6%	11.3%	-5.9%
Mortality Rate (- / + 10% of mortality rates)	6,853.88	6,855.71	6,151.02	6,153.24
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

(₹ in Lakhs)

### The description of plans ability to affect the amount, timing and uncertainty of the Company'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-21		31-Mar-20	
	Result of decrease	Result of increase	Result of decrease	Result of increase
The Company's best estimate of Contribution during the next year			1,098.66	1,258.16

(₹ in Lakhs)

#### c) Maturity Profile of Defined Benefit Obligation

Particulars	31-Mar-21		31-Mar-20	
	Result of decrease	Result of increase	Result of decrease	Result of increase
Weighted average duration (based on discounted cashflows)			6 years for BEL and 7 years for Nirlep	5 years for BEL and 6 years for Nirlep

(₹ in Lakhs)

Expected cash flows over the next (valued on undiscounted basis):	31-Mar-21		31-Mar-20	
	Result of decrease	Result of increase	Result of decrease	Result of increase
1 year	1,751.84		1,662.33	
More than 1 and upto 2 years	601.04		651.66	
More than 2 and upto 5 years	1,848.40		1,592.62	
More than 5 and upto 10 years	2,585.66		2,222.44	
More than 10 years	3,472.92		3,084.27	

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 21 : Employee Benefit Obligations (Contd..)

### d) Asset liability matching strategies

For gratuity, the Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy terms, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)

## B. Provident Fund (Defined Benefit Plan) :

Bajaj Electricals Limited operates in two schemes for the compliance of provident fund statute - (i) Bajaj Electricals Limited Employees' Provident Fund Trust & Matchwel Electricals (India) Ltd Employees' Provident Fund Trust (defined benefit plan) and (ii) RPFC Contributions for provident fund (defined contribution plan). For exempt provident fund, the defined benefit obligation of the Company arises from the possibility that during anytime in the future, the scheme may earn insufficient investment income to meet the guaranteed interest rate declared by government / EPFO / relevant authorities as well as for fund assets shortfall as against the liabilities of the Trusts. The subsidiary operates in only one scheme via RPFC 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-versa

The benefit valued under PF obligation are summarised below:

Normal Retirement Age	58 Years *
Benefit on normal retirement	Accrued Account Value
Benefit on early retirement / termination / resignation / withdrawal	Accrued Account Value
Benefit on death in service	Accrued Account Value

\* The standard retirement date for executive employees is June 30th of every year and the same is April 1st of every year for the staff employees. The retirement date for Nirlep employee is the 58th date of birth of the employee

The company's compliances for provident fund is governed by Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Responsibility for governance of the plans, including investment decisions and contribution schedules lies jointly with the company and the board of trustees. The board of trustees are composed of representatives of the company and plan participants in accordance with the plan's regulations

### Changes in the Present Value of Obligation of Trusts are as given below (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
Present Value of Obligation as at the beginning	15,716.67	13,565.54
Interest Cost	1,296.82	1,145.31
Current Service Cost	864.85	664.95
Employee's Contributions	1,401.26	1,479.05
Transfer In / (out) of the liability	302.80	511.81
Benefits Paid	(2,576.04)	(1,739.64)
Re-measurement (gain) / loss arising from:		
- experience variance (i.e. Actual experience vs assumptions), loss if positive	122.54	89.65
<b>Present Value of Obligation as at the end</b>	<b>17,128.90</b>	<b>15,716.67</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 21 : Employee Benefit Obligations (Contd..)

### Changes in the Fair Value of Plan Assets of Trusts are as given below (Amounts in ₹ Lakhs) :

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
Fair Value of Plan Assets as at the beginning	14,544.19	13,159.38
Investment Income	1,236.17	1,138.29
Employer's Contributions	864.85	664.95
Employee's Contributions	1,401.26	1,479.05
Transfers In	302.80	511.81
Benefits Paid	(2,576.04)	(1,739.64)
Return on plan assets , excluding amount recognised in interest (expense)/income	483.81	(670.65)
<b>Fair Value of Plan Assets as at the end</b>	<b>16,257.04</b>	<b>14,544.19</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) (Amounts in ₹ Lakhs) :

Particulars	As on	
	31-Mar-21	31-Mar-20
Present Value of Obligation	423.00	351.38
Fair Value of Plan Assets	820.27	739.13
<b>Surplus / (Deficit)</b>	<b>397.27</b>	<b>387.75</b>
Effects of Asset Ceiling, if any	-	-
<b>Net Asset / (Liability)</b>	<b>397.27</b>	<b>387.75</b>

The present value of obligation of Matchwel Electricals (India) Ltd Employees' Provident Fund Trust represents the aggregate of accumulated fund value of ₹ 412.07 lakhs (As on March 31, 2020 - ₹ 344.23 lakhs) and interest rate guarantee ₹ 10.92 lakhs (As on March 31, 2020 - ₹ 7.15 lakhs). Of the above, the interest rate guarantee is recognised as provision in the Company's books, while the accumulated fund value is recognised by the Trust. The interest rate guarantee so recognised in the Company's books is considered as non-current liability

#### Bajaj Electricals Limited Employees' Provident Fund Trust (for H.O. employees) (Amounts in ₹ Lakhs) :

Particulars	As on	
	31-Mar-21	31-Mar-20
Present Value of Obligation	16,705.89	15,365.28
Fair Value of Plan Assets	15,435.77	13,804.06
<b>Surplus / (Deficit)</b>	<b>(1,270.12)</b>	<b>(1,561.22)</b>
Effects of Asset Ceiling, if any	-	-
<b>Net Asset / (Liability)</b>	<b>(1,270.12)</b>	<b>(1,561.22)</b>

The present value of obligation of Bajaj Electricals Limited Employees' Provident Fund Trust represents the aggregate of accumulated fund value of ₹ 16,274.54 lakhs (As on March 31, 2020 - ₹ 15,052.70 lakhs) and interest rate guarantee ₹ 431.35 lakhs (As on March 31, 2020 - ₹ 312.58 lakhs). Of the above, the interest rate guarantee is recognised as provision in the Company's books, while the accumulated fund value is recognised by the Trust. The interest rate guarantee so recognised in the Company's books is considered as non-current liability.



# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 21 : Employee Benefit Obligations (Contd..)

Since interest rate guarantee is already accounted in BEL's books, the liability of ₹ 838.77 lakhs which is Accumulated Fund Value of ₹ 16,274.54 lakhs in excess of Fair Value of Plan Assets of ₹ 15,435.77 lakhs 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 as well as DHFL (including interest foregone by Trust) and the same is recognised as actuarial loss in the Other Comprehensive Income of BEL in the year in which the Investments were impaired

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 ended	
	31-Mar-21	31-Mar-20
Costs charged to statement of profit and loss :		
Current Service Cost	864.85	664.95
Interest Cost	1,296.82	1,145.31
Investment Income	(1,236.17)	(1,138.29)
<b>Expense recognised in statement of profit and loss</b>	<b>925.50</b>	<b>671.97</b>
<b>Re-measurement (gain) / loss arising from:</b>		
Experience variance (i.e. Actual experience vs assumptions)	122.54	89.65
Return on plan assets , excluding amount recognised in interest expense/(income) *	(483.81)	670.65
<b>Expense recognised in Other Comprehensive Income</b>	<b>(361.27)</b>	<b>760.30</b>
<b>Total Expense Recognised during the year</b>	<b>564.23</b>	<b>1,432.27</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-21		31-Mar-20	
	HO Unit	Chakan Unit	HO Unit	Chakan Unit
Discount rate (per annum)	6.52%	6.52%	6.65%	6.65%
Interest rate guarantee (per annum)	8.50%	8.50%	8.50%	8.50%
Discount Rate for the Remaining Term to Maturity of the Investment (p.a.)	6.52%	6.52%	6.65%	6.65%
Average Historic Yield on the Investment (p.a.)	8.06%	8.06%	8.44%	8.44%
Mortality Rate	100% of IALM 2012-14		100% of IALM 2012-14	

Particulars	As on	
	31-Mar-21	31-Mar-20
	Live Employees	Live Employees
Attrition Rate, based on ages:		
- Upto 30 years	4.99%	4.99%
- 31 to 44 years	3.63%	3.63%
- 45 to 57 years	3.62%	3.62%
- Above 57 years	0.38%	0.38%

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 21 : Employee Benefit Obligations (Contd..)

### Summary of Membership Status :

Particulars	As on	
	31-Mar-21	31-Mar-20
Dormant/Inoperative Employees	3,371	3,300
Live Number of employees	1,714	1,928
Total Number of employees	5,085	5,228
Average age (years)	40.19	39.24

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

Particulars	As on	
	31-Mar-21	31-Mar-20
Government of India securities	4.5%	5.7%
State Government securities	36.6%	40.0%
High quality corporate bonds	28.7%	34.5%
Equity shares of listed companies	0.0%	0.0%
Public Sector Bonds	0.0%	0.0%
Special Deposit Scheme	8.8%	10.5%
Funds managed by Insurer	0.0%	0.0%
Bank balance	0.2%	1.0%
Other Investments	21.3%	8.5%
<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	As on	
	31-Mar-21	31-Mar-20
Defined Benefit Obligation (Base)	17,128.90	15,716.67

Particulars	31-Mar-21		31-Mar-20	
	Result of decrease	Result of increase	Result of decrease	Result of increase
Discount Rate (- / + 1%)	17,302.81	16,961.50	15,881.47	15,558.57
(% change compared to base due to sensitivity)	1.02%	-0.98%	-7.28%	-9.17%
Interest rate guarantee (- / + 1%)	16,686.61	18,144.23	15,396.93	16,648.84
(% change compared to base due to sensitivity)	-2.58%	5.93%	-10.11%	-2.80%

### 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 RPF Contributions

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 21 : Employee Benefit Obligations (Contd..)

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

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
The Trusts' best estimate of Contribution during the next year	908.09	698.20

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	(₹ in Lakhs)					
	Provident Fund		Superannuation		Pension	
	For the year ended		For the year ended		For the year ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Expense recognised in the statement of Profit & Loss	359.78	162.44	240.76	260.50	599.15	621.52

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

## Note 22 : Trade Payables

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Current		
Trade payable	81,979.82	77,997.00
Dues to micro and small enterprises*	11,775.27	7,797.99
Acceptances	2,260.08	5,192.08
<b>Total current trade payables</b>	<b>96,015.17</b>	<b>90,987.07</b>

\* Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 22 : Trade Payables (Contd..)

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

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Principal	11,447.22	7,462.91
Interest	328.05	335.08
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.	335.08	13.98
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.	—	—
iii) The amount of interest accrued and remaining unpaid at the end of each accounting year.	328.05	335.08
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.	—	—

## Note 23 : Other Current Liabilities

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Statutory liabilities payable	4,397.74	3,611.69
Deferred revenue *	18,611.33	14,226.21
Others	1,962.74	2,523.72
<b>Total other current liabilities</b>	<b>24,971.81</b>	<b>20,361.62</b>

\* Deferred revenue includes ₹ 18,261.64 lakhs (March 31, 2020 - ₹ 13,886.31 lakhs) for accrual of points under the Retailer Bonding Program and ₹ 349.70 lakhs (March 31, 2020 - ₹ 339.90) for warranty provision considered as a separate performance obligation.

## Note 24 : Revenue from operations

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Sale of products	377,983.79	361,425.83
Contract Revenue	76,705.89	132,464.18
Other operating revenue *	3,770.78	4,833.43
<b>Total revenue from operations (Refer Note 41(ii))</b>	<b>458,460.46</b>	<b>498,723.44</b>

\*\* Other operating revenue mainly comprises of scrap sales, insurance claims and writeback of provisions amounting to ₹ 2,615.67 lakhs (March 31, 2020 - ₹ 1,877.45 lakhs), ₹ 757.98 lakhs (March 31, 2020 - ₹ 388.62 lakhs) and ₹ NIL lakhs (March 31, 2020 - ₹ 1929.65) respectively.

## Note 25 : Other income

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Interest income on bank deposits and others	1,520.73	959.69
Interest income from financial assets at amortised cost	324.44	1,348.92
Interest on income tax refund	394.85	120.15
Rental income	268.38	279.10
Net gain / (losses) on disposal of property, plant & equipment	1,782.25	27.86
Others *	2,629.83	1,879.43
<b>Total other income</b>	<b>6,920.48</b>	<b>4,615.15</b>

\* Others mainly includes excess impairment allowance on trade receivables and others written back, credit balance written back and gain on termination of right-of-use assets of ₹ 746.47 lakhs (March 31, 2020 - ₹ 1,058.08 lakhs), ₹ 1,324.72 lakhs (March 31, 2020 - ₹ 420.14 lakhs) and ₹ 474.56 lakhs (March 31, 2020 - ₹ 16.70 lakhs) respectively.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 26 : Cost of raw materials consumed

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Raw materials at the beginning of the year	8,356.33	12,633.01
Add : Purchases	36,666.47	26,336.13
Less : Raw materials at the end of the year	10,007.74	8,356.33
<b>Total cost of raw material consumed</b>	<b>35,015.06</b>	<b>30,612.81</b>

## Note 26 : Changes in inventories of work-in-progress, finished goods, traded goods

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Opening balance		
Work in progress	1,400.01	1,844.66
Finished Goods	3,751.63	3,157.82
Traded goods	56,137.71	65,172.92
<b>Total opening balance</b>	<b>61,289.35</b>	<b>70,175.40</b>
<b>Closing balance</b>		
Work in progress	1,666.70	1,400.01
Finished Goods	2,124.07	3,751.63
Traded goods	84,571.28	56,137.71
<b>Total Closing balance</b>	<b>88,362.05</b>	<b>61,289.35</b>
<b>Total Changes in inventories of work in progress, traded goods and finished goods</b>	<b>(27,072.70)</b>	<b>8,886.05</b>

## Note 27 : Erection & subcontracting expenses

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Erection and subcontracting expense	24,371.20	31,066.35
<b>Total Erection &amp; subcontracting expense</b>	<b>24,371.20</b>	<b>31,066.35</b>

## Note 28 : Employee benefit expenses

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Salaries, wages and bonus	35,686.33	35,907.90
Contribution to provident and other funds (Note 21)	1,668.43	1,767.49
Employees share based payment expense (Note 33)	421.99	521.24
Gratuity (Note 21)	651.09	741.28
Staff welfare expenses	1,022.74	1,217.77
<b>Total employee benefit expense</b>	<b>39,450.58</b>	<b>40,155.68</b>

## Note 29 : Depreciation and amortisation expense

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Depreciation of property, plant and equipment (Note 2)	3,736.33	3,767.93
Amortisation of intangible assets (Note 4)	656.99	632.37
Depreciation of Right of Use assets (Note 3)	3,123.16	2,966.73
<b>Total depreciation and amortisation expense</b>	<b>7,516.48</b>	<b>7,367.03</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 30 : Other expenses

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Consumption of stores & spares	719.52	927.31
Packing material consumed	1,122.85	887.42
Power and fuel	1,201.81	1,385.84
Rent	1,608.91	2,272.26
Repairs and maintenance		
Plant and machinery	1,109.87	1,096.62
Buildings	1.85	9.54
Others	425.33	375.28
Telephone and communication charges	703.14	772.04
Rates and taxes	228.68	70.31
Travel and conveyance	3,290.80	6,043.04
Insurance	1,177.82	1,438.33
Printing and stationery	153.92	238.74
Directors fees & travelling expenses	94.01	77.52
Non executive directors commission	77.00	18.97
Advertisement & publicity	11,237.61	9,397.95
Freight & forwarding	10,162.50	11,130.54
Product promotion & service charges	10,502.66	9,345.39
Sales commission	1,267.13	1,789.30
Provision for Service warranties	(211.18)	1,903.59
Impairment allowance for doubtful debts and advances (net of reversals)	(482.59)	1,032.17
Bad debts and other irrecoverable debit balances written off	3,019.62	369.92
Payments to auditors	183.95	178.22
Corporate social responsibility expenditure	384.91	514.38
Fair value loss on financial instruments at fair value through profit and loss	–	38.13
E-Waste Management	–	43.75
Legal and Professional Fees	2,300.56	4,030.65
Site support charges	3,303.39	4,528.60
Sales tax expenses	76.50	210.13
Security service charges	1,580.63	2,169.20
Miscellaneous expenses	9,524.65	11,413.30
<b>Total other expenses</b>	<b>64,765.85</b>	<b>73,708.44</b>

## Note 31 : Finance cost

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Interest expense on borrowings	6,154.67	13,090.85
Interest expense on mobilization advances	143.09	2,233.83
Interest expense on lease liability	944.13	1,073.96
Unwinding of discount on provisions	225.50	171.71
Exchange differences regarded as an adjustment to borrowing costs	54.19	283.65
Other borrowing costs	154.41	224.46
<b>Total</b>	<b>7,675.99</b>	<b>17,078.46</b>
Finance cost capitalised	(32.54)	–
<b>Finance cost expensed in profit and loss</b>	<b>7,643.45</b>	<b>17,078.46</b>



# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 32 : Income Tax Expense

### (a) Income Tax Expense

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Current Tax</b>		
Current income tax charge	4,761.14	119.00
Adjustments of tax relating to earlier periods	–	8.44
<b>Total Current tax expense</b>	<b>4,761.14</b>	<b>127.44</b>
<b>Deferred Tax (Note 9)</b>		
Decrease / (increase) in deferred tax assets	(2,378.28)	2,518.43
(Decrease) / increase in deferred tax liabilities	3,347.83	(901.42)
<b>Total deferred tax expense / (benefit)</b>	<b>969.55</b>	<b>1,617.01</b>
<b>Income tax expense in the statement of profit and loss</b>	<b>5,730.69</b>	<b>1,744.45</b>

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

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>Profit / (Loss) from continuing operations before income tax expense</b>	<b>24,626.58</b>	<b>715.66</b>
Income Tax @ standard tax rate of 25.168% (March 31, 2020 - 25.168%)	6,198.02	180.12
Tax effect of amounts which are not deductible in calculating taxable income :		
– Corporate Social responsibility Expenditure	47.40	88.65
– Estimated expenditure to earn tax exempt Income	–	–
– Employee Share based payment expense	–	–
Other items affecting effective tax rate:		
– Share of results of associates and joint ventures (net of tax)	–	71.78
– Effects of changes in statutory tax rate	–	1,395.29
– Deferred Tax Asset recognised on Asset held for Sale	–	(76.19)
– Exceptional items pursuant to demerger of Hind Lamps Limited	(641.44)	–
– Others	126.71	84.80
<b>Income Tax Expense reported in statement of profit and loss</b>	<b>5,730.69</b>	<b>1,744.45</b>

The Group had re-computed the tax expense as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, (a) the provision for current and deferred tax was determined at the rate of 25.17%, and (b) the deferred tax assets and deferred tax liabilities as on April 1, 2019 were restated at the rate of 25.17%. As a result, the tax expense for the year ended March 31, 2020, was higher by ₹ 1,395.29 lakhs.

## 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 2021

## 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	The Scheme was amended by shareholders at their Annual General Meeting held on 28 August 2020, by increasing the maximum number of employee stock options to be granted to an individual employee from 40,000 (Forty Thousand) Options to 1,00,000 (One Lakh) Options
9	Equity shares reserved for issue under Employee Stock Option Scheme and Outstanding as at March 31, 2021			The Company has 10,830,633 Equity Shares of ₹2/- each available to issue as Employees Stock Options as its Total Pool Size as of March 31, 2021, of which number of stock options not yet granted under ESOP 2015 scheme are 1,166,013, number of stock options vested & exercisable under ESOP 2011 & ESOP 2015 schemes are 346,665 and number of stock options unvested under ESOP 2015 scheme are 784,875. Thus, total equity shares reserved for issuance under ESOP Scheme outstanding as at March 31, 2021 are 2,297,553.

### II. Option Movement during the year ended March 31, 2021 :

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	–	–	132,500	282.71	1,267,800	422.99
2	Options Granted during the year	–	–	–	–	207,500	610.57
3	Options Forfeited / Surrendered during the year	–	–	6,250	316.25	149,875	437.06
4	Options Expired (Lapsed) during the year	–	–	20,150	312.42	2,500	259.24
5	Options Exercised during the year	–	–	77,700	269.55	219,785	376.44
6	Number of options outstanding at the end of the year	–	–	28,400	290.26	1,103,140	466.01
7	Number of options exercisable at the end of the year	–	–	28,400	290.26	318,265	428.98

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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

### Option Movement during the year ended March 31, 2020 :

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	–	–	237,975	281.66	1,013,450	456.71
2	Options Granted during the year	–	–	–	–	465,000	357.09
3	Options Forfeited / Surrendered during the year	–	–	26,950	297.81	184,775	438.55
4	Options Expired (Lapsed) during the year	–	–	24,250	281.84	–	–
5	Options Exercised during the year	–	–	54,275	263.11	25,875	229.79
6	Number of options outstanding at the end of the year	–	–	132,500	282.71	1,267,800	422.99
7	Number of Options exercisable at the end of the year	–	–	132,500	282.71	308,175	394.81

### 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, 2021</b>		
0 to 100	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
101 to 200	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
201 to 300	Nil	0.95	1.70
No. of Options Outstanding	Nil	17,900	69,175
301 to 400	Nil	0.27	4.00
No. of Options Outstanding	Nil	10,500	437,540
401 to 500	Nil	Nil	3.85
No. of Options Outstanding	Nil	Nil	198,800
501 to 600	Nil	Nil	3.48
No. of Options Outstanding	Nil	Nil	84,375
601 to 700	Nil	Nil	3.16
No. of Options Outstanding	Nil	Nil	200,750
701 to 800	Nil	Nil	5.50
No. of Options Outstanding	Nil	Nil	112,500
<b>Range of Exercise Price</b>	<b>Weighted average contractual life (years) as on March 31, 2020</b>		
0 to 100	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
101 to 200	Nil	0.62	2.87
No. of Options Outstanding	Nil	6,400	9,750
201 to 300	Nil	1.75	2.54
No. of Options Outstanding	Nil	79,250	183,175
301 to 400	Nil	0.86	4.71
No. of Options Outstanding	Nil	46,850	537,375
401 to 500	Nil	Nil	3.51
No. of Options Outstanding	Nil	Nil	155,000
501 to 600	Nil	Nil	4.41
No. of Options Outstanding	Nil	Nil	90,000
601 to 700	Nil	Nil	4.01
No. of Options Outstanding	Nil	Nil	292,500

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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

### IV Weighted Average Fair Value of Options Granted during the year ended March 31, 2021 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	240.38
(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, 2020 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	131.15
(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, 2021	Nil	616.71	721.47
During the year ended March 31, 2020	Nil	463.37	522.14

### VI Method and Assumptions used to estimate the Fair Value of Options Granted during the year ended March 31, 2021 :

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
<b>Variables</b>	<b>Weighted Average</b>	<b>Weighted Average</b>	<b>Weighted Average</b>
1. Risk Free Interest Rate			5.14%
2. Expected Life (in years)			4.15
3. Expected Volatility	No options granted during the year	No options granted during the year	41.35%
4. Dividend Yield			0.16%
5. Exercise Price (₹)			610.57
6. Price of the underlying share in market at the time of the option grant. (₹)			610.57

### Method and Assumptions used to estimate the Fair Value of Options Granted during the year ended March 31, 2020 :

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
<b>Variables</b>	<b>Weighted Average</b>	<b>Weighted Average</b>	<b>Weighted Average</b>
1. Risk Free Interest Rate			6.08%
2. Expected Life (in years)			4.15
3. Expected Volatility	No options granted during the year	No options granted during the year	38.38%
4. Dividend Yield			0.96%
5. Exercise Price (₹)			363.27
6. Price of the underlying share in market at the time of the option grant. (₹)			363.27

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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

### Assumptions:

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered

Volatility: The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information. The volatility is calculated considering the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE), over a period prior to the date of grant corresponding with the expected life of the options.

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

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

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

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 (₹ In Lakhs) :

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
1 Employee Stock Option Plan Expense	421.99	521.24
2 Total ESOP Reserve at the end of the year	1,181.39	1,261.09

## Note 34 : Fair value measurements

### (i) Financial instruments by category

The carrying amounts of financial instruments by class are as follows

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>A. Financial assets</b>		
<b>I. Measured at amortized cost</b>		
Investments	–	933.86
Trade Receivables	191,686.48	253,653.75
Loans	7,245.76	1,589.37
Cash and Cash Equivalents	4,563.58	10,163.33
Bank Balances other than above	1,598.70	309.61
Other Financial Assets	3,272.17	2,749.10
<b>II. Measured at fair value through profit and loss (FVTPL)</b>		
Other Financial Assets (Derivative Assets)	1.82	242.75
Investments	471.45	354.08
	<b>208,839.96</b>	<b>269,995.85</b>
<b>B. Financial liabilities *</b>		
<b>I. Measured at amortized cost</b>		
Borrowings	26,567.51	74,235.87
Trade Payables	96,015.17	90,987.07
Lease Liabilities	3,863.29	9,862.88
Other Financial Liabilities	74,293.06	67,151.24
<b>II. Measured at fair value through profit and loss (FVTPL)</b>		
Other Financial Liabilities (Derivative Liability)	75.00	–
	<b>200,814.03</b>	<b>242,237.06</b>

\* Does not include redemption liability of non-controlling interest of ₹ 973.02 lakhs (March 31, 2020 - ₹ 885.76 Lakhs), changes of which are recognised directly in equity.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## 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, 2021</b>						
Other Financial Assets (Derivative Assets)	Mark to Market	1.82	1.82		1.82	
Investments	Discounted Cash Flow / Net Asset Value (note a)	471.45	471.45			471.45
Other Financial Liabilities (Derivative Liability)	Mark to Market	75.00	75.00		75.00	–
Redemption liability of non-controlling interest	Note b	973.02	973.02			973.02
		<b>1,521.29</b>	<b>1,521.29</b>	<b>–</b>	<b>76.82</b>	<b>1,444.47</b>
<b>As at March 31, 2020</b>						
Other Financial Assets (Derivative Assets)	Mark to Market	242.75	242.75		242.75	
Investments	Discounted Cash Flow / Net Asset Value (note a)	354.08	354.08			354.08
Other Financial Liabilities (Derivative Liability)	Mark to Market	–	–		–	–
Redemption liability of non-controlling interest	Note b	885.76	885.76		–	885.76
		<b>1,482.59</b>	<b>1,482.59</b>	<b>–</b>	<b>242.75</b>	<b>1,239.84</b>

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

### Note a:

In case of Bharat Innovation Fund, the fair value has been determined based on the NAV (net asset value) as per the statement issued by Bharat Innovation Fund.

The fair value of shares Starlite Lighting Limited is less than its face value and the entire amount has been fully impaired in the books. The Company has given long term loans and guarantees for loans taken by Starlite Lighting Limited from the external lenders. The Company has determined the amount of loss allowance as per impairment requirements of Ind AS 109. Based on independent valuation performed by an external valuer based on the discounted cash flow model, the Company has determined that no liability has materialised as at March 31, 2021. The valuation has been performed using the below stated significant unobservable inputs as at March 31, 2021.

### Significant unobservable inputs used in Level 3 fair values as at March 31, 2021

Particulars	Significant Unobservable Inputs	Sensitivity
Investments (Equity and Preference shares of Starlite Lighting Limited)	Discount rate – 13.60% Terminal value growth rate – 3%	The enterprise value is greater than the value of the external debt of SLL and considering the sensitivity around the assumptions used, there is no impairment required as on March 31, 2021
and		1% increase in discount rate will decrease fair value by ₹ 3,039.17 lakhs.
Corporate guarantees given by the Company on behalf of Starlite Lighting Limited		1% decrease in discount rate will increase the fair value by ₹ 3,647.67 lakhs 1% increase in terminal value growth rate will increase fair value by ₹ 2,395.07 lakhs. 1% decrease in terminal value growth rate will decrease the fair value by ₹ 1,992.71 lakhs

### Note b:

Valued by applying the Black & Scholes Model considering risk free rate of 3.48%, time to maturity of 0.42 years and annualised volatility of 37.07%. The management believes that any reasonably possible change in the key assumptions would not cause any significant impact on the fair value.

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 approximate 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 2021

## Note 34 : Fair value measurements (Contd..)

### (iii) Reconciliation of level 3 fair value measurement

Particulars	(₹ in Lakhs)
	31-Mar-21
Opening balance as on 31st March 2020	1,239.84
Additions made during the year	0.37
Loss recognised in the statement of profit and loss	204.25
<b>Closing balance as on 31st March 2021</b>	<b>1,444.46</b>

## 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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

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.

The maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of such trade and other receivables as shown in note 6, 8 and 13 of the financials.

### Reconciliation of impairment allowance on trade and other receivables

Particulars	(₹ in Lakhs)
	Amount
Impairment allowance on March 31, 2020	14,519.17
Additions during the year	2,627.14
Reversals during the year since amounts are written off	(3,072.87)
Reversal during the year since provision no longer required	(750.27)
Acquired on demerger of Hind Lamps Limited	170.23
<b>Impairment allowance on March 31, 2021</b>	<b>13,493.30</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 2021 and 31 March 2020 is the carrying value of such cash and cash equivalents and deposits with banks as shown in note 12 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) to meet their capex and working capital requirements. 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. (Refer Note 5, 10 and 14).

### (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 2021

## 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

Particulars	₹ in Lakhs	
	31-Mar-21	31-Mar-20
<b>Floating / Fixed Rate</b>		
- Expiring within One year (Bank overdraft and other facilities)	233,965	205,741

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	Carrying value as at March 31, 2021	₹ in Lakhs				Total
		upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	
Borrowings	26,567.51	24,012.40	1,319.29	1,235.82	-	26,567.51
Trade payables	96,015.17	96,015.17	-	-	-	96,015.17
Lease liabilities	3,863.29	1,937.17	1,246.54	1,216.19	-	4,399.90
Other financial liabilities	75,341.07	75,520.85	988.06	-	-	76,508.91
<b>Total</b>	<b>201,787.04</b>	<b>197,485.59</b>	<b>3,553.89</b>	<b>2,452.01</b>	<b>-</b>	<b>203,491.49</b>

Particulars	Carrying value as at March 31, 2020	₹ in Lakhs				Total
		upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	
Borrowings	74,235.87	66,244.42	5,533.18	2,458.27	-	74,235.87
Trade payables	90,987.07	90,987.07	-	-	-	90,987.07
Lease liabilities	9,862.88	3,518.01	2,702.53	4,553.50	2,372.19	13,146.23
Other financial liabilities	68,037.01	70,568.94	948.40	-	-	71,517.34
<b>Total</b>	<b>243,122.83</b>	<b>231,318.44</b>	<b>9,184.11</b>	<b>7,011.77</b>	<b>2,372.19</b>	<b>249,886.51</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.

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 (INR), the company is exposed to Foreign Exchange risk arising from future commercial transactions and recognised assets and liabilities. The company is a net importer as its imports and other forex liabilities exceeds the exports. It ascertains its forex exposure and bifurcates the same into forex receivables and payables. These exposures are covered by taking appropriate forward cover from the banks.

The 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

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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

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 INR, are as follows :

Particulars	31-Mar-21		31-Mar-20	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	472.20	7,423.26	2,962.28	10,656.17
EUR	-	7.66	-	33.11
RMB	49.92	-	62.63	-
CFA	261.52	191.22	51.55	-
GBP	42.55	-	42.16	-
RMB	10.78	57.44	-	-
KES	2,290.94	-	178.93	-
ZMW	7.87	75.83	1.79	-
AED	43.44	20.39	0.66	0.39

Further, the Company has open foreign exchange forward contracts amounting to USD 117.77 lakhs (March 31, 2020 - USD 110.74 lakhs)

### b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments is given below

Particulars	Impact on profit after tax & Equity	
	31-Mar-21	31-Mar-20
USD sensitivity		
INR appreciates by 5% (31 March 2020 - 5%)	347.55	384.89
INR depreciated by 5%(31 March 2020 - 5%)	(347.55)	(384.89)

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

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Total debt	47,062.89	96,202.47
Total equity	157,822.62	134,825.09
Total debt to equity ratio	0.30	0.71

## 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, Power Distribution and Illumination; and "Others" includes Wind Energy.

### 1) Segment Results

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
a) Consumer Products	31,973.54	20,039.80
b) EPC	(5,412.63)	(3,462.24)
c) Others	(27.87)	(15.28)
<b>Operating Segment profit</b>	<b>26,533.04</b>	<b>16,562.28</b>
<b>Unallocated income / (expenses)</b>		
Depreciation & amortisation expenses	(30.16)	(26.89)
Finance Cost	(7,643.44)	(17,078.46)
Interest income on financial assets measured at amortised cost	890.51	88.74
Profit / (Loss) on sale of Property, plant & equipment	1,748.00	(17.19)
Rent received	258.24	258.61
Interest on Income Tax refund	394.85	120.15
Share of profit / (loss) of associate and joint venture	—	(285.22)
Others	(73.07)	1,093.68
<b>Profit before income tax</b>	<b>22,077.97</b>	<b>715.70</b>
Exceptional items	(2,548.61)	—
<b>Profit before income tax</b>	<b>24,626.58</b>	<b>715.70</b>

The operating segment results includes depreciation and amortization of ₹ 5,664.67 lakhs (March 31, 2020 – ₹ 5,246.04 lakhs) for consumer products, ₹ 1,783.39 lakhs (March 31, 2020 – ₹ 2,055.84 lakhs) for EPC and ₹ 38.26 lakhs (March 31, 2020 – ₹ 38.26 lakhs) for others.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 37: Segment reporting (Contd..)

### 2) Segment Revenue:

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
a) Consumer Products	331,508.08	309,477.18
b) EPC	126,893.41	189,175.59
c) Others	58.97	70.67
<b>Sub-total</b>	<b>458,460.46</b>	<b>498,723.44</b>
Less: Inter Segment Revenue	—	—
<b>Net Sales / Income from Operations</b>	<b>458,460.46</b>	<b>498,723.44</b>

There is no single customer 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 Lakhs)	
	31-Mar-21	31-Mar-20
India	444,804.11	482,872.99
Outside India	13,656.35	15,850.45
<b>Total</b>	<b>458,460.46</b>	<b>498,723.44</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 Lakhs)	
	As at March 31, 2021	As at March 31, 2020
a) Consumer Products	167,498.29	149,277.79
b) EPC	193,385.75	251,816.13
c) Others	133.10	128.08
<b>Total Segment Assets</b>	<b>361,017.14</b>	<b>401,222.00</b>
<b>Unallocated</b>		
Deferred tax assets	5,249.35	4,509.70
Income tax assets (net)	7,574.32	9,752.80
Investments	471.45	1,287.92
Investment Property	12,600.00	—
Property, Plant & Equipments, Capital work in progress, Intangible assets and Intangible assets under development	18,237.72	20,578.39
Cash & cash equivalents	4,563.58	10,472.94
Others	17,058.54	8,895.86
<b>Total assets as per balance sheet</b>	<b>426,772.10</b>	<b>456,719.61</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 Lakhs)	
	As at March 31, 2021	As at March 31, 2020
India	65,804.50	68,079.92
Outside India	94.68	87.40
<b>Total</b>	<b>65,899.18</b>	<b>68,167.32</b>

The capital expenditure incurred for consumer products is ₹ 2,350.83 lakhs (March 31, 2020 - 670.78 lakhs), for EPC is ₹ 305.07 lakhs (March 31, 2020 – 180.38 lakhs) and for others is ₹ 494.86 lakhs (March 31, 2020 – 1,922.41 lakhs)



# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## 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	As at	
	March 31, 2021	March 31, 2020
a) Consumer Products	126,377.63	107,149.80
b) EPC	82,707.78	110,444.91
c) Others	-	-
<b>Total Segment Liabilities</b>	<b>209,085.41</b>	<b>217,594.71</b>
<b>Unallocated</b>		
Borrowings	47,062.89	96,202.47
Others	12,801.18	8,072.34
<b>Total liabilities as per balance sheet</b>	<b>268,949.48</b>	<b>321,869.52</b>

## Note 38: Disclosure of transactions with related parties

Name of Related Party and Nature of relationship	Nature of Transaction	2020-21		2019-20	
		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	329.08	-	6,190.50	(215.19)
	Trade Advance Given	-	-	-	3,755.95
	Loan given	380.00	-	1,577.00	1,577.00
	Interest on loan and advance	59.40	-	225.82	40.32
	Sales	356.61	60.50	4,609.15	42.22
	Rent Received	7.55	1.35	24.78	-
	0% Non Convertible Redeemable Preference Shares	-	-	-	933.86
	Finance Income of preference shares (financial asset at amortised cost)	24.51	-	88.74	-
<b>(C) Joint Venture - Starlite Lighting Limited</b>					
	Purchases	17,623.99	-	14,945.29	(105.41)
	Trade Advance Given *	1,400.00	5,395.32	550.00	5,214.77
	Loans given	7,240.00	7,240.00	-	-
	Interest on loan and advance	1,169.60	-	806.85	64.20
	Interest Paid	-	-	21.75	(19.58)
	Sales of Components	2,303.06	3.03	1,734.32	-
<b>(D) Key Management Personnel #</b>					
	Short-term employee benefits	1,706.39	(531.36)	941.82	(54.71)
	Gratuity Settlement	-	-	-	-
	Post-employment benefits (contribution to super annuation fund)	60.64	-	54.48	-
	Long-term employee benefits (contribution to provident fund)	46.19	-	40.84	-
	Perquisite value of ESOPs exercised during the year	16.46	-	8.34	-
	<b>Total Compensation</b>	<b>1,829.67</b>	<b>(531.36)</b>	<b>1,045.48</b>	<b>(54.71)</b>

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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

Name of Related Party and Nature of relationship	Nature of Transaction	2020-21		2019-20	
		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>Dividend paid</b>	-	-	<b>708.50</b>	-
	<b>Right Shares Issued</b>	-	-	<b>7,641.87</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>					
	Advance given	1.80	1.80	-	-
	Reimbursement of Expenses	37.58	(6.56)	229.08	(45.09)
	Services Received	25.81	(39.46)	147.11	(71.37)
	Interest Received	0.17	-	-	-
	CSR Contribution	-	-	32.13	-
	Right Shares Issued	-	-	260.53	-
	Rent Paid	57.00	-	54.75	-
	Deposits given	-	28.24	-	29.70
	Deposits Refund	1.57	-	-	-
	Dividend Paid	-	-	59.17	-
	Other Expenses	-	-	-	-
	Sales	777.38	352.28	664.15	160.62
	Purchases	254.73	(128.54)	312.29	(43.89)
<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	-	624.61	-	605.36
	Claims Received	32.31	-	34.57	-
	Insurance Premium paid	1,221.65	-	971.52	-
	Other Expenses	4.25	(0.74)	3.28	-
	Contribution to Gratuity Fund	-	5,360.58	1,000.00	5,003.05
	CSR Contribution	175.37	-	436.70	-
	Sales	23.93	26.35	146.38	67.11
	Sale of Asset	6.00	-	-	-
	Advance for Capital Asset	-	-	0.97	-
	Right Shares Issued	-	-	15,114.24	-
	Reimbursement of Expenses	4.79	0.03	5.59	0.03
	Rent Deposit Advanced	-	150.00	-	150.00
	Rent Paid	35.40	(3.21)	35.40	(2.70)
	Fixed Assets Purchase	-	-	0.59	-
	Dividend Paid	-	-	1,453.83	-
	Purchases	1.46	-	-	-
	Inter Corporate Deposit taken	-	-	20,000.00	-
	Interest on Inter Corporate Deposit	-	-	676.44	-
	Advance given	5.00	-	-	-
	Services Received	9.20	(1.45)	-	-
	Rent Received	2.11	0.18	11.69	(0.43)
<b>(G) Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures has significant influence over the entities</b>					
	Right Shares Issued	-	-	311.31	-
	Dividend Paid	-	-	28.00	-

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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

Name of Related Party and Nature of relationship	Nature of Transaction	2020-21		2019-20	
		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
(₹ in Lakhs)					
<b>(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</b>					
	Trustees Bajaj Electricals Ltd Employees Provident Fund	2,123.55	(170.88)	2,097.93	(176.57)
	Matchwel Electrical India Limited Employees Provident Fund Trust	41.49	(3.69)	46.34	(3.97)
<b>(I) Transactions with the persons identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures</b>					
	Refund of Advance Rent	-	(15.00)	-	(15.00)

\* 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.

## Note 39. Earnings per share:

Particulars	31-Mar-21	31-Mar-20
(Loss) / Profit for the year (A) (₹ In Lakhs) - before exceptional items	16,347.28	(1,028.75)
(Loss) / Profit for the year (A) (₹ In Lakhs) - after exceptional items	18,895.89	(1,028.75)
Weighted average number of equity shares for basic EPS ( B )	114,218,703	103,879,353
Add: Effect of dilution (employee stock options - Refer Note 33)	404,101	109,139
Weighted average number of equity shares for diluted EPS ( C )	114,622,804	103,988,492
<b>Earnings Per Share in ₹ :- after exceptional items</b>		
(a) Basic EPS (A/B)	16.54	(0.99)
(b) Diluted EPS (A/C)	16.49	(0.99)
<b>Earnings Per Share in ₹ :- before exceptional items</b>		
(a) Basic EPS (A/B)	14.31	(0.99)
(b) Diluted EPS (A/C)	14.26	(0.99)

## Note 40. Commitments and contingencies

### a. Contingent liabilities

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Contingent Liabilities not provided for :		
i) Claims against the Company not acknowledged as debts (Refer Note xi, xii, xiii below)	2,067.20	2,228.95
ii) Guarantees on behalf of Joint Venture ₹ 27,200.00 Lakhs (Previous Year ₹ 26,700.00 Lakhs) (refer note x below)	22,986.70	22,890.44
iii) Excise and Customs duty matters under dispute	15.49	15.49
iv) Service Tax matters under dispute	149.40	149.40
v) Income Tax matters under dispute	385.76	355.76
vi) Sales Tax matters under dispute	4,665.02	9,454.14
vii) Uncalled liability in respect of partly paid Shares held as investments	7.20	7.20
viii) Others	181.60	0.00

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 40. Commitments and contingencies (Contd..)

ix. The Company's fluorescent and mercury containing lamps (CFL/FTL) fall within the purview of the E-waste (Management) Rules, 2016 (the "E-waste Rules") which has come in force with effect from October 01, 2016. Under the E-waste Rules the Company is responsible for collection and safe disposal of end of life CFL/FTL in terms of Extended Producer Responsibility (EPR) obligation set out therein. In the 57th meeting of Technical Review Committee of Central Pollution Control Board ("CPCB"), the compliances and implementation of EPR Authorisation conditions including targets under the E-waste Rules for the existing producers of CFL/ FTL were deferred till May 01, 2017. Electric Lamp and Component Manufacturers Association of India (ELCOMA), on behalf of all its members, has filed the Writ Petition (C) 5461 of 2016 ("Writ Petition") in the Hon'ble Delhi High Court challenging the inclusion of 'fluorescent and mercury containing lamps' under E-waste Rules. The Hon'ble Delhi High Court by its order dated September 28, 2016, directed the producers of CFL/FTL, to apply for EPR Authorisation without prejudice to their rights and contentions in the said Writ Petition. Subsequently, vide a later order (dated August 5, 2019) the Hon'ble Delhi High Court directed that the said interim order (dated September 28, 2016) shall continue to be operative during the pendency of the Writ.

The matter was supposed to be listed in March, 2020 but progress of the case was stalled due to lockdown as courts were only taking up extremely urgent cases through video conferences and since then no development has taken place in the matter.

The Company has been granted EPR authorization under E-Waste (Management) Rules, 2016 by Central Pollution Control Board for Electricals and Electronic Equipment with a collection target of 986.67 MT for FY 2019-20. The Company has entered into agreements with Trans Thane Creek Waste Management Association and GATI Logistics for collection and disposal of E-waste

x. The Company has given guarantees / letter of comfort for all borrowings (long term / short term) taken by its joint venture, Starlite Lighting Limited (SLL). As on March 31, 2021, the utilised amounts of these facilities were ₹ 22,986.70 lakhs. Management has determined the enterprise value of SLL based on the discounted cash flow projections for a period of 5 years, terminal growth rate of 3% and a discounting factor of 13.60%. The perpetuity value used in valuation is calculated under a 2-stage DCF model i.e. high growth phase and mature phase. The 5-year high growth period (FY22 – FY26) is considered which has contributed ₹ 177.42 crores to the enterprise value. Post high growth period, perpetuity sales growth rate is considered at 3%. 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 (Refer Note 34).

xi. These represent legal claims filed against the Company by various parties and these matters are in litigation. Management has assessed that in all these cases the outflow of resources embodying economic benefits is not probable.

xii. The Company had in earlier years terminated employment agreements of few die casting workmen at the Chakan plant. On 3rd July, 2018, the Honourable High Court of Bombay had awarded the appeal in favour of the Company. On 27th June, 2019, the appeal on the matter has been admitted in the Honourable Supreme Court. Management has assessed that the outflow of resources embodying economic benefits is not probable and has accordingly considered the claim of ₹ 292.28 lakhs as contingent liability.

xiii. The Company has issued purchase orders to a vendor for procurement of "AB cables and service cables" to its Madhyanchal ("MVVNL") and Purvanchal ("PVVNL") projects site in UP. The vendor being a MSME registered party has filed the case under MSMED Act, 2006 claiming interest as well as principal against the Company. Per the case, vendor claims to have supplied consignments as per the terms and conditions mentioned in the purchase orders however payments have not been made by the Company. The management has filed a Statement of Defence and Counter Claim since the vendor has failed to comply with the terms and conditions in the purchase order (viz. timely supply of material, supply of the material as per specifications, making good of any short supply of material, providing replacement of material flagged as not meeting specifications or deficient in quality). Accordingly, the management has assessed the exposure in this regard to be not probable and disclosed ₹ 182.83 lakhs as contingent liability.

xiv. 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 ₹ 1,474.86 lakhs (March 31, 2020, ₹ 1,266.19 lakhs).

ii. During the previous 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 ₹ 1,300 lakhs. As on March 31, 2021, only ₹ 418.94 Lakhs has been drawn down by Bharat Innovation Fund.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 41: Disclosures of revenue from contracts with customers

The disclosures as required for revenue from contracts with customers are as given below

### (i) Disaggregation of revenue

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
<b>A. Revenue from contracts with customers</b>		
Consumer products (includes appliances, lighting and fans)	331,229.65	309,150.62
Engineering, procurement and construction (EPC) (includes power distribution, transmission line towers and illumination)	126,076.73	188,552.51
Others	58.98	70.67
	<b>457,365.36</b>	<b>497,773.80</b>
<b>B. Reconciliation of contracted price with (A) above</b>		
Revenue at contracted price	469,417.95	524,121.20
Unbilled on account of work under certification	(3,731.26)	(8,394.88)
Billing in excess of contract revenue	5,924.97	(5,147.68)
Revenue deferred on customer loyalty program and warranty provision	(4,385.12)	(6,071.15)
Discounts	(9,598.70)	(7,085.93)
Others	(262.48)	352.24
<b>Revenue from contracts with customers (a)</b>	<b>457,365.36</b>	<b>497,773.80</b>
<b>Add: Other revenue (b)</b>		
<b>Claims received, export incentives, etc</b>	<b>1,095.10</b>	<b>949.64</b>
<b>Revenue from operations (a+b)</b>	<b>458,460.46</b>	<b>498,723.44</b>

Particulars	(₹ in Lakhs)	
	For the year ended	
	31-Mar-21	31-Mar-20
<b>Timing of revenue recognition</b>		
At a point in time	331,567.04	309,547.85
Over a period of time	126,893.42	189,175.59
<b>Revenue from operations</b>	<b>458,460.46</b>	<b>498,723.44</b>

### (ii) Contract balances

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Contract assets	6,861.30	10,592.55
Contract liabilities	20,545.95	37,050.83
Accounts receivables	191,686.48	253,653.75
Revenue recognised in the period from:		
Amounts included in contract liability at the beginning of the period	16,651.91	42,354.30

The contract assets and contract liabilities balances mentioned above pertain to the EPC segment of the Group. The Group executes the work as per the terms and agreements mentioned in the contracts. The Group receives payments from the customers based on the milestone achievement and billing schedule as established in the contracts.

Contract assets are initially recognised for revenue earned from supply of materials and erection services provided when the performance obligation is met. Upon achievement and acceptance of milestones mentioned by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities are relates to payments received in advance of performance under the contract and billing in excess of contract revenue recognised. Contract liabilities are recognised as revenue when the Group satisfies the performance obligation under the contract.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

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

### (iii) Performance obligations

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

#### Consumer Product Segment:

#### a) Delivery of goods:

The Group 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 Group offers standard warranty on selected products. The Group makes provision for same as per the principles laid down under Ind AS 37. The payment is generally due within 30 to 60 days across various streams of dealers and distributors.

#### b) Loyalty program:

The Group operates a customer loyalty program (for retailers), where the customer is awarded certain points on purchase of selected products from the Group. The customer (retailer) can redeem these points in future. The Group treats the redemption of customer loyalty points as a separate performance obligation. Accordingly, the revenue is recognised by allocating the total transaction price on the stand alone selling prices of sale of goods and loyalty points.

#### c) Extended warranties:

The Group provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are bundled together with the sale of products. Contracts for bundled sales of products and a service-type warranty comprise two performance obligations because the product and service-type warranty are both sold on a stand-alone basis and are distinct within the context of contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as deferred revenue. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed

#### Engineering, procurement and construction:

The performance obligations in EPC segment is the supply of materials and erection services. The supply of materials and erection services are promised goods and services which are not individually distinct. Hence both of them are counted as a single performance obligation under the contract. The satisfaction of this performance obligation happens over time, as the performance or enhancement of the obligation is controlled by the customer. Also, the performance of the obligation creates an asset without any alternative use to the customer. The Group uses the input method to determine the progress of the satisfaction of the performance obligation and accordingly recognises revenue.

The standalone selling price of the performance obligation is determined after taking the variable consideration and significant financing component .

### (iv) Unsatisfied performance obligations

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Consumer products	18,261.64	13,886.31
EPC	79,255.75	163,320.14
<b>Total</b>	<b>97,517.39</b>	<b>177,206.45</b>

### (v) Assets recognised from the costs to obtain or fulfil a contract

Particulars	(₹ in Lakhs)	
	31-Mar-21	31-Mar-20
Unamortised portion of cost to obtain a contract	11.01	153.18
Amount recognised in the profit and loss account	2,408.46	3,403.43



# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 42: Leases:

The Group for the consumer products segment, generally takes godowns on lease to store the goods at various locations. These godowns generally have a term of 1 year to 3 years. There are few godowns with a longer lease period of 5 years or more also. Similarly, the Group also takes on lease, storage places at various EPC sites to store the inventories which are used for construction. These leases are generally short term in nature, with very few contracts having a tenure of 1-2 years. Further, the Group has few guest houses, residential premises and office premises also on leases which generally for a longer period ranging from 2-5 years.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, on the commencement of the lease. There are several lease contracts that include extension and termination options. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The leases which the Group enters, does not have any variable payments. The lease rents are fixed in nature with gradual escalation in lease rent.

Apart from the above, the Group also has various leases which are either short term in nature or the assets which are taken on the leases are generally low value assets (e.g. printers). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group has determined leasehold lands also as, right of use assets and hence the same has been classified from property, plant and equipment to right of use assets.

### Disclosures under Ind AS 116

Particulars	₹ in Lakhs	
	31-Mar-21	31-Mar-20
Amortization charge for right of use assets	3,123.16	2,966.73
Interest expense on lease liabilities	944.13	1,073.96
Lease rent expenses for short term leases	1,273.20	1,972.62
Lease rent expenses for low value assets	111.09	213.46
Cash outflow towards lease liabilities	3,652.65	3,280.61
– as principal	2,708.52	2,206.65
– as interest	944.13	1,073.96
Carrying amount of right of use assets	6,123.04	12,047.28
Carrying amount of lease liabilities	3,863.29	9,862.88

For movement of right of use assets, refer note 3

For movement of lease liability, refer note 3. For maturity profile of lease liabilities, refer note 35 (liquidity risk)

For significant judgements used for accounting right of use assets and lease liabilities, refer note 1D(6)

## Note 43: 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 venture. The information disclosed reflects the amounts presented in the consolidated financial statements of the relevant joint venture and not Company's share of those amounts.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 43: Disclosure of interest in entities (Contd..)

### Summarised balance sheet

Summarised balance sheet	₹ in Lakhs	
	Starlite Lighting Limited (Joint venture) 31-03-2021 (Audited)	31-03-2020 (Audited)
<b>Current assets</b>		
Cash and cash equivalents	76.21	0.57
Other assets	7,742.21	7,154.21
<b>Total current assets</b>	<b>7,818.42</b>	<b>7,154.78</b>
<b>Total non-current assets</b>	<b>11,319.00</b>	<b>12,580.31</b>
<b>Current liabilities</b>		
Financial liabilities (excluding trade payables)	38,097.54	30,790.34
Other liabilities	3,260.17	3,215.43
<b>Total Current liabilities</b>	<b>41,357.71</b>	<b>34,005.77</b>
<b>Non-current liabilities</b>		
Financial liabilities (excluding trade payables)	12,749.80	15,795.84
Other liabilities	215.26	169.96
<b>Total non-current liabilities</b>	<b>12,965.06</b>	<b>15,965.80</b>
<b>Net Assets</b>	<b>(35,185.35)</b>	<b>(30,236.48)</b>

### Reconciliation to carrying amounts

Particulars	₹ in Lakhs	
	Starlite Lighting Limited (Joint venture) 31-03-2021 (Audited)	31-03-2020 (Audited)
<b>Opening net assets</b>	579.42	579.42
Profit / (Loss) for the year	–	–
Other comprehensive income	–	–
Less: Accumulated impairment	(579.42)	(579.42)
<b>Closing net assets</b>	<b>–</b>	<b>–</b>

Summarised statement of profit and loss	₹ in Lakhs	
	Starlite Lighting Limited (Joint venture) 31-03-2021 (Audited)	31-03-2020 (Audited)
Revenue from operations	18,100.20	17,289.56
Other income	81.54	54.83
<b>Less:</b>		
Cost of manufacturing	13,301.26	13,556.28
Employee benefits expense	1,052.57	991.64
Depreciation and amortisation	1,006.78	1,089.23
Other expenses	2,139.55	1,983.44
Finance Cost	4,990.97	4,605.95
Exceptional items	625.31	46.90
Income tax expense	–	–
<b>Profit/ (Loss) for the year from continuing operations</b>	<b>(4,934.70)</b>	<b>(4,929.05)</b>
Other comprehensive income	(14.15)	(34.24)
<b>Total comprehensive income</b>	<b>(4,948.85)</b>	<b>(4,963.29)</b>
Dividends received	NIL	NIL

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 43: Disclosure of interest in entities (Contd..)

### ii) Commitments and contingent liabilities in respect of joint venture

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, 2021.

Particulars	(₹ in Lakhs)							
	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	101.68%	160,473.26	97.19%	18,364.21	99.30%	(859.78)	97.28%	19,223.99
<b>2. Subsidiary</b>								
Nirlep Appliances Pvt Ltd	-1.70%	(2,687.67)	-2.48%	(469.02)	0.70%	(6.05)	-2.34%	(462.97)
<b>3. Joint Venture</b>								
Starlite Lighting Limited	-	-	-	-	-	-	-	-
<b>4. Intercompany eliminations and consolidation adjustments</b>								
	0.02%	37.03	5.30%	1,000.70	-	-	5.06%	1,000.70
<b>Total</b>	<b>100.00%</b>	<b>157,822.62</b>	<b>100.00%</b>	<b>18,895.89</b>	<b>100.00%</b>	<b>(865.83)</b>	<b>100.00%</b>	<b>19,761.72</b>

## Note 44:

- a) During the financial year 2019, the Group had acquired controlling equity stake of 79.85% in Nirlep Appliances Private Limited ('Nirlep') to further augment the product range available under the consumer products segment. Further, in terms of the share purchase agreement, the Group 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 (August 31, 2018), at an exercise price as determined in the agreement.

Movement in non-controlling interest is as given below:

Particulars	₹ in Lakhs
Redemption liability of non-controlling interest as at March 31, 2020 (being the present value of the estimated future purchase price)	885.76
Share in profit / loss attributable to NCI as per the statement of profit and loss	(158.80)
Share in other comprehensive income attributable to NCI	1.22
<b>Redemption liability of non-controlling interest after above adjustments (A)</b>	<b>728.18</b>
Redemption liability of non-controlling interest as at March 31, 2021 (being the present value of the estimated future purchase price) (B)	973.02
<b>Differential recognised in equity (A-B)</b>	<b>244.84</b>

- b) During the year ended March 31, 2021, the Group has performed its annual impairment test and determined that there is no impairment. The recoverable amounts of the CGU's have been determined on the basis of the value in use calculations. The calculation uses cash flow projections based on budgets approved by the management, discounting rate of 18.27% and terminal growth rate of 3%. 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

**Note 45:** During the year, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated May 21, 2020 had approved the scheme of arrangement for demerger of the manufacturing undertaking of the Hind Lamps Limited (associate of the Parent Company) into the Parent Company, which has been filed with the Registrar of Companies on June 30, 2020. The Parent Company has accounted for the demerger as a business combination under Ind AS 103 as per the Scheme and accounted for the fair value of assets and liabilities acquired. Consequently, the Parent Company has derecognised its existing 19% of the proportionate investment in the manufacturing undertaking of Hind Lamps Limited, resulting in a gain of ₹ 2,548.61 lakhs which has been disclosed as an exceptional items in the financial results. As per the Ind AS 103 and the Scheme, the difference of ₹ 165.19 lakhs, between the fair value of the assets acquired, liabilities assumed and the consideration has been credited to other comprehensive income and accumulated in equity as capital reserve.

Particulars	Amount in Lakhs
<b>Assets</b>	<b>16,656.12</b>
Cash and cash equivalents	3.95
Others current financial assets	68.22
Inventories	767.73
Other current assets	159.47
Deferred tax assets (net)	1,944.83
Financial Assets - Non Current	35.34
Income tax assets (net)	5.14
Investment Properties	12,600.00
Other non-current assets	6.06
Property, plant and equipment	1,042.66
Right of Use Assets	22.72
<b>Liabilities</b>	<b>14,166.30</b>
Financial Liabilities - Current	4,276.55
Other Current Liabilities	3,985.86
Provisions - Current	100.00
Employee Benefit Obligations - Non Current	1,117.78
Financial Liabilities - Non Current	4,686.11
<b>Fair value of net assets acquired (a)</b>	<b>2,489.82</b>
<b>Consideration (equity shares of BEL and derecognition of existing equity) (b)</b>	<b>2,324.64</b>
Equity shares issued	9.43
Securities premium	1,842.31
Derecognition of existing value of equity as an associate	472.90
<b>Gain on bargain purchase on demerger (a-b)</b>	<b>165.18</b>

## Note 46: Subsequent events

### Execution of Control Transfer Agreement:

The Parent Company, at its meeting held on Friday, April 30, 2021 ("Effective Date"), executed the Control Transfer Agreement ("CTA") with (i) Shri Ravindra Bharati and Shri Arvind Bharati (collectively, the "Outgoing Promoters"), who, along with the Company, were promoters / joint promoters of Starlite Lighting Limited ("SLL"), (ii) some other shareholders of SLL (related to the outgoing promoters or belonging to their business group), and (iii) SLL

- to terminate the Shareholders Agreement dated February 22, 2007 by and between the outgoing promoters, company and SLL; and
- to record the agreed terms and conditions for the relinquishment and transfer of the joint control and management rights of SLL by the outgoing promoters in favour of the Company such that the Company shall have the sole control and management rights of SLL from the start of the business hours on the Effective Date.

In consideration of the said relinquishment and transfer of joint control and management rights of SLL by outgoing promoters in favour of the Company, the Company will pay an aggregate control premium of ₹1,480 lakhs, plus GST as applicable, to the outgoing promoters, subject to the terms and conditions of the said CTA.

Subsequently, SLL has become a subsidiary of the Company w.e.f. the Effective Date (i.e. April 30, 2021)

# Notes to Consolidated Financial Statements

for the year ended 31st March 2021

## Note 46: Subsequent events (Contd..)

### Execution of Share Subscription Agreement:

With the approval granted by the Board of the Company at its Meeting, the Share Subscription Agreement (“SSA”) has been executed on April 30, 2021 (after the execution of CTA) by and amongst: (i) the Company, (ii) SLL, (iii) Shri Ravindra Bharati, and (iv) Shri Arvind Bharati, for subscribing to the 4,50,00,000 Equity Shares of SLL (“Subscription Shares”) by the Company and/or by its identified purchaser(s) at a price of ₹10/- per Equity Share, which are to be issued on a private placement / preferential allotment basis, subject to the approval of the board of directors and shareholders of SLL.

### Scheme of merger of SLL into the Company

The Board of Directors of the Company, at its meeting held on May 25, 2021, considered and approved the Scheme of Merger by Absorption of Starlite Lighting Limited (“Transferor Company”) with the Transferee Company and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Scheme”). The Scheme is subject to the necessary statutory and regulatory approvals including the approvals of Hon’ble National Company Law Tribunal, the shareholders and creditors of each of the companies.

**Note 47:** 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 47

As per our report attached of even date

### For S R B C & CO LLP

ICAI 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 25, 2021

#### Ajay Nagle

Executive Vice President

Legal & Company Secretary

Mumbai, May 25, 2021

#### Anant Purandare

President &

Chief Financial Officer

#### Shailesh Haribhakti

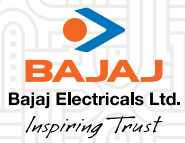
Chairman - Audit Committee

DIN: 00007347

## FORWARD-LOOKING STATEMENTS

Some information in this report may contain forward-looking statements which include statements regarding Company’s expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forwardlooking statement, whether as a result of new information, future events, or otherwise.





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