Independent Auditor's Report

To the Members of **Bajaj Electricals Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Bajaj Electricals Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matters
(a) A. Cost to complete estimates in the EPC business segment (Refer Note 1D(3) of the consolidated financial statements)	
Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of related contract risks and their financial estimation; scope of deliveries and services required for fulfilling the contractually defined obligations and expected delays, if any.	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.

Key audit matters	How our audit addressed the key audit matters
Accordingly, cost to complete estimates have been considered as a key audit matter.	• Examined whether the future supply quantities in the selected projects are in line with the contractual Bill of Quantities (BOQ) / survey conducted by the management. Further, also performed audit tests in respect of erection and other overhead costs considered in the selected projects. • 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 consolidated financial statements)	
As at March 31, 2022, trade receivables of ₹ 47,814.22 lakhs (net of impairment allowance of ₹ 3,872.35 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 samples, assessed whether the rationale behind the management's judgment in determining the impairment provisions are in line with the customer correspondences (including any disputes), material reconciliations (where done during the year) and post year end payments.
C. Timing of revenue recognition for Consumer Product business (Refer Notes 1B(2)(1) and 24 of the consolidated Ind financial statements)	
Revenue from contracts with customers is recognised upon transfer of control of promised goods and is measured at the fair value of the consideration received or receivable, net of returns, schemes and rebates, based on contractually defined terms. 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. The risk is, therefore, that revenue is not recognized in the correct period and accordingly, it was determined to be a key audit matter in our audit of the consolidated financial statements.	Audit procedures included the following: • Assessed the Holding 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.

Key audit matters	How our audit addressed the key audit matters
(b) D. Impairment testing of Goodwill (Refer Note 1B(2) and 44 of the consolidated financial statements)	
As at March 31, 2022, the Company has carrying amount of Goodwill of ₹ 19,001.10 lakhs pertaining to Starlite Lighting Limited and Nirlep Appliances Private Limited In accordance with the requirements of Ind AS 36 Impairment of Assets, the Company performs an annual impairment assessment of Goodwill and the corresponding cash generating units to determine whether the recoverable value is below the carrying amount as at March 31, 2022. For this purpose, the recoverable value of the cash generating unit is based on the value in use model, which has been derived from the discounted cash flow model. The model requires the Company to make significant assumptions such as discount rate, near and long-term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook. Changes in certain methodologies and assumptions can lead to significant changes in the assessment of the recoverable value. Due to the level of judgments involved and its significance to the Company's financial position, this is considered to be a key audit matter.	Our audit procedures included the following: • Obtained an understanding of the process followed by the management to determine the recoverable amounts of cash generating units determined by the Company. • Evaluated the design and implementation and tested the operating effectiveness of key internal controls related to the Company's process relating to review of the annual impairment analysis. • Assessed Company's valuation methodology applied in determining recoverable value including the reasonableness of identification of cash generating units around the key drivers (cash flow forecasts, discount rates, expected growth rates, forecasted margins and terminal growth rates) based on our knowledge of the Company and Industry. Compared the historical accuracy by comparing past forecasts to actual results achieved. • Assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units • Assessed the disclosures made in the consolidated financial statements

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 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

(a) The consolidated financial statements also include the Group's share of net profit of ₹ 0.00 lakhs for the year ended March 31, 2022, as considered in the consolidated financial statement, in respect of an associate, whose financial statement, other financial information have been audited by other auditor 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 auditor.

(b) The accompanying consolidated financial statements include unaudited financial statement and other unaudited financial information in respect of one subsidiary, whose financial statement and other financial information reflect total assets of ₹ 45.88 lakhs as at March 31, 2022, and total revenues of ₹ 0.00 lakhs and net cash outflows of ₹ 5.40 lakhs for the year ended on that date. This unaudited financial statement and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statement and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate company, none of the directors of the Group's companies, and its associate, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies and associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion and based on the consideration of reports of other statutory auditors of the associate, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiary and associate incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and an associate, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 40 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 40 to the consolidated financial statements in respect of such items as it relates to the Group;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, and associate, incorporated in India during the year ended March 31, 2022.

iv. a) The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, and associate respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) As stated in note 17 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Company at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

per **Vikram Mehta**
Partner
Membership Number: 105938
UDIN: 22105938AJBYDK2427
Mumbai, May 17, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BAJAJ ELECTRICALS LIMITED

Referred to in Paragraph 1 under the hearing "Report on other legal and regulatory requirements" of our report of even date:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Sr no	Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Bajaj Electricals Limited	L31500MH1938PLC009887	Holding Company	Paragraph 3 (iii c and iii d)
2	Nirlep Appliances Private Limited	U27200MH1979PTC021470	Subsidiary	Paragraph 3(xvii)
3	Starlite Lighting Limited	U31300MH1995PLC090213	Subsidiary	Paragraph 3(xvii)

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

per **Vikram Mehta**
Partner
Membership Number: 105938
UDIN: 22105938AJBYDK2427
Mumbai, May 17, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BAJAJ ELECTRICALS LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Bajaj Electricals Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group and its associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these three subsidiaries and an associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such associate incorporated in India.

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

per **Vikram Mehta**
Partner
Membership Number: 105938
UDIN: 22105938AJBYDK2427
Mumbai, May 17, 2022

Consolidated Balance Sheet as at 31st March 2022

(₹ in Lakhs)

Particulars	Notes	As at 31-Mar-22	As at 31-Mar-21
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	35,769.89	30,579.85
Capital work in progress	2	2,820.12	1,002.49
Right-of-use assets	3	6,855.68	6,123.05
Intangible assets	4	665.88	1,155.09
Intangible assets under development	4	1,546.59	781.50
Investment properties	4.1	13,077.04	12,600.00
Goodwill	44	19,001.10	2,644.36
Investments in associate	5.1	-	-
Financial Assets			
i) Investments	5.2	489.73	471.45
ii) Trade receivables	6	22,109.94	40,470.53
iii) Loans	7	22.35	7,244.74
iv) Other financial assets	8	3,783.59	2,884.34
Deferred tax assets (net)	9	8,143.54	5,249.35
Non-current tax assets (net)		10,405.17	7,574.32
Other non-current assets	10	13,358.61	11,012.87
Total Non-Current Assets		**1,38,049.23**	**1,29,793.94**
Current Assets			
Inventories	11	99,788.02	98,639.97
Financial Assets			
i) Trade receivables	6	1,13,951.23	1,51,215.95
ii) Cash and cash equivalents	12	11,881.50	4,563.58
iii) Bank balances other than (ii) above	12	2,372.26	1,598.71
iv) Loans	7	0.84	1.02
v) Other current financial assets	13	776.39	389.66
Other current assets	14	25,273.97	33,420.95
Contract assets	41	5,344.34	6,861.30
		2,59,388.55	**2,96,691.14**
Assets classified as held for sale	15	1,719.41	287.02
Total Current Assets		**2,61,107.96**	**2,96,978.16**
Total Assets		**3,99,157.19**	**4,26,772.10**
EQUITY & LIABILITIES			
Equity			
Equity share capital	16	2,297.48	2,290.73
Other Equity	17	1,70,857.92	1,55,531.89
Non-controlling interest	47	(2,633.98)	-
Total Equity		**1,70,521.42**	**1,57,822.62**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
i) Borrowings	18	1,183.32	2,555.11
ia) Lease liabilities	3	3,035.04	2,210.59
ii) Other financial liabilities	19	34.48	988.06
Provisions	20	2,309.11	2,149.02
Employee benefit obligations	21	6,314.56	6,896.31
Total Non-Current Liabilities		**12,876.51**	**14,799.09**
Current Liabilities			
Financial Liabilities			
i) Borrowings	18	3,307.68	44,507.78
ia) Lease liabilities	3	1,552.76	1,652.70
ii) Trade payables	22		
Total Outstanding dues of micro enterprises & small enterprises		7,905.23	11,775.27
Total Outstanding dues of other than micro enterprises & small enterprises		1,15,641.46	84,239.90
iii) Other current financial liabilities	19	46,157.91	53,857.62
Provisions	20	7,854.79	8,983.64
Employee benefit obligations	21	918.77	1,233.11
Current tax liabilities (net)		1,701.21	2,382.61
Contract liabilities	41	9,117.44	20,545.95
Other current liabilities	23	21,602.01	24,971.81
Total Current Liabilities		**2,15,759.26**	**2,54,150.39**
Total Liabilities		**2,28,635.77**	**2,68,949.48**
Total Equity & Liabilities		**3,99,157.19**	**4,26,772.10**
Summary of significant accounting policies	1B		
The accompanying notes are an integral part of the Consolidated Financial Statements			

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per Vikram Mehta
Partner
Membership No.105938
Mumbai, May 17, 2022

EC Prasad
Chief Financial Officer

Ajay Nagle
Legal & Company Secretary

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

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

Shailesh Haribhakti
Chairman - Audit Committee
DIN: 00007347

Consolidated Statement of Profit and Loss for the year ended 31st March 2022

(₹ in Lakhs)

Particulars	Notes	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Income:			
Revenue from operations	24	4,81,301.45	4,58,460.46
Other income	25	6,833.64	6,920.48
Total Income		**4,88,135.09**	**4,65,380.94**
Expenses:			
Cost of raw materials consumed	26	59,814.65	35,015.06
Purchases of traded goods		2,67,605.16	2,91,613.05
Changes in inventories of work-in-progress, finished goods, traded goods	26	1,711.05	(27,072.70)
Erection & subcontracting expenses	27	13,395.21	24,371.20
Employee benefit expenses	28	40,140.08	39,450.58
Depreciation and amortisation expense	29	6,923.44	7,516.48
Other expenses	30	73,620.19	64,765.85
Finance cost	31	6,974.36	7,643.45
Total Expenses		**4,70,184.14**	**4,43,302.97**
Profit before share of profit / (loss) of an associate and a joint venture, exceptional items and tax		**17,950.95**	**22,077.97**
Exceptional Items	45, 48	1,322.69	(2,548.61)
Profit before share of profit / (loss) of an associate and a joint venture and tax		**16,628.26**	**24,626.58**
Share of profit / (loss) of associate and joint venture		-	-
Profit before tax		**16,628.26**	**24,626.58**
Income tax expense:			
Current tax	32	5,321.86	4,761.14
Deferred tax	9	(644.92)	969.55
Adjustment of tax relating to earlier periods		(489.34)	-
Total tax expenses		**4,187.60**	**5,730.69**
Profit for the year		**12,440.66**	**18,895.89**
Other comprehensive (income) / loss			
Items that will be reclassified to profit and loss in subsequent periods			
Cash flow hedge reserve	35c	(51.20)	-
Tax impacts on above		12.89	-
Items that will not be reclassified to profit and loss in subsequent periods			
Remeasurement (gains)/losses on defined benefit plans	21	(710.34)	(936.30)
Tax impacts on above	9	178.78	235.65
Gain on bargain purchase on demerger	45	-	(165.18)
Other comprehensive income net of tax		**(569.87)**	**(865.83)**
Total Comprehensive Income net of tax		**13,010.53**	**19,761.72**
Profit for the year attributable to			
Equity holders of the parent		12,851.65	19,054.69
Non-controlling interest		(410.99)	(158.80)
Other comprehensive (income) / loss for the year attributable to			
Equity holders of the parent		(571.97)	(864.61)
Non-controlling interest		2.10	(1.22)
Total comprehensive income / (loss) for the year attributable to			
Equity holders of the parent		13,423.62	19,919.30
Non-controlling interest		(413.09)	(157.58)
Earnings per equity share before exceptional items (face value per share ₹ 2)	39		
Basic		11.71	14.31
Diluted		11.67	14.26
Earnings per equity share after exceptional items (face value per share ₹ 2)	39		
Basic		10.85	16.54
Diluted		10.81	16.49
Summary of significant accounting policies	1B		
The accompanying notes are an integral part of the Consolidated Financial Statements			

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per Vikram Mehta
Partner
Membership No.105938
Mumbai, May 17, 2022

EC Prasad
Chief Financial Officer

Ajay Nagle
Legal & Company Secretary

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

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

Shailesh Haribhakti
Chairman - Audit Committee
DIN: 00007347

Consolidated Statement of changes in equity for the year ended 31st March 2022

A. Equity share capital (Note 16)

(₹ In Lakhs)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Equity shares of ₹ 2 each issued, subscribed and fully paid-up		
At the beginning of the year	2,290.73	2,275.35
Issue of equity share capital during the year	6.75	15.38
At the end of the year	2,297.48	2,290.73

B. Other equity (Note 17)

(₹ in Lakhs)

Particulars	Others		Reserves and surplus							
	Share Application Money Pending Allotment	Efective portion of cash flow hedges	Securities premium reserve	Debenture Redemption Reserve	Shares Option Outstanding	General Reserve	Retained earnings*	Capital Redemption Reserve	Capital Reserve	Total
Balance as at 31st March 2021	**12.51**	**-**	**63,391.97**	**3,750.00**	**1,181.39**	**45,967.75**	**40,917.38**	**135.71**	**175.18**	**1,55,531.89**
Profit for the year	-	-	-	-	-	-	12,851.65	-	-	12,851.65
Other comprehensive income	-	38.31	-	-	-	-	533.66	-	-	571.97
Total	**12.51**	**38.31**	**63,391.97**	**3,750.00**	**1,181.39**	**45,967.75**	**54,302.69**	**135.71**	**175.18**	**1,68,955.51**
Exercise of share options	-	-	1,435.02	-	-	-	-	-	-	1,435.02
Exercise of share options - transferred from shares options outstanding account	-	-	529.14	-	(529.14)	-	-	-	-	-
Employee stock option expense for the year	-	-	-	-	580.85	-	-	-	-	580.85
Transferred from share options outstanding account on lapse of vested options	-	-	-	-	(34.54)	-	34.54	-	-	-
Transfer from Debenture redemption reserve to retained earnings	-	-	-	(3,750.00)	-	-	3,750.00	-	-	-
Issue of share capital	(12.51)	-	-	-	-	-	-	-	-	(12.51)
Fair value of non-controlling interest put option (Note 47)	-	-	-	-	-	-	(150.93)	-	-	(150.93)
Charge for the year	-	49.98	-	-	-	-	-	-	-	49.98
Balance as at 31st March 2022	**-**	**88.29**	**65,356.13**	**-**	**1,198.56**	**45,967.75**	**57,936.30**	**135.71**	**175.18**	**1,70,857.92**

* Retained earnings includes revaluation reserve of ₹ 808.60 lakhs subsumed during transition to Ind AS

Consolidated Statement of changes in equity for the year ended 31st March 2022

B. Other equity (Note 17) (Contd..)

(₹ in Lakhs)

Particulars	Others		Reserves and surplus							
	Share Application Money Pending Allotment	Efective portion of cash flow hedges	Securities premium reserve	Debenture Redemption Reserve	Shares Option Outstanding	General Reserve	Retained earnings*	Capital Redemption Reserve	Capital Reserve	Total
Balance as at 31st March 2020	**0.02**	**-**	**60,139.79**	**4,625.00**	**1,261.09**	**43,256.34**	**23,121.79**	**135.71**	**10.00**	**1,32,549.74**
Profit for the year	-	-	-	-	-	-	19,054.69	-	-	19,054.69
Other comprehensive income	-	-	-	-	-	-	699.43	-	165.18	864.61
Total	**0.02**	**-**	**60,139.79**	**4,625.00**	**1,261.09**	**43,256.34**	**42,875.91**	**135.71**	**175.18**	**1,52,469.04**
Exercise of share options	-	-	1,030.84	-	-	-	-	-	-	1,030.84
Exercise of share 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
Securities premium on issue of shares on demerger (refer note 45)	-	-	1,842.31	-	-	-	-	-	-	1,842.31
Employee stock option expense for the year	-	-	-	-	421.99	-	-	-	-	421.99
Transferred from share options outstanding account on lapse of vested options	-	-	-	-	(122.71)	-	122.71	-	-	-
Transfer from Debenture redemption reserve to general reserve	-		-	(875.00)	-	875.00	-	-	-	(0.00)
Issue of share capital	12.49	-	-	-	-	-	-	-	-	12.49
Fair value of non-controlling interest put option	-	-	-	-	-	-	(244.83)	-	-	(244.83)
Transfer from retained earnings to general reserve	-	-	-	-	-	1,836.41	(1,836.41)	-	-	-
Balance as at 31st March 2021	**12.51**	**-**	**63,391.97**	**3,750.00**	**1,181.39**	**45,967.75**	**40,917.38**	**135.71**	**175.18**	**1,55,531.89**

* 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

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

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

EC Prasad
Chief Financial Officer

Anuj Poddar
Executive Director
DIN: 01908009

per Vikram Mehta
Partner
Membership No.105938
Mumbai, May 17, 2022

Ajay Nagle
Legal & Company Secretary

Shailesh Haribhakti
Chairman - Audit Committee
DIN: 00007347

Consolidated Cash Flow Statement for the year ended 31St March 2022

(₹ in Lakhs)

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-21
Cash flow from operating activities		
Profit before income tax	16,628.26	24,626.58
Adjustments for:		
Depreciation and amortisation expense	6,923.44	7,516.48
Employee share-based payment expense	580.85	421.99
Gain on disposal of property, plant and equipment (net)	(490.97)	(2,256.81)
Measurement of financial assets held at fair value through Profit or Loss	(19.99)	(117.00)
Measurement of financial assets and liabilities held at amortised cost	(59.05)	(229.12)
Measurement of provisions at fair value	(354.49)	(341.47)
Derecognition of investment in associate pursuant to demerger	-	(2,548.61)
Impairment of property, plant and equipment	845.00	-
Finance costs	6,974.36	7,643.45
Interest income	(694.81)	(1,916.69)
Impairment allowance for doubtful debts & advances (net of write back)	(2,303.18)	(1,228.96)
Bad debts and other irrecoverable debit balances written off	1,374.00	3,016.36
	29,403.42	34,586.20
Change in operating assets and liabilities:		
(Increase)/decrease in trade receivables (current & non-current)	57,213.09	60,368.97
(Increase)/decrease in financial and other assets (current & non-current)	3,051.67	(762.42)
(Increase)/decrease in inventories	2,047.45	(27,985.52)
Increase/(decrease) in trade payables , provisions, employee benefit obligations, other financial liabilities and other liabilities (current & non-current)	4,159.64	767.45
Cash generated from operations	95,875.27	66,974.68
Income taxes paid (net of refunds)	(4,461.45)	(1,157.16)
Net cash inflow from operating activities	91,413.82	65,817.52
Cash flows from investing activities		
Purchase of property, plant and equipment including capital work in progress and capital advances	(6,768.33)	(3,214.24)
Purchase of intangible assets including intangible assets under development	(796.44)	(818.92)
Proceeds from sale of property, plant and equipment including advances received	3,272.12	1,983.45
Loans and advances given by associate and joint venture (net)	(10.00)	(7,240.00)
Purchase of equity shares of subsidiary	(2,508.14)	-
Investment in bank deposits	(792.75)	(2,223.31)
Interest received	551.25	495.84
Net cash used in investing activities	(7,052.29)	(11,017.18)
Cash flows from financing activities		
Proceeds from issues of shares	1,429.26	1,049.33
Proceeds from borrowings	1,263.67	1,860.30
Repayment of borrowings	(65,297.92)	(53,813.88)
Payment of principal portion of lease liabilities	(1,781.85)	(2,708.53)
Interest paid on lease liabilities	(545.00)	(944.00)
Interest paid on borrowings	(12,187.99)	(5,847.26)
Net cash used in financing activities	(77,119.83)	(60,404.04)
Net increase / (decrease) in cash and cash equivalents	7,241.70	(5,603.70)
Cash and cash equivalents at the beginning of the financial year	4,563.58	10,163.33
Acquired on business combinations (refer note 45 and 46)	76.22	3.95
Cash and cash equivalents at the end of the year (refer note 12)	11,881.50	4,563.58

Consolidated Cash Flow Statement for the year ended 31St March 2022

(₹ in Lakhs)

Change in liability arising from financing activities	Year Ended 31st March 2022	Year Ended 31st March 2021
Borrowings as on the beginning of the year	47,062.89	96,202.47
Proceeds from borrowings *	1,263.67	1,860.30
Repayment of borrowings	(65,297.92)	(53,813.88)
Acquired on business combinations	21,462.36	2,775.55
Foreign exchange movement	-	38.45
Borrowings as on the end of the year	4,491.00	47,062.89

* Proceeds from borrowings includes ₹ NIL towards borrowings.

Summary of significant accounting policies (Note 1B)

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

per Vikram Mehta
Partner
Membership No.105938
Mumbai, May 17, 2022

EC Prasad
Chief Financial Officer

Ajay Nagle
Legal & Company Secretary

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

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

Shailesh Haribhakti
Chairman - Audit Committee
DIN: 00007347

Notes to consolidated financial statements for the year ended 31st March, 2022

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 Parent Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The consolidated financial statements are presented in Indian Rupee (INR).

The consolidated financial statements have been recommended for approval by the audit committee and is approved and adopted by the Board of the Parent Company, in their meeting held in Mumbai on 17th May, 2022.

1B SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The consolidated financial statements are prepared under the historical cost convention except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- assets held for sale which are measured at lower of carrying value and fair value less cost to sell;
- defined benefit plans where plan assets are measured at fair value; and
- share-based payments at fair value as on the grant date of options given to employees.

Estimates, judgements and assumptions used in the preparation of the consolidated financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements, which may differ from the actual results at a subsequent date. The critical estimates, judgements and assumptions are presented in Note no. 1D.

The Group presents assets and liabilities in the balance sheet based on current and non-current classification. Deferred tax assets and liabilities are classified as non-current.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities as classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

Notes to consolidated financial statements for the year ended 31st March, 2022

Basis of consolidation

The consolidated financial statements includes financial statements of Bajaj Electricals Limited and its subsidiaries (together referred as a Group), an associate and results of a joint venture, consolidated in accordance with Ind AS 28 - Investments in associate and joint venture, Ind AS 111 – Joint Arrangements and Ind AS 110 – Consolidated financial statements as given below:

Name of the Company	Country of Incorporation	% share holding of the Company	Consolidated / Equity accounted as
Starlite Lighting Limited	India	88.48%	Subsidiary
Hind Lamps Limited	India	19.00%	Associate
Nirlep Appliances Private Ltd	India	100.00%	Subsidiary
Bajel Projects Limited	India	100.00%	Subsidiary

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting polices other than those adopted in the consolidated financial statements for like transactions and other events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statement of all entities used for the purpose of consolidation are drawn upto same reporting date as that of the parent company i.e., year ended 31st March .

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Notes to consolidated financial statements for the year ended 31st March, 2022

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Put options held by non-controlling interests in the Group's subsidiaries entitle the non-controlling interest to sell its interest in the subsidiary to the Group at pre-determined values and on contracted dates. In such cases, the Group consolidates the non-controlling interest's share of the equity in the subsidiary and recognises the fair value of the non-controlling interest's put option, being the present value of the estimated future purchase price, as a financial liability in the statement of financial position. In raising this liability, the non-controlling interest is derecognised and any excess or shortfall is charged or realised directly in retained earnings in the statement of changes in equity.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Interest in associate and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition the consolidated financial statements include the groups share of profit and loss and OCI of equity accounted investee until the date on which significant influence or joint control ceases

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

Notes to consolidated financial statements for the year ended 31st March, 2022

expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

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

Notes to consolidated financial statements for the year ended 31st March, 2022

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 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.

Notes to consolidated financial statements for the year ended 31st March, 2022

4 Leases:

As a lessee:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised

The Group has determined leasehold lands also as, right of use assets and hence the same has been classified from property, plant and equipment to right of use assets.

Leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Consolidate Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases that are considered of low value (i.e., below ₹ 5,00,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

5 Other income:

(1) Interest income on financial asset is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instruments.

(2) Others:

The Group recognises other income (including income from sale of power generated, income from scrap sales, income from claims received, etc.) on accrual basis. However, where the ultimate collection of the same is uncertain, revenue recognition is postponed to the extent of uncertainty. Rental income arising from operating leases is accounted for on a straight line basis over lease terms unless the receipts are structured to increase in line with expected general inflation to compensate for

Notes to consolidated financial statements for the year ended 31st March, 2022

the expected inflationary cost increases and is included in the Consolidate Statement of profit or loss due to its operating nature.

6 Property, plant and equipment :

A) Asset class:

i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.

ii) All other items of property, plant and equipment (including capital work in progress) are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

iii) Capital goods manufactured by the Group for its own use are carried at their cost of production (including duties and other levies, if any) less accumulated depreciation and impairment losses if any.

iv) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit and loss. during the year in which they are incurred.

v) Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipments which are carried at cost are recognised in the consolidated statement of profit and loss.

vi) Capital work-in-progress, property, plant and equipment is stated at cost, net of accumulated depreciation. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing cost for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred. Capital work-in-progress comprises cost of property, plant and equipment (including related expenses), that are not yet ready for their intended use at the reporting date.

B) Depreciation:

i) Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Premium of Leasehold land and leasehold improvements cost are amortised over the primary period of lease.

ii) 100% depreciation is provided in the month of addition for temporary structure cost at project site

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

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

v) Useful life of asset is as given below:

Asset block	Useful Lives (in years)
Leasehold Land	Over the period of the lease
Building - Office	5 to 70
Building - Factory	2 to 30
Ownership Premises	60
Plant & Machinery	1 to 22
Furniture & Fixtures	1 to 24
Electric Installations	1 to 25
Office Equipment	2 to 10
Vehicles	8 to 10
Dies & Jigs	1 to 10
Leasehold Improvements	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.

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

Notes to consolidated financial statements for the year ended 31st March, 2022

(b) the cost of the asset can be measured reliably.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

Asset class & depreciation:

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

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

Brand (Nirlep) is recognised on business combination and is amortised over a period of 5 years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidate statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the consolidate statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

8 Investment properties:

Investment properties that are not intended to be occupied substantially for use by, or in the operations of the Group have been considered as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Group does not charge depreciation to investment property land which is held for future undetermined use. Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. The Group depreciates its investment properties over the useful life which is similar to that of property, plant and equipment.

Notes to consolidated financial statements for the year ended 31st March, 2022

Notes to consolidated financial statements for the year ended 31st March, 2022

9 Impairment of non-financial assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment loss is charged to the Statement of Profit & Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in the prior accounting periods is reversed if there has been change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

Impairment losses are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidate statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

10 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I. Financial Assets

A) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

B) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- **Debt instruments at amortised cost**

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **Debt instruments at fair value through other comprehensive income (FVTOCI)**

  A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

  - The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
  - The asset's contractual cash flows represent SPPI.

  Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- **Debt instruments at fair value through profit or loss (FVTPL)**

  FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

  In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

- **Equity instruments measured at fair value through other comprehensive income (FVTOCI)**

  All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

C) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

D) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt

Notes to consolidated financial statements for the year ended 31st March, 2022

instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

II. Financial Liabilities

A) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

B) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss.

- **Loans and Borrowings**

  This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

- **Financial guarantee contracts**

  Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

  The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the contractual payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

C) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms

Notes to consolidated financial statements for the year ended 31st March, 2022

of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

III. Reclassification of financial assets / liabilities

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations.

IV. Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of Group or the counterparty.

V. Derivatives and hedging activities

The Group enters derivatives like forwards contracts to hedge its foreign currency risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently marked to market at the end of each reporting period with profit/loss being recognised in consolidated statement of profit and loss. Derivative assets/liabilities are classified under "other financial assets/other financial liabilities". Profits and losses arising from cancellation of contracts are recognised in the consolidated statement of profit and loss.

The Group designates certain hedging instruments, which includes derivatives, embedded derivatives and non-derivatives in respect of foreign currency and commodity risk, as either cash flow hedge, fair value hedge or hedges or net investment in foreign operations. Hedges of foreign currency risk on firm commitments are accounted for cash flow hedges.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedge is when hedging the exposure to change in fair value of a recognised asset or liability or an unrecognised song commitment
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to particular risk associated with a recognised asset or liability or highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of hedge relationship, the Group formally designates and keeps the hedge relationship to which the Group wishes to apply hedge accounting and risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk by hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting exposure to changes in the hedge item fair value or cash flow attributable to the hedge risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cashflows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Hedge that meet the strict criteria for hedge accounting accounted for as described below

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to commodity contracts is recognised in other income or expenses.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged

Notes to consolidated financial statements for the year ended 31st March, 2022

transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

11. Fair value measurements:

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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.

Notes to consolidated financial statements for the year ended 31st March, 2022

13. Inventories:

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

14. Foreign currency transactions:

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is the Group functional and presentation currency.

a) On initial recognition, all foreign currency transactions are recorded at the functional currency spot rate at the date the transaction first qualifies for recognition.

b) Monetary assets and liabilities in foreign currency outstanding at the close of reporting date are translated at the functional currency spot rates of exchange at the reporting date.

c) Exchange differences arising on settlement of translation of monetary items are recognised in the Consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively)

15. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and unabsorbed depreciation.

Current and deferred tax is recognized in the consolidated statement of profit and loss. except to the extent, it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

A. Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Group establishes provisions, wherever appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

B. Deferred tax

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to consolidated financial statements for the year ended 31st March, 2022

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

16. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs also include exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

17. Provisions, contingent liabilities and contingent assets

A. Provisions

A provision is recognised if

- the Group has present legal or constructive obligation as a result of an event in the past;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount of the obligation has been reliably estimated.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Group provides for general repairs of defects that existed at the time of sale, as required by the law. Provision for warranty related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The estimate of warranty related costs is revised annually.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

B. Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

C. Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognised but disclosed where an inflow of economic benefit is probable.

18. Employee benefits

A. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in the same period in which the employees renders the related service and are measured at the amounts expected to be paid when the liabilities are settled.

Retirement benefit in the form of provident fund is a defined contribution plan. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related services. If the Contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payment or a cash refund.

B. Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the consolidated statement of profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

C. Post-employment obligations

The Group operates the following post-employment schemes

(a) defined benefit plans - gratuity and obligation towards shortfall of Provident Fund Trusts

(b) defined contribution plans - Provident fund (RPFC Contributions), superannuation and pension

Defined benefit plans :

The liability or asset recognised in the consolidated balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets excluding non-qualifying asset (reimbursement right). The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the balance sheet.

Insurance policy held by the Group from insurers who are related parties are not qualifying insurance policies and hence the right to reimbursement is recognised as a separate assets under other non-current and/or current assets as the case may be.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in consolidated profit or loss as past service cost.

Defined contribution plans :

In respect of certain employees, the Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group y has no further payment obligations once the contributions have been paid. Such contributions are accounted for as employee benefit expense

Notes to consolidated financial statements for the year ended 31st March, 2022

when they are due. Defined contribution to superannuation fund is being made as per the scheme of the Group. Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority whereas the contributions for National Pension Scheme is made to Stock Holding Corporation of India Limited

D. Share based payments

The Parent Company operates a number of equity settled, employee share based compensation plans, under which the Parent Company receives services from employees as consideration for equity shares of the Parent Company. Equity settled share based payment to employees and other providing similar services are measured at fair value of the equity instrument at grant date.

The fair value of the employee services received in exchange for the grant of the options is determined by reference to the fair value of the options as at the Grant Date and is recognised as an 'employee benefits expense' with a corresponding increase in equity. The total expense is recognised over the vesting period which is the period over which the applicable vesting condition is to be satisfied. The total amount to be expensed is determined by reference to the fair value of the options granted excluding the impact of any service vesting conditions.

At the end of each year, the entity revises its estimates of the number of options that are expected to vest based on the service vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated profit or loss, with a corresponding adjustment to equity.

If at any point of time after the vesting of the share options, the right to the same expires (either by virtue of lapse of the exercise period or the employee leaving the Parent Company), the fair value of the options accruing in favour of the said employee are written back to the retained earnings in the reporting period in which the right expires.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share

19. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. Two or more operating segments are aggregated by the Group into a single operating segment if aggregation is consistent with the core principle of Ind AS 108, the segments have similar economic characteristics, and the segments are similar in aspects as defined by Ind AS.

The Group reports separately, information about an operating segment that meets any of quantitative thresholds as defined by Ind AS. Operating segments that do not meet any of the quantitative thresholds, are considered reportable and separately disclosed, only if management of the Group believes that information about the segment would be useful to users of the consolidated financial statements

Information about other business activities and operating segments that are not reportable separately are combined and disclosed in an 'all other segments' category

20. Dividends

The Parent Company recognises a liability to pay dividend to equity holders when the distribution is authorised and is no longer at the discretion of the Parent Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Parent Company's Board of Directors.

21. Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed

Notes to consolidated financial statements for the year ended 31st March, 2022

to the sale and the sale expected within one year from the date of classification. For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned.

The Group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

22. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group 's earnings per share is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit of loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

23. All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakh (upto two decimals) as per the requirement of Schedule III, unless otherwise stated.

1C NEW AND AMENDED STANDARDS

The Group has applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind

Notes to consolidated financial statements for the year ended 31st March, 2022

AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the consolidated financial statements of the Group.

Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the consolidated financial statements of the Group.

Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the consolidated financial statements of the Company.

Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the consolidated financial statements of the Group

1D SUMMARY OF CRITICAL ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgment in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included below.

1 Warranty provision

The Group generally offers 1 to 2 year warranties for its consumer products. Based on the evaluation of the past warranty trends, management has estimated that warranty costs for 25% of sales arises in the year of sale itself, warranty costs for 50% of the sales in Year 1 and the balance 25% in Year 2. Based on the same, the related provision for future warranty claims has been determined.

The Group also sells lighting fitting to its customers. In few lighting fittings products, the drivers are an essential part and are expected to last for a longer period. In such cases, the Group provides warranties beyond fixing defects that existed at the time of sale. Basis this, the Group recognises this as a separate performance obligation and recognises revenue only in the period in which such service is provided based on time elapsed. The assumptions made in relation to serviceable sales and related standard or serviceable warranty provision for the current period are consistent with those in the prior years.

2 Impairment allowance for trade receivables

The Group makes allowances for doubtful accounts receivable using a simplified approach which is a dual policy of an ageing based provision and historical / anticipated customer experience. Management believes that this simplified model closely represents the expected credit loss model to be applied on financial assets as per Ind AS 109. Further, in case of operationally closed projects, Group makes specific assessment of the overdue balances by considering the customer's

Notes to consolidated financial statements for the year ended 31st March, 2022

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 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and

Notes to consolidated financial statements for the year ended 31st March, 2022

forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase

8 Retailer Bonding Program

The Parent Company has a loyalty points program, "Retailer Bonding Program", which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as deferred revenue until the points are redeemed. Revenue is recognized upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Parent Company considers the likelihood that the customer will redeem the points. The Parent Company considers various judgement and estimates like determination of fair value, redeemed points, etc. The Parent Company updates its estimates on a quarterly basis and any adjustments to the deferred revenue are charged against revenue.

9 Share based payments

The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

10 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 2 : Property, plant and equipment

(₹ in Lakhs)

Particulars	Freehold Land	Building	Ownership Premises	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Vehicles	Dies & Jigs	Leasehold Improvements	Temporary Structures	Roads & Borewell	IT Hardware	Total
Opening gross block as at 1st April 2020	**4,268.06**	**4,906.08**	**11,222.69**	**9,230.87**	**2,264.78**	**658.10**	**1,681.91**	**966.08**	**3,354.68**	**381.51**	**125.84**	**130.07**	**7,977.04**	**47,167.71**
Additions	-	609.89	-	709.45	95.57	282.68	85.34	12.92	1,009.04	-	0.75	-	151.00	2,956.64
Asset classified as held for sale	-	-	(78.00)	-	-	-	-	-	-	-	-	-	-	(78.00)
Disposals	-	-	(156.84)	(9.96)	(24.53)	(8.14)	(29.36)	(34.53)	(46.43)	(2.70)	-	-	(59.94)	(372.43)
Acquired on business combinations (refer note 45)	-	800.00	-	166.00	35.82	30.00	1.63	9.21	-	-	-	-	-	1,042.66
Closing gross block as at 31st March 2021	**4,268.06**	**6,315.97**	**10,987.85**	**10,096.36**	**2,371.64**	**962.64**	**1,739.52**	**953.68**	**4,317.29**	**378.81**	**126.59**	**130.07**	**8,068.10**	**50,716.58**
Additions	-	131.35	-	1,695.46	196.31	390.51	139.74	0.81	2,094.54	72.76	-	-	705.86	5,427.34
Disposals	-	(377.26)	(1,978.30)	(1,354.38)	(146.94)	(38.44)	(77.11)	(146.24)	(34.90)	(75.48)	-	-	(317.05)	(4,546.10)
Asset classified as held for sale	(1,900.98)	(618.50)	78.00	-	-	-	-	-	-	-	-	(30.89)	-	(2,472.37)
Acquired on business combinations (refer note 46)	1,355.20	4,971.22	-	2,610.80	197.28	-	143.20	-	-	-	-	-	-	9,277.70
Asset classified to investment property	-	(446.35)	(259.12)	-	-	-	-	-		-	-	(103.59)	-	(809.06)
Reclassification *	-	(353.65)	259.12	(0.62)	(5.01)	(18.37)	10.79	(0.11)	-	-	-	103.59	4.26	(0.00)
Closing gross block as at 31st March 2022	**3,722.28**	**9,622.78**	**9,087.55**	**13,047.62**	**2,613.28**	**1,296.34**	**1,956.14**	**808.14**	**6,376.93**	**376.09**	**126.59**	**99.18**	**8,461.17**	**57,594.09**
Opening accumulated depreciation as at 1st April 2020	**-**	**709.20**	**1,042.71**	**4,317.49**	**941.04**	**260.70**	**843.57**	**306.10**	**2,111.58**	**172.81**	**125.84**	**55.83**	**5,021.16**	**15,908.03**
Depreciation 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)
Closing accumulated depreciation as at 31st March 2021	**-**	**1,027.95**	**1,208.94**	**5,107.80**	**1,168.32**	**334.21**	**1,055.79**	**375.60**	**2,639.14**	**202.58**	**126.59**	**64.31**	**6,120.74**	**19,431.97**
Depreciation charge during the year	-	481.25	220.01	1,094.99	363.85	83.98	258.13	84.03	951.72	26.42	-	8.47	981.64	4,554.49
Disposals	-	(147.23)	(210.25)	(596.23)	(95.56)	(29.14)	(71.55)	(65.27)	(34.90)	(75.48)	-	-	(315.31)	(1,640.92)
Asset classified as held for sale	-	(183.35)	10.39	-	-	-	-	-	-	-	-	(16.36)	-	(189.32)
Asset classified to investment property	-	(241.29)	(90.73)	-	-	-	-	-	-	-	-	-	-	(332.02)
Reclassification *	-	(34.40)	38.91	(5.64)	2.00	(5.38)	3.54	(0.02)	-	-	-	-	0.99	0.00
Closing accumulated depreciation as at 31st March 2022	**-**	**902.93**	**1,177.27**	**5,600.92**	**1,438.61**	**383.67**	**1,245.91**	**394.34**	**3,555.96**	**153.52**	**126.59**	**56.42**	**6,788.06**	**21,824.20**
Impairment allowance as at March 31, 2020	**-**	**-**	**-**	**704.76**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**704.76**
Impairment charge / (reversal) during the year (Refer Note v below)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment allowance as at March 31, 2021	**-**	**-**	**-**	**704.76**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**704.76**
Impairment reversal during the year (Refer Note v below)	-	-	-	(704.76)	-	-	-	-	-	-	-	-	-	(704.76)
Impairment allowance as at March 31, 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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**
Closing Net carrying amount as at 31st March 2022	**3,722.28**	**8,719.85**	**7,910.28**	**7,446.70**	**1,174.67**	**912.67**	**710.23**	**413.80**	**2,820.97**	**222.57**	**-**	**42.76**	**1,673.11**	**35,769.89**

* 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

Notes to consolidated financial statements for the year ended 31st March, 2022

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

(i) Leased assets

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

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Plant and Machinery		
Cost / Deemed cost	637.91	637.91
Accumulated depreciation	372.88	319.61
Net carrying amount	265.03	318.30

(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 ₹ 240.60 lakhs (March 31, 2021 - ₹ 314.68 lakhs) and ₹ 2,363.76 lakhs (March 31, 2021 - ₹ 543.13 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 financial year 2020, 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. Further, in the current year, the Group has sold of the entire plant and machinery and hence the remaining impairment charge of 704.76 has been reversed and loss on sale of assets has been recognised.

(vi) Title deeds

The title deeds of immovable properties (other than properties where the Group is a lessee and the lease arrangement are duly executed in the favour of the lessee) are held in the name of the Group.

(vii) Ageing schedule

CWIP aging schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in progress	2,525.07	83.59	211.46	-	2,820.12
Projects temporarily suspended	-	-	-	-	-
TOTAL	2,525.07	83.59	211.46	-	2,820.12

CWIP aging schedule as at March 31, 2021

(₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in progress	464.28	511.60	26.61	-	1,002.49
Projects temporarily suspended	-	-	-	-	-
TOTAL	464.28	511.60	26.61	-	1,002.49

All the upcoming projects of the Group are within the timelines as estimated during the original plan and the actual cost of projects are within the total cost as estimated by the management of the Group as at the Balance Sheet date.

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 3: Right of use assets and Lease liabilities

The details of the right-of-use asset held by the Group is as follows:

Right-of-use assets

(₹ In Lakhs)

Particulars	Buildings	Equipments	Leasehold land	Total
Gross block as on March 31, 2020	**12,246.61**	**-**	**2,805.69**	**15,052.30**
Adjustments	57.63	-	-	57.63
Additions for the year	2,802.33	-	-	2,802.33
Acquired on business combination (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)
Gross block as on March 31, 2021	**6,234.64**	**22.72**	**2,805.69**	**9,063.05**
Additions for the year	2,806.99	-	-	2,806.99
Acquired on business combination (refer note 46)	-	-	670.00	670.00
Deletions for the year	(1,764.12)	-	(670.00)	(2,434.12)
Closing gross block as on March 31, 2022	7,277.51	22.72	2,805.69	10,105.92
Accumulated depreciation as on March 31, 2020	**2,818.00**	**-**	**187.02**	**3,005.02**
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)
Accumulated depreciation as on March 31, 2021	**2,706.27**	**9.33**	**224.40**	**2,940.00**
Depreciation for the year	1,786.94	11.94	49.50	1,848.38
Deletions for the year	(1,526.02)	-	(12.12)	(1,538.14)
Closing accumulated depreciation as on March 31, 2022	2,967.19	21.27	261.78	3,250.24
Net carrying value of right of use assets as on March 31, 2021	**3,528.37**	**13.39**	**2,581.29**	**6,123.05**
Net carrying value of right of use assets as on March 31, 2022	4,310.32	1.45	2,543.91	6,855.68

The details of the lease liabilities held by the Group is as follows:

Lease liabilities

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening lease liabilities	3,863.29	9,862.88
Additions for the year	2,761.19	2,784.65
Deletions / Modifications for the year*	(421.82)	(6,100.86)
Acquired on business combinations (refer note 45)	-	25.15
Finance cost for the year	544.65	944.13
Lease instalments paid for the year	(2,159.51)	(3,652.65)
Closing lease liabilities	4,587.80	**3,863.29**
- classified as current	1,552.76	1,652.70
- classified as non-current	3,035.04	2,210.59

For maturity profile of lease liabilities, refer Note 35 (B)(ii)

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 4: Other Intangible Assets

(₹ in Lakhs)

Particulars	Trade Marks	Computer Software	Brand	Distributor / Dealer Network	Customer relationships	Total
Opening gross block as at 1st April 2020	**0.51**	**769.42**	**1,952.33**	**195.57**	**26.10**	**2,943.93**
Additions	-	194.12	-	-	-	194.12
Closing gross block as at 31st March 2021	**0.51**	**963.54**	**1,952.33**	**195.57**	**26.10**	**3,138.05**
Additions	-	31.36	-	-	-	31.36
Closing gross block as at 31st March 2022	0.51	994.90	1,952.33	195.57	26.10	3,169.41
Opening accumulated amortization as at 1st April 2020	**0.25**	**483.64**	**620.41**	**195.57**	**26.10**	**1,325.97**
Amortisation charge for the year	0.05	266.47	390.47	-	-	656.99
Closing accumulated amortization as at 31st March 2021	**0.30**	**750.11**	**1,010.88**	**195.57**	**26.10**	**1,982.96**
Amortisation charge for the year	0.05	130.05	390.47	-	-	520.57
Closing accumulated amortization as at 31st March 2022	0.35	880.16	1,401.35	195.57	26.10	2,503.53
Closing Net carrying amount as at 31st March 2021	**0.21**	**213.43**	**941.45**	**-**	**-**	**1,155.09**
Closing Net carrying amount as at 31st March 2022	0.16	114.74	550.98	-	-	665.88

Note

Intangible assets under development mainly comprises of IT softwares license and implementation cost amounting to ₹ 1,546.59 lakhs (March 31, 2021 - ₹ 781.50 lakhs).

Intangible asset under development aging schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Amount in IAUD for a period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in progress	796.04	750.55	-	-	1,546.59
Projects temporarily suspended	-	-	-	-	-
TOTAL	796.04	750.55	-	-	1,546.59

Intangible asset under development aging schedule as at March 31, 2021

(₹ in Lakhs)

Particulars	Amount in IAUD for a period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in progress	781.50	-	-	-	781.50
Projects temporarily suspended	-	-	-	-	-
TOTAL	**781.50**	**-**	**-**	**-**	**781.50**

All the upcoming projects of the Group are within the timelines as estimated during the original plan and the actual cost of projects are within the total cost as estimated by the management of the Group as at the Balance Sheet date.

Note 4.1: Investment properties

(₹ in Lakhs)

Particulars	Building & Ownership Premises	Land	Total
Closing gross block as at 31st March 2020	**-**	**-**	**-**
Acquired on business combination (refer note 45)	-	12,600.00	12,600.00
Closing gross block as at 31st March 2021	**-**	**12,600.00**	**12,600.00**
Transferred from property, plant and equipment (refer note 2)	809.06	-	809.06
Closing gross block as at 31st March 2022	809.06	12,600.00	13,409.06
Opening accumulated depreciation as at 31st March 2020	**-**	**-**	**-**
Amortisation charge for the year	-	-	-
Closing accumulated depreciation as at 31st March 2021	**-**	**-**	**-**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 4.1: Investment properties (Contd..)

(₹ in Lakhs)

Particulars	Building & Ownership Premises	Land	Total
Transferred from property, plant and equipment (refer note 2)	332.02	-	332.02
Closing accumulated depreciation as at 31st March 2022	332.02	-	332.02
Closing net carrying amount as at 31st March 2021	**-**	**12,600.00**	**12,600.00**
Closing net carrying amount as at 31st March 2022	477.04	12,600.00	13,077.04

The amounts recorded above for freehold land are fair values on acquisition date based on valuation performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The Group has no restrictions on the realisability of its investment property. Fair value as at 31st March 2022 is ₹ 12,600 lakhs (₹ 12,600 lakhs as at 31st March 2021). The fair valuation is based on current prices in the active market for similar lands. The main inputs used are quantum, area, location, demand, etc.

Note 5.1: Investments in associate

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Investment in equity instruments of associate (fully paid up)		
Measured at cost		
Unquoted		
Investment in an associate		
Non-current equity investments (unquoted) in Hind Lamps Limited. - 1,140,000 (March 31, 2021 - 1,140,000) equity shares of ₹ 25 each **	-	-
Accumulated impairment allowance in value of investments in Hind Lamps Limited	-	-
	-	-
Total investments in an associate	-	-

Note 5.2 : Financial assets (Investments)

5.2 (a) Investment in equity instruments

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Measured at fair value through profit and loss		
Unquoted		
Investment in equity shares		
Non-current equity investments (unquoted) in M. P. Lamps Limited * - 48,000 (March 31, 2021 - 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, 2021 - 95,997) equity shares of ₹ 10/- each; (Partly paid shares - ₹ 1.25 Per share paid up, Called up ₹ 5 per share).	2.40	2.40
Accumulated Fair value loss recorded in value of investments M. P. Lamps Limited.	(2.40)	(2.40)
	0.10	-
Non-current equity investments (unquoted) in Mayank Electro Ltd. - 100 (March 31, 2021 - 100) equity shares of ₹ 100/- each.		0.10
Investment in equity shares of co-operative banks	-	1.71
Total equity instruments	0.10	**1.81**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 5.2 : Financial assets (Investments) (Contd..)

5.2 (b) Investment in debt instruments

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Measured at fair value through profit and loss		
Unquoted		
Investment in venture capital fund		
Units of Bharat Innovation Fund - 4,189.470 Units as on 31st March 2022 (4,189.470 Units as on 31st March 2021)	489.26	469.27
Investment in other securities		
Gold coins	0.37	0.37
Investment in preference shares (fully paid up)		
10,000,000 - 9% cumulative redeemable preference shares (unquoted) of ₹ 10/- each of Starlite Lighting Ltd, redeemable on June 30, 2024	-	950.83
Accumulated Impairment Allowance on Preference Shares	-	(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
Accumulated Impairment Allowance on Preference Shares	-	(406.79)
	-	-
Measured at amortised cost		
Unquoted		
Investment in preference shares (fully paid up)		
30,000,000 - 0% redeemable preference shares (unquoted) of ₹ 10/- each of Starlite Lighting Limited, 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
Accumulated Impairment Allowance on Preference Shares	-	(4,294.18)
	-	-
Total debt instruments	489.63	469.64
Total non-current investments	489.73	471.45
Aggregate value of quoted investments	-	-
Aggregate value of unquoted investments	489.73	471.45

* In respect of Investments made in M. P. Lamps Ltd., calls of ₹ 2.50 per share on 48,000 equity shares and ₹ 3.75 per share on 95,997 Equity Shares aggregating to ₹ 4.80 Lakhs have not been paid by the Parent Company. On principles of prudence the entire investment in M.P. Lamps Ltd. is considered as impaired and accordingly carried at ₹ NIL.

** During the previous 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 Parent 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

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Current	1,13,951.23	1,51,215.95
Non-current	22,109.94	40,470.53
	1,36,061.17	1,91,686.48
Unsecured, considered good	1,36,061.17	1,91,686.48
Unsecured, credit impaired	10,571.98	12,237.62
Total	1,46,633.15	2,03,924.10
Impairment allowance, credit impaired (allowance for bad and doubtful debts)	(10,571.98)	(12,237.62)
Total trade receivables (net of impairment allowance)	1,36,061.17	1,91,686.48

The above includes receivables from related parties. Refer note 38 for more details.

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 6 : Trade receivables (Contd..)

Transferred receivables

The carrying amount of trade receivables, include receivables which are subject to factoring arrangements and channel financing facilities. Under this arrangement the Group has transferred the relevant receivables to the factor in exchange for cash. The said facilities are with recourse to Group. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as other financial liabilities.

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Other financial liabilities (Note 19)	30,395.32	37,849.71
Total Transferred receivables	30,395.32	37,849.71

Trade receivable are non-interest bearing and are generally received within the credit period. For trade and other receivables due from firms or private companies in which any director is a partner, a director or a member, refer note 38.

Trade Receivables ageing schedule as at 31st March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from *						
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	60,513.65	26,579.90	12,945.20	26,758.23	7,769.17	1,495.02	136,061.17
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	190.76	93.75	349.23	306.53	7,436.47	8,376.74
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	20.37	10.21	201.38	1,963.28	2,195.24
TOTAL	60,513.65	26,770.66	13,059.32	27,117.67	8,277.08	10,894.77	146,633.15

Trade Receivables ageing schedule as at 31st March 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from Invoice Date						
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	106,712.01	47,816.13	13,203.05	13,321.24	9,810.42	823.63	191,686.48
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	415.28	26.71	557.96	132.41	8,242.35	9,374.71
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	135.55	280.20	2,447.16	2,862.91
TOTAL	106,712.01	48,231.41	13,229.76	14,014.75	10,223.03	11,513.14	203,924.10

* Outstanding for the following period from the date of due (for debtors of Consumer Product Segment) and transaction (for debtors of EPC segment

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 7 : Loans

(Unsecured, considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Non Current		
Unsecured, considered good	22.35	7,244.74
Unsecured, credit impaired	-	280.00
Total	**22.35**	**7,524.74**
Impairment allowance, credit impaired	-	(280.00)
Total Non-current loans	**22.35**	**7,244.74**

Particulars	Amount (₹ in Lakhs)	Interest Rate
Hind Lamps Limited		
- Bullet repayment after 3 months (tenure 90 days)	10.00	9.95%

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Current		
Secured, considered good	0.84	1.02
Total current loans	**0.84**	**1.02**

Note 8 : Other financial assets

(Unsecured, considered good unless otherwise stated)

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Security deposits, considered good	2,595.26	1,846.83
Security deposits, credit impaired	128.56	586.50
Impairment allowance for credit impaired security deposits	(128.56)	(586.50)
	2,595.26	**1,846.83**
Deposits with maturity more than 12 months	109.91	-
Fixed deposit under lien	1,023.14	1,019.88
Interest accrued on fixed deposits	55.28	17.63
Total non-current other financial assets	**3,783.59**	**2,884.34**

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

Note 9 : Deferred tax assets (net)

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Deferred tax assets	15,240.14	12,260.48
Deferred tax liabilities	(7,096.60)	(7,011.13)
Total deferred tax assets (net)	**8,143.54**	**5,249.35**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 9 : Deferred tax assets (net) (Contd..)

Deferred tax assets comprise of the following:

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Employee benefit obligations (gratuity)	(51.01)	173.90
Employee benefit obligations (leave obligations)	7.38	391.07
Impairment allowance (allowance for doubtful debts and advances)	3,446.93	4,020.50
Financial assets measured at amortised cost	1.40	0.62
Assets held for sale	528.44	501.77
Carried forward losses	8,485.53	4,277.43
Right of use assets	2,036.29	1,551.06
Others	785.18	1,344.13
Total deferred tax assets	**15,240.14**	**12,260.48**

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	Right of use assets and Others	Carry forward losses of Subsidiary	Total
As at 31st March, 2020	**212.96**	**809.08**	**4,279.08**	**31.49**	**542.95**	**1,824.69**	**472.36**	**8,172.61**
(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 business combination (Refer note 45)	210.90	44.04	42.84	-	-	487.55	3,880.71	4,666.04
As at 31st March, 2021	**173.90**	**391.07**	**4,020.50**	**0.62**	**501.77**	**2,895.19**	**4,277.43**	**12,260.48**
(Charged) / Credited :								
to statement of profit and loss	(47.28)	(383.69)	(573.57)	0.78	26.67	5,591.49	(3,884.03)	730.37
to other comprehensive income	(177.63)	-	-	-	-	(1.15)	-	(178.78)
transferred to income tax assets	-	-	-	-	-	-	(3,880.71)	(3,880.71)
accounted under business combinations	-	-	-	-	-	-	6,308.78	6,308.78
As at 31st March, 2022	**(51.01)**	**7.38**	**3,446.93**	**1.40**	**528.44**	**8,485.53**	**2,821.47**	**15,240.14**

Deferred tax liabilities comprise of the following:

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Property, plant and equipment	2,396.79	2,758.00
Intangible assets on business combination	138.67	236.95
Financial assets measured at amortised cost	104.42	77.12
Financial liabilities measured at amortised cost	163.04	120.43
Investment property	2,568.70	2,473.20
Others	1,724.98	1,345.43
Total deferred tax liabilities	**7,096.60**	**7,011.13**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 9 : Deferred tax assets (net) (Contd..)

Movement in deferred tax liabilities

(₹ in Lakhs)

Particulars	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
As at 31st March, 2020	**2,490.09**	**335.22**	**100.86**	**89.98**	**-**	**-**	**646.76**	**3,662.91**
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 business combination (Refer note 45)	248.00	-	-	-	-	2,473.20		2,721.20
As at 31st March, 2021	**2,758.00**	**236.95**	**77.12**	**120.43**	**-**	**2,473.20**	**1,345.43**	**7,011.13**
Charged / (credited) :								
to Statement of Profit or Loss	(361.21)	(98.28)	27.30	42.61	-	95.50	379.55	85.47
to other comprehensive income								-
As at 31st March, 2022	**2,396.79**	**138.67**	**104.42**	**163.04**	**-**	**2,568.70**	**1,724.98**	**7,096.60**

Note 10 : Other non-current assets

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Capital advances	468.29	725.37
Impairment allowance for credit impaired capital advances	(21.56)	(21.56)
	446.73	**703.81**
Sales tax recoverables	3,984.51	4,080.81
Balances with government authorities	60.77	-
Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies)	5,077.08	3,654.02
Advance to Starlite Lighting Limited	-	2,200.00
Others	4,285.62	3,221.85
	13,854.71	**13,860.49**
Impairment allowance for doubtful advances	(496.10)	(647.62)
Impairment allowance for advances to Starlite Lighting Limited	-	(2,200.00)
Total other non-current assets	**13,358.61**	**11,012.87**

*Others mainly include prepaid expenses of ₹ 868.27 lakhs (March 31, 2021 ₹ 53.66 lakhs) and advances to suppliers of ₹ 3,377.41 lakhs (March 31, 2021 ₹ 3,163.41 lakhs).

Note 11 : Inventories

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Raw material	12,633.72	10,007.74
Work-in-progress	2,168.06	1,666.70
Finished goods	2,285.97	2,124.07
Traded goods	80,746.13	83,411.37
Material in Transit (traded goods)	1,450.84	1,159.92
Stores and spares	503.30	270.17
Total Inventories	**99,788.02**	**98,639.97**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 12 : Cash and cash equivalents

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Balances with banks		
in current accounts	1,859.33	2,199.50
in cash credit accounts	3,285.38	1,501.80
Deposits with maturity of less than three months	6,700.00	800.00
Cash on hand	36.79	62.28
Total cash and cash equivalents	**11,881.50**	**4,563.58**

There are no restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior period.

Note 12 : Bank balances

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Unpaid Dividend Accounts *	67.26	77.10
Deposits with maturity of more than three months & less than twelve months	2,138.03	1,521.56
Others	166.97	0.05
Total other bank balances	**2,372.26**	**1,598.71**

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2022 and March 31, 2021.

Note 13 : Other current financial assets

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Interest accrued on fixed deposits	33.57	12.34
Security deposits	411.06	371.79
Receivable from Gratuity Fund	2.33	3.71
Derivative Asset	329.43	1.82
Total other current financial assets	**776.39**	**389.66**

Note 14 : Other current assets

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Advance to Starlite Lighting Limited	-	5,395.32
Export benefits	809.32	683.50
Balances with government authorities	16,097.55	17,983.29
Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies)	1,753.82	1,706.56
Others	6,497.05	7,652.28
Sales tax recoverables	116.23	-
Total other current assets	**25,273.97**	**33,420.95**

*Others mainly includes prepaid expenses of ₹ 1,575.42 lakhs (March 31, 2021 ₹ 1,799.00) and advances to suppliers of ₹ 4,159.73 lakhs (March 31, 2021 ₹ 5,095.09 lakhs)

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 15 : Assets classified as held for sale

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Land and Buildings	1,719.41	219.41
Ownership premises	-	67.61
Total assets classified as held for sale	**1,719.41**	**287.02**

* Upon relocation of Parent Company's employees to new office premises in Mumbai, the erstwhile leasehold immovable property together with buildings and structure standing thereon was lying vacant. Therefore, the Board of Directors of the Parent Company approved the sale and transfer of leasehold rights therein in favour of the purchaser vide Resolution dated March 23, 2015 subject to the permissions from the appropriate authorities and accordingly the said transaction of sale and transfer of leasehold rights was to be completed within one (1) year. However, on account of delay in getting the requisite permissions from the appropriate local / municipal authorities the transaction execution is pending. The purchaser and the Parent Company are committed for the transaction to sail through. The asset held for sale are not attached to any reported business segment but part of other unallocable assets. The Parent Company has received an advance of ₹ 800 lakhs from the purchaser in relation to this sale and is expected to be completed in FY 2022-23. The same is shown as a liability under other current liabilities.

** The Parent Company has decided to sell Parent Company owned land admeasuring 55,690 sq meter at Village – Dautana, Tehsil Chhata, Distt. Mathura (U.P.) together with the building standing thereon on an as is where is basis for an aggregate consideration of ₹ 1,500 lakhs, basis the copy of letter of intent executed between the Company and the Buyer in this regard. The above sale of Property shall be subject to release of the charge created on the said Property by the consortium of banks.

Note 16 : Equity share capital

(₹ in Lakhs)

Particulars	31-Mar-22 Amount	31-Mar-21 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

(₹ in Lakhs)

Particulars	No of Shares	Amount
Issued capital		
As at 31st Mar 2020	**11,37,67,707**	**2,275.35**
Exercise of Options under employee stock option scheme (refer note v below)	2,97,485	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 Parent Company (refer note vi below)	4,71,420	9.43
Issued under rights issue (refer note iii below)	7	0.00
As at 31st March 2021	**11,45,36,619**	**2,290.73**
Exercise of Options under employee stock option scheme (refer note v below)	3,37,495	6.75
As at 31st March 2022	**11,48,74,114**	**2,297.48**
Paid-up capital		
Calls in arrears @ ₹ 2 per share, under rights issue (refer note iii below)	(55)	(0.00)
As at 31st March 2022	**11,48,74,059**	**2,297.48**

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 financial year 2019-2020, 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

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 16 : Equity share capital (Contd..)

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 2022 Nos.	As at 31st March 2022 % Holding	As at 31-Mar-21 Nos.	As at 31-Mar-21 % Holding
Jamnalal Sons Private Limited	22,443,275	19.54	22,443,275	19.59
Bajaj Holdings & Investment Limited	18,793,840	16.36	18,793,840	16.41
Kiran Bajaj	7,545,224	6.57	7,545,224	6.59
HDFC Small Cap Fund	6,518,743	5.67	6,775,359	5.92
Smallcap World Fund, Inc	6,515,607	5.67	7,218,607	6.30

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 previous 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.

vii) Change in promoter shareholding

Sr no.	Grp Sr no.	Promoter Name	As at 31st March 2022 No of shares	As at 31st March 2022 % of total shares	As at 31-Mar-21 No of shares	As at 31-Mar-21 % of total shares	% change during the year
	A	**Promoters**					
1	1	Mr. Shekhar Bajaj	1,814,639	1.58%	2,814,639	2.46%	(0.88%)
2	2	Mr. Madhur Bajaj	200,000	0.17%	703,199	0.61%	(0.44%)
3	3	Mr. Niraj Bajaj	1,130,882	0.98%	1,130,882	0.99%	0.00%
4	4	Mr. Sanjivnayan Bajaj *	428,749	0.37%	428,749	0.37%	0.00%
5	5	Mr. Rahulkumar Bajaj **	-	0.00%	-	0.00%	0.00%

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 16 : Equity share capital (Contd..)

Sr no.	Grp Sr no.	Promoter Name	As at 31st March 2022		As at 31-Mar-21		% change during the year
			No of shares	% of total shares	No of shares	% of total shares	
	B	Promoter Group					
	a.	**Individuals :**					
6	1	Mrs. Kiran Bajaj	7,545,224	6.57%	7,545,224	6.59%	(0.02%)
7	2	Ms. Neelima Bajaj Swamy	200,000	0.17%	200,000	0.17%	0.00%
8	3	Ms. Minal Bajaj	694,674	0.60%	694,674	0.61%	0.00%
9	4	Ms. Geetika Bajaj	2,160,084	1.88%	798,199	0.70%	1.18%
10	5	Ms. Nimisha Jaipuria	-	0.00%	-	0.00%	0.00%
11	6	Ms. Sunaina Kejriwal	1,240,730	1.08%	1,240,730	1.08%	0.00%
12	7	Mr. Niravnayan Bajaj	282,507	0.25%	282,507	0.25%	0.00%
13	8	Ms. Kumud Bajaj	200,000	0.17%	200,000	0.17%	0.00%
14	9	Ms. Pooja Bajaj	1,989,875	1.73%	1,989,875	1.74%	(0.01%)
15	10	Ms. Suman Jain	110,700	0.10%	110,700	0.10%	0.00%
16	11	Ms. Kriti Bajaj	101,297	0.09%	101,297	0.09%	0.00%
17	12	Ms. Shefali Bajaj	33,767	0.03%	33,767	0.03%	0.00%
18	13	Ms. Deepa Bajaj	1,126	0.00%	1,126	0.00%	0.00%
19	14	Master Vanraj Bajaj	1,843,556	1.60%	1,843,556	1.61%	0.00%
	b.	**Bodies Corporate**					
20	1	Jamnalal Sons Private Limited	22,443,275	19.54%	22,443,275	19.59%	(0.06%)
21	2	Bajaj Holdings And Investment Limited	18,793,840	16.36%	18,793,840	16.41%	(0.05%)
22	3	Hind Musafir Agency Limited	1,288,000	1.12%	1,288,000	1.12%	0.00%
23	4	Baroda Industries Private Limited	1,412,738	1.23%	1,412,738	1.23%	0.00%
24	5	Bajaj International Private Limited	917,881	0.80%	917,881	0.80%	0.00%
25	6	Hercules Hoists Limited	624,596	0.54%	624,596	0.55%	0.00%
26	7	Shekhar Holdings Private Limited	540,253	0.47%	540,253	0.47%	0.00%
27	8	Rahul Securities Private Limited	467,093	0.41%	467,093	0.41%	0.00%
28	9	Bachhraj Factories Private Limited	105,466	0.09%	105,466	0.09%	0.00%
29	10	Bajaj Sevashram Private Limited	5,550	0.00%	5,550	0.00%	0.00%
30	11	Bachhraj And Company Private Limited	66,585	0.06%	66,585	0.06%	0.00%
31	12	Kamalnayan Investment & Trading Private Limited	1,110	0.00%	1,110	0.00%	0.00%
32	13	Madhur Securities Private Limited	1,110	0.00%	1,110	0.00%	0.00%
33	14	Niraj Holdings Private Limited	1,110	0.00%	1,110	0.00%	0.00%
34	15	Rupa Equities Private Limited	1,110	0.00%	1,110	0.00%	0.00%
35	16	Sanraj Nayan Investments Private Limited	1,110	0.00%	1,110	0.00%	0.00%
	c.	**Trusts**					
36	1	Geetika Trust No.2 (Kiran Bajaj as a Trustee)	-	0.00%	1,361,885	1.19%	(1.19%)
37	2	Niravnayan Trust (Niraj Bajaj as a Trustee)	524,721	0.46%	524,721	0.46%	0.00%
38	3	Neelima Bajaj Swamy Family Trust (Neelima Bajaj Swamy as a Trustee)	812,973	0.71%	812,973	0.71%	0.00%
39	4	Nimisha Jaipuria Family Trust (Nimisha Jaipuria as a Trustee)	628,043	0.55%	628,043	0.55%	0.00%
40	5	Kriti Bajaj Family Trust (Minal Niraj Bajaj as a Trustee)	500,000	0.44%	500,000	0.44%	0.00%
41	6	Niravnayan Bajaj Family Trust (Niraj Bajaj as a Trustee)	500,000	0.44%	500,000	0.44%	0.00%
42	7	Rishab Family Trust	471,052	0.41%	471,052	0.41%	0.00%

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 16 : Equity share capital (Contd..)

Sr no.	Grp Sr no.	Promoter Name	As at 31st March 2022		As at 31-Mar-21		% change during the year
			No of shares	% of total shares	No of shares	% of total shares	
43	8	Sanjali Family Trust	262,717	0.23%	262,717	0.23%	0.00%
44	9	Siddhant Family Trust	262,717	0.23%	262,717	0.23%	0.00%
45	10	Nimisha Bajaj Family Trust (Madhur Bajaj as a Trustee)	206,575	0.18%	206,575	0.18%	0.00%
46	11	Neelima Bajaj Family Trust (Kumud Bajaj as a Trustee)	21,644	0.02%	21,644	0.02%	0.00%
47	12	Vanraj Bajaj Trust (Kiran Bajaj as a Trustee)	1,000,000	0.87%	-	0.00%	0.87%
48	13	Kumud Neelima Family Trust (Madhur Bajaj as a Trustee)	125,800	0.11%	-	0.00%	0.11%
49	14	Kumud Nimisha Family Trust (Madhur Bajaj as a Trustee)	125,800	0.11%	-	0.00%	0.11%
50	15	Madhur Neelima Family Trust (Kumud Bajaj as a Trustee)	125,800	0.11%	-	0.00%	0.11%
51	16	Madhur Nimisha Family Trust (Kumud Bajaj as a Trustee)	125,799	0.11%	-	0.00%	0.11%
		Total	**72,342,278**	**62.98%**	**72,342,278**	**63.16%**	**(0.19%)**

(₹ in Lakhs)

Sr no.	Grp Sr no.	Promoter Name	As at 31st March 2021		As at 31-Mar-20		% change during the year
			No of shares	% of total shares	No of shares	% of total shares	
	A	Promoters					
1	1	Mr. Shekhar Bajaj	2,814,639	2.46%	2,814,639	2.47%	(0.02%)
2	2	Mr. Madhur Bajaj	703,199	0.61%	917,342	0.81%	(0.19%)
3	3	Mr. Niraj Bajaj	1,130,882	0.99%	2,130,882	1.87%	(0.89%)
4	4	Mr. Sanjivnayan Bajaj *	428,749	0.37%	12,083	0.01%	0.36%
5	5	Mr. Rahulkumar Bajaj **	-	0.00%	2,355,252	2.07%	(2.07%)
	B	Promoter Group					
	a.	**Individuals :**					
6	1	Mrs. Kiran Bajaj	7,545,224	6.59%	5,912,179	5.20%	1.39%
7	2	Mr. Anant Bajaj	-	0.00%	5,530,667	4.86%	(4.86%)
8	3	Ms. Neelima Bajaj Swamy	200,000	0.17%	1,012,973	0.89%	(0.72%)
9	4	Ms. Minal Bajaj	694,674	0.61%	694,674	0.61%	0.00%
10	5	Ms. Geetika Bajaj	798,199	0.70%	684,709	0.60%	0.10%
11	6	Ms. Nimisha Jaipuria	-	0.00%	628,043	0.55%	(0.55%)
12	7	Ms. Sunaina Kejriwal	1,240,730	1.08%	298,630	0.26%	0.82%
13	8	Mr. Niravnayan Bajaj	282,507	0.25%	282,507	0.25%	0.00%
14	9	Ms. Kumud Bajaj	200,000	0.17%	214,076	0.19%	(0.01%)
15	10	Ms. Pooja Bajaj	1,989,875	1.74%	146,319	0.13%	1.61%
16	11	Ms. Suman Jain	110,700	0.10%	110,700	0.10%	0.00%
17	12	Ms. Kriti Bajaj	101,297	0.09%	101,297	0.09%	0.00%
18	13	Ms. Shefali Bajaj	33,767	0.03%	33,767	0.03%	0.00%
19	14	Ms. Deepa Bajaj	1,126	0.00%	1,126	0.00%	0.00%
20	15	Master Vanraj Bajaj	1,843,556	1.61%	-	0.00%	1.61%
	b.	**Bodies Corporate**					
21	1	Jamnalal Sons Private Limited	22,443,275	19.59%	22,395,260	19.69%	(0.09%)
22	2	Bajaj Holdings And Investment Limited	18,793,840	16.41%	18,793,840	16.52%	(0.11%)

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 16 : Equity share capital (Contd..)

(₹ in Lakhs)

Sr no.	Grp Sr no.	Promoter Name	As at 31st March 2021 No of shares	As at 31st March 2021 % of total shares	As at 31-Mar-20 No of shares	As at 31-Mar-20 % of total shares	% change during the year
23	3	Hind Musafir Agency Limited	1,288,000	1.12%	1,288,000	1.13%	(0.01%)
24	4	Baroda Industries Private Limited	1,412,738	1.23%	975,248	0.86%	0.38%
25	5	Bajaj International Private Limited	917,881	0.80%	900,421	0.79%	0.01%
26	6	Hercules Hoists Limited	624,596	0.55%	624,596	0.55%	0.00%
27	7	Shekhar Holdings Private Limited	540,253	0.47%	540,253	0.47%	0.00%
28	8	Rahul Securities Private Limited	467,093	0.41%	467,093	0.41%	0.00%
29	9	Bachhraj Factories Private Limited	105,466	0.09%	105,466	0.09%	0.00%
30	10	Bajaj Sevashram Private Limited	5,550	0.00%	5,550	0.00%	0.00%
31	11	Bachhraj And Company Private Limited	66,585	0.06%	1,110	0.00%	0.06%
32	12	Kamalnayan Investment & Trading Private Limited	1,110	0.00%	1,110	0.00%	0.00%
33	13	Madhur Securities Private Limited	1,110	0.00%	1,110	0.00%	0.00%
34	14	Niraj Holdings Private Limited	1,110	0.00%	1,110	0.00%	0.00%
35	15	Rupa Equities Private Limited	1,110	0.00%	1,110	0.00%	0.00%
36	16	Sanraj Nayan Investments Private Limited	1,110	0.00%	1,110	0.00%	0.00%
	c.	**Trusts**					
37	1	Geetika Trust No.2 (Kiran Bajaj as a Trustee)	1,361,885	1.19%	1,361,885	1.20%	(0.01%)
38	2	Niravnayan Trust (Niraj Bajaj as a Trustee)	524,721	0.46%	524,721	0.46%	0.00%
39	3	Neelima Bajaj Swamy Family Trust (Neelima Bajaj Swamy as a Trustee)	812,973	0.71%	-	0.00%	0.71%
40	4	Nimisha Jaipuria Family Trust (Nimisha Jaipuria as a Trustee)	628,043	0.55%	-	0.00%	0.55%
41	5	Kriti Bajaj Family Trust (Minal Niraj Bajaj as a Trustee)	500,000	0.44%	-	0.00%	0.44%
42	6	Niravnayan Bajaj Family Trust (Niraj Bajaj as a Trustee)	500,000	0.44%	-	0.00%	0.44%
43	7	Rishab Family Trust	471,052	0.41%	-	0.00%	0.41%
44	8	Sanjali Family Trust	262,717	0.23%	-	0.00%	0.23%
45	9	Siddhant Family Trust	262,717	0.23%	-	0.00%	0.23%
46	10	Nimisha Bajaj Family Trust (Madhur Bajaj as a Trustee)	206,575	0.18%	-	0.00%	0.18%
47	11	Neelima Bajaj Family Trust (Kumud Bajaj as a Trustee)	21,644	0.02%	-	0.00%	0.02%
		Total	**72,342,278**	**63.16%**	**71,870,858**	**63.17%**	**(0.01%)**

* Considered as a Promoter post demise of Mr. Rahulkumar Bajaj on February 12, 2022
** Ceased to be a promoter post sad demise on February 12, 2022

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 17 : Other Equity

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
i) Securities premium reserve	65,356.13	63,391.97
ii) Debenture redemption reserve	-	3,750.00
iii) General reserve	45,967.75	45,967.75
iv) Share options outstanding account	1,198.56	1,181.39
v) Retained earnings	57,936.30	40,917.38
vi) Capital reserve	175.18	175.18
vii) Capital redemption reserve	135.71	135.71
viii) Effective portion of cash flow hedges	88.29	-
ix) Share application money pending allotment	-	12.51
Total reserves and surplus	**170,857.92**	**155,531.89**

i) Securities premium reserve

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Opening Balance	63,391.97	60,139.79
Add: Exercise of share options	1,435.02	1,030.84
Add: Exercise of share options - transferred from shares options outstanding account	529.14	378.98
Add: Securities premium proceeds received on issue of equity shares (Note 16(iii))	-	0.05
Add: Securities premium on issue of shares on demerger (refer note 45)	-	1,842.31
Closing Balance	**65,356.13**	**63,391.97**

ii) Debenture redemption reserve

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Opening Balance	3,750.00	4,625.00
Less: Transfer from Debenture redemption reserve to general reserve / retained earnings	(3,750.00)	(875.00)
Closing Balance	**-**	**3,750.00**

iii) General Reserve

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Opening Balance	45,967.75	43,256.34
Add : Transferred from debenture redemption reserve	-	875.00
Add: Transfer from retained earnings to general reserve	-	1,836.41
Closing Balance	**45,967.75**	**45,967.75**

iv) Shares options outstanding account

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Opening Balance	1,181.39	1,261.09
Add : Employee stock option expense for the year	580.85	421.99
Less : Transferred from share options outstanding account on lapse of vested options	(34.54)	(122.71)
Less : Exercise of options - transferred from shares options outstanding account	(529.14)	(378.98)
Closing Balance	**1,198.56**	**1,181.39**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 17 : Other Equity (Contd..)

v) Retained earnings

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Opening Balance	40,917.38	23,121.79
Add: Net profit for the year	12,851.65	19,054.69
Add: Other comprehensive income (net of tax)	533.66	699.43
Add: Transferred from share options outstanding account on lapse of vested options	34.54	122.71
Less: Fair value of non-controlling interest put option	(150.93)	(244.83)
Add : Transfer from Debenture redemption reserve to retained earnings	3,750.00	-
Less: Transferred to general reserve	-	(1,836.41)
Closing Balance	57,936.30	40,917.38

vi) Capital reserve

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Opening Balance	175.18	10.00
Add: Gain on bargain purchase on demerger (refer note 45)	-	165.18
Closing Balance	175.18	175.18

vii) Capital redemption reserve

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Opening Balance	135.71	135.71
Closing Balance	135.71	135.71

viii) Effective portion of cash flow hedges

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Opening Balance	-	-
Add: Charge for the year	49.98	-
Add: Other comprehensive income (net of tax)	38.31	-
Closing Balance	88.29	-

ix) Share application money pending allotment

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Opening Balance	12.51	0.02
Add /(less): Issue of share capital	(12.51)	12.49
Closing Balance	-	12.51

Nature and purpose of reserves

Securities Premium

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

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 17 : Other Equity (Contd..)

Debenture Redemption Reserve (DRR)

The Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the Group creates DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the Group. The amounts credited to the debenture redemption reserve will not be utilised except to redeem debentures.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Share options outstanding account

The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

Effective Portion of Cashflow Hedges

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Group uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss.

Distribution proposed

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Proposed dividend on equity shares *		
Proposed dividend of ₹ 3 per share (March 31, 2021 - NIL per share)	3,446.22	-

* The proposed dividend on equity shares is subject to the approval of shareholders in the annual general meeting and hence is not recognised as a liability as at the Balance Sheet date.

Note 18 : Borrowings

(₹ in Lakhs)

	Note No.	31-Mar-22	31-Mar-21
Non-current			
Secured			
Term loan	Note c.a	-	97.50
Total secured non-current borrowings		-	97.50
Unsecured			
Sales tax deferral liability	Note a	16.65	124.28
Rupee Loans	Note b	1,166.67	2,333.33
Total unsecured non-current borrowings		1,183.32	2,457.61
Total non-current borrowings		1,183.32	2,555.11

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 18 : Borrowings (Contd..)

(₹ in Lakhs)

	Note No.	31-Mar-22	31-Mar-21
Current			
Secured			
Cash credits	Note c.g	2,033.39	769.72
Working capital rupee loan	Note c.b	-	11,200.00
Rupee Loans	Note c.a	-	38.36
Total secured current borrowings		**2,033.39**	**12,008.08**
Unsecured			
Short term borrowings	Note c.c	-	9,500.00
Hundi acceptances	Note c.d	-	2,504.31
Current maturities of Non Convertible Debenture (NCD)	Note c.f	-	15,000.00
Current maturities of foreign currency loan	Note c.e	-	1,100.22
Current maturities of sales tax deferral liability	Note a	107.62	228.50
Current maturities of long term rupee loans	Note b	1,166.67	4,166.67
Total unsecured current borrowings		**1,274.29**	**32,499.70**
Total current borrowings		**3,307.68**	**44,507.78**

Refer Note D 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:

Particulars	Maturity Date	Liability In ₹ Lakhs as on 31-Mar-22
Sales tax deferral liability	FY23-24	16.65
	Total Non-Current	**16.65**
Sales tax deferral liability	FY22-23	107.62
	Total Current	**107.62**

Particulars	Maturity Date	Liability In ₹ Lakhs as on 31-Mar-21
Sales tax deferral liability	FY 2022-23	107.63
Sales tax deferral liability	FY 2023-24	16.65
	Total Non-Current	**124.28**
Sales tax deferral liability	FY 2021-22	228.50
	Total Current	**228.50**

Note b: Rupee term loan is as per the following terms

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ Lakhs as on 31-Mar-22
Bank of Bahrain & Kuwait B.S.C.	17-Aug-22	7.05%	1,167.67
Bank of Bahrain & Kuwait B.S.C.	17-Aug-23	7.05%	1,166.67
	Total		**2,334.34**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 18 : Borrowings (Contd..)

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%	1,167.67
Bank of Bahrain & Kuwait B.S.C.	17-Aug-22	7.85%	1,167.67
Bank of Bahrain & Kuwait B.S.C.	17-Aug-23	7.85%	1,166.66
	Total		**6,500.00**

Note c: Other loans outstanding as on March 31, 2021

a) Details of rupee loans are as below

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

b) Details of working capital loans are as below

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
	Total		**11,200.00**

c) Details of short term borrowings are as below

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
	Total		**9,500.00**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 18 : Borrowings (Contd..)

d) The Group / Parent Company also has arrangement with various banks for purchase bill discounting (Hundis). 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.

e) Details of foreign currency term loans are as below

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

f) Details of non-convertible debentures 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	

g) Cash credits are secured, repayable on demand and bear interest in the range of 7.90% to 13.00%.

Note D : Charge on secured borrowings is as given below

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

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

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

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

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

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

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

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

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

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

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

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

d The below assets of the subsidiary have been kept on charge for the secured borrowings.

i) First and exclusive charge by way of mortgage of land & building at Gut No. 16 Naigavhan, Khandewadi, Tq. Paithan, Paithan Road, Aurangabad.

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 18 : Borrowings (Contd..)

ii) First and exclusive charge by way of mortgage of land at Gut No 09, situated at Naighavan Khandewadi, Tq. Paithan, Paithan Road, Aurangabad.

iii) First and exclusive charge by way of hypothecation of plant and machinery at Gut No 16, Naigavhan, Khandewadi, Tq. Paithan, Paithan Road, Aurangabad.

iv) First and exclusive charge by way of hypothecation of inventory and receivables of the company.

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

Note e : The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken. Further, the Group has borrowings from banks or financial institutions on the basis of security of current assets and has filed quarterly returns / statement of current assets with banks or financial institutions which are in agreement with the books of accounts.

Note 19 : Other Financial Liabilities

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Non Current		
Redemption liability of non-controlling interest at fair value	-	973.02
Employee benefit liabilities	34.48	15.04
Total other non-current financial liabilities	**34.48**	**988.06**

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Current		
Accrued interest on Non Convertible Debenture but not due	-	3,823.22
Capital creditors	404.94	1,179.10
Unpaid dividends	67.26	77.10
Trade deposits (dealers, vendors etc.)	908.70	981.13
Interest (payable) accrued and not due	-	18.78
Interest accrued and due on borrowings	0.59	76.14
Channel financing liability (Note 6)	30,395.32	37,849.71
Derivative liability	8.97	74.67
Other payables	8,657.72	4,877.96
Liability towards corporate social responsibility (shortfall)	296.10	204.59
Employee benefit liabilities	5,418.31	4,695.22
Total other current financial liabilities	**46,157.91**	**53,857.62**

All the above financial liabilities are carried at amortised cost except for derivative liabilities (forward exchange contracts) which are fair valued through profit and loss and financial guarantee contracts which are initially recognised at fair value.

Note 20 : Provisions

(₹ in Lakhs)

Particulars	31-Mar-22			31-Mar-21		
	Current	Non Current	Total	Current	Non Current	Total
Service warranties*	5,837.91	2,309.11	8,147.02	7,018.58	2,149.02	9,167.60
Legal claims	373.42	-	373.42	543.80	-	543.80
Other matters**	1,643.46	-	1,643.46	1,421.26	-	1,421.26
Total Provisions	**7,854.79**	**2,309.11**	**10,163.90**	**8,983.64**	**2,149.02**	**11,132.66**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 20 : Provisions (Contd..)

Movement in provisions is as given below:

(₹ in Lakhs)

Particulars	Service Warranties	Legal Claims	Other matters
Opening balance as on 1st April, 2020	**9,162.91**	**545.04**	**1,335.25**
Arising during the year	5,606.81	-	86.01
Unwinding of discount (finance cost)	215.87	-	-
Utilised during the year	(5,817.99)	(1.24)	-
Closing balance as on 31st March, 2021	**9,167.60**	**543.80**	**1,421.26**
Arising during the year	5,284.86	-	178.45
Unwinding of discount (finance cost)	197.09	-	-
Utilised during the year	(6,502.53)	(170.38)	-
Closing balance as on 31st March, 2022	**8,147.02**	**373.42**	**1,643.46**

*Refer note 1D(1)

**The Group has made provisions for litigation cases and pending assessments in respect of taxes, the outflow of which would depend on the cessation of the respective events.

Note 21 : Employee Benefit Obligations

(₹ in Lakhs)

Particulars	31-Mar-22			31-Mar-21		
	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	292.71	1,345.06	1,637.77	311.61	1,242.24	1,553.85
Interest rate guarantee on provident fund	-	351.18	351.18	-	547.21	547.21
Gratuity (refer note a below)	626.06	4,618.32	5,244.38	921.50	5,106.86	6,028.36
Total employee benefit obligations	**918.77**	**6,314.56**	**7,233.33**	**1,233.11**	**6,896.31**	**8,129.42**

Disclosure of defined benefit plans are as given below :

A. Gratuity :

The Company has a defined benefit gratuity plan in India (Funded) for its employees, which requires contribution to be made to a separately administered fund. Company had an unfunded Gratuity Liability towards employees of erstwhile HLL Demerged Undertaking, which has been completely paid off during FY. 2021-22 on account of their VRS from the Company

The gratuity benefit payable to the employees of the Company is greater of the two : (i) The provisions of the Payment of Gratuity Act, 1972 or (ii) The Company's gratuity scheme as described below.

(i) The provisions of the Payment of Gratuity Act, 1972 :

Benefits as per the Payment of Gratuity Act, 1972	
Salary for calculation of Gratuity (GS)	Last drawn basic salary including dearness allowance (if any)
Gratuity Service (SER)	Completed years of Continuous Service with part thereof in excess of six months
Vesting period	5 Years #
Benefit on normal retirement	15/26 * GS * SER
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	₹ 20 lakhs

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 21 : Employee Benefit Obligations (Contd..)

(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
Limit	No Limit

Benefits as per the Company's Gratuity Scheme for HO (Category E - Executives, Category PSG - Project Services Group and Category Factory Staff - Chakan & Ranjangaon Employees)		
Salary for calculation of Gratuity (GS)	HO Category E & PSG: Basic Salary Factory Staff : Basic Salary + DA, if any	
Gratuity Service (SER)	Completed years of Continuous Service with part thereof in excess of six months	
Vesting period	5 Years #	
Benefit on normal retirement	**Service**	**Benefits**
	Between 5 & 9 years	60% x GS x SER
	Between 10 & 14 years	70% x GS x SER
	Between 15 & 24 years	80% x GS x SER
	25 years & Above	GS x SER
Benefit on early retirement / termination / resignation / withdrawal	**Service**	**Benefits**
	Between 5 & 9 years	60% x GS x SER
	Between 10 & 14 years	70% x GS x SER
	Between 15 & 24 years	80% x GS x SER
	25 years & Above	90% x GS x SER
Benefit on death in service	HO Category E & PSG: GS x SER Factory Staff : Same as normal retirement benefit based on the service upto the date of exit.	
Limit	No Limit	

Completion of 240 days during the 5th year can be treated as completion of 1 year of continuous service.

In case of employees with age above the retirement age, the retirement is assumed to happen immediately and valuation is done accordingly.

Changes in the Present Value of Obligation are as given below

(₹ in Lakhs)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Present Value of Obligation as at the beginning	7,076.97	6,152.13
Current Service Cost	588.21	627.59
Interest Cost	440.66	362.36

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 21 : Employee Benefit Obligations (Contd..)

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Re-measurement (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(134.78)	34.11
- experience adjustments (i.e. Actual experience vs assumptions)	(285.94)	(110.50)
Benefits Paid	(1,530.11)	(1,048.75)
Acquisition Adjustment (HLL Mfg Undertaking absorbed in Demerger)	-	837.85
Present Value of Obligation as at the end	**6,155.01**	**6,854.79**

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

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Fair Value of Plan Assets as at the beginning	**830.33**	**337.18**
Investment Income	51.45	21.40
Employer's Contribution	2.09	574.96
Benefits Paid	-	(107.18)
Return on plan assets , excluding amount recognised in interest (expense)/income	30.81	3.97
Fair Value of Plan Assets as at the end	**914.68**	**830.33**

Subsidiary's gratuity liability is unfunded

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

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Fair Value of Reimbursement Right as at the beginning	**5,360.58**	**5,003.05**
Investment Income	332.12	317.47
Employer's Contribution		-
Benefits Paid	(630.10)	(687.22)
Return on plan assets , excluding amount recognised in interest (expense)/income	243.80	727.28
Fair Value of Reimbursement Right as at the end	**5,306.40**	**5,360.58**

* 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

Amount recognised in balance sheet is as given below

(₹ in Lakhs)

Particulars	As on 31-Mar-22	As on 31-Mar-21
Present Value of Obligation	6,155.01	6,854.79
Fair Value of Plan Assets	914.68	830.33
Surplus / (Deficit)	(5,240.33)	(6,024.46)
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	(5,240.33)	(6,024.46)
Liability on an actual basis for employees at foreign branches	(4.05)	(3.90)
Total Net Asset / (Liability)	**(5,244.38)**	**(6,028.36)**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 21 : Employee Benefit Obligations (Contd..)

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

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Costs charged to statement of profit and loss :		
Current Service Cost	588.21	627.59
Interest Expense or Cost	440.66	362.36
Investment Income	(383.57)	(338.87)
Expense recognised in statement of profit and loss	**645.30**	**651.08**
Re-measurement (gain) / loss arising from:		
Change in demographic assumptions	-	-
Change in financial assumptions	(134.78)	34.11
Experience adjustments (i.e. Actual experience vs assumptions)	(285.94)	(110.50)
Return on plan assets , excluding amount recognised in interest expense/ (income)	(274.61)	(731.25)
(Income) / Expense recognised in Other Comprehensive Income	**(695.33)**	**(807.64)**
Total Expense Recognised during the year	**(50.03)**	**(156.56)**

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

Particulars	As on 31-Mar-22	As on 31-Mar-21
Funds managed by Insurer	100%	100%
Total	**100%**	**100%**

As the funds are managed wholly by the insurance company, the break-up of the plan assets is unavailable

The significant actuarial assumptions are as follows:

Financial Assumptions - Group

Particulars	As on 31-Mar-22	As on 31-Mar-21
Discount rate (per annum) - Range	6.60% - 7.25%	6.20% - 6.75%
Salary growth rate (per annum) - Range	5.00% - 8.50%	5.00% - 8.50%

Demographic Assumptions - BEL

Particulars	As on 31-Mar-22	As on 31-Mar-21
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%	For HLL- 4.00% For Others - 21.00%
31 - 44 years	For HLL- 4.00% For Others - 14.00%	For HLL- 4.00% For Others - 14.00%
Above 44 years	For HLL- 4.00% For Others - 12.00%	For HLL- 4.00% For Others - 12.00%

*For the subsidiary, it is 1.6% across all categories

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 21 : Employee Benefit Obligations (Contd..)

Summary of Membership Status - Parent Company

Particulars	As on 31-Mar-22	As on 31-Mar-21
Number of employees	2,259	2,966
Total monthly salary (₹ lakhs)	816.06	873.54
Average past service (years)	7.09	8.17
Average age (years)	37.24	37.67
Average remaining working life (years)	20.77	20.34
Number of completed years valued	16,018	24,229
Decrement adjusted remaining working life (years)	6.12	6.24
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-22	As on 31-Mar-21
Number of employees	147	147
Total monthly salary (₹ Lakhs)	23.20	23.94
Average past service (years)	9.44	10.63
Average age (years)	39.30	39.31
Average remaining working life (years)	18.70	18.71
Number of completed years valued	1,387	1,562
Decrement adjusted remaining working life (years)	14.96	14.88
Normal retirement age	58 years #	58 years #

The retirement date for Nirlep employee is the 58th date of birth of the employee

Summary of Membership Status - Subsidiary (SLL)

Particulars	As on 31-Mar-22	As on 31-Mar-21
Number of employees	196	233
Total monthly salary (₹ Lakhs)	35.11	40.72
Average past service (years)	8.04	7.45
Average age (years)	35.69	35.51
Average remaining working life (years)	22.31	22.49
Number of completed years valued	1,576	1,735
Decrement adjusted remaining working life (years)	16.77	16.83
Normal retirement age	58 years #	58 years #

The retirement date for SLL employee is the 58th date of birth of the employee

Sensitivity Analysis

The sensitivity analysis is determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. (Amounts in Lakhs)

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Defined Benefit Obligation (Base)	6,155.01	6,854.79

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 21 : Employee Benefit Obligations (Contd..)

(₹ in Lakhs)

Particulars	31-Mar-22 Result of decrease	31-Mar-22 Result of increase	31-Mar-21 Result of decrease	31-Mar-21 Result of increase
Discount Rate (- / + 1%)	6,500.03	5,848.29	7,239.11	6,512.22
(% change compared to base due to sensitivity)	5.61%	(4.98%)	5.61%	(5.00%)
Salary Growth Rate (- / + 1%)	5,867.48	6,471.51	6,535.87	7,204.47
(% change compared to base due to sensitivity)	(4.67%)	5.14%	(4.65%)	5.10%
Attrition Rate (- / + 50% of attrition rates)	6,732.44	5,846.25	7,583.74	6,470.40
(% change compared to base due to sensitivity)	9.38%	(5.02%)	10.63%	(5.61%)
Mortality Rate (- / + 10% of mortality rates)	6,153.75	6,156.29	6,853.88	6,855.71
(% change compared to base due to sensitivity)	(0.02%)	0.02%	(0.01%)	0.01%

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 INR Lakhs)

Particulars	31-Mar-22	31-Mar-21
The Company's best estimate of Contribution during the next year	186.16	1,098.66

c) Maturity Profile of Defined Benefit Obligation (Amounts in INR)

Particulars	31-Mar-22	31-Mar-21
Weighted average duration (based on discounted cashflows)	5 years for BEL, 8 years for Nirlep and 14 years for SLL	6 years for BEL and 7 years for Nirlep

c) Maturity Profile of Defined Benefit Obligation (Amounts in INR)

Particulars	31-Mar-22	31-Mar-21
Weighted average duration (based on discounted cashflows)	5 years for BEL, 8 years for Nirlep and 14 years for SLL	6 years for BEL and 7 years for Nirlep

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 21 : Employee Benefit Obligations (Contd..)

(₹ in Lakhs)

Expected cash flows over the next (valued on undiscounted basis):(Amounts in INR Lakhs):	31-Mar-22	31-Mar-21
1 year	1,540.75	1,751.84
More than 1 and upto 2 years	620.53	601.04
More than 2 and upto 5 years	1,732.05	1,848.40
More than 5 and upto 10 years	2,301.87	2,585.66
More than 10 years	3,427.72	3,472.92

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). The Gratuity Liability for SLL and Nirlep are unfunded and hence; ALM strategies are not applicable.

B. Provident Fund (Defined Benefit Plan) :

Bajaj Electricals Limited operates in two schemes for the compliance of provident fund statute - (i) Bajaj Electricals Limited Employees' Provident Fund Trust & Matchwel Electricals (India) Ltd Employees' Provident Fund Trust (defined benefit plan) and (ii) RPFC Contributions for provident fund (defined contribution plan).

For exempt provident fund, the defined benefit obligation of the Company arises from the possibility that during anytime in the future, the scheme may earn insufficient investment income to meet the guaranteed interest rate declared by government / EPFO / relevant authorities as well as for fund assets shortfall as against the liabilities of the Trusts

The net defined benefit obligation as at the valuation date represents the excess of accumulated fund value (determined on actuarial basis) plus interest rate guaranteed liability over the fair value of plan assets or vice-a-versa

The benefit valued under PF obligation are summarised below:

Normal Retirement Age	58 Years *
Benefit on normal retirement	Accrued Account Value
Benefit on early retirement / termination / resignation / withdrawal	Accrued Account Value
Benefit on death in service	Accrued Account Value

* The standard retirement date for executive employees is June 30th of every year and the same is April 1st of every year for the staff employees.

The company's compliances for provident fund is governed by Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Responsibility for governance of the plans, including investment decisions and contribution schedules lies jointly with the company and the board of trustees. The board of trustees are composed of representatives of the company and plan participants in accordance with the plan's regulations

Changes in the Present Value of Obligation of Trusts are as given below :

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Present Value of Obligation as at the beginning	**17,128.90**	**15,716.67**
Interest Cost	1,112.74	1,296.82
Current Service Cost	752.63	864.85
Employee's Contributions	1,392.61	1,401.26
Transfer In / (out) of the liability	149.76	302.80
Benefits Paid	(2,402.91)	(2,576.04)
Re-measurement (gain) / loss arising from:		
- experience variance (i.e. Actual experience vs assumptions), loss if positive	503.78	122.54
- change in financial assumptions	(483.40)	-
Present Value of Obligation as at the end	**18,154.11**	**17,128.90**

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

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Fair Value of Plan Assets as at the beginning	**16,257.04**	**14,544.19**
Investment Income	1,054.05	1,236.17
Employer's Contributions	697.24	864.85
Employee's Contributions	1,392.61	1,401.26
Transfers In	149.76	302.80
Benefits Paid	(2,402.91)	(2,576.04)
Return on plan assets , excluding amount recognised in interest (expense)/income	999.44	483.81
Fair Value of Plan Assets as at the end	**18,147.23**	**16,257.04**

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 INR Lakhs) :

(₹ in Lakhs)

Particulars	As on 31-Mar-22	As on 31-Mar-21
Present Value of Obligation	441.36	423.00
Fair Value of Plan Assets	918.30	820.27
Surplus / (Deficit)	**476.94**	**397.27**
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**476.94**	**397.27**

The present value of obligation of Matchwel Electricals (India) Ltd Employees' Provident Fund Trust represents the aggregate of accumulated fund value of ₹ 433.36 lakhs (As on March 31, 2021 - ₹ 412.07 lakhs) and interest rate guarantee ₹ 8.00 lakhs (As on March 31, 2021 - ₹ 10.92 lakhs). Of the above, the interest rate guarantee is recognised as provision in the Company's books, while the accumulated fund value is recognised by the Trust. The interest rate guarantee so recognised in the Company's books is considered as non-current liability

Bajaj Electricals Limited Employees' Provident Fund Trust (for H.O. employees) :

(₹ in Lakhs)

Particulars	As on 31-Mar-22	As on 31-Mar-21
Present Value of Obligation	17,712.74	16,705.89
Fair Value of Plan Assets	17,227.94	15,435.77
Surplus / (Deficit)	**(484.80)**	**(1,270.12)**

Notes to consolidated financial statements for the year ended 31st March, 2022
Note 21 : Employee Benefit Obligations (Contd..)

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 21 : Employee Benefit Obligations (Contd..)

(₹ in Lakhs)

Particulars	As on 31-Mar-22	As on 31-Mar-21
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**(484.80)**	**(1,270.12)**

The present value of obligation of Bajaj Electricals Limited Employees' Provident Fund Trust represents the aggregate of accumulated fund value of ₹ 17,391.82 lakhs (As on March 31, 2021 - ₹ 16,274.54 lakhs) and interest rate guarantee ₹ 320.92 lakhs (As on March 31, 2021 - ₹ 431.35 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 ₹ 163.68 lakhs which is Accumulated Fund Value of ₹ 17,391.82 lakhs in excess of Fair Value of Plan Assets of ₹ 17,227.94 lakhs is accounted by BEL as payable to Trust on shortfall of plan assets. During the year, out of the liability which had arisen mainly on account of negative return on plan assets contributed by negative return on Trust's investment in IL&FS as well as DHFL in past years; the partial recovery in the form of fresh debt security units and cash has happened from DHFL and the differential value is funded by BEL to the Trust. BEL has also recorded full liability towards IL&FS which is to be paid by BEL to the Trust

Bajaj Electricals Limited can offset an asset relating to one plan against a liability relating to another plan when, and only when, Bajaj Electricals Limited has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and intends either to settle the obligations on a net basis, or to realize the surplus in one plan and settle its obligation under the other plan simultaneously. However the two trusts namely Matchwel Electricals (India) Ltd Employees' Provident Fund Trust (for Chakan employees) and Bajaj Electricals Limited Employees' Provident Fund Trust (for H.O. employees) are independent trusts. Accordingly, surplus assets of trust for Chakan employees cannot be offset against liability relating to trust for H.O. employees

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

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Costs charged to statement of profit and loss :		
Current Service Cost	752.63	864.85
Interest Cost	1,112.74	1,296.82
Investment Income	(1,054.05)	(1,236.17)
Expense recognised in statement of profit and loss	**811.32**	**925.50**
Re-measurement (gain) / loss arising from:		
- Experience variance (i.e. Actual experience vs assumptions) *	503.78	122.54
- change in financial assumptions	(483.40)	-
Return on plan assets , excluding amount recognised in interest expense/(income)	(999.44)	(483.81)
Expense recognised in Other Comprehensive Income	**(979.06)**	**(361.27)**
Total Expense Recognised during the year	**(167.74)**	**564.23**

* 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-22 HO Unit	As on 31-Mar-22 Chakan Unit	As on 31-Mar-21 HO Unit	As on 31-Mar-21 Chakan Unit
Discount rate (per annum)	6.94%	6.94%	6.52%	6.52%
Interest rate guarantee (per annum)	8.10%	8.10%	8.50%	8.50%
Discount Rate for the Remaining Term to Maturity of the Investment (p.a.)	6.94%	6.94%	6.52%	6.52%

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 21 : Employee Benefit Obligations (Contd..)

Particulars	As on 31-Mar-22 HO Unit	As on 31-Mar-22 Chakan Unit	As on 31-Mar-21 HO Unit	As on 31-Mar-21 Chakan Unit
Average Historic Yield on the Investment (p.a.)	7.82%	7.82%	8.06%	8.06%
Mortality Rate	100% of IALM 2012-14		100% of IALM 2012-14	

Particulars	As on 31-Mar-22 Live Employees	As on 31-Mar-21 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-22	As on 31-Mar-21
Dormant/Inoperative Employees	3,523	3,371
Live Number of employees	1,555	1,714
Total Number of employees	5,078	5,085
Average age (years)	40.90	40.19

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

Particulars	As on 31-Mar-22	As on 31-Mar-21
Government of India securities	4.4%	4.5%
State Government securities	38.5%	36.6%
High quality corporate bonds	31.3%	28.7%
Equity shares of listed companies	0.0%	0.0%
Public Sector Bonds	0.0%	0.0%
Special Deposit Scheme	8.4%	8.8%
Funds managed by Insurer	0.0%	0.0%
Bank balance	0.3%	0.2%
Other Investments	17.1%	21.3%
Total	**100%**	**100%**

Sensitivity Analysis

The sensitivity analysis is determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. (Amounts in INR Lakhs)

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Defined Benefit Obligation (Base)	18,154.11	17,128.90

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 21 : Employee Benefit Obligations (Contd..)

(₹ in Lakhs)

Particulars	31-Mar-22		31-Mar-21	
	Result of decrease	Result of increase	Result of decrease	Result of increase
Discount Rate (- / + 1%)	18,292.09	18,016.94	17,302.81	16,961.50
(% change compared to base due to sensitivity)	0.76%	(0.76%)	1.02%	(0.98%)
Interest rate guarantee (- / + 1%)	17,825.18	19,349.12	16,686.61	18,144.23
(% change compared to base due to sensitivity)	(1.81%)	6.58%	(2.58%)	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 RPFC Contributions

b) Expected contribution during the next annual reporting period (Amounts in INR Lakhs)

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
The Trusts' best estimate of Contribution during the next year	790.26	908.09

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) :

(₹ in Lakhs)

Particulars	Provident Fund		Superannuation		Pension	
	For the year ended		For the year ended		For the year ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Expense recognised in the statement of Profit & Loss	236.09	359.78	238.04	240.76	542.13	599.15

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

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 22 : Trade Payables

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Current		
Trade payable	115,641.46	84,239.90
Dues to micro, small and medium enterprises *	7,905.23	11,775.27
Total current trade payables	**123,546.69**	**96,015.17**

* Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

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

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Principal	7,535.91	11,447.22
Interest	369.32	328.05
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.	328.05	335.08
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.	369.32	328.05
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.	-	-

Trade Payables aging schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	4,641.25	1,939.57	29.35	209.61	0.01	6,819.78
(ii) Others	71,521.95	25,049.20	5,133.06	3,186.80	10,728.74	115,619.75
(iii) Disputed Dues - MSME	-	-	-	-	1,085.45	1,085.45
(iv) Disputed Dues - Others	-	7.84	-	1.83	12.04	21.71
TOTAL	**76,163.20**	**26,996.61**	**5,162.41**	**3,398.24**	**11,826.24**	**123,546.69**

Trade Payables aging schedule as at 31st March 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	8,081.67	2,134.68	328.26	-	-	10,544.61
(ii) Others	34,931.55	30,572.64	3,853.72	646.65	14,214.29	84,218.85
(iii) Disputed Dues - MSME	-	-	-	1,229.73	0.93	1,230.66
(iv) Disputed Dues - Others	-	2.83	1.75	0.05	16.42	21.05
TOTAL	**43,013.22**	**32,710.15**	**4,183.73**	**1,876.43**	**14,231.64**	**96,015.17**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 23 : Other Current Liabilities

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Statutory liabilities payable	3,404.49	4,397.74
Deferred revenue *	17,087.79	18,611.33
Others	1,109.73	1,962.74
Total other current liabilities	**21,602.01**	**24,971.81**

* Deferred revenue includes ₹ 16,738.10 lakhs (March 31, 2021 - ₹ 18,261.64 lakhs) for accrual of points under the Retailer Bonding Program and ₹ 349.70 lakhs (March 31, 2021 - ₹ 349.70) for warranty provision considered as a separate performance obligation.

Note 24 : Revenue from operations

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Sale of products	427,231.47	377,983.79
Contract Revenue	45,537.77	76,705.89
Other operating revenue		
Scrap sales	6,686.34	2,615.67
Insurance claims	364.85	757.98
Writeback of provisions	463.64	-
Others	1,017.38	397.13
Total revenue from operations (Refer Note 41(i))	**481,301.45**	**458,460.46**

Note 25 : Other income

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Interest income on bank deposits and others	217.95	1,520.73
Interest income from financial assets at amortised cost	71.36	324.44
Interest on income tax refund	476.30	394.85
Rental income	254.70	268.38
Gain on disposal of property, plant & equipment (net)	1,070.09	1,782.25
Others		
Impairment allowance on trade receivables and others written back	2,716.69	746.47
Credit balance written back	1,760.51	1,324.72
Gain on termination of right-of-use assets	16.79	474.56
Others	249.25	84.08
Total other income	**6,833.64**	**6,920.48**

Note 26 : Cost of raw materials consumed

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Raw materials at the beginning of the year	10,007.74	8,356.33
Add : Purchases	62,440.63	36,666.47
Less : Raw materials at the end of the year	12,633.72	10,007.74
Total cost of raw material consumed	**59,814.65**	**35,015.06**

Note 26 : Changes in inventories of work-in-progress, finished goods, traded goods

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Opening balance		
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
Total opening balance	**88,362.05**	**61,289.35**
Closing balance		
Work in progress	2,168.06	1,666.70
Finished Goods	2,285.97	2,124.07
Traded goods	82,196.97	84,571.28
Total Closing balance	**86,651.00**	**88,362.05**
Total Changes in inventories of work in progress, traded goods and finished goods	**1,711.05**	**(27,072.70)**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 27 : Erection & subcontracting expenses

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Erection and subcontracting expense	13,395.21	24,371.20
Total Erection & subcontracting expense	**13,395.21**	**24,371.20**

Note 28 : Employee benefit expenses

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Salaries, wages and bonus	36,120.84	35,686.33
Contribution to provident and other funds (Note 21)	1,787.63	1,668.43
Employees share based payment expense (Note 33)	580.85	421.99
Gratuity (Note 21)	633.26	651.09
Staff welfare expenses	1,017.50	1,022.74
Total employee benefit expense	**40,140.08**	**39,450.58**

Note 29 : Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Depreciation of property, plant and equipment (Note 2)	4,554.49	3,736.33
Amortisation of intangible assets (Note 4)	520.57	656.99
Depreciation of Right of Use assets (Note 3)	1,848.38	3,123.16
Total depreciation and amortisation expense	**6,923.44**	**7,516.48**

Note 30 : Other expenses

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Consumption of stores & spares	1,007.98	719.52
Packing material consumed	1,437.02	1,122.85
Power and fuel	1,742.24	1,201.81
Rent	2,313.58	1,608.91
Repairs and maintenance		
Plant and machinery	1,236.79	1,109.87
Buildings	13.74	1.85
Others	464.19	425.33
Telephone and communication charges	806.02	703.14
Rates and taxes	199.52	228.68

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 30 : Other expenses(Contd..)

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Travel and conveyance	2,972.06	3,290.80
Insurance	1,082.98	1,177.82
Printing and stationery	127.64	153.92
Directors fees	117.68	94.01
Non executive directors commission	85.00	77.00
Advertisement & publicity	11,772.84	11,237.61
Freight & forwarding	9,439.04	10,162.50
Product promotion & service charges (net)	11,495.59	10,291.48
Sales commission	1,168.26	1,267.13
Impairment allowance for doubtful debts and advances (net of reversals)	877.16	(482.59)
Bad debts and other irrecoverable debit balances written off	1,570.71	3,019.62
Payments to auditors	240.25	183.95
Corporate social responsibility expenditure (refer note 49)	329.58	384.91
Impairment of property, plant and equipment	845.00	-
Legal and Professional Fees	2,595.28	2,300.56
Site support charges	1,849.22	3,255.80
Sales tax expenses	237.40	76.50
Security service charges	1,324.01	1,580.63
Software expenses (AMC)	2,442.27	1,466.67
Warehouse Management Services	4,255.14	857.74
Miscellaneous expenses	9,572.00	7,247.83
Total other expenses	**73,620.19**	**64,765.85**

Note 31 : Finance cost

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Interest expense on borrowings	5,108.69	6,154.67
Interest expense on mobilization advances	939.26	143.09
Interest expense on lease liability (refer note 3)	544.65	944.13
Unwinding of discount on provisions	187.74	225.50
Exchange differences regarded as an adjustment to borrowing costs	2.18	54.19
Other borrowing costs	203.27	154.41
Total	**6,985.79**	**7,675.99**
Finance cost capitalised	(11.43)	(32.54)
Finance cost expensed in profit and loss	**6,974.36**	**7,643.45**

Note 32 : Income Tax Expense

(a) Income Tax Expense

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Current Tax		
Current income tax charge	5,321.86	4,761.14
Adjustments of tax relating to earlier periods	(489.34)	-
Total Current tax expense	**4,832.52**	**4,761.14**
Total deferred tax expense / (benefit)	**(644.92)**	**969.55**
Income tax expense in the statement of profit and loss	**4,187.60**	**5,730.69**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 32 : Income Tax Expense (Contd..)

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

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Profit from continuing operations before income tax expense	16,628.26	24,626.58
Income Tax @ standard tax rate of 25.168% (March 31, 2021 - 25.168%)	4,185.00	6,198.02
Permanent differences due to:		
Corporate social responsibility	132.71	47.40
Interest on MSME	92.96	82.56
Donation expenses	19.89	4.84
Exceptional Items (derecognition of associate pursuant to demerger [HLL])	-	(296.01)
Adjustment of tax relating to earlier periods	(489.34)	-
Others	246.38	(306.12)
Income Tax Expense reported in statement of profit and loss	**4,187.60**	**5,730.69**

Note 33 : Employee stock options :

A. Summary of Status of ESOPs Granted :

The position of the existing schemes is summarized as under :

Sr. No.	Particulars	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
I.	**Details of the ESOS :**			
1	Date of Shareholder's Approval	Originally approved in AGM held on 26 Jul 2007 and revised in AGM held on 28 Jul 2010		As per the Postal Ballot dated 21 Jan 2016
2	Total Number of Options approved	Bajaj Growth 2007 Scheme approved 4,321,440 shares of face value ₹ 2 each (erstwhile 864,288 shares of ₹ 10 each prior to share-split) equivalent to 5% of paid up equity shares i.e. 86,428,800 shares as at the date of the announcement of scheme. The ESOP 2011 being the modified ESOP 2007 Scheme approved aggregate of 78,03,560 shares of face value ₹ 2 each equivalent to 8% of paid up equity shares i.e. 97,544,495 as at the date of the announcement of scheme.		30,27,073 shares of face value ₹ 2 each equivalent to 3% of paid up equity i.e. 100,902,426 shares as at the date of the announcement of scheme.
3	Vesting Requirements & Exercise Period	Options' vesting happen only on continuation of employment being the vesting requirement. The options are granted to employees with grade Assistant General Manager and above. As per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, SEBI (Share Based Employee Benefits) (Amendment) Regulations, 2015 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, there is a minimum period of one year between the grant of options and vesting of option observed by the Company. As per the Company Policy, the vested options can be exercised anytime upto 3 years from date of vesting. Options granted under the plan carry no dividend or voting rights till the options are 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

Notes to consolidated financial statements for the year ended 31st March, 2022

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

Sr. No.	Particulars	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
8	Variation in terms of ESOP	Nil	Nil	The Nomination & Remuneration Committee of the Company at its meeting held on 12 November 2021 amended the Scheme to align it with the requirements of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
9	Equity Shares reserved for issue under Employee Stock Options outstanding as at March 31, 2022	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, 2022, of which number of stock options not yet granted under ESOP 2015 scheme are 462,643, number of stock options vested & exercisable under ESOP 2011 & ESOP 2015 schemes are 234,795 and number of stock options unvested under ESOP 2015 scheme are 939,625. Thus, total equity shares reserved for issuance under ESOP Scheme outstanding as at March 31, 2021 are 1,637,063.		

II. Option Movement during the year ended March 31, 2022

Sr. No.	Particulars	BAJAJ GROWTH 2007		ESOP 2011		ESOP 2015	
		No. of options	Wt. avg exercise price	No. of options	Wt. avg exercise price	No. of options	Wt. avg exercise price
1	No. of Options Outstanding at the beginning of the year	-	-	28,400	290.26	1,103,140	466.01
2	Options Granted during the year	-	-	-	-	517,500	1,116.35
3	Options Forfeited / Surrendered during the year	-	-	2,750	257.81	124,625	558.84
4	Options Expired (Lapsed) during the year	-	-	3,250	261.44	6,500	347.76
5	Options Exercised during the year	-	-	20,500	302.19	316,995	435.28
6	Number of options outstanding at the end of the year	-	-	1,900	257.81	1,172,520	752.14
7	Number of options exercisable at the end of the year	-	-	1,900	257.81	232,895	464.43

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, 2022

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

III. Weighted Average remaining contractual life

	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
Range of Exercise Price	**Weighted average contractual life (years) as on March 31, 2022**		
0 to 100	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
101 to 200	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
201 to 300	Nil	0.35	0.99
No. of Options Outstanding	Nil	1,900	13,125
301 to 400	Nil	Nil	3.42
No. of Options Outstanding	Nil	Nil	285,900
401 to 500	Nil	Nil	3.76
No. of Options Outstanding	Nil	Nil	120,500
501 to 600	Nil	Nil	2.58
No. of Options Outstanding	Nil	Nil	58,750
601 to 700	Nil	Nil	2.69
No. of Options Outstanding	Nil	Nil	92,795
701 to 800	Nil	Nil	4.60
No. of Options Outstanding	Nil	Nil	98,950
801 to 900	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
901 to 1000	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
1001 to 1100	Nil	Nil	5.02
No. of Options Outstanding	Nil	Nil	65,000
1101 to 1200	Nil	Nil	5.27
No. of Options Outstanding	Nil	Nil	397,500
1201 to 1300	Nil	Nil	5.51
No. of Options Outstanding	Nil	Nil	40,000
Range of Exercise Price	**Weighted average contractual life (years) as on March 31, 2021**		
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

Notes to consolidated financial statements for the year ended 31st March, 2022

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

IV. Weighted average Fair Value of Options Granted during the year ended March 31, 2022 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	458.10
(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, 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

V. The weighted average market price of options exercised :

	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
During the year ended March 31, 2022	Nil	1,088.36	1,094.25
During the year ended March 31, 2021	Nil	616.71	721.47

VI Method and Assumptions used to estimate the fair value of options granted during the year ended March 31, 2022:

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
Variables	Weighted Average	Weighted Average	Weighted Average
1. Risk Free Interest Rate	No options granted during the year	No options granted during the year	5.44%
2. Expected Life (in years)			4.15
3. Expected Volatility			42.92%
4. Dividend Yield			0.00%
5. Exercise Price (₹)			1116.35
6. Price of the underlying share in market at the time of the option grant. (₹)			1116.35

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
Variables	Weighted Average	Weighted Average	Weighted Average
1. Risk Free Interest Rate	No options granted during the year	No options granted during the year	5.14%
2. Expected Life (in years)			4.15
3. Expected Volatility			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

Notes to consolidated financial statements for the year ended 31st March, 2022

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 divided yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant

VII Effect of Share-Based Payment Transactions on the Entity's Profit or Loss for the year (₹ In Lakhs):

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
1 Employee Stock Option Plan Expense	580.85	421.99
2 Total ESOP Reserve at the end of the year	1,198.56	1,181.39

Note 34 : Fair value measurements

(i) Financial instruments by category

The carrying amounts of financial instruments by class are as follows

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Financial assets		
I. Measured at amortized cost		
Trade Receivables	136,061.17	191,686.48
Loans	23.19	7,245.76
Cash and Cash Equivalents	11,881.50	4,563.58
Bank Balances other than above	2,372.26	1,598.71
Other Financial Assets	4,230.55	3,272.18
II. Measured at fair value through profit and loss (FVTPL)		
Other Financial Assets (Derivative Assets)	329.43	1.82
Investments	489.73	471.45
	155,387.83	**208,839.98**
B. Financial liabilities *		
I. Measured at amortized cost		
Borrowings	4,491.00	47,062.89
Trade Payables	123,546.69	96,015.17
Lease Liabilities	4,587.80	3,863.29
Other Financial Liabilities	46,183.42	53,797.67
II. Measured at fair value through profit and loss (FVTPL)		
Other Financial Liabilities (Derivative Liability)	8.97	75.00
	178,817.88	**200,814.02**

* Does not include redemption liability of non-controlling interest of ₹ NIL lakhs (March 31, 2021 - ₹ 973.02 Lakhs), changes of which are recognised directly in equity.

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 34 : Fair value measurements

(ii) Set out below, is a fair value measurement hierarchy and comparison by class of carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts which are reasonable approximations of their fair values:

Particulars	Valuation Techniques	Carrying values	Fair Values	Fair Values Measurement using		
				Level 1	Level 2	Level 3
As at March 31, 2022						
Other Financial Assets (Derivative Assets)	Mark to Market	329.43	329.43	-	329.43	
Investments	Net Asset Value (note a)	489.73	489.73	-		489.73
Other Financial Liabilities (Derivative Liability)	Mark to Market	8.97	8.97	-	8.97	-
		828.13	828.13	-	338.40	489.73
As at March 31, 2021						
Other Financial Assets (Derivative Assets)	Mark to Market	1.82	1.82		1.82	
Investments	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		973.02	973.02	-		973.02
		1,521.29	**1,521.29**	-	**76.82**	**1,444.47**

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

Note a

In case of Bharat Innovation Fund, the fair value has been determined based on the NAV (net asset value) as per the statement issued by Bharat Innovation Fund.

(iii) Reconciliation of level 3 fair value measurement

(₹ in Lakhs)

Particulars	Amount
Balance as on 31st March 2021	**1,239.84**
Additions made during the year	0.38
Charge / (Credit) for the year	204.25
Balance as on 31st March 2021	**1,444.47**
Deletions made during the year	(974.73)
Charge / (Credit) for the year	19.99
Balance as on 31st March 2022	**489.73**

Note 35: Financial risk management objectives and policies

The Group's principal financial liabilities comprise of trade payables, borrowings, lease liabilities and other financial liabilities. The main purpose of these financial liabilities is to finance the entity's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade receivables, cash and cash equivalents and bank balances and other financial assets, that derive directly from its operations.

The risk management committee of the Parent Company lays down appropriate policies and procedures to ensure that financial risks are identified, measured and managed in accordance with the entity's policies and risk objectives.

The Group is exposed to credit risk, liquidity risk and market risk, which are explained in detail below:

Notes to consolidated financial statements for the year ended 31st March, 2022

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

(A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses the direct risk of default, the risk of deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risk from its operating activities mainly in relation to trade and other receivables and bank deposits. Further, the Group is also exposed to credit risk arising from its loans, advances and investment in preference shares of its affiliate companies.

Trade and other receivables

Trade and other receivables of the Group are typically unsecured and credit risk is managed through credit approvals and periodical monitoring of the creditworthiness of customers to which the Group grants credit terms.

In respect of trade receivables, the Group typically operates in two segments:

Consumer products

The Group sells the consumer products mainly through three channels i.e. dealers and distributors, institutions and e-commerce and through government sector. The appointment of dealers, distributors, institutions is strictly driven as per the standard operating procedures and credit policy followed by the Group. In case of government sector, the credit risk is low.

Engineering and projects

The Group undertake projects for government institutions (including local bodies) and private institutional customers. The credit concentration is more towards government institutions. These projects are normally of long term duration of two to three years. Such projects normally are regular tender business with the terms and conditions agreed as per the tender. These projects are fully funded by the government of India through Rural Electrification Corporation, Power Finance Corporation, and Asian Development Bank etc. The Group enters into such projects after careful consideration of strategy, terms of payment, past experience etc.

In case of private institutional customers, before tendering for the projects Group evaluate the creditworthiness, general feedback about the customer in the market, past experience, if any with customer, and accordingly negotiates the terms and conditions with the customer.

The Group assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from such trade and other receivables. In respect of trade receivables the Group has a provisioning policy that is commensurate to the expected losses. The provisioning policy is based on past experience, customer creditability, and also on the nature and specifics of business especially in the engineering and projects division. In case of engineering projects, the Group also provides on more case-to-case basis, since they are large projects in individuality.

The maximum exposure to credit risk as at March 31, 2022 and March 31, 2021 is the carrying value of such trade and other receivables as shown in note 6, 8 and 13 of the consolidated financials statements.

Reconciliation of impairment allowance on trade and other receivables

(₹ in Lakhs)

Particulars	Amount
Impairment allowance on March 31, 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
Impairment allowance on March 31, 2021	**13,493.30**
Additions during the year	4,774.19
Reversals during the year since amounts are written off	(3,838.23)
Reversal during the year since provision no longer required	(3,211.05)
Impairment allowance on March 31, 2022	**11,218.21**

Notes to consolidated financial statements for the year ended 31st March, 2022

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

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 2022 and 31 March 2021 is the carrying value of such cash and cash equivalents and deposits with banks as shown in note 12 of the financials.

(B) Liquidity risk

The Group has a central treasury department, which is responsible for maintaining adequate liquidity in the system to fund business growth, capital expenditures, as also ensure the repayment of financial liabilities. The department obtains business plans from business units including the capex budget, which is then consolidated and borrowing requirements are ascertained in terms of Long term funds and short-term funds. Considering the peculiar nature of EPC business, which is very working capital intensive, treasury maintains flexibility in funding by maintaining availability under committed credit lines in the form of fund based and non-fund based (LC and BG) limits.

The limits sanctioned and utilised are then monitored monthly, fortnightly and daily basis to ensure that mismatches in cash flows are taken care of, all operational and financial commitments are honoured on time and there is proper movement of funds between the banks from cashflow and interest arbitrage perspective.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Floating / Fixed Rate		
- Expiring within One year (Bank overdraft and other facilities)	272,054.61	233,965.00

Bank overdraft facilities are sanctioned for a period of one year which are then enhanced / renewed from time to time. Though the Bank overdrafts are repayable on demand as per the terms of sanction, these are usually renewed by all banks in normal circumstances. Hence Bank overdraft facilities are available for use throughout the year.

(ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

Particulars	Carrying value as at March 31, 2022	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings (refer note 18)	4,491.00	3,307.68	1,183.32	-	-	4,491.00
Trade payables	123,546.69	123,546.69	-	-	-	123,546.69
Lease liabilities (including expected interest payable)	4,587.80	1,898.60	1,575.84	1,393.06	582.30	5,449.80
Other financial liabilities	46,192.39	46,157.91	34.48	-	-	46,192.39
Total	**178,817.88**	**174,910.88**	**2,793.64**	**1,393.06**	**582.30**	**179,679.88**

(₹ in Lakhs)

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 (refer note 18)	47,062.89	44,507.78	1,319.29	1,235.82	-	47,062.89
Trade payables	96,015.17	96,015.17	-	-	-	96,015.17
Lease liabilities (including expected interest payable)	3,863.29	1,937.17	1,246.54	1,216.19	-	4,399.90
Other financial liabilities	54,845.69	55,025.47	988.06	-	-	56,013.53
Total	**201,787.04**	**197,485.59**	**3,553.89**	**2,452.01**	**-**	**203,491.49**

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as commodity risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group operates in the global market and is therefore exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar ('USD'), Euro ('EUR'), Great Britain Pound ('GBP'), Chinese Yuan Renminbi ('RMB'), United Arab Emirates Dirham ('AED'), Kenyan Shillings ('KES'), Zambian Kwacha ('ZMW') and Canadian Dollar ('CAD'). Exposure is largely in exports receivables and Imports payables arising out of trade in the normal course of business. As these commercial transactions are recorded in currency other than the functional currency (INR), the Group is exposed to Foreign Exchange risk arising from future commercial transactions and recognised assets and liabilities. The Group is a net importer as its imports and other forex liabilities exceeds the exports. It ascertains its forex exposure and bifurcates the same into forex receivables and payables. These exposures are covered by taking appropriate forward cover from the banks.

The Group takes a forward cover for the period which matches the maturity date of the forex liability which is proposed to be hedged. On maturity date, the forward contracts are utilized for settlement of the underlying transactions.

(a) Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows :

(₹ in Lakhs)

Particulars	31-Mar-22		31-Mar-21	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	1,150.95	664.80	472.20	7,423.26
EUR	1.81	11.33	-	7.66
CFA	68.34	188.05	261.52	191.22
GBP	61.57	-	42.55	-
RMB	114.76	170.21	60.70	57.44
KES	1,138.50	261.28	2,290.94	-
ZMW	146.49	167.91	7.87	75.83
SGD	-	0.41	-	-
AED	17.49	17.37	43.44	20.39

Further, the Group has open foreign exchange forward contracts amounting to USD 24.48 lakhs (March 31, 2021 - USD 117.77 lakhs)

Notes to consolidated financial statements for the year ended 31st March, 2022

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

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-22	31-Mar-21
USD sensitivity		
INR appreciates by 5% (31 March 2021 - 5%)	(24.31)	347.55
INR depreciated by 5%(31 March 2021 - 5%)	24.31	(347.55)

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. In case of short term borrowings, the interest rates is fixed in a large number of cases, hence the interest rate risk is negligible.

(iii) Commodity Price risk

The Parent Company's revenue is exposed to market risk of price fluctuations related to the sales of its products. Market forces generally determine the prices for the products sold by the Parent Company. This prices may be influenced by the factors such as supply, demand, production cost (including the cost of raw materials) , regional and global economic conditions and growth. Adverse changes in any of the factors may reduce the revenue that Parent Company earns from sale of its products. The Parent Company is therefore subject to fluctuations in prices for the purpose of raw materials like Aluminium, Copper and other raw material inputs.

Commodity hedging is used primarily as a risk management tool to secure the future cash flow in case of volatility by entering into commodity forward contracts. The Parent Company has entered into commodity forward contracts for aluminium and Copper. Hedging the price volatility of forecast aluminium and copper purchases is in accordance with the risk management strategy outlined by the Board of Directors. Hedging commodity is based on procurement schedule and price risk. Commodity is undertaken as a risk offsetting exercise and depending upon market conditions, hedges may extend beyond the financial year.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Parent Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Parent Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

Notes to consolidated financial statements for the year ended 31st March, 2022

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

A The Parent Company is holding the following commodity future contracts:

(₹ in Lakhs)

	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
As at 31st March 2022						
Aluminium						
Notional Qty (in MT)	195.00	-	-	-	-	195.00
Notional amount (in INR Lakhs)	546.86	-	-	-	-	546.86
Average hedged rates (per MT)	2.80	-	-	-	-	-
Copper						
Notional Qty (in MT)	22.50	-	-	-	-	22.50
Notional amount (in INR Lakhs)	183.32	-	-	-	-	183.32
Average hedged rates (per MT)	8.15	-	-	-	-	-
As at 31st March 2021						
Aluminium						
Notional Qty (in MT)	-	-	-	-	-	-
Notional amount (in INR Lakhs)	-	-	-	-	-	-
Average hedged rates (per MT)	-	-	-	-	-	-
Copper						
Notional Qty (in MT)	-	-	-	-	-	-
Notional amount (in INR Lakhs)	-	-	-	-	-	-
Average hedged rates (per MT)	-	-	-	-	-	-

B The impact of hedged items on the balance sheet is, as follows

(₹ in Lakhs)

	Change in fair value used for measuring ineffectiveness	Effective portion of cash flow hedges	cost of cash flow hedges
As at 31st March 2022			
Commodity future contracts	51.20	51.20	2.88
As at 31st March 2021			
Commodity future contracts	-	-	-

C The effect of the cash flow hedge in the statement of profit and loss is, as follows

(₹ in Lakhs)

	Total hedging gain/(loss) recognised in OCI*	Ineffectiveness recognised in profit or loss	Line item in statement of profit and loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Line item in statement of profit and loss
As at 31st March 2022						
Commodity future contracts	51.20	-	Other comprehensive (income) / loss	2.88	-	-
As at 31st March 2021						
Commodity future contracts	-	-	-	-	-	-

*This represents total unrealised gain/(loss) net of charges and net of taxes

Notes to consolidated financial statements for the year ended 31st March, 2022

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:

(₹ in Lakhs)

	31-Mar-22	31-Mar-21
Total debt	4,491.00	47,062.89
Total equity	170,521.42	157,822.62
Total debt to equity ratio (in times)	0.03	0.30

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

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
a) Consumer Products	27,037.08	31,973.54
b) EPC	(2,480.71)	(5,412.63)
c) Others	(5.65)	(27.87)
Operating Segment profit	**24,550.72**	**26,533.04**
Unallocated income / (expenses)		
Depreciation & amortisation expenses	(29.63)	(30.16)
Finance Cost	(6,974.36)	(7,643.44)
Interest income on financial assets measured at amortised cost	(34.89)	890.51
Profit / (Loss) on sale of Property, plant & equipment	(451.42)	1,748.00
Rent received	245.43	258.24
Interest on Income Tax refund	475.67	394.85
Others	169.43	(73.07)
Profit before income tax	**17,950.95**	**22,077.97**
Exceptional items	1,322.69	(2,548.61)
Profit before income tax	**16,628.26**	**24,626.58**

Notes to consolidated financial statements for the year ended 31st March, 2022

NOTE 37: Segment reporting (Contd..)

The operating segment results includes depreciation and amortization of ₹ 5,600.31 lakhs (March 31, 2021 – ₹ 5,664.67 lakhs) for consumer products, ₹ 1,277.19 lakhs (March 31, 2021 – ₹ 1,783.39 lakhs) for EPC and ₹ 16.30 lakhs (March 31, 2021 – ₹ 38.26 lakhs) for others.

2) Segment Revenue:

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
a) Consumer Products	377,019.68	331,508.08
b) EPC	104,225.19	126,893.41
c) Others	56.58	58.97
Sub-total	**481,301.45**	**458,460.46**
Less: Inter Segment Revenue	-	-
Net Sales / Income from Operations	**481,301.45**	**458,460.46**

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:

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
India	466,684.72	444,804.11
Outside India	14,616.73	13,656.35
Total	**481,301.45**	**458,460.46**

3) Segment Assets

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Consumer Products	195,350.76	167,498.29
b) EPC	132,673.40	193,385.75
c) Others	39.45	133.10
Total Segment Assets	**328,063.61**	**361,017.14**
Unallocated		
Deferred tax assets	8,143.54	5,249.35
Income tax assets (net)	10,405.17	7,574.32
Investments	489.36	471.45
Investment Property	12,600.00	12,600.00
Property, Plant & Equipments, Capital work in progress, Intangible assets and Intangible assets under development	15,385.93	18,237.72
Cash & cash equivalents	14,253.76	6,162.29
Others	9,815.82	15,459.83
Total assets as per balance sheet	**399,157.19**	**426,772.10**

Notes to consolidated financial statements for the year ended 31st March, 2022

NOTE 37: Segment reporting (Contd..)

The total of non-current assets other than financial instruments, investments and deferred tax assets, broken down by location of the assets, is shown below:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
India	93,060.61	65,804.50
Outside India	34.27	94.68
Total	**93,094.88**	**65,899.18**

The capital expenditure incurred for consumer products is ₹ 3,179.00 lakhs (March 31, 2021 - 2,350.83 lakhs), for EPC is ₹ 284.75 lakhs (March 31, 2021 – 305.07 lakhs) and for others is ₹ 1,066.64 lakhs (March 31, 2021 – 494.86 lakhs)

4) Segment Liabilities

Segment liabilities are measured on the same principles as they have been for the purpose of these financial statements. The Group's borrowings and derivative financial instruments are not considered to be segment liabilities but are managed by the treasury function.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Consumer Products	153,792.53	126,377.63
b) EPC	62,555.16	82,707.78
c) Others	-	-
Total Segment Liabilities	**216,347.69**	**209,085.41**
Unallocated		
Borrowings	4,491.00	47,062.89
Others	7,797.08	12,801.18
Total liabilities as per balance sheet	**228,635.77**	**268,949.48**

Note 38: Disclosure of transactions with related parties

(₹ in Lakhs)

Name of Related Party and Nature of relationship	Nature of Transaction	2021-22 Transaction Value for the year	2021-22 Outstanding receivable / (payable) carried in the Balance Sheet	2020-21 Transaction Value for the year	2020-21 Outstanding receivable / (payable) carried in the Balance Sheet
(A) Parent Entities					
	Not Applicable				
(B) Associate - Hind Lamps Limited					
	Purchases	-	-	329.08	-
	Loan given	10.00	10.00	380.00	-
	Interest on loan and advance	0.17	-	59.40	-
	Sales	264.98	32.34	356.61	60.50
	Rent Received	1.80	3.15	7.55	1.35
	Finance Income of preference shares (financial asset at amortised cost)	-	-	24.51	-
(C) Key Management Personnel #					
	Short-term employee benefits	1,979.20	(648.39)	1,706.39	(531.36)
	Gratuity Settlement	-	-	-	-

Notes to consolidated financial statements for the year ended 31st March, 2022

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

(₹ in Lakhs)

Name of Related Party and Nature of relationship	Nature of Transaction	2021-22 Transaction Value for the year	2021-22 Outstanding receivable / (payable) carried in the Balance Sheet	2020-21 Transaction Value for the year	2020-21 Outstanding receivable / (payable) carried in the Balance Sheet
	Post- employment benefits (contribution to superannuation fund)	55.99	-	60.64	-
	Long-term employee benefits (contribution to provident fund)	58.63	-	46.19	-
	Perquisite value of ESOPs exercised during the year	95.48	-	16.46	-
	Total Compensation	**2,189.30**	**(648.39)**	**1,829.68**	**(531.36)**
	Sales	0.03	-	-	-
(D) Transactions with the Entities which is Controlled or Jointly Controlled by a person identified in para 9 (a) of Ind AS 24 - Related Party Disclosures					
	Advance given	-	-	1.80	1.80
	Reimbursement of Expenses	91.57	(8.14)	37.58	(6.56)
	Services Received	36.65	(44.30)	25.81	(39.46)
	Interest Received	0.72	3.68	0.17	-
	Rent Paid (net)	44.10	-	57.00	-
	Deposits given	-	28.24	-	28.24
	Donations Given	50.00	-	-	-
	Deposits Refund	-	-	1.57	-
	Sales	543.88	250.06	777.38	352.28
	Purchases	135.65	(37.15)	254.73	(128.54)
(E) Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures is a member of the KMP of the entity					
	Advance Insurance Premium for next year	965.12	965.12	-	624.61
	Claims Received	19.28	-	32.31	-
	Insurance Premium paid	681.05	-	1,221.65	-
	Other Expenses	7.97	(0.63)	4.25	(0.74)
	CSR Contribution	233.49	-	175.37	-
	Sales	3.75	6.25	23.93	26.35
	Sale of Asset	-	-	6.00	-
	Employee Benefit Obligations and/or Retirement Benefits	1,500.00	6,830.91	-	5,360.58
	Reimbursement of Expenses	4.79	-	4.79	0.03
	Rent Deposit Advanced	50.00	200.00	-	150.00
	Rent Paid	44.84	(6.30)	35.40	(3.21)
	Purchases	-	-	1.46	-
	Advance given	2.00	-	5.00	-
	Services Received	19.90	(0.46)	9.20	(1.45)
	Rent Received	1.62	0.11	2.11	0.18

Notes to consolidated financial statements for the year ended 31st March, 2022

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

(₹ in Lakhs)

Name of Related Party and Nature of relationship	Nature of Transaction	2021-22 Transaction Value for the year	2021-22 Outstanding receivable / (payable) carried in the Balance Sheet	2020-21 Transaction Value for the year	2020-21 Outstanding receivable / (payable) carried in the Balance Sheet
(F) Transactions with the entities which are the post employment benefit plans as identified in para 9 (b) (v) of Ind AS 24 - Related Party Disclosures					
	Trustees Bajaj Electricals Ltd Employees Provident Fund	2,351.60	(173.35)	2,123.55	(170.88)
	Matchwel Electrical India Limited Employees Provident Fund Trust	45.42	(3.97)	41.49	(3.69)
(G) Transactions with the persons identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures					
	Refund of Advance Rent	-	(15.00)	-	(15.00)
	Sales	-	(0.81)	-	-

As the future liability for defined benefit obligations and other long term employment benefits is provided on an actuarial basis for the Company as a whole, the amounts pertaining to key managerial personnel is not ascertainable and hence not included above.

There are no loans or advances granted to promoters, directors, KMPs and the related parties) that are repayable on demand or without any terms or period of repayment.

Note 39. Earnings per share:

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Profit for the year (A) (₹ In Lakhs) - before exceptional items	13,431.16	16,347.28
Profit for the year (A) (₹ In Lakhs) - after exceptional items	12,440.66	18,895.89
Weighted average number of equity shares for basic EPS (B)	114,702,038	114,218,703
Add: Effect of dilution (employee stock options - Refer Note 33)	419,325	404,101
Weighted average number of equity shares for diluted EPS (C)	115,121,363	114,622,804
Earnings Per Share in Rs. :- - after exceptional items		
(a) Basic EPS (A/B)	10.85	16.54
(b) Diluted EPS (A/C)	10.81	16.49
Earnings Per Share in Rs. :- before exceptional items		
(a) Basic EPS (A/B)	11.71	14.31
(b) Diluted EPS (A/C)	11.67	14.26

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 40. Commitments and contingencies

a. Contingent liabilities

(₹ in Lakhs)

	31-Mar-22	31-Mar-21
Contingent Liabilities not provided for :		
i) Claims against the Company not acknowledged as debts (Refer Note x, xi below)	1,582.71	2,067.20
ii) Guarantees on behalf of Subsidiaries ₹ 7,200 Lakhs (Previous Year ₹ 26,700.00 Lakhs) (refer note x below)	-	22,986.70
iii) Excise and Customs duty matters under dispute	15.49	15.49
iv) Service Tax matters under dispute	178.89	149.40
v) Income Tax matters under dispute	4,266.70	385.76
vi) Sales Tax matters under dispute	5,150.43	4,665.02
vii) Uncalled liability in respect of partly paid Shares held as investments	7.20	7.20
viii) Others	1,359.42	181.60

ix. The Parent Company's fluorescent and mercury containing lamps (CFL/FTL) fall within the purview of the E-waste (Management) Rules, 2016 (the "E-waste Rules") which has come in force with effect from October 01, 2016. Under the E-waste Rules the parent Company is responsible for collection and safe disposal of end of life CFL/FTL in terms of Extended Producer Responsibility (EPR) obligation set out therein. In the 57th meeting of Technical Review Committee of Central Pollution Control Board ("CPCB"), the compliances and implementation of EPR Authorisation conditions including targets under the E-waste Rules for the existing producers of CFL/ FTL were deferred till May 01, 2017. Electric Lamp and Component Manufacturers Association of India (ELCOMA), on behalf of all its members, has filed the Writ Petition (C) 5461 of 2016 ("Writ Petition") in the Hon'ble Delhi High Court challenging the inclusion of 'fluorescent and mercury containing lamps' under E-waste Rules. The Hon'ble Delhi High Court by its order dated September 28, 2016, directed the producers of CFL/FTL, to apply for EPR Authorisation without prejudice to their rights and contentions in the said Writ Petition. Subsequently, vide a later order (dated August 5, 2019) the Hon'ble Delhi High Court directed that the said interim order (dated September 28, 2016) shall continue to be operative during the pendency of the Writ.

The matter was supposed to be listed in Mach, 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 Parent Company has been granted EPR authorization under E-Waste (Management) Rules, 2016 by Central Pollution Control Board for Electricals and Electronic Equipment with a collection target of 986.67 MT for FY 2019-20. The Parent Company has entered into agreements with Trans Thane Creek Waste Management Association and GATI Logistics for collection and disposal of E-waste

x. These represent legal claims filed against the Company by various parties and these matters are in litigation. Management has assessed that in all these cases the outflow of resources embodying economic benefits is not probable.

xi. The Parent Company had in earlier years terminated employment agreements of few die casting workmen at the Chakan plant. On 3rd July, 2018, the Honourable Hight Court of Bombay had awarded the appeal in favour of the 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 ₹ 307.75 lakhs as contingent liability.

b. Commitments

i. Estimated amounts of contracts remaining to be executed in capital account (net of capital advances) is ₹ 834.87 lakhs (March 31, 2021, ₹ 1,474.86 lakhs).

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 40. Commitments and contingencies (Contd..)

ii. The Parent 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, 2022, only ₹ 418.94 Lakhs has been drawn down by Bharat Innovation Fund.

iii. During the year the Parent Company has successfully won bidding for the Transmission line package of Ghatampur, Hapur and Indirapuram with Substation at Mohanlalganj. The cost estimated to complete the project has significant exceeded the cost expected at the time of bidding on account of

- Delay in awarding the project;
- increase in metal prices,

Considering the foreseeable loss on the project basis March 31, 2022 rates, the Parent Company has recorded a loss of ₹ 2,213 lakhs in the year ended March 31, 2022

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

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
A. Revenue from contracts with customers		
Consumer products (includes appliances, lighting and fans)	376,104.98	331,229.65
Engineering, procurement and construction (EPC) (includes power distribution, transmission line towers and illumination)	103,814.25	126,076.73
Others	56.58	58.98
	479,975.81	**457,365.36**
B. Reconciliation of contracted price with (A) above		
Revenue at contracted price	486,087.64	469,417.95
Unbilled on account of work under certification	(1,516.96)	(3,731.26)
Billing in excess of contract revenue	10,634.21	5,924.97
Revenue deferred on customer loyalty program and warranty provision	1,523.54	(4,385.12)
Discounts	(13,131.02)	(9,598.70)
Others	(3,621.60)	(262.48)
Revenue from contracts with customers (a)	**479,975.81**	**457,365.36**
Add: Other operating income (b)		
Claims received, export incentives, etc	1,325.64	1,095.10
Revenue from operations (a+b)	**481,301.45**	**458,460.46**

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Timing of revenue recognition		
At a point in time	377,076.26	331,567.04
Over a period of time	104,225.19	126,893.42
Revenue from operations	**481,301.45**	**458,460.46**

Notes to consolidated financial statements for the year ended 31st March, 2022

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

(ii) Contract balances

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Contract assets	5,344.34	6,861.30
Contract liabilities	9,117.44	20,545.95
Accounts receivables	136,061.17	191,686.48
Revenue recognised in the period from:		
Amounts included in contract liability at the beginning of the period	11,826.15	16,651.91

The contract assets and contract liabilities balances mentioned above pertain to the EPC segment of the Group. The Group executes the work as per the terms and agreements mentioned in the contracts. The Group receives payments from the customers based on the milestone achievement and billing schedule as established in the contracts.

Contract assets are initially recognised for revenue earned from supply of materials and erection services provided when the performance obligation is met. Upon achievement and acceptance of milestones mentioned by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities are relates to payments received in advance of performance under the contract and billing in excess of contract revenue recognised. Contract liabilities are recognised as revenue when the Group satisfies the performance obligation under the contract.

(iii) Performance obligations

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

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

Notes to consolidated financial statements for the year ended 31st March, 2022

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 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

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Consumer products	16,738.10	18,261.64
EPC	77,994.94	79,255.75
Total	**94,733.04**	**97,517.39**

(v) Assets recognised from the costs to obtain or fulfil a contract

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Unamortised portion of cost to obtain a contract	17.21	11.01
Amount recognised in the profit and loss account	1,578.86	2,408.46

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.

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 42: Leases: (Contd..)

Disclosures under Ind AS 116

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Amortization charge for right of use assets	1,848.38	3,123.16
Interest expense on lease liabilities	544.65	944.13
Lease rent expenses for short term leases	2,313.58	1,273.20
Cash outflow towards lease liabilities	2,159.51	3,652.65
- as principal	1,614.86	2,708.53
- as interest	544.65	944.00
Carrying amount of right of use assets	6,855.68	6,123.05
Carrying amount of lease liabilities	4,587.80	3,863.29

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

Disclosure in terms of Schedule III of the Companies Act, 2013 as at and for the year ended March 31, 2022.

(₹ in Lakhs)

Particulars	Net Assets (i.e. Total assets minus total liabilities)		Share in Profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
1. Parent								
Bajaj Electricals Limited	104.66%	178,460.88	123.38%	15,349.82	101.37%	(577.70)	122.42%	15,927.52
2. Subsidiaries								
Nirlep Appliances Private Limited	(2.00%)	(3,408.47)	(5.64%)	(701.75)	(2.51%)	14.28	(5.50%)	(716.03)
Starlite Lighting Limited	(20.33%)	(34,659.94)	(32.02%)	(3,983.23)	1.51%	(8.62)	(30.55%)	(3,974.61)
Bajel Projects Limited	0.02%	40.50	(0.08%)	(9.50)	0.00%	-	(0.07%)	(9.50)
3. Associate								
Hind Lamps Limited	-	-	0.00%	-	0.00%	-	0.00%	-
4. Intercompany eliminations and consolidation adjustments	17.64%	30,088.49	14.35%	1,785.34	(0.38%)	2.17	13.71%	1,783.17
Total	**100.00%**	**170,521.46**	**100.00%**	**12,440.68**	**100.00%**	**(569.87)**	**100.00%**	**13,010.55**

Disclosure in terms of Schedule III of the Companies Act, 2013 as at and for the year ended March 31, 2021.

(₹ in Lakhs)

Particulars	Net Assets (i.e Total assets minus total liabilities)		Share in Profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
1. Parent								
Bajaj Electricals Limited	101.68%	160,473.27	97.19%	18,364.10	99.30%	(859.78)	97.28%	19,223.89
2. Subsidiary								
Nirlep Appliances Private Limited	(1.70%)	(2,687.63)	(2.48%)	(469.02)	0.70%	(6.05)	(2.34%)	(462.95)
3. Joint Venture								
Starlite Lighting Limited	-	-	-	-	-	-	-	-

Notes to consolidated financial statements for the year ended 31st March, 2022

NOTE 43: Disclosure of interest in entities (Contd..)

(₹ in Lakhs)

Particulars	Net Assets (i.e Total assets minus total liabilities)		Share in Profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
4. Associate								
Hind Lamps Limited	-	-	-	-	-	-	-	-
5. Intercompany eliminations and consolidation adjustments	0.02%	37.03	5.30%	1,000.70	-	-	5.06%	1,000.70
Total	**100.00%**	**157,822.62**	**100.00%**	**18,895.89**	**100.00%**	**(865.83)**	**100.00%**	**19,761.72**

NOTE 44: Goodwill

(₹ in Lakhs)

Particulars	31-Mar-21
Goodwill on acquisition of Nirlep Appliances Private Limited	2,644.36
Goodwill on acquisition of Starlite Lighting Limited (refer note 46)	16,356.74
TOTAL	**19,001.10**

During the year ended March 31, 2022, the Group has performed its annual impairment test and determined that there is no impairment. The recoverable amounts of the CGU's have been determined on the basis of the value in use calculations. The calculation uses cash flow projections based on budgets approved by the management, discounting rate and terminal growth rate. Management believes that any reasonably possible change in the key assumptions on which the specific CGU's recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

Note 45: Business combination on demerger of manufacturing undertaking of the Hind Lamps Limited into the Group

During the previous 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 ₹ 165.18 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
Assets	**16,656.12**
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

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 45: Business combination on demerger of manufacturing undertaking of the Hind Lamps Limited into the Group (Contd..)

Particulars	Amount in Lakhs
Liabilities	**14,166.30**
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
Fair value of net assets acquired (a)	**2,489.82**
Consideration (equity shares of BEL and derecognition of existing equity) (b)	2,324.64
Equity shares issued	9.43
Securities premium	1,842.31
Derecognition of existing value of equity as an associate	472.90
Gain on bargain purchase on demerger (a-b)	**165.18**

Note 46: Business combination on consolidation of Starlite Lighting Limited into the Group

During the current year, the Parent Company at its meeting held on April 30, 2021, executed the Control Transfer Agreement ("CTA") with (i) Shri Ravindra Bharati and Shri Arvind Bharati (collectively, the "Outgoing Promoters"), who, along with the Company, were promoters / joint promoters of Starlite Lighting Limited ("SLL"), (ii) some other shareholders of SLL (related to the outgoing promoters or belonging to their business group), and (iii) SLL

- to terminate the Shareholders Agreement dated February 22, 2007 by and between the outgoing promoters, company and SLL; and
- to record the agreed terms and conditions for the relinquishment and transfer of the joint control and management rights of SLL by the outgoing promoters in favour of the Parent Company such that the Parent 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 Parent Company, the Parent Company has paid an aggregate control premium of ₹ 1,480 lakhs, plus GST as applicable, to the outgoing promoters, subject to the terms and conditions of the said CTA. Subsequently, SLL is consolidated as a subsidiary from April 1, 2021.

Further with the approval granted by the Board of Directors at its meeting, the Share Subscription Agreement ("SSA") has been executed on April 30, 2021 (after the execution of CTA) by and amongst: (i) the Company, (ii) SLL, (iii) Shri Ravindra Bharati, and (iv) Shri Arvind Bharati, for subscribing to the 4,50,00,000 Equity Shares of SLL ("Subscription Shares") by the Parent Company and/or by its identified purchaser(s) at a price of ₹ 10/- per Equity Share, which are issued on a private placement / preferential allotment basis.

Particulars	Amount in Lakhs
Assets	**30,095.84**
Cash and cash equivalents	4,576.21
Others current financial assets	3,122.87
Inventories	3,195.50
Other current assets	1,044.82
Deferred tax assets (net)	6,932.92
Financial Assets - Non Current	1,043.81
Income tax assets (net)	16.51
Other non-current assets	58.48
Property, plant and equipment	9,947.70
Capital work in progress	157.02

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 46: Business combination on consolidation of Starlite Lighting Limited into the Group (Contd..)

Particulars	Amount in Lakhs
Liabilities	**53,474.34**
Financial Liabilities - Current	40,215.65
Other Current Liabilities	39.97
Provisions - Current	477.98
Provisions - Non-Current	215.26
Financial Liabilities - Non Current	12,525.48
Fair value of net assets acquired (A)	**(23,378.50)**
Share of minority at 11.52% (B)	(2,693.20)
Share of owners at 88.48% - (C)	(20,685.30)
Investment in Starlite Lighting Limited (D)	**5,991.98**
Initial Goodwill E = (C-D)	**(26,677.27)**
Adjustments made for provision already made in earlier years for preference shares, loans and advances already written off	
- Goodwill (F)	10,320.54
- Minority Interest (G)	366.24
Goodwill on acquisition (E+F)	**(16,356.74)**
Minority Interest on acquisition (B+G)	**(2,326.97)**

Note 47: Non-Controlling Interest

Nirlep Appliances Private Limited

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. In the current year, Mr. Mukund Bhogale, Mrs. Rajani Bhogale, Mr. Ramchandra Bhogale, and Mr. Nityanand Bhogale (collectively, "Continuing Shareholders", of Nirlep Appliances Private Limited ("Nirlep") – a subsidiary of the Group) and the Company have completed the required procedure for transfer of the Option Shares to the Company, as per the terms of the agreement. All the above Option Shares have been acquired by the Company, against a cash consideration of ₹ 1,017.88 lakhs. With the above purchase/acquisition, the entire 100% equity share capital of Nirlep is now legally and beneficially held by the Company along with its nominees, and consequently, Nirlep has now become a wholly-owned subsidiary company of the Company.

Movement in non-controlling interest as on March 31, 2022 is as given below:

Particulars	₹ in Lakhs
For the year ended March 31,2021	
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
Redemption liability of non-controlling interest after above adjustments (A)	**728.18**
Redemption liability of non-controlling interest as at March 31, 2021 (being the present value of the estimated future purchase price) (B)	973.02
Differential recognised in equity (A-B)	**244.84**
For the year ended March 31,2022	
Redemption liability of non-controlling interest as at March 31, 2021 (being the present value of the estimated future purchase price)	973.02
Share in profit / loss attributable to NCI as per the statement of profit and loss	(102.98)
Share in other comprehensive income attributable to NCI	(3.09)
Redemption liability of non-controlling interest after above adjustments (A)	**866.95**
Cash consideration for acquisition of remaining minority stake of 20.15% (B)	**1,017.88**
Differential recognised in equity (A-B)	**(150.93)**

Notes to consolidated financial statements for the year ended 31st March, 2022

Note 47: Non-Controlling Interest (Contd..)

Starlite Lighting Limited

Movement in non-controlling interest as on March 31, 2022 is as given below:

Particulars	₹ in Lakhs
Non-controlling interest as at April 1, 2021 (date of acquisition)	(2,326.97)
Share in profit / loss attributable to NCI as per the statement of profit and loss for the year	(308.00)
Share in other comprehensive income attributable to NCI for the year	0.99
Non-controlling interest as at March 31, 2022	**(2,633.98)**

Note 48: Exceptional Items

During the year, the Parent Company has paid ₹ 1,322.69 lakhs as voluntary retirement scheme to the employees of the Shikhohabad factory.

Note 49: Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, the gross amount to be spent by the Parent Company during financial year 21-22 is ₹ 329.58 lakhs (Previous year ₹ 384.91 Lakhs). The Parent Company has spent ₹ 200.40 lakhs (Previous year ₹ 387.24 Lakhs) on various CSR initiatives as below:

(₹ in Lakhs)

Particulars	31-Mar-22	31-Mar-21
Two percent of average net profit of the Parent Company as per section 135(5)	329.58	384.91
Spent on ongoing projects	175.22	65.84
Spent on other than ongoing projects	19.98	109.32
Administrative expenses	5.20	5.17
Others	-	-
Total Amount Spent for the Financial Year. (in ₹) (a) *	**200.40**	**180.33**
Total Amount transferred to Unspent CSR Account as per section 135(6) (b)	**129.18**	**204.58**
Total (a + b)	**329.58**	**384.91**

* The amount has been spent on purposes other than construction / acquisition of asset and no amounts are yet to be paid in cash

Out of the above unspent amount for FY21, of ₹ 204.58 lakhs, the Parent Company has already spent ₹ 37.67 lakhs in the current financial year on various ongoing projects.

Note 50: Other statutory information

1. The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property..
2. The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
3. The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
4. The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
   b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
5. The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

Note 50: Other statutory information (Contd..)

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

6. The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

7. Transactions with the companies which are struck off are as under

(₹ in Lakhs)

Nature of Transaction	Count	As on March 31, 2022	As on March 31, 2021
Receivables from customers	2	33.60	41.25
Receivables / (Payable) from /(to) vendors	32	6.92	(26.55)

8. The Group has not granted any loans or advances in nature of loans to promoters, directors and KMPs either severally or jointly with any other person during the year ended March 31, 2022 and March 31, 2021.

9. The Group has not been declared wilful defaulter by any bank, financial institution, government or government authority.

10. The Group has not revalued its property, plant and equipment (including right-to-use assets) or intangible assets during the year ended March 31, 2022.

Note 51: Covid-19 Disclosure

The Group has made an assessment of the impact of continuing COVID-19 pandemic on it current and future operations, liquidity position and cashflow giving due consideration to internal and external factors. The Group is continuously monitoring the situation and does not foresee any significant impact on its operations and the financial position as at March 31, 2022.

Note 52 Subsequent events

The Group has evaluated subsequent events from the balance sheet date through May 17, 2022, the date at which the consolidated financial statements were available to be issued, and determined that there are no material items to disclose.

Note 53: Previous year's figures have been regrouped / reclassed wherever necessary to correspond with the current year's classification / disclosure.

As per our report attached of even date
For **S R B C & CO LLP**
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

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

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

EC Prasad
Chief Financial Officer

Anuj Poddar
Executive Director
DIN: 01908009

per Vikram Mehta
Partner
Membership No.105938
Mumbai, May 17, 2022

Ajay Nagle
Legal & Company Secretary

Shailesh Haribhakti
Chairman - Audit Committee
DIN: 00007347