Bajaj Electricals Ltd.
Inspiring Trust

BAJAJ ELECTRICALS LIMITED

Bajaj Electricals Limited (the "**Company**" or the "**Issuer**") was originally incorporated as "*Radio Lamp Works Limited*" on July 14, 1938, pursuant to a certificate of incorporation issued by the Registrar of Joint Stock Companies, Punjab. Our Company received the certificate of commencement of business from the Registrar of Joint Stock Companies, Punjab on September 12, 1938. Subsequently, the name of our Company was changed to its present name, i.e Bajaj Electricals Limited, pursuant to a certificate of change of name dated October 1, 1960, issued by the RoC. For further details, see "*History and Corporate Structure*" on page [●].

Registered Office: 45/47, Veer Nariman Road, Mumbai 400 001, Maharashtra, India
Corporate Office: 001, 502, 701 & 801, Rustomjee Aspiree, Bhanu Shankar Yagnik Marg, Off Eastern Express Highway, Sion (East), Mumbai 400 022, Maharashtra, India
Tel: +91 22 6110 7800
Contact Person: Ajay Nagle, Company Secretary and Compliance Officer
Tel: +91 22 6110 7800 / 6149 7000
E-mail: legal@bajajelectricals.com; **Website**: www.bajajelectricals.com
Corporate Identity Number: L31500MH1938PLC009887

PROMOTERS OF OUR COMPANY: RAHULKUMAR BAJAJ, SHEKHAR BAJAJ, MADHUR BAJAJ, NIRAJ BAJAJ AND NIRAVNAYAN TRUST

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF BAJAJ ELECTRICALS LIMITED ONLY

ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹ [●] MILLION ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS, ON [●](THE "ISSUE").

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For making an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to the section "*Risk Factors*" on page [●].

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, "**Stock Exchanges**"). Our Company has received "in-principle" approvals from BSE and NSE for listing the Rights Equity Shares through their letters dated [●], 2020 and [●], 2020, respectively. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.

WILFUL DEFAULTER

The name of one of our Non-Executive and Independent Directors appears in the list of Wilful Defaulters issued by TransUnion CIBIL Limited (formerly Credit Information Bureau (India) Limited). For further details, see "*Other Regulatory and Statutory Disclosures*" on page [●].

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
Edelweiss Ideas create, values protect	LINK Intime
Edelweiss Financial Services Limited 14th Floor, Edelweiss House Off CST Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: bel.rights@edelweissfin.com Website: www.edelweissfin.com Investor Grievance E-mail: customerservice.mb@edelweissfin.com Contact Person: Yashraj Shetty SEBI Registration Number: INM0000010650	**Link Intime India Private Limited** C-101, 247 Park L. B. S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 E-mail: bajajelectricals.rights@linkintime.co.in Website: www.linkintime.co.in Investor grievance e-mail: bajajelectricals.rights@linkintime.co.in Contact Person: Sumeet Deshpande SEBI Registration No.: INR000004058

ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
[●]	[●]	[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Letter of Offer shall have the meaning as defined hereunder. Further any references to any statute or regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Tax Benefits available to Bajaj Electricals Limited (the "Company") and its Shareholders" and "Financial Information" on pages [●] and [●], respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
"Company / our Company / the Company / the Issuer"	Bajaj Electricals Limited, on a standalone basis, a public limited company incorporated under the provisions of the Indian Companies Act, 1913 and having its Registered Office situated at 45/47, Veer Nariman Road, Mumbai 400 001, Maharashtra, India
"We", "Our", or "Us"	Bajaj Electricals Limited, unless otherwise specified or unless the context otherwise requires
"Articles of Association/ Articles / AoA"	The articles of association of our Company, as amended
"Associate"	Hind Lamps Limited, in which our Company holds 19.00% of the total paid-up share capital
"Annual Audited Financial Statements"	The audited consolidated financial statements of our Company, Subsidiary, Associate and Joint Venture prepared under Ind AS for Fiscal 2019, prepared in line with Ind AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
"Bajaj ESOP Schemes"	Together, ESOP 2011 and ESOP 2015
"Board of Directors / Board"	Board of directors of our Company or a duly constituted committee thereof
"Chairman and Managing Director"	The Chairman and Managing Director of our Company
"Consumer Products Business"	The consumer products business of our Company, which involves designing, manufacturing and marketing of small and home appliances products, with an extensive pan-India sales and distribution network and after sales support service
"Director(s)"	Any or all the directors on our Board, as may be appointed from time to time
"EPC Business"	The engineering, procurement and construction business of our Company with a focus on illumination, power transmission and power distribution, which involves providing solutions that include design, engineering, procurement, construction and project management
"Equity Shareholder"	A holder of Equity Shares
"Equity Shares"	The equity shares of our Company each having a face value of ₹ 2 each, unless otherwise specified
"ESOP 2011"	Employees Stock Option Plan 2011 of the Company (which is modification of the Employees Stock Option Plan 2007 of the Company) approved by the Shareholders pursuant to special resolutions dated July 26, 2007 and July 28, 2010
"ESOP 2015"	Employees Stock Option Plan 2015 of the Company approved by the Shareholders pursuant to a special resolution dated January 21, 2016
"Executive Directors"	Executive director(s) of our Company, unless otherwise specified
"Financial Statements"	Annual Audited Financial Statements and Unaudited Consolidated Condensed Interim Financial Statements. For details, see "*Financial Statements*" on page [●]
"Hind Lamps"	Hind Lamps Limited
"Joint Venture"	Starlite Lighting Limited, in which our Company holds 47.00% of the total paid-up share capital
"Memorandum of Association / Memorandum / MoA"	The memorandum of association of our Company, as amended
"Nirlep"	Nirlep Appliances Private Limited
"Non-Executive Director"	Non-executive directors of our Company, unless otherwise specified
"Non-Executive and	Non-executive and independent directors of our Company, unless otherwise specified

Term	Description
Independent Director”	
“Promoter and Promoter Group”	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations
“Promoter/ Promoters”	The Promoters of our Company, namely Rahulkumar Bajaj, Shekhar Bajaj, Madhur Bajaj, Niraj Bajaj and Niravnayan Trust
“Promoter Group”	Unless the context requires otherwise, the entities forming part of our promoter group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations and which are disclosed by our Company to the Stock Exchanges from time to time
“Registered Office”	45/47, Veer Nariman Road, Mumbai 400 001, Maharashtra, India
“Registrar of Companies / RoC”	Registrar of Companies, Maharashtra, located at Mumbai
“Rights Issue Committee”	The committee of our Board constituted for purposes of the Issue and incidental matters thereof
“Statutory Auditors”	The statutory auditors of our Company, namely, S R B C & CO LLP, Chartered Accountants
“Shareholders”	Persons holding Equity Shares of our Company, unless otherwise specified in the context thereof
“Starlite”	Starlite Lighting Limited
“Subsidiary”	Nirlep Appliances Private Limited, in which our Company acquired 79.85% of the total paid-up share capital in Fiscal 2019
“Unaudited Consolidated Condensed Interim Financial Statements”	The unaudited consolidated condensed interim financial statements of our Company, Subsidiary, Associate and Joint Venture for the six months period ended September 30, 2019, prepared in accordance with Ind AS 34 “*Interim Financial Reporting*” prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India

Issue Related Terms

Term	Description
2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009
2011 ASBA Circular	The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Allot / Allotment / Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer, including an ASBA Investor
Application	Application made by the Applicant whether submitted by way of CAF or SAF or in the form of a plain paper, in case of Eligible Equity Shareholders, and by way of a CAF or SAF in case of Renouncees, to subscribe to the Rights Equity Shares at the Issue Price including applications by way of the ASBA process
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the CAF or the plain paper Application by the Applicant for blocking the amount mentioned in the CAF or the plain paper Application
ASBA Applicant / ASBA Investor	In accordance with the eligibility conditions in the 2009 ASBA Circular and the SEBI ICDR Regulations, only Investors who fulfill all of the following criteria are permitted to apply in the Issue through the ASBA process: (i) hold the Equity Shares in dematerialized form as on the Record Date and have applied towards their Rights Entitlement or additional Rights Equity Shares in the Issue in dematerialized form;

Term	Description
	(ii) have not renounced their Rights Entitlement in full or in part; (iii) are not Renouncees; and (iv) are applying through blocking of funds in a bank account maintained with SCSBs
Banker to the Issue	Collectively, the Escrow Collection Banks and the Refund Banks to the Issue
Banker to the Issue Agreement	Agreement dated [●] entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Composite Application Form/ CAF(s)	Form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue, or renounce his Rights Entitlement or request for SAFs, and used by Renouncee(s) to make an Application for Allotment of Rights Equity Shares in the Issue to the extent of renunciation of Rights Entitlement in their favour
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the CAF or the plain paper Application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Edelweiss	Edelweiss Financial Services Limited
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Accounts will be opened, in this case being HDFC Bank Limited
Eligible Equity Shareholders	Holder(s) of the Equity Shares as on the Record Date
Issue	Issue of up to [●] Equity Shares of face value of ₹ 2 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹[●] million on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ [●] per Rights Equity Share
Issue Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹ [●] million
Lead Manager	Edelweiss Financial Services Limited
Letter of Offer	This letter of offer dated [●] filed with the Stock Exchanges and with SEBI for purposes of record keeping
Monitoring Agency	HDFC Bank Limited
Monitoring Agency Agreement	Agreement dated [●] entered into between the Company and the Monitoring Agency in relation to monitoring of Net Proceeds
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see "*Objects of the Issue*" on page [●]
Non-ASBA Investor / Non-ASBA Applicant	Applicants / Investors other than ASBA Applicants / ASBA Investors, who apply in the Issue otherwise than through the ASBA process
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●]
Refund Bank	The Banker to the Issue with whom the Refund Accounts will be opened, in this case being HDFC Bank Limited
Registrar to the Issue / Registrar	Link Intime India Private Limited
Registrar Agreement	Agreement dated [●] entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation
Retail Individual Investor	An individual Investor (including an HUF applying through karta) who has applied for

Term	Description
	Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
SCSB(s)	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Split Application Form / SAF(s)	An application form used in case of renunciation in part by an Eligible Equity Shareholder in favour of one or more Renouncee(s) in relation to the Rights Equity Shares
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
Working Day(s)	Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional and General Terms or Abbreviations

Term /Abbreviation	Description / Full Form
₹ / Rs. / Rupees / INR	Indian Rupee
AS / Accounting Standards	Accounting standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CCI	Competition Commission of India
CFL	Compact fluorescent lamps
CIN	Corporate identity number
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with the rules made thereunder
Competition Act	Competition Act, 2002
Depositories Act	Depositories Act, 1996
Depository/DP	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director identification number
FCNR Account	Foreign Currency Non Resident account
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-Debt Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / FY / Fiscal	Period of 12 months ended March 31 of that particular year
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCIs	Foreign venture capital investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations
GDP	Gross domestic product
GIR	General index registrar
Government / GoI	Central Government and/or the State Government, as applicable
GST	Goods and Services Tax
HUF	Hindu Undivided Family
India	Republic of India
Ind AS	Indian accounting standards as notified by the MCA *vide* Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015

Term /Abbreviation	Description / Full Form
ISIN	International securities identification number allotted by the Depository
LED	Light-emitting diode
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015
MICR	Magnetic Ink Character Recognition
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. / N/A	Not applicable
NEFT	National Electronic Fund Transfer
Non Resident/NR	Persons resident outside India, as defined in FEMA
NRE Account	Non Resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non Resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
RBI	Reserve Bank of India
Registered Foreign Portfolio Investors / Foreign Portfolio Investors	Foreign portfolio investors as defined under the SEBI FPI Regulations
Regulation S	Regulation S under the US Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
State Government	Government of a state of India
U.S. / USA / United States	United States of America, including the territories or possessions thereof
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

NOTICE TO INVESTORS

The distribution of this Letter of Offer and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer or the CAF may come, are required to inform themselves about and observe such restrictions. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer/Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas Shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch this Letter of Offer/ the Abridged Letter of Offer and CAFs, shall not be sent this Letter of Offer/ the Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer was filed with SEBI and the Stock Exchanges. This Letter of Offer, Abridged Letter of Offer or the CAF or or any offering materials or advertisements in connection with the Issue may not be distributed in any jurisdiction outside India and the Rights Equity Shares may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. In particular, the Rights Entitlements and the Rights Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and applicable state securities laws. The Rights Entitlements and the Rights Equity Shares are only being offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**"). For a description of the restrictions applicable to the offer and sale of the Rights Entitlements and the Rights Equity Shares offered in the Issue in certain other jurisdictions, see "*Other Regulatory and Statutory Disclosures - Selling Restrictions*" on page [●]. The Rights Entitlements and the Rights Equity Shares are transferable only in accordance with the restrictions described in "*Other Regulatory and Statutory Disclosures - Transfer Restrictions*" on page [●].

Receipt of this Letter of Offer, Abridged Letter of Offer or the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, Abridged Letter of Offer or the CAF must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer or the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, Abridged Letter of Offer or the CAF in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, Abridged Letter of Offer or the CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, Abridged Letter of Offer or the CAF.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction. In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Other Regulatory and Statutory Disclosures - Selling Restrictions*"and "*Other Regulatory and Statutory Disclosures - Transfer Restrictions*" on pages [●] and [●], respectively.

The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares and Rights Entitlements. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

The Rights Entitlements and the Rights Equity Shares offered in the Issue have not been approved, disapproved or recommended by the securities authority or other regulatory authority of any

jurisdiction. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

Neither the delivery of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information.

PRESENTATION OF FINANCIAL INFORMATION

Certain conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial data

Unless stated otherwise or unless the context requires otherwise, the financial data in this Letter of Offer is derived from the Financial Statements. For details, see "*Financial Statements*" on page [●].

Our Financial Year commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular "Fiscal Year", "Fiscal", "Financial Year" or "FY" are to the 12 months period ended on March 31 of that year.

We have prepared our Financial Statements in accordance with relevant Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Rupees Lakh. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in millions Rupees. One million represents 1,000,000 and one billion represents 1,000,000,000.

Market and industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither our Company nor the Lead Manager make any representation as to the accuracy of that information. Accordingly, investors should not place undue reliance on this information.

Currency of presentation

Unless otherwise specified or the context otherwise requires, all references to:

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India; and
- 'US$', 'USD', '$' and 'U.S. dollars' are to the legal currency of the United States of America; and

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$), for or as of the end of the periods indicated.

Name of the Currency	As of December 31, 2019 (in ₹)	As of March 31, 2019 (in ₹)
1 USD	71.27	69.17

Source: www.fbil.org.in

Note: In the event that any of the abovementioned dates of any of the respective years is a public holiday, the previous calendar day not being a public holiday shall be considered.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and prospects are forward-looking statements. These forward-looking statements include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

These forward-looking statements and any other projections that may be contained in this Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that they may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- Inability to maintain and enhance our brand;
- Failure to identify and understand evolving technological changes, industry trends and preferences and to develop new products to meet our customers' demands;
- Ability to maintain relationship with third-party manufacturers;
- Ability to maintain relationship with distributors;
- Ability to execute EPC Business projects in a timely manner;
- Ability to implement growth strategy;
- Delay or cancellation of EPC Business projects; and
- Competition.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "*Risk Factors*" on page [●].

The forward-looking statements contained in this Letter of Offer are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to rely on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that may be described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

SUMMARY OF THIS LETTER OF OFFER

Summary of business

We are one of the leading consumer products companies in India engaged in designing, manufacturing and marketing of small and home appliances products, with an extensive pan-India sales and distribution network and after-sales support service. We are also engaged in engineering, procurement and construction business with a focus on illumination, power transmission and power distribution.

Objects of the Issue

The Net Proceeds are proposed to be used in accordance with the details set forth below:

Particulars	Amount (in ₹ million)
Prepayment or repayment of all or a portion of certain borrowings availed by our Company	[●]
General corporate purposes*	[●]
Total	[●]

** The amount shall not exceed 25% of the Issue Proceeds. For details, see "Objects of the Issue" on page [●].*

Subscription to the Issue by our Promoter and Promoter Group

Our Promoters and members of our Promoter Group have undertaken to subscribe to the full extent of their Rights Entitlement among themselves, subject to compliance with the minimum public shareholding requirements under the SCRR and SEBI Listing Regulations. In addition, the eligible members of our Promoter and Promoter Group reserve the right to subscribe to additional Equity Shares in the Issue.

In the event of an under-subscription in the Issue, the eligible members of our Promoter and Promoter Group will subscribe to such additional Equity Shares in the Issue, to ensure subscription to the extent of at least 90% of the Issue, subject to the aggregate shareholding of our Promoters and members of our Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and SEBI Listing Regulations.

The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlement, as applicable, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Summary of selected Financial Information

A summary of selected financial information of our Company for the Fiscals 2019, 2018 and 2017 and for the six months period ended September 30, 2019, on a consolidated basis is set out below.

(*In ₹ million, unless otherwise specified*)

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Equity share capital	204.91	204.80	204.08	202.58
Net worth	9,952.08	10,543.94	9,348.41	8,616.53
Total income	24,247.86	67,443.62	47,695.84	43,338.45
Profit/ (Loss) for the period/year	(188.43)	1,535.79	836.35	1,021.69
Basic earning per Equity Share (in ₹)	(1.84)*	15.02	15.13**	10.10
Diluted earning per Equity Share (in ₹)	(1.84)*	14.98	15.06**	10.08
Net asset value per Equity Share (in ₹)	97.28	103.12	91.78	85.21
Total borrowings (Non-current and current	14,614.87	15,899.84	7,231.03	6,242.44

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
borrowings and including current maturities of long term borrowings)				

Not annualised[*]

**Before exceptional items*[**]

Calculation of Net worth (on a consolidated basis)

(*In ₹ million, unless otherwise specified*)

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Equity share capital (A)	204.91	204.80	204.08	202.58
Securities Premium reserve (B)	2,566.84	2,546.11	2,413.91	2,202.92
Debenture redemption reserve (C)	462.50	462.50	-	250.00
Shares option outstanding (D)	110.21	91.38	95.82	119.90
General reserve (E)	4,319.45	4,316.38	4,772.51	4,515.80
Retained earnings (F)	2,288.17	2,922.77	1,862.09	1,325.33
Net Worth (A+B+C+D+E+F)	**9,952.08**	**10,543.94**	**9,348.41**	**8,616.53**

Note: 'Net worth' is defined in Regulation 2(1)(hh) of the SEBI ICDR Regulations, as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. The Company believes that there has been no clear guidance available in terms of the above definition, post adoption of Ind AS. Accordingly, the Company has interpreted 'net worth' to include paid-up share capital, securities premium reserve, debenture redemption reserve, share option outstanding, general reserve and retained earnings (including adjustments made on account of transition to Ind AS). Further, in computing 'net worth', the Company has excluded capital reserve, capital redemption reserve and share application money pending allotment.

Calculation of Net asset value per Equity Share (on a consolidated basis)

(*In ₹ million, unless otherwise specified*)

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Total Equity (A)	9,966.65	10,559.29	9,365.12	8,631.10
Total number of equity shares (B)	102,456,451	102,399,601	102,037,501	101,290,176
Net asset value per Equity Share (A/B)	**97.28**	**103.12**	**91.78**	**85.21**

Calculation of Total borrowings (on a consolidated basis)

(*In ₹ million, unless otherwise specified*)

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Non-current borrowings (A)	2,598.60	2,126.21	114.71	169.51
Current borrowings (B)	11,983.48	13,726.99	7,061.53	5,285.84
Current maturities of sales tax deferral liability (C)	32.79	46.64	54.79	52.21
Current maturities of Non-Convertible Debenture (NCD) (D)	-	-	-	599.95
Current maturities of foreign currency loan (E)	-	-	-	134.93
Total Borrowings (A+B+C+D+E)	**14,614.87**	**15,899.84**	**7,231.03**	**6,242.44**

Qualifications of the Auditors

There are no Auditors' qualifications which have not been given effect to in the Financial Statements.

Summary of Outstanding Litigation and Material Developments

A summary of material outstanding legal proceedings involving our Company and our Subsidiary as on the date of this Letter of Offer is set out below.

(₹ in million)

Type of Proceedings	Number of cases	Amount to the extent quantifiable
Cases involving our Company		
Civil proceedings	1	215.30
Total	**1**	**215.30**
Cases involving our Subsidiary		
Material violations of statutory regulations	2	-
Total	**2**	**-**

For details, see "*Outstanding Litigation and Defaults*" on page [●].

Risk Factors

Specific attention of the Investors is invited to "*Risk Factors*" on page [●]. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

Contingent liabilities of our Company

A summary of our contingent liabilities in accordance with Ind AS 37 "*Provisions, Contingent Liabilities and Contingent Assets*" as of September 30, 2019 and as of March 31, 2019 as disclosed in the Financial Statements is set out below.

(₹ in million)

Particulars	As at September 30, 2019	As at March 31, 2019
Claims against the Company not acknowledged as debts	220.34	79.96
Guarantees / Letter of Comfort given on behalf of Companies	2,187.42	2,349.19
Excise and Customs duty - matters under dispute	1.55	1.55
Service Tax matters under dispute	14.94	14.94
Income Tax matters under dispute	53.65	53.65
Sales Tax matters under dispute	302.77	413.69
Uncalled liability in respect of partly paid Shares held as investments	0.72	0.72

Related Party Transactions

For details of the related party transactions, see "*Related Party Transactions*" on page [●].

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company, other than in their normal course of business of the financing entity, during the period of six months immediately preceding the date of this Letter of Offer.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Letter of Offer.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors together with all other information set forth in this Letter of Offer before making an investment in the Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, prospects, results of operations, cash flows and financial condition.

If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, the Equity Shares could decline and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the section "Financial Statements" on page [●], as well as the financial, statistical and other information contained in this Letter of Offer. You should also consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

This Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. See "Forward-Looking Statements" on page [●].

Unless otherwise stated or unless the context otherwise requires, all financial information of our Company used in this section has been derived from the Audited Consolidated Financial Statements and the Unaudited Consolidated Condensed Interim Financial Statements. Unless specified or quantified in the relevant risk factors below, our Company is not in a position to quantify the financial or other implications of any of the risks described in this section.

Unless otherwise specified or unless the context otherwise requires, the terms "we" and "our" in this section refers to our Company and Subsidiary on a consolidated basis, to the extent applicable.

Internal Risk Factors

1. ***If we are unable to maintain and enhance our brand, our business may suffer, which would have a material adverse effect on our business, results of operations, cash flows and financial condition***

   We market our products and services under the brand *"Bajaj"*. We also market our non-stick cookware products under the Consumer Products Business under the brand "*Nirlep*". We believe that we are one of the strongly recognised brands in the Consumer Products Business. We believe that the brand "*Bajaj*" plays a significant role in the success of our business and sustaining customer loyalty. We undertake extensive promotional, marketing and advertising initiatives to position and maintain our brand. There can be no assurance that our brand name will not be adversely affected in the future by actions that are beyond our control including customer complaints or adverse publicity by any third party. Any damage to our brand, if not immediately and sufficiently remedied, could have an adverse effect on our reputation, competitive position, business, results of operation, cash flows and financial condition. Further, a portion of our products are marketed under the brand "*Morphy Richards*" pursuant to a contractual arrangement entered into with the proprietor of such brands, which is valid till April 24, 2022. Any unilateral severance or non-renewal of such contractual arrangement by the proprietor of such brand could adversely affect our business, results of operation, cash flows and financial condition.

   Maintaining and enhancing our brand image may also require us to undertake significant expenditures towards brand building activities such as advertising and marketing through various media and promotional events, including through digital branding initiatives. Our brand image is also dependent on the quality of products and services offered by us and customer satisfaction. If our initiatives for branding building are not effectively implemented or do not yield intended results, or if our products fail to find acceptance and/or satisfaction of our customers, it may result in loss of customer confidence in our brand, which in turn lead to loss of customers and would adversely affect our business, results of operations, cash flows and financial condition.

2. Our failure to identify and understand evolving technological changes, industry trends and preferences and to develop new products to meet our customers' demands may materially adversely affect our Consumer Products Business.

The small appliances industry is characterised by changing technology, including advances in both hardware and software functionality and performance, and user preferences and continuously evolving industry standards. Accordingly, changes in consumer preferences, regulatory or industry requirements or in competitive technologies, may render certain of our products less attractive and less competitive. These conditions frequently result in short product life-cycles. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced Consumer Products on a timely basis, using new technology and production processes, is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to procure or achieve the necessary technological advancements that will allow us to develop our Consumer Products portfolio in this manner and remain competitive. If we are unable to obtain such technological advancements in a timely manner, or at all, certain of our products may become obsolete, and our business, results of operations, cash flows and financial condition may be adversely affected. For instance, due to technological advancement and introduction of LED, the demand for CFL products have substantially decreased. Further, the development of new or improved products or technologies by our competitors may render our products obsolete or less competitive.

To respond effectively to the changing customer preferences and requirements, we must be able to develop and produce new products to meet our customers' demand and satisfaction in a timely manner. While we continuously invest in R&D and seek to launch new and advanced Consumer Products, there can be no assurance that we will be successful in launching such new products, or whether these new products will be successful and create customer satisfaction. Our failure to successfully develop new products to meet the changing customer preferences and requirements, could adversely affect the demand of our Consumer Products and adversely affect our business and results of operations.

3. A significant portion of our Consumer Products are manufactured by third parties, which entails certain risks.

A significant portion of the revenues derived by us from our Consumer Products Business is from sale of traded good from third-party manufacturers, to whom we outsource manufacturing of certain of our Consumer Products. For the Fiscals 2019, our "*purchases of traded goods*" accounted for 65.85% of our total income. In the event that there are disruptions in the manufacturing facilities of such third-party manufacturers, it may impact our demand-supply balance of Consumer Products in the market. Whilst we specify quality standards and other technical specification and have quality control processes in place, we have limited control over the manufacturing processes and procedures of the third-party manufactures. Additionally, the use of third-party manufacturers is subject to certain risks, such as disruptions in their manufacturing facilities, labour unrest and shortage in supply of raw materials. Further, whilst we rely on these third-party manufacturers for the supply of certain Consumer Products, we do not enter into long term agreements with such third-party manufacturers and usually have short notice period of termination. We may not be able to find alternate third-party manufactures with required standard of manufacturing processes and procedures to maintain the quality of our products, and enter into contracts with favourable commercial terms or at all, in case of any severance of our relations with our existing third-party manufactures, which could adversely affect our business, results of operation, cash flows and financial condition.

4. We engage in a highly competitive business and any failure to effectively compete could have a material adverse effect on us.

The small appliances industry in India is highly fragmented and competitive. We face competition from other manufacturers, traders, suppliers and importers of Consumer Products in relation to our offerings, in the organized and unorganized segments. Suppliers in the consumer goods industry compete based on key attributes including technical competence, product quality, product availability, strength of sales and distribution network, pricing and timely delivery. Further, many of our competitors may have significant competitive advantages, including greater brand recognition and greater access to financial, research and development, marketing, distribution and other resources, larger product offerings and greater product specializations than us. Additionally, certain of our competitors may specialise in manufacturing a consumer product line and hence, may be able to dedicate significantly larger resources towards developing and manufacturing technologically superior product than us and their brands may gain greater visibility within those product verticals. Our competitors may further, enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage by entering into such business combinations or alliances. Increasing competition may result in pricing pressures or decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our business and results of operations. Other factors, such as the availability of our products, our competitiveness, manufacturing capabilities, technological advancement, brand recognition, the strength of our sales and distribution network (including through online sales) and the quality and price of our goods have an effect on our ability to win customers in competitive situations and in turn, our market share.

Further, the strength of our EPC Business depends on our ability to continually win EPC Business project bids. We bid for EPC Business projects and compete with other EPC solutions providers based on, among other things, pricing, technical and design and engineering expertise, financing capabilities, past experience, amount and type of guarantees given and track-record. Our competitors may have greater financial resources, a more effective or established presence or a greater willingness or ability to operate with little or no operating margins for sustained periods of time. Some of our competitors may have advantages over us in terms of greater operational, technical, management or other resources, better track records, stronger lender relations, as well as know-how of regulatory and political challenges. In addition, our competitors may choose to enter into strategic alliances or form affiliates with other competitors to our detriment. Suppliers or subcontractors may merge with our competitors which may limit the choice of subcontractors we have available to us which may limit the flexibility of our overall service capabilities. There can be no assurance that our current or potential competitors will not offer the services comparable or superior to those that we offer at the same or lower prices; adapt more quickly to industry challenges; or expand their operations at a faster pace than we do. Increased competition may result in price reductions, reduced profit margins and loss of market share, thereby causing a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

5. ***Downgrade in credit ratings would increase our future borrowing costs and constrain our access to capital and lending markets and as a result, would negatively affect our business.***

The cost and availability of funds for our various operations is dependent, among other factors, on our credit ratings. Post September 30, 2019 there have been downgrades in our credit rating by ICRA Limited, details of which are as below:

Rating agency	Particulars of downgrade	Particulars of debt
ICRA Limited	From ICRA A1 to ICRA A2+	Commercial paper (short term)
ICRA Limited	From Provisional ICRA A (negative) to Provisional ICRA A- (negative)	Non-convertible debenture (long term)
ICRA Limited	From ICRA A+(Negative) to ICRA A(Negative)	Non-convertible debenture (long term)
ICRA Limited	From ICRA A (Negative) to ICRA A- (Negative)	Term loans (long term)
ICRA Limited	From ICRA A (Negative) to ICRA A- (Negative)	Fund based limits (long term)
ICRA Limited	From ICRA A1 to ICRA A2+	Fund based limits (short term)
ICRA Limited	From ICRA A (Negative) / ICRA A1 to ICRA A- (Negative) / ICRA A2+	Non-fund based limits (long term/ short term)
ICRA Limited	From ICRA A (Negative) / ICRA A1 to ICRA A- (Negative) / ICRA A2+	Non-fund based/ fund based limits (long term/ short term)

We cannot assure you that our credit rating will improve in the future or not deteriorate further. If our Company is unable to improve its credit rating or if there is further downgrading of our credit ratings, it may accelerate repayment terms of our present borrowings and may also adversely affect our ability to avail future borrowings at commercially favorable terms or at all, which may adversely affect our operations, cash flows and financial performance. Further, any downgrading of our credit rating may adversely affect the price of our Equity Shares.

6. ***Our financing agreements contain covenants that limit our flexibility in operating our business.***

As of January 15, 2020, we had total borrowings of ₹ 13,165.43 million.

Certain of our financing arrangements contain restrictive covenants and conditions restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before carrying out such actions. For instance, we are required to obtain prior written consent from some of our lenders for, among other matters, investment by way of share capital in or lend or advance funds to or place deposits with any other concern, changing our capital structure or composition of our management or Board of Directors, undertaking merger or amalgamation, changing our constitution, issuance of further Equity Shares, prepayment of indebtedness, payment of interest on unsecured loans), undertaking any new project or implementing any scheme of expansion or diversification, entering into borrowing arrangements with any other bank, financial institution or company, creating any charges, lien or encumbrances over our assets or undertaking or any part thereof in favour of any third party, selling, assigning, mortgaging or disposing off any fixed assets charged to a lender, making amendments to the memorandum of association and articles of association of our Company. Further, under certain of our financing agreements, events of default include, amongst others, the shareholding of our Promoters and Promoter Group in our Company falling below 51%. Our financing agreements also typically contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. There can be no assurance that we will comply with the covenants with respect to our financing arrangements in the future or that we will be able to secure waivers for any such non-compliance in a timely manner or at all, and we will not be subject to penal interest and other charges. For instance, our Joint Venture has breached certain financial covenants stipulated by the terms of one of its debenture issuances. We cannot assure you that our Joint Venture will be able to rectify such breach. If we are not in compliance with these covenants and are unable to obtain waivers from the respective lenders or if any events of default occur, our lenders may accelerate the repayment schedules or terminate our credit facilities.

Our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to factors which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which could harm our ability to incur additional indebtedness on acceptable terms or at all. Further, if we are unable to repay our debt, affected lenders could also proceed against any collateral granted to them to secure such indebtedness.

Further, our Company has extended corporate guarantees in relation to debt facilities availed by our Joint Venture, which if invoked, may adversely affect our cash flows, results of operations, cash flows and financial conditions. As on March 31, 2019, our Joint Venture has been in breach of the debt facilities' covenants resulting in an event of default. However, as of January 15, 2020, the lenders did not call for repayment of the debt facilities. The debt exposure in this regard is considered to be 'possible' and disclosed as contingent liability in the Financial Statements.

7. ***Our inability to maintain the stability of our distribution network for our Consumer Products Business and attract additional distributors and dealers may have a material adverse effect on our results of operations, cash flows and financial condition.***

In respect of our Consumer Products Business, we rely on our network of distributors to sell and distribute our Consumer Products, who in turn supply our Consumer Products to retail outlets for sale. We enter into agreements with our distributor on non-exclusive basis. Our growth as a business depends on our ability to attract additional distributors to our distribution network. Our competitors may offer greater incentives to our distributors. As such, there can be no assurance that our current distributors will continue to do business with us, or that we can continue to attract additional distributors to our network. There can be no assurance the distribution agreements will be renewed after expiry of the stipulated term, which is typically three years. If we fail to renew our existing distribution agreements upon expiry or any failure to enter into new and similar agreements on commercially favourable terms or at all, could materially adversely affect our business, results of operations, cash flows and financial condition.

8. ***We cannot assure you that we will be able to execute our EPC Business projects in a timely manner or at all, to substantially realise the profits arising out of such contractual arrangements.***

In respect of our EPC Business projects, we generally work towards pre-determined project completion/scheduled acceptance dates. Under the EPC Business, the EPC contracts typically stipulate payment terms on a completion method basis. The fixed price typically negotiated by us depends on numerous external factors, some of which may not be reasonably foreseeable at the time of cost estimation. We bill our customers according to contractually agreed milestones that reflect key stages of execution. We also typically receive an advance payment from our customers at the time we enter into the EPC contract and adjust the advance received against milestone payments. Our profitability largely depends on our ability to manage costs relating to our EPC operations and our ability to execute the EPC Business projects on contractually agreed timelines, as we receive payments from our customers upon achieving execution milestones. Failure to meet completion schedules could result in additional costs or penalties, including liquidated damages. Many projects involve challenging engineering, procurement and construction phases that may occur over extended time periods. We may encounter difficulties in engineering, delays in designs or delay in the procurement of materials. Further, the projects we undertake may be affected by schedule changes, delays due to our customer's failure to timely obtain rights-of-way, weather-related delays, which are beyond our control. Any one or a combination of these events may adversely impact our ability to complete the project in accordance with the original delivery schedule. In case of breach of agreed timelines, not only it adds to our cost of project execution, we are typically also required to pay liquidated damages or penalties in certain cases. We cannot assure you that we will be able to execute our EPC Business projects on time, and accordingly, our business, cash flows, financial conditions and results of operation may be adversely affected.

9. ***Our Consumer Products Business and EPC Business are subject to certain macro-economic conditions and government policies***

The industry in which we operate are to a large extent dependent on general macro-economic factors such as (i) economic or fiscal crises or instability; (ii) political and regulatory measures and developments, such as government policies to support the industries in which our customers operate, tax incentives or other subsidies; (iii) fiscal and monetary dynamics, such as rises or falls in interest rates (resulting in greater or lesser ability by customers to borrow money), foreign exchange rates and inflation rates; (iv) general levels of GDP growth and trends in personal disposable income and consumer spending; (v) demographic conditions and population dynamics, such as the absolute size of a market and the growth rates of the population in that market; and (vi) economic development and shifting of wealth in India, in particular growth in the middle class and rural areas. These general macro-economic factors affect our customers and their respective industries and, therefore, demand for our products and services. The cyclical nature of general macro-economic conditions and, therefore, of the industries in which our customers operate means that our results of operations can fluctuate substantially from period to period. Weaker macro-economic indicators tend to correlate with less activities in the above industries and therefore, lower demand for our products and services.

Our business is also largely affected by government policies and initiatives such as tax incentives, foreign investment restrictions, government spends and budget, which drive growth in the industry we operate in and hence, demand. For instance, our Consumer Products Business has benefited from the implementation of GST. Similarly, governmental initiatives such as Saubhagya scheme and the Deen Dayal Upadhyaya Gram Jyoti Yojana scheme, continue to have a positive bearing on our EPC Business prospects, by seeking to increase the overall demand for power in India.

The aforesaid factors may negatively contribute to changes in demand for our products and services and may materially adversely affect our business, results of operation, cash flows, financial condition and prospects.

10. ***The contracts included in our order book for our EPC Business may be delayed, modified or cancelled, which could adversely affect our cash flows position, revenues and results of operations.***

Our order book for our EPC Business may not necessarily indicate future income due to several factors which may be beyond our reasonable control, including unanticipated variations of scope, schedule adjustments, ongoing litigation, failed rehabilitation moves, environmental exigencies and adverse changes in government policy . There can be no assurance that the revenues anticipated in our order book for our EPC Business will be realized, or, if realized, will be realized on time or result in profits. In addition, it is possible that contracting parties may default on the amounts owed to us. Any delay, cancellation or payment default could adversely affect our cash flows, revenues and results of operations.

For some of the contracts in our order book for our EPC Business, our customers are required to perform or take certain actions towards the project such as securing of the right of way, environmental clearance, securing of required licenses or permits. If a customer does not perform any or all such actions in a timely manner or at all and if the remedy for such failure is not provided for in the contract or if the customer reneges on the contract, our results of operations, cash flows and our financial condition may be adversely affected.

11. ***We have not entered into long term contracts with our suppliers/ vendors. Any significant increases or fluctuations in prices of, or shortages of, or delay or disruption in supply of any of the raw materials used by us could adversely affect our business, results of operations, cash flows and financial condition.***

Our manufacturing operations depend on obtaining timely and adequate supplies of various raw materials and components required for our Consumer Products Business as well as our EPC Business, such as steel, zinc, copper, aluminium, acrylonitrile butadiene styrene, polypropylene and other fabricated items and components. For the Fiscals 2019, our cost of raw material consumed accounted for 7.37% of our total income. If our suppliers/vendors are unable to supply (a) the raw material and/or components required for the manufacture of our products, in sufficient quantities or at all, and in a timely manner, our ability to obtain raw material and components at competitive rates from alternate sources could be adversely affected because of higher prices, thereby adversely affecting our operating margins and results of operations. Further we do not enter into long term agreements with the suppliers of raw material and components. We may not be able to find alternate suppliers/ vendors with required standard of quality, and enter into contracts with favourable commercial terms or at all, in case of any severance of our relations with our existing suppliers/ vendors, which could adversely affect our business, results of operation, cash flows and financial condition.

Further, numerous factors, most of which are beyond our control, drive the cycles of raw materials/ components, such as general economic conditions, competition, production costs and levels, transportation costs, indirect taxes and import duties, tariffs and currency exchange rate.

While we have generally been able to pass on the increase in cost of raw materials/ components to our customers, there can be no assurance that we will be able to continue doing so in the future. If we are unable to pass on cost increases to our customers or are unsuccessful in managing the effects of raw material price increase, our business, financial condition, cash flows and results of operations could be materially and adversely affected.

12. ***Any prolonged business interruption at our manufacturing facilities could have a material adverse effect on results of operation, cash flows and financial conditions.***

Our business, and specifically Consumer Products Business, is dependent on our ability to effectively manage our manufacturing facilities, which are subject to various operating risks. Any material interruption at our manufacturing facilities, including power failure, fire and unexpected mechanical failure or malfunction of equipment or machinery, could reduce our ability to meet our stipulated orders and earnings for the affected period.

If there is an insufficient supply of electricity or water to satisfy our requirements or a significant increase in electricity prices, we may need to limit or delay our production, which could adversely affect our business, financial condition, cash flows and results of operations. We cannot assure you that we will always have access to sufficient supplies of electricity or water in the future to accommodate our production requirements and planned growth. Although we have not experienced any significant disruptions at our manufacturing facilities in the past, in the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to identify alternate sources for various supplies and products at higher prices in order to meet our production requirements, which could affect our results of operation, cash flows and financial condition.

13. ***We require certain approvals, licenses, registrations and permits for conducting our business and operations, and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business and prospects, results of operations, cash flows and financial condition.***

Our business and operations are subject to compliance with certain laws and regulations and we are required to obtain and maintain a number of statutory and regulatory registrations, permits and approvals, including environmental consents and approvals ("**Government Approvals**"), thereunder. The Government Approvals that we require are typically granted for a limited term and are subject to renewal at the end of such terms. We cannot assure that we will be able to obtain or renew all necessary Government Approvals as and when required, within required time, or at all. Government Approvals are typically also subject to various conditions, including periodic renewal and maintenance standards that are subject to inspection and may require us to incur substantial expenditure. Any actual or alleged failure on our part to comply with the terms and conditions of such Government Approvals could expose us to significant compliance costs or liabilities or could affect our ability to continue our operations. If we fail to obtain or renew any applicable Government Approvals in a timely manner, we may not be able to undertake certain business activities and operations, or at all, and/or may be subject to penalties and other sanctions. Further, we cannot assure you that the Government Approvals issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

Any failure to obtain or renew Government Approvals may adversely affect our business, prospects, results of operations, cash flows and financial condition.

14. ***We may, from time to time, look for opportunities to enter strategic alliances, acquire businesses or enter into joint venture arrangements. Any failure to manage the integration of the businesses or facilities post such acquisition or joint venture may cause our profitability to suffer.***

We may, from time to time, look for opportunities to acquire businesses or enter into strategic partnerships or alliances. Such acquisitions may not contribute to our profitability, and we may be required to incur or assume debt, or additional expenses beyond our forecasts or assume contingent liabilities, as part of any acquisition. Further, the acquisitions may give rise to unforeseen contingent risks relating to these businesses that may only become apparent after the merger or the acquisition is finalised. We may also face difficulty in assimilating and retaining the personnel, operations and assets of the acquired company. Further, we may not be able to accurately identify or forge an alliance with appropriate companies in line with our growth strategy. In the event that the alliance does not perform as estimated, or the inability on the part of our joint venture partner to meet the customer requirements may lead to a failure of such an arrangement which may adversely affect our business.

Our Company has and may continue to invest in businesses in connection with our existing lines of businesses and matters incidental thereto. We cannot assure that such investments made by us would yield desired results or we would be successful in integrating the businesses or our investments will not be impaired. For instance, we invested in acquiring Starlite with an object of strengthening our CFL lamps business. However, the overall demand for CFL products was significantly reduced on account of change in technology and an increasing preference of the customers towards LED products. Nirlep and Starlite have made loss in the last three Fiscals.

If our Company is unable to benefit from the synergies or efficiencies expected from these investments, or if such investments do not yield desired results, our profitability may be adversely affected.

15. ***If we are unable to protect our proprietary information or other intellectual property rights, our business may be adversely affected.***

We rely on a combination of patents, designs, copyrights and trademarks to protect our intellectual property. We have obtained, or have applied for, trademark, patent, copyright and designs registrations for our various products, logos, labels, processes, designs, artistic works and brands which we use in our business.

We operate primarily under the “Bajaj” brand name and logo, which are registered trademarks of our Company. We have also obtained, or have applied for, trademark, patent, copyright and designs registrations for our various products, logos, labels, processes, designs, artistic works and brands which we use in our business. Further, we also operate under the “Nirlep” brand name and logo, which are registered trademarks of Nirlep. We also use certain sub-brands for our Consumer Products, which are primarily registered trademarks. Further, in terms of a Trademark License Agreement dated February 15, 2017 entered into with Morphy Richards, our Company is licensed to use the trademark of Morphy Richards for certain Consumer Products manufactured by our Company or third-party manufactures, which are marketed and sold in India and SAARC nations by our Company.

Our intellectual property is subject to certain threats from third parties including unauthorised use of our logo and name. While we intend to defend ourselves against any threats to our intellectual property, we cannot assure our proprietary intellectual property will provide us with adequate proprietary protection or competitive advantages, and that we would be successful in defending threats. There can be no assurance that our intellectual property pending registration or renewal will be registered/ renewed in a timely manner or at all.

Further, certain of our trademarks for our Consumer Products which we currently sell, could be unregistered, expired, removed, opposed, withdrawn, refused, objected or are otherwise under dispute. If any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks, and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive business position.

Detecting and policing unauthorized use of proprietary rights are difficult and expensive. We may need to resort to litigation to enforce or defend our proprietary rights, which could divert significant management time and attention, and consume significant financial resources in their defence or enforcement. An adverse determination in any such litigation could materially impair our intellectual property rights. Our failure to adequately protect our brand, trademarks and other related intellectual property rights may adversely affect our business, reputation, financial condition, results of operations and cash flows.

16. ***We have substantial working capital requirements to finance our EPC Business and may require additional financing to meet those requirements***

The actual amount and timing of our future working capital requirements for our EPC Business may differ from estimates due to, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes, weather related delays, technological changes and additional market developments. Our sources of additional financing, where we are required to meet our capital expenditure plans, may include the incurrence of debt or issue of debt securities. If we decide to raise additional funds through the incurrence of debt or issue of debt linked securities, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability, cash flows and financial conditions. Additionally, our ability to obtain additional financing on favourable commercial terms or at all, will depend on a number of factors, including, amongst others (i) our results of operations, financial conditions and cash flows; (ii) the amount and terms of our existing indebtedness; (iii) general market conditions in the markets where we operate; and (iv) general condition of the debt markets.

Our inability to obtain funding on reasonable terms, or at all, could affect our ability to perform our EPC Business, which may lead to an adverse effect on our business, results of operations, cash flows and financial condition.

17. ***We are exposed to foreign currency exchange rate fluctuations***

For the Fiscal 2019, 1.46% of our revenue from operations, was denominated in other currencies other than INR, including the USD and certain other foreign currencies. In addition, we purchase certain of our raw materials in foreign currency. A significant fluctuation in foreign currency exchange rates could therefore have a significant impact on our results of operations. The exchange rates between the Indian Rupee and these currencies, primarily the USD, has fluctuated in the past and any appreciation or depreciation of the Indian Rupee against these currencies can impact our profitability and results of operations. Accordingly, while we enter into forward foreign exchange contracts to hedge against certain of our foreign exchange rate risks in connection with our export sales, there can be no assurance that such measures will enable us to avoid the adverse effect of fluctuations of the value of the INR against the USD or other foreign currencies.

18. ***Certain corporate records and regulatory filings of our Company, and copy of educational qualification of one of our Directors, are not traceable.***

Our Company has not been able to trace records of certain forms that were required to be filed by our Company with the RoC in the past. For instance, we are unable to trace certain forms and corporate authorizations in respect of certain return of allotment and alteration of share capital, and the same are not available in the records of our Company. We cannot assure you that the abovementioned forms will be available in the future. We also cannot assure you that the statutory authorities will not impose any penalty and if imposed that such penalty will not have a material adverse effect on our business, operations and financial results. Further, copy of relevant educational qualifications of one of our Directors is not traceable. In light of above, disclosures included in this Letter of Offer, are largely based on reliance on alternative corporate records and documents such as minutes book, annual reports and annual returns filed with the RoC and certifications, and we cannot assure that the information gathered through other alternative available documents are accurate.

19. ***Our Consumer Products Business is subject to seasonal and other variations and we may not able to accurately forecast demand for our products.***

Our sales of Consumer Products are subject to seasonal variations. For example, we typically experience higher sales of our coolers and fans during the summer seasons in India, as well as of domestic and kitchen appliances during the festive seasons in India. Our sales are also impacted by a relatively lesser summer or winter seasons, which could lead to lower sales volumes due to less demand of Consumer Products with seasonal utility. A weak monsoon conditions would lead to decrease in our sales volumes in rural areas as rural income and spending, which is dependent on agricultural income, may see a downward shift. Due to these factors, comparisons of sales and operating results between the different periods within a single year, or between same periods in different financial years, may not necessarily be meaningfully comparable and should not be relied on as indicators of our performance. Due to the seasonality of our business, there can be no assurance that the estimates of demand for our products will be accurate. If our estimates materially differ from actual demand, we may experience either excess or shortage of inventory levels.

20. ***If we are not able to implement our growth strategies in a timely manner or manage our growth effectively, our business, financial condition, results of operations and cash flows could be adversely affected.***

We have embarked on a growth strategy which involves a substantial expansion of our Consumer Products Business. Such an expansive growth strategy places significant demands on our management as well as our financial, accounting and operating systems. Even if we have successfully executed our business strategies in the past, we cannot assure you that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers. Our failure to execute our growth strategy may result in our inability to maintain prior rates of growth. Implementation of our growth strategies require significant management resources.

As we expand our operations in the Consumer Products Business, we may be unable to manage our growth efficiently, which could result in delays, increased costs and affect the overall quality of our products, and may adversely affect our reputation and brand name. Such expansion also increases the challenges involved in preserving a uniform culture, set of values and work environment across our Consumer Products Business operations, developing and improving our internal administrative infrastructure, recruiting, training and retaining management, technical and marketing personnel, maintaining high levels of customer satisfaction, and adhering to health, safety, and environmental standards. Our failure to manage our growth could have an adverse effect on our business, financial condition, cash flows and results of operations.

21. ***We are exposed to risks associated with spurious and counterfeit products.***

We are exposed to the risk that other entities could pass off their products as ours, including spurious or counterfeit products. For example, certain entities have and could continue to imitate our brand name, packaging material or attempt to create look-alike products, thereby passing off commodities using similar brand(s). Such spurious or counterfeit products may reduce our market share and could also harm the reputation of our brand and our Company. The proliferation of unauthorized versions of our products, and the time lost in appropriate legal proceedings relating to spurious products against the offenders who infringe our intellectual property rights, could decrease the revenue we receive from our products and have a material adverse effect on our reputation, business, financial condition, cash flows and results of operations.

22. ***There are various litigations pending against our Company and Subsidiary, which, if determined adversely, could affect our business, results of operations, cash flows and financial condition.***

There are various litigations pending against our Company and Subsidiary, at different levels of adjudication before various forums. For further details, see "*Outstanding Litigation and Defaults*" on page [●]. In particular, our Company is currently involved in various litigations such as matters relating to non-payment of dues, dishonour of cheques, criminal complaint for cheating and misappropriation of funds, and certain regulatory matters, pending before different forums at various levels of adjudication. Our Subsidiary is currently involved in certain regulatory matters.

We cannot assure you that these legal proceedings will be decided in our favour. Furthermore, we cannot assure you that our Company or Subsidiary will not be involved in material legal proceedings in the future, including civil, criminal, consumer, intellectual property and tax-related litigations. Litigations can divert significant management time and attention and consume significant financial resources in their defence or prosecution. In addition, if any proceeding in which we may be involved in and is decided against us, or if penalties are assessed and/or sanctions imposed on us in the future, it may have a material adverse effect on our business, results of operation, cash flows, reputation and financial condition.

23. ***Our manufacturing operations are currently geographically concentrated in Maharashtra. Consequently, we are exposed to risks from economic, regulatory and other developments in the western region which could have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our manufacturing operations are currently geographically concentrated in Maharashtra. Our manufacturing activities are therefore significantly dependent on the general economic condition and regulatory regime in Maharashtra. The economic and regulatory condition in Maharashtra may be affected by various factors outside our control, including prevailing local, social and economic conditions, changes in the applicable governmental regulations, demographic trends, changes in regulations governing employment of labourers, fluctuation in the income levels and interest rates, among other factors.

Further, change in the policies of the government of Maharashtra, any political disruption, natural calamities or civil disruptions, opposition and protests, particularly in locations where we operate in Maharashtra, could adversely affect our business operations or strategy. There is no assurance that such disruption in business operations would not bring any hindrance in the functioning of our manufacturing facilities. Consequently, our business, results of operations, cash flows and financial condition have been and will continue to be heavily dependent on the performance of, and the prevailing conditions affecting our industry in which we operate in Maharashtra.

24. ***Any failure in the successful implementation of our information technology systems may have an adverse effect on our business, cash flows, financial condition and results of operations.***

Our information technology systems are important to our business. We have adopted an enterprise resource planning IT system, integrated with Customer Relationship Management systems, to enable our Company to carry out its day to day operations by creating a platform for the daily management of each of our transactions, along with functions enabling financial planning and financial accounting processes by the Company. We also have an HR solutions system in place, which enables our HR team to maintain a master database of all its employees, for efficient data management and employee related logistics. Further, our IT enabled warehouse management system enables us to record details of our inventory levels are our warehouses across different locations, in order to respond to orders on an immediate basis. We have also designed a portal for our vendors as well as our distributors, to enable them to co-ordinate their business operations with us on a daily basis.

These IT systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, break-ins and similar events. Any delay in implementation or any disruption in the functioning of our IT systems could have a material adverse effect on our business if it causes loss of data or affects our ability to track, record and analyse the progress of our projects, process financial information, manage our creditors and debtors, or engage in normal business activities. In addition, our systems and proprietary data stored electronically may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. If such unauthorized use of our systems were to occur, data related to our projects, customers and other proprietary information could be compromised. The occurrence of any of these events could adversely affect our reputation and business, weaken our competitive position, interrupt our operations, subject us to increased operating costs and expose us to litigation, which in turn could have an adverse effect on our business, cash flows, financial condition and results of operations.

25. Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition, cash flows and results of operations.

Our operations are subject to various risks and hazards inherent in the Consumer Products Business and EPC Business, including breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances, employee fraud and infrastructure failure, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. We maintain appropriate insurance coverage which commensurate with industry standards, in relation to property and plants, fixed assets, movable assets and certain other assets that are considered to be subject to significant operating risks. There are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate or for which our insurance claims may be rejected. If we were to incur a serious uninsured loss or a loss that significantly exceed the limits of our insurance policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our insurance policies are subject to standard exclusions and limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, insurance policies.

In addition, our insurance may not provide adequate coverage in certain circumstances including losses arising due to third-party claims that are either not covered by insurance or the values of which exceed insurance limits, economic or consequential damages that are outside the scope of insurance coverage and claims that are excluded from coverage. If our arrangements for insurance are not adequate to cover claims, we may be required to make substantial payments or incur substantial cost and our results of operations, financial condition and cash flows may therefore be adversely affected.

We may not have identified every risk, and further may not be insured against every risk, including operational risks that may occur, and the occurrence of an event that causes losses more than the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate. Any of the above could materially harm our financial condition, cash flows and future results of operations. There can be no assurance that any claims filed will be honoured fully or in a timely fashion under our insurance policies. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

26. Our operations and the work force at our EPC Business project sites and at our manufacturing facilities, are exposed to various hazards.

Our EPC Business operations and our manufacturing facilities are subject to hazards inherent in such industries, such as the risk of equipment failure, impact from falling objects, collision, work accidents, fire or explosion. Many of these hazards can cause injury and loss of life, severe damage to and destruction of property and equipment and environmental damage. While we attempt to mitigate possibilities of such accidents through various safety standards and processes, there are certain unanticipated or unforeseen risks that may arise due to among others, adverse weather and geological and other working conditions. If any one of these hazards or other hazards were to affect our business, results of operations, cash flows and financial condition may be adversely affected.

27. ***Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition.***

We have declared and paid dividend in respect of profits arising in the previous three Fiscals. However, the amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

28. ***Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could have a material adverse impact on our profitability.***

In respect of our Consumer Products Business, we monitor our inventory levels based on our own projections of future demand. Because of the length of time necessary to produce commercial quantities of our Consumer Products, we make production decisions well in advance of sales. An inaccurate forecast of demand for any product can result in the unavailability/surplus of Consumer Products. This unavailability of Consumer Products in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of Consumer Products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins substantially and ultimately create write-offs of inventory. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations, cash flows and financial condition.

29. ***We are usually required to provide performance guarantees under our EPC Business contracts.***

As is customary in the EPC services industry, we are usually required to provide performance guarantees in form of bank guarantees in respect of our financial and performance obligations under the respective EPC Business contracts. These guarantees are typically required to be provided at the beginning of the project and remain valid until the expiration of the defect liability period of the project in accordance with the contractual arrangement. Where any such guarantee is invoked during the subsistence of a contract, we are likely to be required to replace such guarantee with another guarantee. We may not be able to continue to obtain new performance guarantees in sufficient quantities to match the business requirements. Further, any invocation of bank guarantee may adversely affect our cash flows, results of operations, cash flows and financial conditions.

30. ***We may be affected by labour unrest at our manufacturing facilities***

As at December 31, 2019, we had more than 450 personnel at our manufacturing facilities. We cannot assure you that our relations with our personnel at manufacturing facilities shall remain cordial at all times and that there will no events of labour unrest such as strikes and work stoppages in the future on account of various demands such as increase in wage and better working conditions. Any disagreements with the trade union of which certain of our personnel at manufacturing facilities are members, could disrupt our operations, including functioning of our manufacturing facilities. Any labour disruptions may adversely affect our operations by delaying or slowing down our production, business operations, increasing our cost of production or even halting a portion of our production. This may also lead to missing of sales commitments, hurting our relationships with customers and disrupt supply chain, which would adversely affect our business, results of operations, cash flows and financial condition.

31. ***Our operations are being conducted on leased and owned premises. Our failure to renew these leases, obtain new leases or pay higher rental fees under these leases could negatively impact our operations.***

We conduct our operations on premises that are either owned or leased from third parties.

Our Registered Office is on leasehold basis which is valid till March 2024. Our Corporate Office is a freehold premise of our Company. Our manufacturing facilities at Chakan and Aurangabad are freehold premises of our Company, while our manufacturing facility in Ranjangaon is on a long-term lease-hold basis. Most of our branch offices are warehouses are on leasehold basis, which we typically renew from time to time. Further, our R&D centre in Navi Mumbai is a freehold premise of our Company.

From time to time, such leases come up for renewal, and a non-renewal of such lease agreements could disrupt our operations. The non-renewal of our various lease arrangements may result in temporary disruption in our operations. Where these leases are not renewed, or renegotiated on terms that are less advantageous to us, no leases are made available to us, or rental charged against our leases are increased, we may be forced to pay higher rental fees under these leases or in some cases relocate assets on leased land.

Given that we conduct operations on premises leased from third parties, any deficiency in relation to title of the property of the owner, or in the event where the negotiated terms are less advantageous to us, or breach of any contractual terms, or increase in the rental fees charged against our leases or the inability to renew our leases, may negatively affect our operations.

32. Some of our agreements may have certain irregularities.

Some of the agreements that have been executed by our Company, which require registration and/or stamping in accordance with applicable law, may have not been registered and/or are not adequately stamped or not stamped at all. Accordingly, such documents may not be legally enforceable until the applicable stamp duty, registration charges, and consequent penalties are paid on such documents, or at all, which may affect our business, result of operations, cash flows and financial condition.

33. Our success significantly depends on our management and operational teams and other skilled professionals. If we fail to retain, motivate and/or attract such personnel, our business may be unable to grow and our revenues could decline, which may decrease the value of our Equity Shares.

Our success and growth depend on the continuous services of our senior members of our management and operational team. For details of our Board and senior management, see "*Our Management*" on page [●]. Our ability to seamlessly carry out our operations, depends in large part on our ability to attract, train, motivate and retain highly skilled professionals. Across our operations, we experienced attrition of approximately 16.92%, for the Fiscals 2019. We may not be able to hire and retain enough skilled and experienced employees to replace those who leave. Additionally, we may not be able to replace adequately skilled and experienced Board members and other senior management upon their retirement/ termination of job. If we fail to retain, motivate and/or attract such personnel, our business may be unable to grow and our revenues could decline, which may adversely affect our business, reputation, results of operation and financial condition.

34. We may not be able to utilise the proceeds from this Issue in the manner set out in this Letter of Offer in a timely manner or at all.

Our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy. We may have to revise this from time to time as a result of variations in our business plan and strategy including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement at the discretion of our Board. Accordingly, we may not be able to utilise the proceeds from this Issue in the manner set out in this Letter of Offer in a timely manner or at all. As regards utilisation of Net Proceeds for repayment of loans, the identification of loans to be repaid or prepaid will be based on various factors, including (i) cost of the borrowing; (ii) any conditions attached to the loan restricting our ability to prepay/ repay such loan; (iii) loan tenure and repayment period; and (v) other commercial and legal considerations.

35. The name of Rajendra Prasad Singh, one of our Non-Executive and Independent Directors, appears in the list of wilful defaulters issued by TransUnion CIBIL Limited (formerly Credit Information Bureau (India) Limited)

The name of Rajendra Prasad Singh, one of our Non-Executive and Independent Directors, appears in the list of wilful defaulters issued by TransUnion CIBIL Limited (formerly Credit Information Bureau (India) Limited) ("**CIBIL**") in relation to a default of payment of loan(s) availed by G.E.T. Power Limited ("**GPL**") from Axis Bank Limited ("**Axis Bank**") and Punjab National Bank ("**PNB**"). As per the information available on CIBIL's website, the said default appears for the period from period December 2016 to December 2017 (as reported by Axis Bank) and from September 2018 to March 2019 (as reported by PNB). The outstanding amount as of December 31, 2017 was ₹ 587.4 million (as reported by Axis Bank) and was ₹ 1,235.4 million (as reported by PNB). However, Rajendra Prasad Singh, who was an independent director on the board of directors of GPL, resigned from its board on August 12, 2014. For further details, see "*Other Regulatory and Statutory Disclosures-Disclosures pertaining to wilful defaulters*" on page [●].

36. We have contingent liabilities and commitments which have not been provided for in our balance sheet.

We have certain contingent liabilities that had not been provided for**.** A summary of our contingent liabilities in accordance with Ind AS 37 "*Provisions, Contingent Liabilities and Contingent Assets*" as of September 30, 2019 and as of March 31, 2019 as disclosed in the Financial Statements is set out below.

(₹ in million)

Particulars	As at September 30, 2019	As at March 31, 2019
Claims against the Company not acknowledged as debts	220.34	79.96
Guarantees / Letter of Comfort given on behalf of Companies	2,187.42	2,349.19
Excise and Customs duty - matters under dispute	1.55	1.55
Service Tax matters under dispute	14.94	14.94
Income Tax matters under dispute	53.65	53.65
Sales Tax matters under dispute	302.77	413.69
Uncalled liability in respect of partly paid Shares held as investments	0.72	0.72

Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition, cash flows and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

37. We have in the past entered into related party transactions and will continue to do so in the future

We have in the past entered into transactions with certain of our related parties. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we could not have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For details of the related party transactions, see "*Related Party Transactions*" on page [●].

38. Our Promoters will be able to exercise significant influence and control over our Company after the Issue and may have interests that are different from those of our other shareholders.

As of December 31, 2019, our Promoters and Promoter Group hold 62.67 % of the issued and outstanding Equity Shares of our Company. By virtue of their shareholding, our Promoters and Promoter Group will have the ability to exercise significant control and influence over our Company and our affairs and business, including the appointment of Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger, amalgamation or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders. The interests of our Promoters and Promoter Group may be different from or conflict with the interests of our other shareholders and their influence may result in change of management or control of our Company, even if such a transaction may not be beneficial to our other shareholders.

39. We have experienced certain negative cash flows in relation to our operating activities, investing and financing activities in the last three financial years, on a consolidated basis.

We have had certain negative cash flows in the Fiscal 2019, 2018 and 2017, respectively, details of which are below:

(₹ in million)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Net cash inflow/ (outflow) from operating activities	(6,205.06)	(1,028.70)	4,365.93
Net cash inflow/ (outflow) from investing activities	(1,040.00)	360.86	(901.45)
Net cash inflow/ (outflow) from financing activities	7,131.98	635.21	(3,679.45)

If we continue to experience negative cash flows from operations in the future, it could adversely affect our business, results of operations and financial condition. For further details, see "*Summary Financial Information*" on page [●].

40. Our Statutory Auditors have included certain qualifications in the annexures to the main audit report of the Audited Consolidated Financial Statements relating to certain matters.

Our Statutory Auditors have included qualifications in the Annexures to the Main Audit Report of the Audited Consolidated Financial Statements for the Fiscals 2019 in relation to a matter on inadequate internal financial controls in Nirlep. While the Board has taken note of such qualifications and continuously endeavours to strengthen its internal financial control, there can be no assurance that any similar matters of emphasis, qualification or reservations will not form part of the consolidated financial statements of our Company for the future periods.

Risks Relating to India

41. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

42. Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects.

The Central Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Further, our business is also impacted by regulation and conditions in the various states in India where we operate. Our business, and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in central or state Government policies, taxation and other political, economic or other developments in or affecting India. Since 1991, successive Central Governments have pursued policies of economic liberalisation and financial sector reforms. Any slowdown in these demand drivers or change in Government policies may adversely impact our business and operations. Generally, a significant adverse change in the Central Government's policies could adversely affect our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline.

43. ***If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.***

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by relevant tax authorities may adversely affect our results of operations. We cannot assure you as to what action current or future Governments will implement regarding tax incentives or excise duty benefits. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions.

44. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

45. ***It may not be possible for you to enforce any judgment obtained outside India against us, our management or any of our respective affiliates in India, except by way of a suit in India on such judgment.***

We are incorporated under the laws of India and a majority of our Directors and executive officers reside in India. A substantial majority of our assets, and the assets of our Directors and officers, are also located in India. As a result, you may be unable to:

- effect service of process outside of India upon us and such other persons or entities; or
- enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code, on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, United Arab Emirates, Republic of Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the USA has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

46. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

47. Any downgrading of India's debt rating by an international rating agency could adversely affect our business and the price of our Equity Shares.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, our future financial performance, our shareholders' funds and the price of our Equity Shares.

Risks Relating to the Equity Shares and this Issue

48. The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

49. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, unless specifically exempted capital gains arising from the sale of the Equity Shares are generally taxable in India. Any gain realized on the sale of the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction. The securities transaction tax will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realized on the sale of the Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of the Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹ 100,000, subject to certain exceptions in case of a resident individuals and HUF.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non -delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019, however these amendments will come into effect from April 1, 2020.

50. Investors will not have the option of getting the allotment of Equity Shares in physical form.

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see "*Terms of the Issue - Allotment only in Dematerialized Form*" on page [●]. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

51. We will not distribute the Letter of Offer, Abridged Letter of Offer and CAF to overseas Shareholders who have not provided an address in India for service of documents.

We will dispatch the Letter of Offer, Abridged Letter of Offer and CAF (the "**Issue Materials**") to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail.

Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties

52. ***Fluctuations in the exchange rate between the Rupee and the U.S. dollar could have an adverse effect on the value of our Equity Shares, independent of our operating results.***

Our Equity Shares are quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Rupees and subsequently converted into U.S. dollars for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The exchange rate between the Rupee and the U.S. dollar has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares, independent of our operating results.

53. ***You may not receive the Equity Shares that you subscribe in the Issue until 15 days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you may be allotted in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

54. ***There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on a Stock Exchange.***

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the NSE and BSE, which would adversely affect your ability to sell our Equity Shares.

55. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

56. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

The Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform us of the percentage limit of the circuit breaker and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

To enhance market integrity and safeguard interest of investors, SEBI and the Stock Exchanges have, from time to time, introduced various enhanced pre-emptive surveillance measures such as reduction in price band, periodic call auction and transfer of securities to trade-to-trade category. In recent past, the Equity Shares were under "Additional Surveillance Mechanism" ("**ASM**") stage 1 of BSE Limited. ASM is based on objective parameters such as price variation, client concentration, and volatility. The shortlisting of securities under ASM is purely on account of market surveillance and it should not be construed as an adverse action against the company. The securities under ASM are placed in the price band of 5% which will limit the maximum possible uptick or downtick up to 5% to help reduce volatility, and margins are levied at the rate of 100%. Further, collateral may not be provided for securities under ASM category. Such securities are also further monitored on pre-determined objectives and would be moved into trade-to-trade segment once the criteria get satisfied.

57. Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorised by way of a resolution passed by our Board on January 6, 2020 pursuant to Section 62 of the Companies Act, 2013.

Following is a summary of the Issue and should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section "*Terms of the Issue*" on page [●].

Brief Issue details	
Rights Equity Shares being offered by our Company	Up to [●] Equity Shares
Rights Entitlement	[●] Rights Equity Shares for every [●] Equity Shares held on the Record Date
Record Date	[●]
Issue Price per Rights Equity Share	₹ [●] (including a premium of ₹ [●] per Equity Share)
Face Value per Rights Equity Share	₹ 2
Issue Size	Up to ₹ [●] million
Equity Shares subscribed, paid-up and outstanding prior to the Issue	102,479,751 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●] Equity Shares
Security Codes for the Equity Shares	ISIN: INE193E01025 BSE Code: 500031 NSE Code: BAJAJELEC
Terms of the Issue	See "*Terms of the Issue*" on page [●]
Use of Issue Proceeds	See "*Objects of the Issue*" on page [●]
Terms of Payment	The full amount is payable on application

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Financial Statements, and should be read in conjunction with the financial statements and the notes (including the significant accounting policies) thereto included in the section "*Financial Information*" on page [●]. Figures for September 30, 2019 below are not directly comparable with figures for Fiscal 2019. These figures are presented for convenience purposes only.

Summary of Interim Un-audited Balance Sheet for the six months ended September 30, 2019 and the Annual Audited Balance Sheet as at March 31, 2019 (on a consolidated basis)

(₹ in million, except share data)

	As at September 30, 2019	As at March 31, 2019
ASSETS		
Non -Current Assets		
Property, plant and equipment	3,407.74	3,463.43
Capital work in progress	59.20	70.57
Right-of-use assets	952.43	-
Intangible assets	192.86	214.98
Intangible assets under development	17.88	23.93
Goodwill on consolidation	264.44	249.44
Investments in associate and joint venture	-	-
Financial Assets		
i) Investments	119.31	107.66
ii) Trade receivables	5,247.32	5,196.25
iii) Loans	157.86	0.68
iv) Other financial assets	227.82	225.81
Deferred tax assets (net)	466.61	575.49
Income tax assets (net)	846.36	537.07
Other non-current assets	1,032.41	1,219.30
Total Non-Current Assets	**12,992.24**	**11,884.61**
Current Assets		
Inventories	7,237.08	8,302.48
Financial Assets		
i) Trade receivables	19,670.81	26,241.99
ii) Cash and cash equivalents	122.59	112.07
iii) Bank balances other than (ii) above	20.75	51.85
iv) Loans	2.91	0.20
v) Other current financial assets	33.92	25.97
Other current assets	3,272.07	3,249.85
Contract assets	1,746.57	1,898.74
Assets classified as held for sale	21.94	21.94
Total Current Assets	**32,128.64**	**39,905.09**
Total Assets	**45,120.88**	**51,789.70**
EQUITY & LIABILITIES		
Equity		
Equity share capital	204.91	204.80
Other Equity	9,761.74	10,353.71
Share application money pending allotment	-	0.78
Non-controlling interest	-	-
Total Equity	**9,966.65**	**10,559.29**
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities		
i) Borrowings	2,598.60	2,126.21
i) Lease liabilities	744.00	-
iii) Trade payables	-	-
iv) Other financial liabilities	207.96	124.53

	As at September 30, 2019	As at March 31, 2019
Provisions	216.25	169.87
Employee benefit obligations	699.65	630.01
Total Non-Current Liabilities	**4,466.46**	**3,050.62**
Current Liabilities		
Financial Liabilities		
i) Borrowings	11,983.48	13,726.99
ii) Lease liabilities	219.43	-
iii) Trade payables		
Total Outstanding dues of micro enterprises & small enterprises	573.74	224.17
Total Outstanding dues of other than micro enterprises & small enterprises	7,478.60	10,816.68
iv) Other current financial liabilities	3,310.10	3,839.02
Provisions	780.15	897.76
Employee benefit obligations	471.31	621.66
Current tax liabilities (net)	96.26	96.27
Contract liabilities	4,149.36	6,312.32
Other current liabilities	1,625.34	1,644.92
Total Current Liabilities	**30,687.77**	**38,179.79**
Total Liabilities	**35,154.23**	**41,230.41**
Total Equity & Liabilities	**45,120.88**	**51,789.70**

Summary of Interim Un-audited Statement of Profit and Loss for the six months ended September 30, 2019 and audited Statement of Profit and Loss for the year ended March 31, 2019 (on a consolidated basis)

(₹ in million, except share data)

	For the six months period ended September 30, 2019	For the year ended March 31, 2019
Income:		
Revenue from operations	24,027.09	66,794.12
Other income	220.77	649.50
Total Income	**24,247.86**	**67,443.62**
Expenses:		
Cost of raw materials consumed	1,812.75	4,973.51
Purchases of traded goods	13,345.06	44,414.27
Changes in inventories of work-in-progress, finished goods, traded goods	710.19	(2,190.90)
Erection & subcontracting expenses	1,522.71	4,437.58
Employee benefit expenses	1,962.04	3,605.61
Depreciation and amortisation expense	354.71	439.44
Other expenses	3,637.76	8,153.01
Finance cost	949.81	1,175.95
Total Expenses	**24,295.03**	**65,008.47**
Profit/(loss) before share of profit/(loss) of an associate and a joint venture, exceptional items and tax	**(47.17)**	**2,435.15**
Exceptional Items	-	-
Profit/(loss) before share of profit/(loss) of an associate and a joint venture and tax	**(47.17)**	**2,435.15**
Share of loss of associate and joint venture	(13.19)	(23.90)
Profit/(loss) before tax	**(60.36)**	**2,411.25**
Income tax expense:		
Current tax	-	796.50
Deferred tax	127.23	77.98
Adjustment of tax relating to earlier periods	0.84	0.98

	For the six months period ended September 30, 2019	For the year ended March 31, 2019
Total tax expenses	**128.07**	**875.46**
Profit/ (Loss) for the period/year	**(188.43)**	**1,535.79**
Other comprehensive income		
Items that will not be reclassified to profit and loss in subsequent periods		
Remeasurement (gains)/losses on defined benefit plans	41.13	66.57
Tax impacts on above	(10.29)	(23.24)
Share of other comprehensive income of associate and joint venture after tax accounted for using equity method	-	-
Other comprehensive income, net of tax	**30.84**	**43.33**
Total Comprehensive Income, net of tax	**(219.27)**	**1,492.46**
Profit/ (Loss) for the period/year attributable to		
Shareholders of the company	(179.91)	1,563.95
Non-controlling interest	(8.52)	(28.16)
Other comprehensive income for the period/year attributable to		
Shareholders of the company	30.79	43.25
Non-controlling interest	0.05	0.08
Total comprehensive income for the period/year attributable to		
Shareholders of the company	(210.70)	1,520.70
Non-controlling interest	(8.57)	(28.24)
Earnings per equity share (face value per share Rs. 2) (not annualised)/Earnings per equity share after exceptional items (face value per share Rs. 2)		
Basic	(1.84)	15.02
Diluted	(1.84)	14.98

Summary of Interim Un-audited Cash Flow Statement for the six months ended September 30, 2019 and Audited Cash Flow Statement for the year ended March 31, 2019 (on a consolidated basis)

(₹ in million, except share data)

Particulars	For the six months period ended September 30, 2019	For the year ended March 31, 2019
Cash flow from operating activities		
Profit/ (Loss) before income tax	**(60.36)**	**2,411.25**
Adjustments for:		
Depreciation and amortisation expense	354.71	439.44
Employee share-based payment expense	27.91	38.93
Gain/ Loss on disposal of property, plant and equipment	(6.01)	3.14
Measurement of financial assets held at fair value through Profit or Loss	0.28	2.85
Measurement of financial assets and liabilities held at amortised cost	(41.70)	(40.72)
Measurement of provisions at fair value	(25.89)	(16.27)
Share of loss of associate and joint venture	13.19	23.89
Income from financial guarantee contracts	-	(67.60)
Finance costs	949.81	1,175.95
Interest income	(48.66)	(117.63)
Impairment of property, plant and equipment	(-)	72.93

Particulars	For the six months period ended September 30, 2019	For the year ended March 31, 2019
Impairment allowance for doubtful debts & advances (net of write back)	(211.41)	(221.80)
Bad debts and other irrecoverable debit balances written off	28.09	160.69
Change in operating assets and liabilities:		
(Increase)/decrease in trade receivables (current & non-current)	6,736.98	(10,959.54)
(Increase)/decrease in financial and other assets (current & non-current)	401.50	(2,185.17)
(Increase)/decrease in inventories	1,065.40	(2,402.88)
Increase/(decrease) in trade payables , provisions, employee benefit obligations, other financial liabilities and other liabilities (current & non-current)	(5,932.00)	6,866.11
Cash generated from / (used in) operations	**3,251.84**	**(4,816.43)**
Income taxes paid (net of refunds)	(310.14)	(1,388.63)
Net cash inflow / (outflow) from operating activities	**2,941.70**	**(6,205.06)**
Cash flows from investing activities		
Purchase of property, plant and equipment including capital work in progress and capital advances	(157.04)	(548.06)
Purchase of intangible assets including intangible assets under development	(2.69)	(24.52)
Proceeds from sale of property, plant and equipment including advances received	7.90	9.86
Loans and advances given to associate and joint ventures (net)	(174.48)	(134.22)
Acquisition of a subsidiary, net of cash acquired/Acquisitions by Group	-	(307.04)
Purchase of investments	(7.50)	(25.99)
(Increase)/decrease in Bank Deposits	19.68	(11.70)
Interest received / (paid)	8.06	1.67
Net cash inflow / (outflow) from investing activities	**(306.07)**	**(1,040.00)**
Cash flows from financing activities		
Proceeds from issues of shares	14.06	94.56
Proceeds from borrowings	4,608.33	10,167.13
Repayment of borrowings	(5,879.46)	(1,603.22)
Payment of lease liabilities	(147.68)	-
Interest paid	(786.57)	(1,096.09)
Dividends paid to company’s shareholders	(360.08)	(356.91)
Dividend distribution tax paid/Tax on dividend paid	(73.71)	(73.50)
Net cash inflow / (outflow) from financing activities	**(2,625.11)**	**7,131.97**
Net increase (decrease) in cash and cash equivalents	**10.52**	**(113.09)**
Cash and cash equivalents at the beginning of the financial year	112.07	218.20
Acquired on business combination	-	6.96
Cash and cash equivalents at end of period/the year	**122.59**	**112.07**

GENERAL INFORMATION

Our Company was originally incorporated as Radio Lamp Works Limited, under the Indian Companies Act, 1913 as a public company limited by shares, pursuant to a certificate of incorporation dated July 14, 1938 issued by the Registrar of Joint Stock Companies, Punjab. Our Company received the certificate of commencement of business from the Registrar of Joint Stock Companies, Punjab on September 12, 1938. Subsequently, the name of our Company was changed to its present name, i.e Bajaj Electricals Limited, pursuant to a certificate of change of name dated October 1, 1960 issued by the RoC. For details, see "*History and Corporate Structure*" on page [●].

Registered Office

Bajaj Electricals Limited
45/47, Veer Nariman Road
Mumbai 400 001
Maharashtra, India
Tel: +91 22 6110 7800
E-mail: legal@bajajelectricals.com
Website: www.bajajelectricals.com
CIN: L31500MH1938PLC009887
Registration Number: 009887

Corporate Office

Bajaj Electricals Limited
001, 502, 701 & 801, Rustomjee Aspiree
Bhanu Shankar Yagnik Marg
Off Eastern Express Highway, Sion (East)
Mumbai 400 022
Maharashtra, India

Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai, which is situated at the following address:

Registrar of Companies, Maharashtra at Mumbai
100, Everest, Marine Drive
Mumbai 400 002
Maharashtra, India

Board of Directors

The following table sets out the details of our Board as of the date of this Letter of Offer:

Name	Designation	DIN	Address
Shekhar Bajaj	Chairman and Managing Director	00089358	Flat Number 50, Building Number 4, Hill Park, A Graham Bell Marg, Malabar Hill, Mumbai 400 006, Maharashtra
Anuj Poddar	Executive Director	01908009	201 Martins Nest, 9 Central Avenue, Santacruz West, Mumbai 400 054, Maharashtra
Rajivnayan Bajaj	Non-Executive Director	00018262	34/35, Yog Koregaon Park, Lane NO - 2, Pune 411 001, Maharashtra
Madhur Bajaj	Non-Executive Director	00014593	134, B – Wing, NCPA Apartments, Sir Dorabji Tata Marg, Nariman Point,

Name	Designation	DIN	Address
			Mumbai 400 021, Maharashtra
Pooja Bajaj	Non-Executive Director	08254455	Flat Number 26, Hill Park, Building Number 3A, A G Bell Marg, Malabar Hill, Mumbai 400 006, Maharashtra
Harsh Vardhan Goenka	Non-Executive and Independent Director	00026726	14-15-A, IL- Palazzo, B.G. Kher Marg, Malabar Hill, Mumbai 400 006, Maharashtra
Siddharth Mehta	Non-Executive and Independent Director	03072352	4 Matruchhaya 70 Marine Drive, Mumbai 400 020, Maharashtra
Munish Khetrapal	Non-Executive and Independent Director	08263282	12660 Kane DR Saratoga CA 95070, USA
Indu Shahani	Non-Executive and Independent Director	00112289	Flat No 56, Hill Park, A.G. Bell, Road, Malabar Hill, Mumbai 400 006, Maharashtra
Rajendra Prasad Singh	Non-Executive and Independent Director	00004812	A-1 P.W.O. Housing Society, Sector-43, Gurgaon 122 002, Haryana
Shailesh Haribhakti	Additional Director (Non-Executive and Independent Director)	00007347	10 and 11 Sahil Apartment, 14 Altamount Road, Airavat CHSL, Cumbala Hill, Mumbai 400 026, Maharashtra

Company Secretary and Compliance Officer

Ajay Nagle
Company Secretary and Compliance Officer
Bajaj Electricals Limited
45/47, Veer Nariman Road,
Mumbai 400 001
Maharashtra, India
Tel: 022-6110 7800 / 6149 7000
E-mail: legal@bajajelectricals.com

Lead Manager to the Issue

Edelweiss Financial Services Limited
14th Floor, Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4009 4400
E-mail: bel.rights@edelweissfin.com
Website: www.edelweissfin.com
Investor Grievance E-mail: customerservice.mb@edelweissfin.com
Contact Person: Yashraj Shetty
SEBI Registration Number: INM0000010650

Indian Legal Counsel to the Issue

Khaitan & Co
One Indiabulls Centre
10th and 13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai 400 013
Maharashtra, India
Tel: +91 22 6636 5000

International Legal Counsel with respect to selling and transfer restrictions

Duane Morris & Selvam LLP
16 Collyer Quay, Floor 17
Singapore 049 318

Statutory Auditors of our Company

S R B C & CO LLP, Chartered Accountants
12th Floor, The Ruby
29, Senapati Bapat Marg
Dadar (West)
Mumbai 400 028
Maharashtra, India
Tel: +91 22 6819 0000
E-mail: srbc.co@srb.in
Firm Registration Number: 324982E/E300003
Peer Review Certificate Number: 009664

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park
L. B. S. Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
E-mail: bajajelectricals.rights@linkintime.co.in
Investor grievance e-mail: bajajelectricals.rights@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI Registration No.: INR000004058

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process as well as for non-ASBA process, see "*Terms of the Issue*" on page [●].

Banker to the Issue

HDFC Bank Limited
ALFA Building
FIG Ops Department, Lodha I
Think Techno Campus
O-3 Level
Next to Kanjurmarg Railway Station
Kanjurmarg (East)
Mumbai 400 042
Tel: +91 22 3075 2928/29/2914
E-mail: Vincent.Dsouza@hdfcbank.com/ Siddharth.Jadhav@hdfcbank.com/ Prasanna.Uchil@hdfcbank.com/ Neerav.Desai@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Vincent Dsouza/ Siddharth Jadhav/ Prasanna Uchil/ Neerav Desai
SEBI Registration No.: INBI00000063

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

Issue Schedule

Issue Opening Date:	[●]
Last date for receiving requests for SAFs:	[●]
Issue Closing Date:	[●]
Date of Allotment (on or about):	[●]
Date of credit (on or about):	[●]
Date of listing (on or about):	[●]

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date.

Inter-se allocation of responsibilities

Since only one Lead Manager has been appointed for purposes of the Issue, there is no requirement of an inter-se allocation of responsibilities.

Credit Rating

As the Issue is of Equity Shares, there is no requirement of credit rating for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

In accordance with Regulation 82 of the SEBI ICDR Regulations, our Company has appointed HDFC Bank Limited as the Monitoring Agency for the Issue. The details of the Monitoring Agency are as follows:

HDFC Bank Limited
ALFA Building
FIG Ops Department, Lodha I
Think Techno Campus
O-3 Level
Next to Kanjurmarg Railway Station
Kanjurmarg (East)
Mumbai 400 042
Tel: +91 22 3075 2928/29/2914
E-mail:
Vincent.Dsouza@hdfcbank.com/Siddharth.Jadhav@hdfcbank.com/Prasanna.Uchil@hdfcbank.com/Neerav.Desai@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Vincent Dsouza/Siddharth Jadhav/Prasanna Uchil/Neerav Desai
SEBI Registration No.: INBI00000063

Appraising entity

None of the purposes for which the Net Proceeds are proposed to be utilised have been financially appraised by any banks or financial institution or any other independent agency.

Minimum subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (*i.e.* 15 days after the Issue Closing Date) or such other period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rate prescribed under applicable laws.

Underwriting

The Issue shall not be underwritten.

Filing

This Letter of Offer has been filed with the Stock Exchanges and a copy of this Letter of Offer has been submitted to SEBI, at SEBI Bhawan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and has also been filed online with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI and in accordance with the SEBI ICDR Regulations, as applicable.

Changes in Registered Office

For details pertaining to Registered Office address of our Company, see "*History and Corporate Structure*" on page [●].

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Letter of Offer is set forth below:

(in ₹ million except Equity Share data)

	Aggregate at face value	Aggregate at Issue Price
Authorized Share Capital		
200,000,000 Equity Shares	400.00	-
Issued, subscribed and paid-up share capital prior to the Issue		
102,479,751 Equity Shares	204.96	[●]
Present Issue in terms of this Letter of Offer(1)		
Up to [●] Equity Shares at a premium of ₹[●], i.e. at a price per Equity Share of ₹[●]	Up to [●]	Up to [●]
Issued, subscribed and paid-up share capital after the Issue		
Up to [●] Equity Shares(2)	Up to [●]	Up to [●]
Securities premium account		
- Prior to the Issue		2,574.32
- After the Issue		[●](3)

(1) *The Issue has been authorised by our Board in its meeting held on January 6, 2020.*

(2) *Assuming full subscription for and Allotment of the Rights Entitlement.*

(3) *Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.*

Notes to the Capital Structure

1. **Shareholding pattern of our Company**

A. **Shareholding pattern of the Equity Shares of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations**

(i) Summary statement showing the shareholding pattern of the Company as on December 31, 2019

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of voting rights	Total as a % of total voting rights	Number of equity shares held in dematerialized form
(A) Promoter & Promoter Group	37	64,218,485	64,218,485	62.67	64,218,485	62.67	64,218,485
(B) Public	43,758	38,250,641	38,250,641	37.33	38,250,641	37.33	36,543,055
(C) Non Promoter- Non Public	-	-	-	-	-	-	-
(C1) Shares underlying DRs	-	-	-	-	-	-	-
(C2) Shares held by Employee Trusts	-	-	-	-	-	-	-
Total	**43,795**	**102,469,126**	**102,469,126**	**100.00**	**102,469,126**	**100.00**	**100,761,540**

(ii) Statement showing shareholding pattern of the Promoter and Promoter Group

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
A1) Indian					
Individuals/Hindu undivided Family	**19**	**21,287,678**	**21,287,678**	**20.77**	**21,287,678**
Kiran Bajaj	1	5,252,819	5,252,819	5.13	5,252,819
Anant Bajaj	1	4,981,823	4,981,823	4.86	4,981,823
Shekhar Bajaj	1	2,500,735	2,500,735	2.44	2,500,735
Niraj Bajaj	1	1,893,235	1,893,235	1.85	1,893,235
Rahulkumar Bajaj	1	1,392,580	1,392,580	1.36	1,392,580
Sunaina Kejriwal	1	965,325	965,325	0.94	965,325
Neelima Bajaj Swamy	1	900,000	900,000	0.88	900,000
Madhur Bajaj	1	815,035	815,035	0.80	815,035
Minal Bajaj	1	617,200	617,200	0.60	617,200
Geetika Bajaj	1	608,346	608,346	0.59	608,346
Nimisha Jaipuria	1	558,000	558,000	0.54	558,000
Niravnayan Bajaj	1	251,000	251,000	0.24	251,000
Kumud Bajaj	1	190,200	190,200	0.19	190,200

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
Pooja Bajaj	1	130,000	130,000	0.13	130,000
Suman Jain	1	99,645	99,645	0.10	99,645
Kriti Bajaj	1	90,000	90,000	0.09	90,000
Shefali Bajaj	1	30,000	30,000	0.03	30,000
Shri Sanjivnayan Bajaj	1	10,735	10,735	0.01	10,735
Deepa Bajaj	1	1,000	1,000	0.00	1,000
Rajivnayan Bajaj	0	-	-	-	-
Rishabnayan Bajaj	0	-	-	-	-
Siddhant Bajaj	0	-	-	-	-
Sanjali Bajaj	0	-	-	-	-
Mast. Aryaman Kejriwal	0	-	-	-	-
Mast. Nirvaan Kejriwal	0	-	-	-	-
Master Vanraj Bajaj	0	-	-	-	-
Master Aarav Swamy	0	-	-	-	-
Master Vihaan Jaipuria	0	-	-	-	-
Smt. Sheetal Bajaj	0	-	-	-	-
Rajivnayan Bajaj HUF	0	-	-	-	-
Sanjivnayan Bajaj HUF	0	-	-	-	-
Any Other (specify)	**18**	**42,930,807**	**42,930,807**	**41.90**	**42,930,807**
Jamnalal Sons Private Limited	1	20,172,830	20,172,830	19.69	20,172,830
Bajaj Holdings And Investment Limited	1	16,697,840	16,697,840	16.30	16,697,840
Hind Musafir Agency Limited	1	1,258,000	1,258,000	1.23	1,258,000
Bajaj International Private Limited	1	800,000	800,000	0.78	800,000
Baroda Industries Private Limited	1	770,000	770,000	0.75	770,000
Hercules Hoists Limited	1	554,937	554,937	0.54	554,937
Shekhar Holdings Private Limited	1	480,000	480,000	0.47	480,000
Rahul Securities Private Limited	1	415,000	415,000	0.41	415,000
Bachhraj Factories Private Limited	1	95,000	95,000	0.09	95,000
Bajaj Sevashram Private Limited	1	5,000	5,000	0.00	5,000
Bachhraj And Company Private Limited	1	1,000	1,000	0.00	1,000
Kamalnayan Investment & Trading Private Limited	1	1,000	1,000	0.00	1,000
Madhur Securities Private Limited	1	1,000	1,000	0.00	1,000
Niraj Holdings Private Limited	1	1,000	1,000	0.00	1,000
Rupa Equities Private Limited	1	1,000	1,000	0.00	1,000
Sanraj Nayan Investments Private Limited	1	1,000	1,000	0.00	1,000
Kiran Bajaj (as Trustee of Geetika Trust No.2)	1	1,210,000	1,210,000	1.18	1,210,000
Niraj Bajaj (as Trustee of	1	466,200	466,200	0.45	466,200

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
Niravnayan Trust)					
Deepa Trust		-	-	0.00	-
Sanjali Trust		-	-	0.00	-
Siddhant Trust		-	-	0.00	-
Kriti Trust		-	-	0.00	-
Rishab Trust		-	-	0.00	-
Geetika Trust		-	-	0.00	-
Aryaman Trust		-	-	0.00	-
Nirvaan Trust		-	-	0.00	-
Rajiv Trust		-	-	0.00	-
Sanjiv Trust		-	-	0.00	-
Anant Bajaj Trust		-	-	0.00	-
Nirav Trust		-	-	0.00	-
Sanjali Family Trust		-	-	0.00	-
Siddhant Family Trust		-	-	0.00	-
Nimisha Trust		-	-	0.00	-
Rishab Family Trust		-	-	0.00	-
Aryaman Family Trust		-	-	0.00	-
Nirvaan Family Trust		-	-	0.00	-
Bajaj Trading Company		-	-	0.00	-
Sub Total A1	**37**	**64,218,485**	**64,218,485**	**62.67**	**64,218,485**
A2) Foreign				0.00	
A=A1+A2	**37**	**64,218,485**	**64,218,485**	**62.67**	**64,218,485**

(iii) Statement showing shareholding pattern of the Public shareholder

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form
B1) Institutions	**0**	**0**		**0.00**		**0.00**	
Mutual Fund	**8**	**11,653,102**	**11,653,102**	**11.37**	**11,653,102**	**11.37**	**11,653,102**
HDFC Small Cap Fund	1	7,610,285	7,610,285	7.43	7,610,285	7.43	7,610,285
Reliance Capital Trustee Co. Ltd-A/C Nippon India Small Cap Fund	1	2,242,267	2,242,267	2.19	2,242,267	2.19	2,242,267
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund	1	1,139,080	1,139,080	1.11	1,139,080	1.11	1,139,080
Alternate Investment Funds	**3**	**508,360**	**508,360**	**0.50**	**508,360**	**0.50**	**508,360**
Foreign Portfolio Investor	**49**	**5,855,559**	**5,855,559**	**5.71**	**5,855,559**	**5.71**	**5,855,559**
Caisse De Depot Et Placement Du Quebec-Enam Asset Management	1	1,750,000	1,750,000	1.71	1,750,000	1.71	1,750,000

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	Number of equity shares held in dematerialized form
Financial Institutions / Banks	**26**	**45,438**	**45,438**	**0.04**	**45,438**	**0.04**	**29,718**
Insurance Companies	**1**	**534,008**	**534,008**	**0.52**	**534,008**	**0.52**	**534,008**
Sub Total B1	**87**	**18,596,467**	**18,596,467**	**18.15**	**18,596,467**	**18.15**	**18,580,747**
B2) Central Government/ State Government(s)/President of India	**0**	**0**		**0.00**		**0.00**	
B3) Non-Institutions	**0**	**0**		**0.00**		**0.00**	
Individual share capital upto Rs. 2 Lacs	**40,757**	**12,573,957**	**12,573,957**	**12.27**	**12,573,957**	**12.27**	**11,974,251**
Individual share capital in excess of Rs. 2 Lacs	**6**	**1,577,389**	**1,577,389**	**1.54**	**1,577,389**	**1.54**	**496,189**
NBFCs registered with RBI	**2**	**1,110**	**1,110**	**0.00**	**1,110**	**0.00**	**1,110**
Any Other (specify)	**2,906**	**5,501,718**	**5,501,718**	**5.37**	**5,501,718**	**5.37**	**5,490,758**
IEPF	1	246,758	246,758	0.24	246,758	0.24	246,758
Trusts	9	1,912,593	1,912,593	1.87	1,912,593	1.87	1,912,593
Foreign Nationals	1	195	195	0.00	195	0.00	195
Hindu Undivided Family	775	307,223	307,223	0.30	307,223	0.30	307,223
Non-Resident Indian (NRI)	1,502	1,128,908	1,128,908	1.10	1,128,908	1.10	1,128,908
Clearing Members	129	116,599	116,599	0.11	116,599	0.11	116,599
Bodies Corporate	489	1,789,442	1,789,442	1.75	17,89,442	1.75	17,78,482
Sub Total B3	**43,671**	**19,654,174**	**19,654,174**	**19.18**	**19,654,174**	**19.18**	**17,962,308**
B=B1+B2+B3	**43,758**	**38,250,641**	**38,250,641**	**37.33**	**3,82,50,641**	**37.33**	**36,543,055**

(iv) Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Total No. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)(VIII)	Number of equity shares held in dematerialized form (XIV)(Not Applicable)
C1) Custodian/DR Holder	0	0		0.00	
C2) Employee Benefit Trust	0	0		0.00	

(v) ***Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the company***

Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
Nil	Nil	Nil	Nil	Nil

2. Other than 300,000 Equity Shares acquired by Jamnalal Sons Private Limited from Niraj Bajaj on March 7, 2019 and 700,000 Equity Shares acquired by Rahul Bajaj from Sunaina Kejriwal on January 9, 2020, no Equity Shares have been acquired by our Promoter or members of the Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer.

3. No Equity Shares held by our Promoter or members of our Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of Offer.

4. **Subscription to the Issue by our Promoters and Promoter Group**

Our Promoters and members of our Promoter Group have undertaken to subscribe to the full extent of their Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and SEBI Listing Regulations. In addition, eligible members of our Promoter and Promoter Group reserve the right to subscribe to additional Equity Shares in the Issue.

In the event of an under-subscription in the Issue, eligible members of our Promoter and Promoter Group will subscribe to such additional Equity Shares in the Issue, to ensure subscription to the extent of at least 90% of the Issue, subject to the aggregate shareholding of our Promoter and members of our Promoter Group being complaint with the minimum public shareholding requirements under the SCRR and SEBI Listing Regulations.

The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlement, as applicable, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

5. The ex-rights price of the Rights Equity Shares is computed in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●] per equity share.

6. At any given time, there shall be only one denomination of the Equity Shares.

7. All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up. For further details on the terms of the Issue, see "*Terms of the Issue*" on page [●].

8. **Details of options and convertible securities outstanding as on the date of filing of this Letter of Offer**

Except as provided below, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Letter of Offer.

9. **Employee Stock Option Schemes**

Our Company has formulated two ESOPs namely; (i) Employees Stock Option Plan 2011 ("**ESOP 2011**") pursuant to special resolutions passed by the Shareholders on July 26, 2007 and July 28, 2010; and (ii) Employees Stock Option Plan 2015 ("**ESOP 2015**") pursuant to a special resolution passed by the Shareholders on January 21, 2016 (together, the **"Bajaj ESOP Schemes"**), which are presently subsisting. The purpose of the Bajaj ESOP Schemes is to attract, retain and reward employees in the service of the Company, and to motivate such employees to contribute to the growth and profitability of the Company.

Details with respect to the Bajaj ESOP Schemes as on September 30, 2019 are set forth below:

Sl. No.	**Particulars**	**Number of Equity Shares/ Options**	
		ESOP 2011	**ESOP 2015**
1.	Total number of options	7,803,560	3,027,073
2.	Total number of options granted ^	8,758,341	1,865,000

Sl. No.	Particulars	Number of Equity Shares/ Options	
		ESOP 2011	ESOP 2015
3.	Options vested	161,500	242,425
4.	Options exercised	4,940,581	146,175
5.	Options lapsed or forfeited	3,655,010	401,650
6.	Total number of options outstanding	162,750	1,317,175

^Options lapsed and forfeited have been added to the pool size and have been considered for the grant.

Note: The Nomination and Remuneration Committee of the Board of Directors, at its meeting held on November 6, 2019, has granted 10,000 stock options exercisable into an equal number of Equity Shares under the ESOP 2015 to three eligible employees, at a price of ₹ 381.90 per option.

Note: The Stakeholders Relationship Committee at its meeting held on December 2, 2019, has issued and allotted 12,675 Equity Shares to nine eligible employees, at issue price ranging between ₹ 168.15 to ₹ 329.00 per Equity Share.

Note: The Nomination and Remuneration Committee of the Board of Directors, at its meeting held on January 6, 2020, has granted 60,000 stock options exercisable into an equal number of Equity Shares under the ESOP 2015 to four eligible employees, at a price of ₹ 355.70 per option.

Note: The Stakeholders Relationship Committee, at its meeting held on January 23, 2020, has allotted 10,625 Equity Shares to three eligible employees under the ESOP 2015, at issue price ranging between ₹ 177.85 to ₹ 329.00 per Equity Share.

10. **Details of the Shareholders holding more than 1% of the issued and paid-up Equity Share capital**

The table below sets forth details of Shareholders holding more than 1% of the issued and paid-up Equity Share capital of our Company, as on December 31, 2019:

Name of Shareholder	Number of Equity Shares held	Percentage of Equity Shares held (%)
Jamnalal Sons Private Limited	20,172,830	19.69
Bajaj Holdings And Investment Limited	16,697,840	16.30
HDFC Small Cap Fund	7,610,285	7.43
Kiran Bajaj	5,252,819	5.13
Anant Bajaj	4,981,823	4.86
Shekhar Bajaj	2,500,735	2.44
Reliance Capital Trustee Co Ltd-A/C Nippon India Small Cap Fund	2,242,267	2.19
Niraj Bajaj	1,893,235	1.85
Caisse De Depot Et Placement Du Quebec-Enam Asset Management	1,750,000	1.71
Rahulkumar Bajaj	1,392,580	1.36
Hind Musafir Agency Limited	1,258,000	1.23
Kiran Bajaj (as Trustee of Geetika Trust No.2)	1,210,000	1.18
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund	1,139,080	1.11

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the Fiscals 2019 as per the requirements under IndAS 24 (Related Party Disclosures) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rule 2015, as amended, see "*Financial Statements*" on page [●].

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards the following objects:

1. Prepayment or repayment of all or a portion of certain borrowings availed by our Company; and

2. General corporate purposes.

The objects as stated in the Memorandum of Association enable us to undertake (i) our existing activities; (ii) the activities for which the funds are being raised by our Company through the Issue; and (iii) the activities for which the borrowings proposed to be repaid from the Net Proceeds, were utilised.

Issue Proceeds

The details of the Issue Proceeds are set forth in the table below:

(In ₹ million)

Particulars		Amount
Gross Proceeds from the Issue up to*		[●]
Less:	Estimated Issue related expenses	[●]
Net Proceeds		[●]

**Assuming full subscription and Allotment.*

Requirement of funds and utilisation of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(In ₹ million)

Particulars	Amount
Prepayment or repayment of all or a portion of certain borrowings availed by our Company	[●]
General corporate purposes	[●]
Total	[●]

Means of finance

Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

Details of the objects of the Issue

The details in relation to objects of the Issue are set forth herein below.

1. Prepayment or repayment of all or a portion of certain borrowings availed by our Company

Our Company has entered into various financing arrangements with banks and financial institutions. The borrowing arrangements entered into by our Company include term loans and working capital facilities. Our Company proposes to utilize an aggregate amount of ₹ [●] million from the Net Proceeds towards full or partial repayment or prepayment of the borrowings availed by our Company, as detailed below.

The selection of borrowings proposed to be repaid and / or pre-paid from our facilities set forth below shall be based on various factors, including (i) cost of the borrowings to our Company, including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil, or obtain waivers for fulfillment of, such requirements, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of any such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any law, rules, regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

The prepayment or repayment will help reduce our outstanding indebtedness and debt-servicing costs, assist us in maintaining a favorable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business.

The amounts outstanding against the loans disclosed below may vary from time to time, in accordance with the amounts drawn down, repayment, pre-payment and the prevailing interest rates. In addition to the above, we may, from time to time, enter into fresh financing arrangements with banks and financial institutions. In such cases or in case any of the borrowings proposed to be repaid/ pre-paid out of Net Proceeds, are repaid, refinanced or pre-paid or further drawn-down or freshly drawn-down, within existing limits or enhanced limits, prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment or pre-payment of the additional borrowings. Some of the below mentioned working capital facilities can be re-borrowed / rolled over. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional borrowings availed, if any or otherwise), in part or full, would not exceed ₹ [●] million. The amounts proposed to be prepaid and / or repaid against each borrowing facility below is indicative and our Company may utilize the Net Proceeds to prepay and / or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of prepayment and / or repayment. The following table provides details of certain borrowings availed by our Company as on January 15, 2020, out of which we propose to prepay or repay, in full or in part, from the Net Proceeds:

S. No.	Name of the lender	Nature of borrowing	Interest rate per annum (%)	Outstanding loan amount as at January 15, 2020 (₹ in million)	Purpose of loan*
1.	DCB Bank Limited	Short term loan	8.20 - 9.60	150.00	Working capital purposes
2.	DCB Bank Limited	Short term loan	8.20 - 9.60	150.00	Working capital purposes
3.	Axis Bank Limited	Short term loan	8.20 - 9.60	250.00	Working capital purposes
4.	Axis Bank Limited	Short term loan	8.20 - 9.60	250.00	Working capital purposes
5.	Kotak Mahindra Bank Limited	Short term loan	8.20 - 9.60	100.00	Working capital purposes
6.	Kotak Mahindra Bank Limited	Short term loan	8.20 - 9.60	100.00	Working capital purposes
7.	Kotak Mahindra Bank Limited	Short term loan	8.20 - 9.60	250.00	Working capital purposes
8.	Kotak Mahindra Bank Limited	Short term loan	8.20 - 9.60	250.00	Working capital purposes
9.	CTBC Bank Company Limited	Short term loan	8.20 - 9.60	150.00	Working capital purposes
10.	CTBC Bank Company Limited	Short term loan	8.20 - 9.60	50.00	Working capital purposes
11.	Axis Bank Limited	Purchase bill discounting	7.85 – 8.75	987.59	Working capital purposes
12.	HDFC Bank Limited	Purchase bill discounting	7.85 – 8.75	937.74	Working capital purposes
13.	SVC Co-operative Bank Limited	Purchase bill discounting	7.85 – 8.75	1,197.13	Working capital purposes
14.	The Hongkong and Shanghai Banking Corporation Limited	Purchase bill discounting	7.85 – 8.75	573.85	Working capital purposes
15.	Yes Bank Limited	Purchase bill discounting	7.85 – 8.75	717.82	Working capital purposes
Total				**6,114.13**	

Venus Shah & Associates, Chartered Accountants, pursuant to its certificate dated [●] have certified the utilisation of the loans for the purpose they were availed.

Some of our financing agreements provide for the levy of prepayment penalties. Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding loan amounts may vary from time to time. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, the amount of such prepayment penalties shall be paid by our Company out of our internal accruals.

2. ***General Corporate Purposes***

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (c) meeting any expenses incurred in the ordinary course of business by our Company and its Subsidiaries, including salaries and wages, rent, administration expenses, insurance related expenses, vendor payments and payment of taxes and duties; (d) meeting our working capital requirements including payment of interest on borrowings; (e) meeting of exigencies which our Company may face in course of any business, (f) brand building and other marketing expenses; and (g) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Deployment of funds

(In ₹ million)

S. No.	Particulars of Objects of Issue	Amount proposed to be funded from Net Proceeds	Proposed Schedule for deployment of the Net Proceeds
			Fiscal 2020
1.	Prepayment or repayment of all or a portion of certain borrowings availed by our Company	[●]	[●]
2.	General corporate purpose	[●]	[●]
	Total	[●]	[●]

The above-stated fund requirements and the proposed deployment of funds for pre-payment and/or repayment of loans and general corporate purposes from the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency.

If the Net Proceeds are not completely utilised for the objects stated above by Fiscal 2020, the same would be utilised (in part or full) in Fiscal 2021 or a subsequent period as may be determined by our Company in accordance with applicable law.

Estimated Issue related expenses

The total expenses of the Issue are estimated to be ₹ 26.18 million. The break-up of the Issue expenses is as follows:

(unless otherwise specified, in ₹ million)

S. No.	Particulars	Amount	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
1.	Fees of the Lead Manager, Banker to the Issue, Registrar to the Issue, legal advisors, Statutory Auditor's fees, including out of pocket expenses, regulatory fees, filing fees, listing fees and other miscellaneous expenses	24.08	91.98%	0.69%
2.	Expenses relating to advertising, printing, distribution, stationery and other miscellaneous expenses	2.10	8.02%	0.06%
Total estimated Issue related expenses*		26.18	100.00%	0.75%

** Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall adjusted with the amount allocated towards general corporate purposes.*

Bridge financing facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934.

Monitoring utilization of funds from the Issue

Our Company has appointed HDFC Bank Limited as the Monitoring Agency for the Issue. Our Board and the Monitoring Agency will monitor the utilization of Net Proceeds and submit its report to our Company in terms of Regulation 82 of the SEBI ICDR Regulations. Our Company will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) along with relevant details for all the amounts that have not been utilised and will indicate instances, if any, of unutilised Net Proceeds in our balance sheet for the relevant Fiscals post receipt of listing and trading approvals from the Stock Exchanges. Pursuant to Regulation 82(4) of the SEBI ICDR Regulations and Regulation 32 of the SEBI Listing Regulations, our Company shall, within 45 days from the end of each quarter, publicly disseminate the report of the Monitoring Agency on our website as well as submit the same to the Stock Exchange(s), including the statement indicating deviations, if any, in the use of proceeds from the objects stated above. Such statement of deviation shall be placed before the Audit Committee for review, before its submission to Stock Exchanges. The Monitoring Agency shall submit its report to our Company, on a quarterly basis, until at least 95% of the proceeds of the issue, excluding the proceeds raised for general corporate purposes, have been utilised.

Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated above and place it before the Audit Committee, until such time the full money raised through the Issue has been fully utilized. The statement shall be certified by the Statutory Auditors of our Company. The Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate.

Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilised has been appraised.

Interest of Promoter, Promoter Group and Directors, as applicable to the objects of the Issue

No part of the proceeds of the Issue will be paid by our Company to our Promoters, our members of the Promoter Group or our Directors.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Bajaj Electricals Limited
45/47, Veer Nariman Road,
Mumbai - 400 001
India

Dear Sirs,

Statement of Possible Direct Tax Benefits available to Bajaj Electricals Limited and its shareholders under the Indian Direct tax laws

1. We hereby confirm that the enclosed Annexure, prepared by Bajaj Electricals Limited ('the Company'), provides the possible direct tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2019, i.e. applicable for the Financial Year 2019-20 relevant to the assessment year 2020-21, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. We do not express any opinion or provide any assurance as to whether:

   (i) the Company or its shareholders will continue to obtain these benefits in future;
   (ii) the conditions prescribed for availing the benefits have been / would be met with; and
   (iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

5. This Statement is intended solely for information and for the inclusion in the Letter of Offer in connection with the proposed rights issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose.

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

per Vikram Mehta
Partner
Membership Number: 105938
Place of Signature: Mumbai
Date:[●]

STATEMENT OF TAX BENEFITS AVAILABLE TO BAJAJ ELECTRICALS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

I. **UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the Act')**

1. Special tax benefits available to the Company under the Act

- Deduction under section 35(1) (i) and (iv) of the Act

As per the provisions of Section 35(1)(i) and (iv) of the Act, assessee engaged in scientific research is entitled to a deduction of 100% of any revenue expenditure and capital expenditure incurred for the purpose of said business carried on by it, subject to fulfilment of prescribed conditions. The Company has set up an in-house research and development facility at Navi Mumbai in February 2017 in respect of which it is currently claiming deduction under Section 35(1)(i) and 35(1)(iv).

2. Special tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2020 – 21. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

4. Pursuant to The Taxation Laws (Amendment) Bill, 2019, the enacted tax rates have changed to 25.168% subject to certain conditions with effect from April 01, 2019. The Company has adopted the said tax rate with effect from FY 2019-20 and incorporated the impact of the same in its Unaudited Consolidated Condensed Interim Financial Statements for the period ended September 30, 2019.

5. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV: ABOUT OUR COMPANY

HISTORY AND CORPORATE STRUCTURE

Our Company was originally incorporated as Radio Lamp Works Limited, on July 14, 1938, pursuant to a certificate of incorporation issued by the Registrar of Joint Stock Companies, Punjab. Our Company received the certificate of commencement of business from the Registrar of Joint Stock Companies, Punjab on September 12, 1938. Subsequently, the name of our Company was changed to its present name, i.e. Bajaj Electricals Limited, pursuant to a certificate of change of name dated October 1, 1960 issued by the RoC. Matchwel Electricals (India) Limited amalgamated into our Company pursuant to the order of the Bombay High Court dated July 4, 1986. In 2007, our Company acquired a 32.00% shareholding in Starlite. Presently, our Company holds 47.00% shareholding in Starlite. In Fiscal 2019, our Company acquired 79.85% shareholding in Nirlep.

Presently, our Company holds 19.00% shareholding in Hind Lamps. Our Board on November 23, 2015 approved the proposed scheme of arrangement for demerger of the manufacturing business of Hind Lamps into the Company, under the Companies Act, 2013. In this regard, the scheme of arrangement has been filed by the Company before the National Company Law Tribunal, Mumbai Bench (“**NCLT Mumbai**”) and National Company Law Tribunal, Allahabad Bench (“**NCLT Allahabad**”), in 2018. The NCLT Allahabad by its order dated January 7, 2020 has approved the scheme of arrangement. The order of the NCLT Mumbai is pending in respect of approval of the scheme of arrangement.

We are currently listed on BSE and NSE.

Changes to the address of our registered office

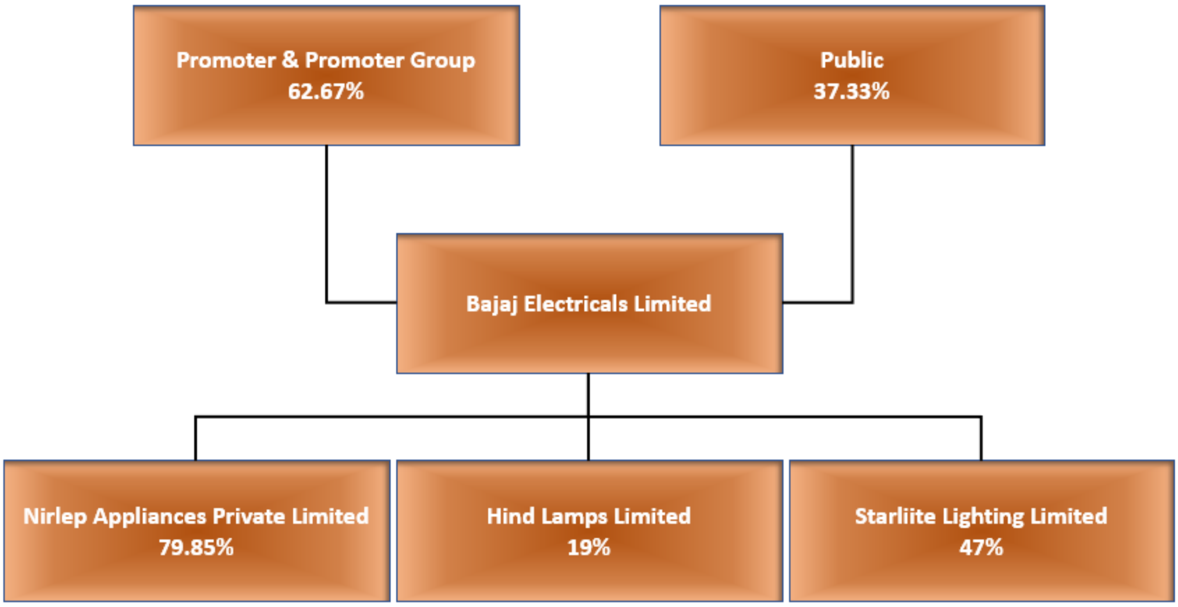
Date of change	Change in address
May 31, 1947	From Lakshmi Mansions, The Mall, Lahore to Railway Road, Jullundur City, East Punjab
August 24, 1948	From Railway Road, Jullundur City, East Punjab to Shikohabad, Uttar Pradesh
June 15, 1952	From Shikohabad, Uttar Pradesh to 16/34, The Mall, Kanpur, Uttar Pradesh
December 12, 1955	From 16/34, The Mall, Kanpur, Uttar Pradesh to 45/47, Veer Nariman Road, Mumbai 400 001

Key Events

Some of the key events in the evolution process of our Company are as follows:

Calendar Year	Particulars
1986	Amalgamation of Matchwel Electricals (India) Limited into our Company, pursuant to the scheme of arrangement & amalgamation of Matchwel Electricals (India) Limited with our Company
1993	Entered into a joint venture agreement with The Black & Decker Corporation
1998	Established manufacturing facility at Chakan, Maharashtra
2000	Established manufacturing facility at Ranjangaon, Maharashtra
2002	Entered into a registered user agreement with Morphy Richards Limited
2003	Rights issue by the Company
2007	Acquisition of stake in Starlite Lighting Limited
2009	Qualified institutions placement by the Company
2015	Approval of the Board for the proposed demerger of the manufacturing business of Hind Lamps into our Company
2016	Commencement of Range Reach Expansion Programme
2018	Acquisition of controlling stake in Nirlep Appliances Private Limited

Corporate structure



Main objects

The main objects of our Company as contained in our Memorandum of Association are as follows:

(a) *To manufacture, assemble, repair, buy, sell, import, export, hire, exchange, alter or improve or otherwise deal in all kinds of electrical goods, instruments, appliances and apparatus of every kind and description including lighting fittings and effects of every kind and description, machinery and equipment, transformers, switchgear, motors, fans all parts, components, accessories and raw materials and all articles, goods and things required for or capable of being used for, or in connection with the generation, transformation, propagation, distribution, supply, measurement, accumulation and employment of electricity, heat, light, gas, atomic, solar and other power for any purposes whatsoever.*

(aa) *To manufacture, assemble, repair, buy, sell, import, export, hire, exchange, alter or improve or otherwise deal in non-electrical, scientific, precision, optical, surgical, measuring industrial and other instruments, laboratory and medical apparatus and equipments, industrial, commercial, domestic, cooking, heating, lighting and other appliances, all parts, components, accessories and raw materials thereof.*

(aaa) *To design, manufacture, test, assemble, erect, commission, repair, buy, sell, import, export, hire, exchange, alter or improve or otherwise deal in all kinds of engineering goods such as high, medium and low tension power transmission line polygonal poles, AAC/ACSR/GI conductors, lighting poles – decorative, conical, octagonal or stepped type, fixed platform type High Mast lighting system with lantern carriage, headframes, lowering and raising winches, base hinged lowering and raising masts, and its manually or electrically operated and hydraulically powered counterbalances, mobile lighting masts with diesel genset, antenna masts, traffic light poles, sign poles, windmill masts, transmission towers, lattice masts, T.V. towers, railway electrification structures, electric substation structures, cable trays, electrical junction boxes of any type and instruments, equipments, apparatus, machinery and all articles, goods and material required for the purpose of area illumination and for floodlighting or in connection with generation, distribution, supply of electricity or for any other purpose whatsoever.*

(b) *To manufacture, assemble, repair, buy, sell, import, export, hire, exchange, alter or improve or otherwise deal in electrical, metallic, accessories and components, apparatus, tools, appliances, hardware products, and as general merchants.*

(bb) *To buy, sell, import, export and deal in both wholesale and retail, and whether as principals, agents, (including selling agents, sub-agents, distributors, or stockists), brokers or otherwise, goods, products, articles and chattels of all kinds including, without limiting the generality of the foregoing, medicines, drugs, chemicals, pharmaceuticals, cosmetics, detergents, insect repellents, processed foods, food*

products, groceries, fruit, confectionery items, beverages, furniture, furnishing linen; fancy and gift articles, sanitary-wares, utensils, pesticides, fertilizers and various products connected with agrobased industries, safety regulation items e.g. helmets and requirements of Defence and Civil Departments of the Government.

(c) To buy, sell, import, export, manufacture, manipulate, treat, prepare and deal in merchandise, products, substances, commodities, articles and things belonging to any such business and used in connection therewith or with any invention, patent or privilege for the time being belonging to the Company and to transact and carry on business as agents for such business.

(d) To carry on business of electrical and general engineers, including founders, smiths, machinists, manufacturers and contractors, suppliers of electricity, heat, light, gas, atomic, solar and other power and to erect, install, construct, establish and run, maintain, alter, repair, pull down and restore, either alone or jointly with any other persons or Companies, works of all descriptions including factories, mills, workshops, laboratories and buildings.

(dd) To carry on the business of metal surface treatment of every type including hot dip galvanizing, anodizing, epoxy coating, painting, heat treatment.

(ddd)To carry on the business of manufacture/generate electrical energy, by use of gas, wind, solar, thermal, hydro, atomic or any other resources and/or trading thereof and/or transmit, distribute, convey or supply the same by whatever means to any user, trader or any person whomsoever in any part of India or outside India.

(e) To purchase or otherwise acquire the whole or any part of the business property, undertakings and liabilities of any other Company, association, corporation, firm or individual carrying on wholly or in part any business which this Company is authorised to carry on or possessed of property suitable for the purpose of the Company.

(f) To acquire any shares, stocks, debentures, debenture stocks, bonds, obligations or securities, by original subscription, tender, purchase, exchange or otherwise in its own name or in the name of its trustees and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof, and to exercise and enforce any rights and powers conferred by or incidental to the ownership thereof.

(g) To pay for any property or rights acquired by the Company, either in cash, or fully or partly paid shares or by the issue of securities, or partly in one mode and partly in another, and generally on such terms as the Company may deem expedient.

(h) To amalgamate with any other Company or Companies.

(i) To promote, form or join in promoting or forming any Company or Companies for the purpose of acquiring by purchase, exchange or otherwise all or any of the undertakings, property and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company and to pay the costs, charges and expenses, preliminary or incidental to the promotion, formation, establishment, registration and advertising of any such Company and the issue of its capital or securities and to guarantee the payment of any debentures, debenture stock or other securities issued by any such Company and the interest thereon and the payment of interest or dividend upon the stock or shares of any such Company..

(j) To enter into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or Company carrying on or engaged in, or about to carry on or engaged in, any business or transaction which this Company is authorized to carry on or engage in, or any business or transaction capable of being conducted or directly or indirectly to benefit this Company and to lend money to, guarantee the contract of, or otherwise assist, any person or Company and to take or otherwise acquire shares or securities of any Company, and to sell, hold, re-issue, with or without guarantee or otherwise deal with the same.

(k) To carry on all and any other trade or business which can in the opinion of the Company be advantageous or convenient by way of extension of or in connection with the Company's business or is calculated

directly or indirectly to develop any branch of the Company's business or increase the value or turn into account any of the Company's assets, properties or rights.

(l) *To purchase, construct, maintain, alter, take on lease, let, exchange or otherwise acquire any moveable or immoveable property for the purpose of the Company.*

(m) *To apply for, purchase or otherwise acquire any patents, brevet d'inventions, licences, concessions, and the like, conferring any exclusive or non-exclusive or limited right and to transfer or lease any rights therein to any other person or persons.*

(n) *To borrow, raise or secure the payment of money by mortgage or any other manner the Company shall think fit for the purposes said above, and to charge all or any of the Company's properties or assets present or future.*

(o) *To invest and deal with the funds of the Company in such manner as may be deemed expedient.*

(p) *To lend money to such persons, firms or Companies and on such terms as may be deemed expedient and in particular to customers, agents and employees and others having dealings with the Company and to guarantee the performance of contracts by such persons, firms or Companies.*

(q) *To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, hundies, bills of lading, warrants, debentures or other negotiable instruments.*

(r) *To give any guarantee or indemnity which in the opinion of the Directors may be necessary or advisable for any purpose.*

(s) *To distribute among the members of the Company in kind any property of the Company, and in particular any shares, debentures or securities of other Companies belonging to this Company or of which this Company may have the power of disposing.*

(t) *To grant bonuses, allowances and gratuities to the employees of the Company or the dependents of such persons and to subscribe, to donate or otherwise aid any benevolent, religious, scientific, national, public, political or other institutions organizations or objects or purposes.*

(u) *To sell or dispose of the undertaking or property of the Company or any part thereof in such manner and for such consideration as the Company may think fit and to improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.*

(v) *To insure against losses, damages, risks, accidents and liabilities of all kinds, which may affect the Company whether, in respect of its contracts, agreements, advances or securities or in respect of servant, employees, officers and agents of the Company, or in respect of the property belonging to or leased to or hired by the Company, either by setting apart funds of the Company or by effecting such insurances and in the latter case to pay the premium and charges thereon.*

(w) *To adopt such means of making known the business of the Company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books, magazines, periodicals, or by granting scholarships, exhibition prizes, rewards or donations.*

(x) *To do all or any of the above things in any part of the world either as principals, agents, trustees or otherwise and by or through agents, sub-contractors or trustees.*

(y) *To do such other things as are incidental or conducive to the attainment of the above objects or any of them.*

The main objects as contained in our Memorandum of Association enable our Company to carry on our existing business.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum of Association and Articles of Association of our Company and the requirements of the applicable laws. In terms of Companies Act, 2013 read with Articles of Association of our Company, the number of Directors in our Company shall be not less than five and not more than 12.

The composition of the Board and the various committees of the Board are in conformity with Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations. As on the date of this Letter of Offer, our Company has 11 Directors. Out of the 11 Directors, two Directors are Executive Directors and nine Directors are Non-Executive Directors, which includes six Non-Executive and Independent Directors (including one woman Director). The Chairman is an Executive Director of our Company.

The following table sets forth details regarding the Board as on the date of this Letter of Offer:

Name, term, occupation and nationality	Age	Address	Other directorships
Shekhar Bajaj DIN: 00089358 Designation: Chairman and Managing Director Term: Five years with effect from November 1, 2019 Nationality: Indian Occupation: Industrialist	71	Flat Number 50, Building Number 4, Hill Park, A Graham Bell Marg, Malabar Hill, Mumbai 400 006, Maharashtra	• Bhoopati Shikshan Pratisthan; • Bajaj Auto Limited; • Bajaj International Private Limited; • Bajaj Sevashram Private Limited; • Bachhraj Factories Private Limited; • Hercules Hoists Limited; • Hind Lamps Limited; • Hind Musafir Agency Limited; • Shekhar Holdings Private Limited; • Starlite Lighting Limited; and • Council for Fair Business Practice
Anuj Poddar DIN: 01908009 Designation: Executive Director Term: Five years from November 1, 2018 Nationality: Indian Occupation: Service	45	201 Martins Nest, 9 Central Avenue, Santacruz West, Mumbai 400 054, Maharashtra	• The Indian Society of Advertisers
Rajivnayan Bajaj DIN: 00018262 Designation: Non-Executive Director Term: Liable to retire by rotation	53	34/35, Yog Koregaon Park, Lane NO -2, Pune 411 001, Maharashtra	• Bhoopati Shikshan Pratisthan; • Bajaj Auto Limited; • Bajaj Holdings & Investment Limited; • Bajaj Finserv Limited; • Bajaj Finance Limited; • Kamalnayan Investment & Trading Private Limited; and • Rahul Securities Private Limited

Name, term, occupation and nationality	Age	Address	Other directorships
Nationality: Indian Occupation: Industrialist			
Madhur Bajaj DIN: 00014593 Designation: Non-Executive Director Term: Liable to retire by rotation Nationality: Indian Occupation: Industrialist	67	134, B – Wing, NCPA Apartments, Sir Dorabji Tata Marg, Nariman Point, Mumbai 400 021, Maharashtra	• Mahakalpa Arogya Pratisthan; • Bajaj Auto Limited; • Bajaj Holdings and Investment Limited; • Bajaj Finserv Limited; • Bajaj Finance Limited; • Emerald Acres Private Limited; • Madhur Securities Private Limited; and • Sankalp Resorts Private Limited
Pooja Bajaj DIN: 08254455 Designation: Non-Executive Director Term: Liable to retire by rotation Nationality: Indian Occupation: Homemaker	37	Flat Number 26, Hill Park, Building Number 3A, A G Bell Marg, Malabar Hill, Mumbai 400 006, Maharashtra	Nil
Harsh Vardhan Goenka DIN: 00026726 Designation: Non-Executive and Independent Director Term: Five years from April 1, 2019 Nationality: Indian Occupation: Industrialist	62	14-15-A, IL- Palazzo, B.G. Kher Marg, Malabar Hill, Mumbai 400 006, Maharashtra	• CEAT Limited; • Breach Candy Hospital Trust; • RAYCHEM – RPG Private Limited; • R P G Enterprises Limited; and • Zensar Technologies Limited • Spencer International Hotels Limited; • KEC International Limited; and • RPG Life Sciences Limited
Siddharth Mehta DIN: 03072352 Designation: Non-Executive and Independent Director Term: Five years from May 30, 2016 Nationality: Indian	41	4 Matruchhaya 70 Marine Drive, Mumbai 400 020, Maharashtra	• Plative Consulting Private Limited; • Mehta and Padamsey Consultants Private Limited; • TCI Industries Limited; • Indo Count Industries Limited; and • Vizualize Medical Technologies Private Limited

Name, term, occupation and nationality	Age	Address	Other directorships
Occupation: Lawyer			
Munish Khetrapal DIN: 08263282 Designation: Non-Executive and Independent Director Term: Five years from November 1, 2018 Nationality: Indian Occupation: Service	49	12660 Kane DR Saratoga CA 95070, USA	Nil
Indu Shahani DIN: 00112289 Designation: Non-Executive and Independent Director Term: Five years from April 1, 2019 Nationality: Indian Occupation: Academician	68	Flat No 56, Hill Park, A.G. Bell, Road, Malabar Hill, Mumbai 400 006, Maharashtra	• HSBC Asset Management (India) Private Limited; • Dice Knowledge Foundation; • United Spirits Limited; • Clariant Chemicals (India) Limited; • Colgate-Palmolive (India) Limited; • Eureka Forbes Limited; and • Octopus Steel Private Limited
Rajendra Prasad Singh DIN: 00004812 Designation: Non-Executive and Independent Director Term: Five years from April 1, 2019 Nationality: Indian Occupation: Entrepreneur	71	A-1 P.W.O. Housing Society, Sector-43, Gurgaon 122 002, Haryana	• Saurya Urja Company of Rajasthan Limited; • Azure Power India Private Limited; • Cross Border Power Transmission Company Limited; • Vijay Electricals Limited; • Techno Electric and Engineering Company Limited; and • Jyoti Structures Limited
Shailesh Haribhakti DIN: 00007347 Designation: Additional Director (Non-Executive and Independent Director) Term: From August 7, 2019 until the ensuing AGM of the Company Nationality: Indian	63	10 and 11 Sahil Apartment, 14 Altamount Road, Airavat CHSL, Cumbala Hill, Mumbai 400 026, Maharashtra	• Bluevine Technologies Private Limited; • Torrent Pharmaceuticals Limited; • Future Lifestyle Fashions Limited; • L&T Finance Holdings Limited; • L&T Mutual Fund Trustee Limited; • Foundation for Audit Quality; • Blue Star Limited; • NSDL e-Governance Infrastructure Limited; • Ambuja Cements Limited; • ACC Limited;

Name, term, occupation and nationality	Age	Address	Other directorships
Occupation: Chartered Accountant			• Bennett, Coleman & Company Limited; • Planet People and Profit Consulting Private Limited; • MentorCap Management Private Limited; • Gaja Trustee Company Private Limited; • Intuit Consulting Private Limited; • Haribhakti Moti India Private Limited; • Cloud Infosolutions Private Limited; and • Epigeneres Biotech Private Limited

Relationship between Directors

Except as disclosed below, none of the Directors of our Company are related to each other:

S No.	Name of Director	Related to	Nature of relationship
1.	Shekhar Bajaj	Madhur Bajaj	Brother
2.	Madhur Bajaj	Shekhar Bajaj	Brother
3.	Pooja Bajaj	Shekhar Bajaj	Daughter-in-law
4.	Shekhar Bajaj	Pooja Bajaj	Father-in-law

Confirmations

1. None of our Directors is or was a director of any listed company during the last five years immediately preceding the date of filing of this Letter of Offer, whose shares have been or were suspended from being traded on any stock exchanges, during the term of their directorship in such company

2. None of our Directors is or was a director of any listed company which has been or was delisted from the stock exchanges, during the term of their directorship in such company, in the last 10 years immediately preceding the date of filing of this Letter of Offer.

Service contracts with our Directors for benefits upon termination

No service contracts have been entered into by any Director with our Company providing for benefits upon their termination of employment. Shekhar Bajaj, as the Managing Director, is eligible for superannuation benefits in accordance with his terms of appointment.

Arrangement or understanding with major shareholders, customers, suppliers or others

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which our Company has appointed a Director as of the date of this Letter of Offer.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

Report on Review of Unaudited Consolidated Condensed Interim Financial Statements

To the Board of Directors of Bajaj Electricals Limited

We have reviewed the accompanying Unaudited Consolidated Condensed Interim Financial Statements of Bajaj Electricals Limited ("the Company") including its subsidiary (together referred to as "the Group"), its associate and joint venture, which comprises the Unaudited Consolidated Condensed Interim Balance Sheet as at September 30, 2019, and the Unaudited Consolidated Condensed Interim Statement of Profit and Loss (including other comprehensive income), the Unaudited Consolidated Condensed Interim Cash Flow Statement and the Unaudited Consolidated Condensed Interim Statement of Changes in Equity for the six months period then ended, and selected explanatory notes (together hereinafter referred to as the "Unaudited Consolidated Condensed Interim Financial Statements").

The Unaudited Consolidated Condensed Interim Financial Statements have been prepared by the Company for the purpose of inclusion in the Letter of Offer in connection with the proposed rights issue of equity shares of the Company.

Management's Responsibility for the Unaudited Consolidated Condensed Interim Financial Statements

The Company's Board of Directors is responsible with respect to the preparation of these Unaudited Consolidated Condensed Interim Financial Statements in accordance with the requirements of Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules issued thereunder and other recognized accounting principle and policies.

Auditor's Responsibility for the Unaudited Consolidated Condensed Interim Financial Statements

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditors of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited condensed interim financial information of the Company's associate, nothing has come to our attention that causes us to believe that the accompanying Unaudited Consolidated Condensed Interim Financial Statements are not prepared, in all material respects, in accordance with requirements of Ind AS 34 as specified under Section 133 of the Act, read with relevant rules issued thereunder and other recognised accounting practices and policies.

MUMBAI

Other Matters

The Unaudited Consolidated Condensed Interim Financial Statements includes the Group's share of net loss after tax of Rs. 131.92 Lakhs, for the six months ended September 30, 2019, in respect of an associate, whose unaudited condensed interim financial information have been reviewed by other auditors and whose reports have been furnished to us by the management. Our conclusion, in so far as it relates to the affairs of such associate is based solely on the report of the other auditors. Our conclusion on the Unaudited Consolidated Condensed Interim Financial Statements is not modified in respect of the above matter.

The Unaudited Consolidated Condensed Interim Financial Statements includes the Group's share of net loss after tax of Rs. Nil, for the six months ended September 30, 2019, in respect of a joint venture, whose unaudited condensed interim financial information have not been reviewed and are considered in the preparation of the Unaudited Consolidated Condensed Interim Financial Statements based on their unaudited condensed interim financial information which are certified by the management. Our conclusion, in so far as it relates to the affairs of this joint venture, is based solely on its management accounts. According to the information and explanations given to us by the management, the financial results of the joint venture are not material to the Group. Our conclusion on the Unaudited Consolidated Condensed Interim Financial Statements is not modified in respect of the above matter.

The consolidated figures for the corresponding six months period ended September 30, 2018, as reported in these Unaudited Consolidated Condensed Interim Financial Statements have been approved by the Company's Board of Directors, but have not been subjected to review.

Restriction on Use and Distribution

The accompanying Unaudited Consolidated Condensed Interim Financial Statements have been prepared solely for the purpose of inclusion in the Letter of Offer in connection with the proposed issuance of rights issue of equity shares of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

per Vikram Mehta
Partner
Membership No.: 105938
UDIN: 20105938AAAAAA7046
Place of Signature: Mumbai
Date: January 6, 2020

S.R.B.C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Bajaj Electricals Ltd.

Unaudited Consolidated Condensed Interim Balance Sheet as at 30th September 2019

(Rs in Lakhs)

	Notes	As at 30-Sep-19	As at 31-Mar-19
ASSETS			
Non -Current Assets			
Property, plant and equipment	3	34,077.44	34,634.31
Capital work in progress		592.01	705.67
Right-of-use assets		9,524.34	-
Intangible assets		1,928.59	2,149.81
Intangible assets under development		178.83	239.31
Goodwill on consolidation		2,644.36	2,494.39
Financial Assets			
i) Investments		1,193.11	1,076.62
ii) Trade receivables		52,473.16	51,962.54
iii) Loans		1,578.55	6.76
iv) Other financial assets		2,278.19	2,258.11
Deferred tax assets (net)		4,666.07	5,754.93
Income tax assets (net)		8,463.63	5,370.66
vOther non-current assets		10,324.14	12,192.95
Total Non-Current Assets		**129,922.42**	**118,846.06**
Current Assets			
Inventories		72,370.79	83,024.82
Financial Assets			
i) Trade receivables		196,708.08	262,419.92
ii) Cash and cash equivalents		1,225.91	1,120.72
iii) Bank balances other than (ii) above		207.46	518.48
iv) Loans		29.11	2.02
v) Other current financial assets		339.23	259.74
Other current assets		32,720.70	32,498.48
Contract assets		17,465.67	18,987.43
Assets classified as held for sale		219.41	219.41
Total Current Assets		**321,286.36**	**399,051.02**
Total Assets		**451,208.78**	**517,897.08**
EQUITY & LIABILITIES			
Equity			
Equity share capital		2,049.13	2,047.99
Other Equity		97,617.42	103,537.05
Share application money pending allotment		-	7.84
Total Equity		**99,666.55**	**105,592.88**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
i) Borrowings	4	25,985.95	21,262.12
ii) Lease liabilities		7,440.00	-
iii) Other financial liabilities		2,079.59	1,245.33
Provisions		2,162.47	1,698.71
Employee benefit obligations		6,996.53	6,300.05
Total Non-Current Liabilities		**44,664.54**	**30,506.21**
Current Liabilities			
Financial Liabilities			
i) Borrowings	4	119,834.83	137,269.94
ii) Lease liabilities		2,194.29	-
iii) Trade payables			
Total Outstanding dues of micro enterprises & small enterprises		5,737.38	2,241.67
Total Outstanding dues of other than micro enterprises & small enterprises		74,786.00	108,166.82
iv) Other current financial liabilities		33,101.01	38,390.15
Provisions		7,801.46	8,977.60
Employee benefit obligations		4,713.10	6,216.61
Current tax liabilities (net)		962.67	962.72
Contract liabilities		41,493.58	63,123.25
Other current liabilities		16,253.37	16,449.23
Total Current Liabilities		**306,877.69**	**381,797.99**
Total Liabilities		**351,542.23**	**412,304.20**
Total Equity & Liabilities		**451,208.78**	**517,897.08**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements			

As per our report attached of even date

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

For and on behalf of the Board of directors

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

per Vikram Mehta
Partner
Membership No.105938
Mumbai, January 6, 2020

Ajay Nagle
Executive Vice President
Legal & Company Secretary

Anant Purandare
President &
Chief Financial Officer

Dr. Indu Shahani
Chairman - Audit Committee
DIN: 00112289

Bajaj Electricals Limited

BAJAJ *Inspiring Trust*

Unaudited Consolidated Condensed Interim Statement of Profit and Loss for the six months ended 30th September 2019

(Rs. In Lakhs)

	Notes	For the six months ended	
		30-Sep-19	30-Sep-18
Income:			
Revenue from operations	10	240,270.86	273,973.82
Other income		2,207.73	3,320.15
Total Income		**242,478.59**	**277,293.97**
Expenses:			
Cost of raw materials consumed		18,127.53	19,482.67
Purchases of traded goods		133,450.55	180,292.81
Changes in inventories of work-in-progress, finished goods, traded goods		7,101.85	(8,263.94)
Erection & subcontracting expenses		15,227.08	15,614.93
Employee benefit expenses		19,620.39	18,420.27
Depreciation and amortisation expense		3,547.10	1,868.36
Other expenses		36,377.63	34,424.55
Finance cost		9,498.13	4,084.94
Total Expenses		**242,950.26**	**265,924.59**
Profit / (loss) before share of loss of an associate and a joint venture, exceptional items and tax		**(471.67)**	**11,369.38**
Exceptional Items		-	-
Profit / (loss) before share of loss of an associate and a joint venture and tax		**(471.67)**	**11,369.38**
Share of loss of associate and joint venture		(131.92)	(100.35)
Profit / (loss) before tax		**(603.59)**	**11,269.03**
Income tax expense:			
Current tax		-	2,790.00
Deferred tax		1,272.31	1,480.87
Adjustment of tax relating to earlier periods		8.44	-
Total tax expenses		**1,280.75**	**4,270.87**
Profit / (loss) for the period		**(1,884.34)**	**6,998.16**
Other comprehensive income			
Items that will not be reclassified to profit and loss in subsequent periods			
Remeasurement (gains)/losses on defined benefit plans		411.29	(93.98)
Tax impacts on above		(102.89)	32.84
Share of other comprehensive income of associate and joint venture after tax accounted for using equity method		-	-
Other comprehensive income, net of tax		**308.40**	**(61.14)**
Total Comprehensive Income, net of tax		**(2,192.74)**	**7,059.30**

MUMBAI

45-47 V. N. Rd. MUMBAI-01. BAJAJ ELECTRICALS LIMITED

Bajaj Electricals Limited

BAJAJ *Inspiring Trust*

Unaudited Consolidated Condensed Interim Statement of Profit and Loss for the six months ended 30th September 2019

(Rs. In Lakhs)

	Notes	For the six months ended	
		30-Sep-19	**30-Sep-18**
Profit / (loss) for the period attributable to			
Shareholders of the company		(1,799.14)	7,036.60
Non-controlling interest		(85.20)	(38.44)
Other comprehensive income for the period attributable to			
Shareholders of the company		307.90	(61.14)
Non-controlling interest		0.50	-
Total comprehensive income for the period attributable to			
Shareholders of the company		(2,107.04)	7,097.74
Non-controlling interest		(85.70)	(38.44)
Earnings per equity share (face value per share Rs. 2) (not annualised)			
Basic	8	(1.84)	6.85
Diluted	8	(1.84)	6.82
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements			

As per our report attached of even date

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

For and on behalf of the Board of directors

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

per Vikram Mehta
Partner
Membership No.105938
Mumbai, January 6, 2020

Ajay Nagle
Executive Vice President
Legal & Company Secretary

Anant Purandare
President &
Chief Financial Officer

Dr. Indu Shahani
Chairman - Audit Committee
DIN: 00112289

Bajaj Electricals Limited
BAJAJ *Inspiring Trust*

Unaudited Consolidated Condensed Interim Statement of changes in equity for the six months ended 30th September 2019

A. Equity share capital

Particulars	As At 30th September 2019		As At 30th September 2018	
	No. of shares	Amount (Rs. in Lakhs)	No. of shares	Amount (Rs. in Lakhs)
As at 1st April	102,399,601	2,047.99	102,037,501	2,040.75
Issue of equity share capital during the period	56,850	1.14	279,425	5.59
As at 30th September	**102,456,451**	**2,049.13**	**102,316,926**	**2,046.34**

B. Other equity

(Rs in Lakhs)

Particulars	Reserves and surplus						Other reserves		
	Securities premium reserve	Debenture Redemption Reserve	Shares Option Outstanding	General Reserve	Retained earnings	Total	Capital Redemption Reserve	Capital Reserve	Total
Balance as at 31st March 2019	**25,461.14**	**4,625.00**	**913.77**	**43,163.78**	**29,227.65**	**103,391.34**	**135.71**	**10.00**	**103,537.05**
Profit / (loss) for the period	-	-	-	-	(1,799.14)	(1,799.14)	-	-	(1,799.14)
Other comprehensive income	-	-	-	-	(307.90)	(307.90)	-	-	(307.90)
Total	**25,461.14**	**4,625.00**	**913.77**	**43,163.78**	**27,120.61**	**101,284.30**	**135.71**	**10.00**	**101,430.01**
Exercise of options - proceeds received	147.26	-	-	-	-	147.26	-	-	147.26
Exercise of options - transferred from shares options outstanding account	59.97	-	(59.97)	-	-	-	-	-	-
Employee stock option expense for the period	-	-	279.06	-	-	279.06	-	-	279.06
Transferred to General reserve for vested cancelled options	-	-	(30.78)	30.78	-	-	-	-	-
Dividend on equity shares	-	-	-	-	(3,585.26)	(3,585.26)	-	-	(3,585.26)
Dividend distribution tax	-	-	-	-	(737.08)	(737.08)	-	-	(737.08)
Fair value of non-controlling interest put option	-	-	-	-	83.43	83.43	-	-	83.43
Balance as at 30th September 2019	**25,668.37**	**4,625.00**	**1,102.08**	**43,194.56**	**22,881.70**	**97,471.71**	**135.71**	**10.00**	**97,617.42**

Unaudited Consolidated Condensed Interim Statement of changes in equity for the six months ended 30th September 2019

B. Other equity (continued)

(Rs in Lakhs)

Particulars	Reserves and surplus						Other reserves		
	Securities premium reserve	Debenture Redemption Reserve	Shares Option Outstanding	General Reserve	Retained earnings	Total	Capital Redemption Reserve	Capital Reserve	Total
Balance as at 31st March 2018	**24,139.09**	**-**	**958.15**	**47,725.16**	**18,620.90**	**91,443.30**	**135.71**	**10.00**	**91,589.01**
Profit for the period	-	-	-	-	7,036.60	7,036.60	-	-	7,036.60
Other comprehensive income	-	-	-	-	61.14	61.14	-	-	61.14
Total	**24,139.09**	**-**	**958.15**	**47,725.16**	**25,718.64**	**98,541.04**	**135.71**	**10.00**	**98,686.75**
Exercise of options - proceeds received	732.66	-	-	-	-	732.66	-	-	732.66
Exercise of options - transferred from shares options outstanding account	281.45	-	(281.45)	-	-	-	-	-	-
Employee stock option expense for the period	-	-	124.84	-	-	124.84	-	-	124.84
Transferred to General reserve for vested cancelled options	-	-	(36.06)	36.06	-	-	-	-	-
Dividend on equity shares	-	-	-	-	(3,574.96)	(3,574.96)	-	-	(3,574.96)
Dividend distribution tax	-	-	-	-	(735.01)	(735.01)	-	-	(735.01)
Call option on non-controlling interest	-	-	-	-	(163.42)	(163.42)	-	-	(163.42)
Balance as at 30th September 2018	**25,153.20**	**-**	**765.48**	**47,761.22**	**21,245.25**	**94,925.15**	**135.71**	**10.00**	**95,070.86**

Summary of significant accounting policies (Note 2)
The accompanying notes are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

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

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

per Vikram Mehta
Partner

Membership No.105938
Mumbai, January 6, 2020

Ajay Nagle

Executive Vice President
Legal & Company Secretary

Anant Purandare
President &

Chief Financial Officer

BAJAJ ELECTRICALS LIMITED 45-47 V. N. Rd. MUMBAI-01

For and on behalf of the Board of directors

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

Dr. Indu Shahani
Chairman - Audit Committee
DIN: 00112289

Unaudited Consolidated Condensed Interim Cash Flow Statement for the six months ended 30th September 2019

(Rs in Lakhs)

Particulars	Six Months Ended 30th September 2019	Six Months Ended 30th September 2018
Cash flows from operating activities		
Profit / (loss) before income tax	(603.59)	11,269.03
Adjustments for:		
Depreciation and amortisation expense	3,547.10	1,868.36
Employee share-based payment expense	279.06	124.84
Gain on disposal of property, plant and equipment	(60.07)	(1.56)
Measurement of financial assets held at fair value through Profit or Loss	2.84	-
Measurement of financial assets and liabilities held at amortised cost	(417.00)	(508.96)
Measurement of provisions at fair value	(258.98)	(35.72)
Share of loss of associate and joint venture	131.92	100.35
Income from financial guarantee contracts	-	(100.90)
Finance costs	9,498.13	4,084.94
Interest income	(486.64)	(571.09)
Impairment allowance for doubtful debts & advances (net of write back)	(2,114.07)	(1,186.43)
Bad debts and other irrecoverable debit balances written off	280.94	4.43
	9,799.64	15,047.29
Change in operating assets and liabilities:		
(Increase)/decrease in trade receivables (current & non-current)	67,369.79	(10,092.90)
(Increase)/decrease in financial and other assets (current & non-current)	4,015.07	(41,180.92)
(Increase)/decrease in inventories	10,654.03	(9,282.36)
Increase/(decrease) in trade payables , provisions, employee benefit obligations, other financial liabilities and other liabilities (current & non-current)	(59,320.03)	7,002.28
Cash generated from / (used in) operations	32,518.50	(38,506.61)
Income taxes paid (net of refunds)	(3,101.44)	(8,626.02)
Net cash inflow / (outflow) from operating activities	29,417.06	(47,132.63)
Cash flows from investing activities		
Purchase of property, plant and equipment including capital work in progress and capital advances	(1,570.40)	(1,925.39)
Purchase of intangible assets including intangible assets under development	(26.95)	(354.06)
Proceeds from sale of property, plant and equipment including advances received	79.02	8.79
Loans and advances given to associate and joint ventures (net)	(1,744.88)	(76.33)
Acquisition of a subsidiary, net of cash acquired	-	(3,007.17)
Purchase of investments	(74.96)	(66.30)
(Increase)/decrease in Bank Deposits	196.84	(589.47)
Interest received / (paid)	80.59	(0.74)
Net cash inflow / (outflow) from investing activities	(3,060.74)	(6,010.67)
Cash flows from financing activities		
Proceeds from issues of shares	140.56	716.80
Proceeds from borrowings	46,083.28	74,593.78
Repayment of borrowings	(58,794.56)	(14,852.58)
Payment of lease liabilities	(1,476.76)	-
Interest paid	(7,865.71)	(4,046.46)
Dividends paid to company's shareholders	(3,600.86)	(3,581.89)
Dividend distribution tax paid	(737.08)	(735.01)
Net cash inflow / (outflow) from financing activities	(26,251.13)	52,094.64
Net increase / (decrease) in cash and cash equivalents	105.19	(1,048.66)
Cash and cash equivalents at the beginning of the financial year	1,120.72	2,181.97
Cash and cash equivalents at end of period	1,225.91	1,133.31

Summary of significant accounting policies (Note 2)
The accompanying notes are an integral part of the Unaudited Consolidated Condensed Interim Financial Statements

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

For and on behalf of the Board of directors

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

per Vikram Mehta
Partner
Membership No.105938
Mumbai, January 6, 2020

Ajay Nagle
Executive Vice President
Legal & Company Secretary

Anant Purandare
President &
Chief Financial Officer

Dr. Indu Shahani
Chairman - Audit Committee
DIN: 00112289

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019

1. General Information

Bajaj Electricals Limited ('the Company') is an existing public limited company incorporated on 14th July 1938 under the provisions of the Indian Companies Act, 1913 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at 45/47, Veer Nariman Road, Mumbai-400 001.

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

These Unaudited Consolidated Condensed Interim Financial Statements prepared in connection with the proposed raising of funds by issue of equity shares, through a rights issue, has been approved by the Board of Directors at its meeting held on 6th January, 2020.

2. Significant accounting policies

2.1 Statement of compliance

These Unaudited Consolidated Condensed Interim Financial Statements have been prepared in accordance with the requirements of Indian Accounting Standards 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under the Section 133 of the Companies Act, 2013 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

These Unaudited Consolidated Condensed Interim Financial Statements which comprise the Unaudited Consolidated Condensed Interim Balance Sheet as at 30th September 2019, the Unaudited Consolidated Condensed Interim Statement of Profit and Loss, the Unaudited Consolidated Condensed Interim Statements of Changes in Equity and the Unaudited Consolidated Condensed Interim Statements of Cash Flows for the six months ended 30th September 2019, and other explanatory information (together hereinafter referred to as "Unaudited Consolidated Condensed Interim Financial Statements" or "financial statements").

The consolidated figures for the corresponding six months period ended 30th September 2018, as reported in these Unaudited Consolidated Condensed Interim Financial Statements have been approved by the Group's Board of Directors, but have not been subjected to review.

The aforesaid financial statements include the financial statements of the Company and its subsidiary (together referred to as "the Group") and results of an associate and joint venture, which have been prepared in connection with the proposed rights issue of equity shares of the Company.

The Unaudited Consolidated Condensed Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period and acquisition of subsidiaries where assets and liabilities are measured at fair values as at the date of acquisition in accordance with Ind AS 103. The Unaudited Consolidated Condensed Interim Financial Statements do not include all the information and disclosures normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with annual financial statements for the year ended 31st March 2019 and any public announcement made during interim reporting period.

Accounting policies, Basis of consolidation and methods of computation followed in the Unaudited Consolidated Condensed Interim Financial Statements are same as compared with the annual financial statements for the year ended 31st March 2019, except for adoption of new standard or any pronouncements effective from 1st April 2019.

2.3 Implementation of Ind AS 116

Ind AS 116 supersedes Ind AS 17 Leases including evaluating the substance of transactions involving the legal form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

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.

MUMBAI

BAJAJ ELECTRICALS LIMITED 45-47 V. N. Rd. MUMBAI

NOTES TO THE UNAUDITED CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2019

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 Rs. 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.

Transition to Ind AS 116

The Group has adopted modified retrospective approach as per para C8 (c)(ii) of IND AS 116 - Leases, effective from annual reporting period beginning 1st April, 2019. This has resulted in recognizing a right of use asset of Rs. 7,564.10 lakhs, an amount equal to the lease liability of Rs. 7,355 lakhs, adjusted by the prepaid lease rent of Rs 209.10 lakhs as at 1st April, 2019. The above approach has resulted in recognition of right-of-use asset of Rs 9,524.34 lakhs and a lease liability (separately disclosed in balance sheet) of Rs. 9,634.29 lakhs as at 30th September, 2019.

2.4 Summary of key estimates, judgments and assumption

In the course of applying the accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

The area where estimates are significant to the Unaudited Consolidated Condensed Interim Financial Statements, or areas involving high degree of judgement or complexity, are same as those disclosed in the annual financial statements for the year ended 31st March 2019.

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BAJAJ ELECTRICALS LIMITED 45-47 V. N. Rd. MUMBAI-01

Note 3 : Property, plant and equipment

(Rs in Lakhs)

Particulars	Freehold Land	Lease hold Land	Building	Ownership Premises	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Vehicles	Dies & Jigs	Leasehold Improvements	Temporary Structures	Roads & Borewell	IT Hardware	Total
Opening gross block as at 1st April 2018	2,098.22	2,822.49	4,166.88	11,228.42	7,560.16	1,660.66	571.04	1,261.36	622.33	2,120.87	194.02	106.25	123.77	5,538.17	40,074.64
Additions	1,629.84	-	12.22	-	351.44	142.08	25.24	311.73	384.62	610.22	-	14.41	2.89	1,577.35	5,062.04
Disposals	-	-	-	-	(6.78)	(54.70)	(1.51)	(14.26)	(83.59)	-	-	-	-	(56.82)	(217.66)
Acquired in business combination	523.38	-	778.18	-	1,530.56	-	12.15	17.86	-	67.39	-	-	-	-	2,929.52
Closing gross block as at 31st March 2019	4,251.44	2,822.49	4,957.28	11,228.42	9,435.38	1,748.04	606.92	1,576.69	923.36	2,798.48	194.02	120.66	126.66	7,058.70	47,848.54
Additions	-	-	13.74	-	56.83	479.84	19.36	87.65	58.23	230.45	187.49	4.42	3.41	449.80	1,591.22
Disposals	-	-	-	(5.73)	(49.31)	(2.87)	-	(3.14)	(0.27)	-	-	-	-	(27.59)	(88.91)
Adjustments (Note 11)	16.62	-	(38.18)	-	(277.56)	23.00	30.85	(2.86)	-	17.61	-	-	-	-	(230.52)
Closing gross block as at 30th September 2019	4,268.06	2,822.49	4,932.84	11,222.69	9,165.34	2,248.01	657.13	1,658.34	981.32	3,046.54	381.51	125.08	130.07	7,480.91	49,120.33
Opening accumulated depreciation as at 1st April 2018	-	129.06	353.86	641.13	2,523.87	509.16	126.02	415.20	144.13	1,054.50	123.44	106.25	36.33	2,656.70	8,819.65
Depreciation charge during the period	-	37.38	163.59	201.07	990.48	210.87	61.07	224.59	81.19	510.79	17.54	14.41	9.57	1,230.27	3,752.82
Disposals	-	-	-	-	(1.94)	(20.66)	(0.33)	(5.03)	(7.94)	-	-	-	-	(51.70)	(87.60)
Closing accumulated depreciation as at 31st March 2019	-	166.44	517.45	842.20	3,512.41	699.37	186.76	634.76	217.38	1,565.29	140.98	120.66	45.90	3,835.27	12,484.87
Depreciation charge during the period	-	18.69	83.56	100.48	418.40	127.55	38.67	122.75	45.85	297.79	13.69	4.42	4.95	621.82	1,898.62
Disposals	-	-	-	(0.45)	(15.24)	(0.73)	-	(3.08)	(0.14)	-	-	-	-	(25.72)	(45.36)
Closing accumulated depreciation as at 30th September 2019	-	185.13	601.01	942.23	3,915.57	826.19	225.43	754.43	263.09	1,863.08	154.67	125.08	50.85	4,431.37	14,338.13
Impairment allowance as on 1st April, 2019	-	-	-	-	729.36	-	-	-		-	-	-	-	-	729.36
Impairment charge during the period	-	-	-	-	(24.60)	-	-	-	-	-	-	-	-	-	(24.60)
Impairment allowance as on 30th September, 2019	-	-	-	-	704.76	-	-	-	-	-	-	-	-	-	704.76
Closing Net carrying amount as at 31st March 2019	4,251.44	2,656.05	4,439.83	10,386.22	5,193.61	1,048.67	420.16	941.93	705.98	1,233.19	53.04	-	80.76	3,223.43	34,634.31
Closing Net carrying amount as at 30th September 2019	4,268.06	2,637.36	4,331.83	10,280.46	4,545.01	1,421.82	431.70	903.91	718.23	1,183.46	226.84	-	79.22	3,049.54	34,077.44

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Bajaj Electricals Limited
BAJAJ *Inspiring Trust*

Note 3 : Property, plant and equipment (continued)

(Rs in Lakhs)

Particulars	Freehold Land	Lease hold Land	Building	Ownership Premises	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Vehicles	Dies & Jigs	Leasehold Improvements	Temporary Structures	Roads & Borewell	IT Hardware	Total
Opening gross block as at 1st April 2018	**2,098.22**	**2,822.49**	**4,166.88**	**11,228.42**	**7,560.16**	**1,660.66**	**571.04**	**1,261.36**	**622.33**	**2,120.87**	**194.02**	**106.25**	**123.77**	**5,538.17**	**40,074.64**
Additions	-	-	4.02	-	74.49	106.22	1.75	146.17	225.73	117.00	-	4.80	-	1,000.99	1,681.17
Disposals	-	-	-	-	(0.81)	(3.88)	(3.43)	-	(9.03)	-	-	-	-	(36.64)	(53.79)
Acquired in business combination	523.38	-	778.18	-	1,530.56	-	12.15	17.86	-	67.39	-	-	-	-	2,929.52
Closing gross block as at 30th September 2018	**2,621.60**	**2,822.49**	**4,949.08**	**11,228.42**	**9,164.40**	**1,763.00**	**581.51**	**1,425.39**	**839.03**	**2,305.26**	**194.02**	**111.05**	**123.77**	**6,502.52**	**44,631.54**
Opening accumulated depreciation as at 1st April 2018	**-**	**129.06**	**353.86**	**641.13**	**2,523.87**	**509.16**	**126.02**	**415.20**	**144.13**	**1,054.50**	**123.44**	**106.25**	**36.33**	**2,656.70**	**8,819.65**
Depreciation charge during the period	-	18.74	79.30	100.81	452.91	106.86	29.28	106.50	38.44	234.88	8.79	4.80	4.81	583.03	1,769.15
Disposals	-	-	-	-	(0.60)	(3.13)	(3.43)	-	(3.43)	-	-	-	-	(35.97)	(46.56)
Closing accumulated depreciation as at 30th September 2018	**-**	**147.80**	**433.16**	**741.94**	**2,976.18**	**612.89**	**151.87**	**521.70**	**179.14**	**1,289.38**	**132.23**	**111.05**	**41.14**	**3,203.76**	**10,542.24**
Closing Net carrying amount as at 30th September 2018	**2,621.60**	**2,674.69**	**4,515.92**	**10,486.48**	**6,188.22**	**1,150.11**	**429.64**	**903.69**	**659.89**	**1,015.88**	**61.79**	**-**	**82.63**	**3,298.76**	**34,089.30**

Note 4 : Borrowings

(Rs in Lakhs)

Particulars	Note No.	30-Sep-19	31-Mar-19
Non-current			
Unsecured			
Sales tax deferral liability	Note a	352.78	680.71
Non-convertible redeemable debentures	Note c	18,500.00	18,500.00
Foreign currency term loan	Note d	2,133.17	2,081.41
Rupee Loans	Note d	5,000.00	-
Total unsecured non-current borrowings		**25,985.95**	**21,262.12**
Total non-current borrowings (A)		**25,985.95**	**21,262.12**
Current			
Secured			
Cash credits	Note b	6,441.44	9,960.57
Supplier's credit (foreign currency loan)		-	1,517.67
Working capital rupee loan	Note f	18,630.00	1,500.00
Rupee Loans		-	178.82
Total secured current borrowings		**25,071.44**	**13,157.06**
Unsecured			
Intercorporate deposits from related parties	Note h	20,000.00	-
Short term borrowings	Note g	17,000.00	29,000.00
Sales bills discounting	Note j	2,654.50	5,411.14
Commercial papers		-	22,202.50
Packing credit rupee loan	Note e	800.00	13,500.00
Buyer's credit (foreign currency loan)	Note i	3,901.52	-
Hundi acceptances	Note j	50,407.37	53,999.24
Total unsecured current borrowings		**94,763.39**	**124,112.88**
Total current borrowings (B)		**119,834.83**	**137,269.94**
Current maturities of sales tax deferral liability (C) *	Note a	327.93	466.42
Total borrowings (A+B+C)		**146,148.71**	**158,998.48**

* grouped under other financial liabilities

Details of movement of borrowings during the period ended 30th September 2019

(i) Non-current borrowings
The Group has availed the following loans during the period
a) Unsecured term loan from bank of Rs 5,000 lakhs carrying an interest of 10.50% p.a. repayable in 25 months starting from October 2020.
b) Inter-company deposits of Rs. 20,000 lakhs has been taken carrying an interest of 12% p.a. repayable in 6 months by March 2020.

Further, there has been a repayment Rs 466 lakhs in respect of the sales tax deferral liability in the current period.

(ii) Current borrowings
In the current period, the Group has availed borrowings of Rs 21,032 lakhs and repaid Rs 58,617 lakhs.

Details of movement of borrowings during the period ended 30th September 2018

(i) Non-current borrowings
The Group has availed foreign currency loan of Rs 2,182 lakhs during the period carrying an interest of 6M Libor + 225 bps repayable by May 2021. Further, there has been a repayment Rs 548 lakhs in respect of the sales tax deferral liability in the current period.

(ii) Current borrowings
In the current period, the Group has availed borrowings of Rs 74,235 lakhs and repaid Rs 14,397 lakhs.

MUMBAI

BAJAJ ELECTRICALS LIMITED 45-47 V. N. Rd. MUMBAI-01

Bajaj Electricals Limited
BAJAJ *Inspiring Trust*

Note 4 : Borrowings (continued)

Refer Note K for security details. In respect of the non-convertible redeemable debentures, the Company has to ensure compliance with certain loan covenants as per debenture trust deed, on an annual basis.

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:

	(Rs in Lakhs) **30-Sep-19**
Non-current	
FY 2021-22	228.51
FY 2022-23	107.63
FY 2023-24	16.64
	352.78
Current	
FY 2020-21	327.93
	680.71

Note b:
Cash credits are secured, repayable on demand and bear interest in the range of 9.15% to 13.35%.

Note c: Unsecured Non-convertible Redeemable Debentures

Lending Bank	Maturity Date	Interest rate % *	Liability In Rs. Lakhs as on 30-Sep-19
HFDC Mutual Fund (face value of Rs 10,00,000 per debenture)	Rs. 7500 Lacs - 18-02-2022	Redeemable at premium at Rs. 13,66,517 per debenture	18,500.00
	Rs. 7500 Lacs - 20-08-2021	Redeemable at premium at Rs. 12,98,956 per debenture	
	Rs. 3500 Lacs - 19-02-2021	Redeemable at premium at Rs. 12,31,431 per debenture	

* These are zero coupon debentures yielding 11%

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

Lending Bank	Maturity Date	Interest rate %	Liability In Rs. Lakhs as on 30-Sep-19
Kotak Mahindra Bank Ltd	09-11-2020 *	6M LIBOR + 225 bps	2,133.17
	09-05-2021 *		
IDFC Bank	Oct 2020 to May 2021	10.50%	5,000.00

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

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

Lending Bank	Maturity Date	Interest rate %	Liability In Rs. Lakhs as on 30-Sep-19
Deutsche Bank Ltd.	24-Oct-19	From 7.65% to 9.20%	800.00
			800.00

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Note 4 : Borrowings (continued)

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

Lending Bank	Maturity Date	Interest rate %	Liability In Rs. Lakhs as on 30-Sep-19
Yes Bank Ltd	12-Dec-19	11.00%	2,250.00
SBI Ltd	25-Oct-19	9.35%	5,700.00
Union Bank Ltd	14-Feb-20	10.00%	3,000.00
Bank of India Ltd	18-Oct-19	9.95%	2,880.00
ICICI Bank Ltd	20-Nov-19	9.45%	3,000.00
HDFC Ltd	28-Nov-19	8.95%	1,800.00
		Total	**18,630.00**

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

Name of the Subscriber	Maturity Date	Interest rate %	Liability In Rs. Lakhs as on 30-Sep-19
Various Banks	Repayable from Oct 2019 to Mar 2020	8.45% to 10.00%	17,000.00
			17,000.00

Note h: Intercorporate deposits from related parties are as per the following terms

Name of the Subscriber	Maturity Date	Interest rate %	Liability In Rs. Lakhs as on 30-Sep-19
Jamnalal Sons Pvt Ltd	13-Feb-20	12.00%	15,000.00
Jamnalal Sons Pvt Ltd	24-Mar-20	12.00%	5,000.00
			20,000.00

Subsequent to 30th September, 2019, the Company has repaid Rs. 5,000 lakhs on 31st October, 2019, Rs. 5,000 lakhs on 4th November, 2019, Rs. 2,500 lakhs on 24th December, 2019 and Rs. 2,500 lakhs on 31st December, 2019.

Note i: Buyer's credit is as per the following terms

Name of the Subscriber	Maturity Date	Interest rate %	Liability In Rs. Lakhs as on 30-Sep-19
SCB UK	Repayable from Nov 2019 to Jan 2020	3.30% to 3.66%	3,901.52
			3,901.52

Note j: Sales bill discounting and Hundi acceptances

The Company has arrangements with Banks for sales bill discounting . These loans are unsecured and carry interest of 8.85% to 9.05% and for a period of 45 to 60 days.

The Company also has arrangement with various banks for purchase bill discounting. These are also unsecured and carry an interest rate in the range of 7.90% p.a. to 9.05% p.a. and are for a period of upto 90 days.

Note K : Charge on secured borrowings is as given below

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

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

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

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

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

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

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

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

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

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

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

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

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

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

i) First and exclusive charge by way of mortgage of Non-Agriculture factory land and building at Plot No B - 5,6,7, MIDC, Railway Station Aurangabad owned by Umasons Equipment and Accessories and exclusive charge by way of mortgage land & building at Gut No. 16Naigavhan, Khandewadi, Tq. Paithan, Paithan Road, Aurangabad

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

iii) First and exclusive charge by way of hyphothecation of plant and machinery at Gut No 16, Naighavan Khandewadi, Paithan, Aurangabad

iv) First and exclusive charge by way of hyphothecation of inventory and receivables of the Company.

All the above loans are also secured by the personal guarantee of Director - Shri Mukund N. Bhogale and ex-directors Mr Ramchandra N Bhogale & Mr Nityanand J Bhogale.

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

Note 5 : Fair value measurements

(i) Financial instruments by category

The carrying amounts of financial instruments by class are as follows (Rs. In Lakhs)

Particulars	30-Sep-19	31-Mar-19
A. Financial assets		
I. Measured at amortized cost		
Investments	889.51	845.14
Trade Receivables	249,181.24	314,382.46
Loans	1,607.66	8.78
Cash and Cash Equivalents	1,225.91	1,120.72
Bank Balances other than above	207.46	518.48
Other Financial Assets	2,601.25	2,510.80
II. Measured at fair value through profit or loss (FVTPL)		
Other Financial Assets (Derivative Assets)	16.15	7.04
Investments	303.60	231.49
	256,032.78	**319,624.91**
B. Financial liabilities *		
I. Measured at amortized cost		
Borrowings	145,820.79	158,532.06
Trade Payables	80,523.38	110,408.49
Lease Liabilities	9,634.29	-
Other Financial Liabilities	34,292.80	38,466.71
II. Measured at fair value through profit or loss (FVTPL)		
Other Financial Liabilities (Derivative Liability)	35.10	146.93
	270,306.36	**307,554.19**

* Does not include redemption liability of non-controlling interest of Rs. 852.70 Lakhs, changes of which are recognised directly in equity.

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

(Rs. In Lakhs)

Particulars	Valuation Techniques	Carrying values	Fair Values	Fair Values Measurement using		
				Level 1	Level 2	Level 3
As at 30th September 2019						
Other Financial Assets (Derivative Assets)	Mark to Market	16.15	16.15	-	16.15	-
Investments	Discounted Cash Flow / Net Asset Value (Note a)	303.60	1,661.23	-	-	1,661.23
Other Financial Liabilities (Derivative Liability)	Mark to Market	35.10	35.10	-	35.10	-
Redemption liability of non-controlling interest	Note b	852.70	852.70	-	-	852.70
		1,207.55	**2,565.18**	**-**	**51.25**	**2,513.93**
As at 31st March 2019						
Other Financial Assets (Derivative Assets)	Mark to Market	7.04	7.04	-	7.04	-
Investments	Discounted Cash Flow / Net Asset Value (Note a)	231.49	1,589.01	-	-	1,589.01
Other Financial Liabilities (Derivative Liability)	Mark to Market	146.93	146.93	-	146.93	-
		385.46	**1,742.98**	**-**	**153.97**	**1,589.01**

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

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Note 5 : Fair value measurements (continued)

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

Significant unobservable inputs used in Level 3 fair values as at 30th September 2019

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

Note (b)
Valued by applying the Black & Scholes Model consisting risk free rate of 8%, time of maturity of 3 years and annualised volatility of 34.81%. The management believes that any reasonably possible change in the key assumptions would not cause any significant impact on the fair value.

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

(iii) Reconciliation of Level 3 fair value measurement

(Rs in Lakhs)

Particulars	30-Sep-2019
Opening balance as on 31st March 2019	**1,589.01**
Additions made during the period	75.53
Loss recognised in statement of profit and loss	(3.31)
Closing balance as on 30th September 2019	**1,661.23**

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Bajaj Electricals Limited
BAJAJ *Inspiring Trust*

NOTE 6: Segment reporting

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

1) Segment Results

(Rs in Lakhs)

Particulars	**30-Sep-19**	**30-Sep-18**
a) Consumer Products	8,374.53	7,721.41
b) EPC	258.87	7,297.55
c) Others	0.97	4.11
Operating Segment profit	**8,634.37**	**15,023.07**
Unallocated income / (expenses)		
Depreciation & amortisation expenses	-	(80.02)
Finance Cost	(9,498.13)	(4,084.94)
Interest income on financial assets measured at amortised cost	221.88	82.30
Profit / (Loss) on sale of property, plant & equipment	20.28	3.23
Rent received	127.50	84.00
Employee share based payment expenses	-	(124.84)
Others	22.43	466.58
Profit / (loss) before share of loss of an associate and a joint venture	**(471.67)**	**11,369.38**
Share of loss of associate and joint venture	(131.92)	(100.35)
Profit / (loss) before tax	**(603.59)**	**11,269.03**

The operating segment results for the period ended 30th September 2019, includes depreciation and amortization of Rs 2,488.32 lakhs for consumer products, Rs 1,039.65 lakhs for EPC and Rs 19.13 lakhs for others.

2) Segment Revenue:

(Rs in Lakhs)

Particulars	**30-Sep-19**	**30-Sep-18**
a) Consumer Products	148,778.89	124,050.98
b) EPC	91,450.78	149,886.43
c) Others	41.19	36.41
Sub-total	**240,270.86**	**273,973.82**
Less: Inter Segment Revenue	-	-
Net Sales / Income from Operations	**240,270.86**	**273,973.82**

(Rs in Lakhs)

Particulars	**30-Sep-19**	**30-Sep-18**
Outside India	5,932.68	3,958.02
India	234,338.18	270,015.80
Total	**240,270.86**	**273,973.82**

There is no single customer which accounts for more than 10% of the entity's revenues.

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BAJAJ ELECTRICALS LIMITED 45-47 V. N. Rd. MUMBAI-01

Bajaj Electricals Limited
BAJAJ *Inspiring Trust*

NOTE 6: Segment reporting (continued)

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.

(Rs in Lakhs)

Particulars	30-Sep-19	31-Mar-19
a) Consumer Products	137,466.31	138,971.29
b) EPC	266,481.75	337,480.14
c) Others	221.50	247.82
Total Segment Assets	**404,169.56**	**476,699.25**
Unallocated		
Deferred tax assets	4,666.07	5,754.93
Income tax assets (net)	8,463.63	5,370.66
Investments	1,193.11	1,076.61
Property, Plant & Equipment	24,308.45	23,993.78
Cash & cash equivalents	1,225.91	1,639.21
Others	7,182.05	3,362.64
Total assets as per balance sheet	**451,208.78**	**517,897.08**

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:

(Rs in Lakhs)

Particulars	30-Sep-19	31-Mar-19
India	34,068.88	34,632.38
Outside India	8.56	1.93
Total	**34,077.44**	**34,634.31**

The capital expenditure incurred for consumer products is Rs 275.72 lakhs, for EPC is Rs 87.36 lakhs and for others is Rs 1,315.57 for the period ended 30th September 2019.

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.

(Rs in Lakhs)

Particulars	30-Sep-19	31-Mar-19
a) Consumer Products	107,426.66	91,439.93
b) EPC	90,980.74	156,641.77
c) Others	-	-
Total Segment Liabilities	**198,407.40**	**248,081.70**
Unallocated		
Borrowings	146,148.71	158,998.48
Others	6,986.12	5,224.02
Total liabilities as per balance sheet	**351,542.23**	**412,304.20**

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Note 7: Disclosure of transactions with related parties

(Rs in Lakhs)

Name of Related Party and Nature of relationship	Nature of Transaction	30-Sep-2019 Transaction Value for the period	30-Sep-2019 Outstanding receivable / (payable) carried in the Balance Sheet	30-Sep-2018 Transaction Value for the period	31-Mar-2019 Outstanding receivable / (payable) carried in the Balance Sheet
(A) Parent Entities					
	Not Applicable				
(B) Associate - Hind Lamps Limited					
	Purchases	2,932.65	615.55	1,671.57	(128.64)
	Trade Advance Given	-	2,308.05	2,034.00	2,140.17
	Loan given	1,577.00	1,577.00	-	-
	Interest on loan / advance	80.27	-	63.27	25.47
	Sales	2,189.30	-	116.14	36.29
	Rent Received	12.39	-	-	6.09
	Contribution to Equity	-	684.53	-	-
	0% Non Convertible Redeemable Preference Shares	-	889.50	-	845.13
	Finance Income of preference shares (financial asset at amortised cost)	44.37	-	40.15	-
(C) Joint Venture - Starlite Lighting Limited					
	Purchases	7,015.52	(506.10)	5,089.13	(757.28)
	Trade Advance Given *	-	5,439.24	-	4,646.15
	Interest on loan and advance	377.64	-	400.45	73.10
	Interest Paid	28.67	-	-	-
	Sales of Components	1,036.86	-	1,368.06	0.95
	Interest on delayed payment	-	-	-	(23.20)
	Finance income on Corporate Guarantee given	-	-	100.90	-
(D) Key Mangement Personnel #					
	Short-term employee benefits	472.12	(69.33)	1,163.63	(657.30)
	Post- employment benefits (contribution to super annunation fund)	26.91	-	41.45	-
	Long-term employee benefits (contribution to provident fund)	18.51	-	21.64	-
	Perquisite value of ESOPs excercised during the period	-	-	3.67	-
	Total Compensation	*517.54*	*(69.33)*	*1,230.39*	*(657.30)*
	Dividend paid	480.84	-	-	-

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Note 7: Disclosure of transactions with related parties (continued)

(Rs in Lakhs)

Name of Related Party and Nature of relationship	Nature of Transaction	30-Sep-2019 Transaction Value for the period	30-Sep-2019 Outstanding receivable / (payable) carried in the Balance Sheet	30-Sep-2018 Transaction Value for the period	31-Mar-2019 Outstanding receivable / (payable) carried in the Balance Sheet
(E) Transactions with the Entities which is Controlled or Jointly Controlled by a person identified in para 9 (a) of Ind AS 24 - Related Party Disclosures					
	Reimbursement of Expenses	134.00	(62.79)	211.48	(76.81)
	Services Received	74.44	(20.37)	82.98	(16.31)
	CSR Contribution	24.02	-	-	-
	Rent Paid	27.00	-	27.00	-
	Deposits given	-	27.00	-	21.08
	Dividend Paid	44.61	-	-	
	Sales	400.97	273.91	274.22	299.46
	Purchases	86.59	(40.98)	419.39	(187.31)
(F) Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures is a member of the KMP of the entity					
	Advance for Insurance premium	-	95.23	-	647.78
	Claims Received	12.64	-	73.43	-
	Insurance Premium paid	446.71	-	322.89	-
	Other Expenses	-	-	0.37	(3.43)
	Contribution to Gratuity Fund	-	4,065.69	-	4,115.88
	CSR Contribution	85.29	(30.29)	-	-
	Sales	44.69	12.56	21.83	32.83
	Advance for Capital Asset	0.97	-	216.35	14.06
	Reimbursement of Expenses	-	0.03	-	(6.77)
	Rent Deposit Advanced	-	150.00	50.00	150.00
	Rent Paid	17.70	(2.70)	15.34	(2.70)
	Fixed Assets Purchase	0.59	-	-	(17.17)
	Dividend Paid	1,357.32	-	-	-
	Inter Corporate Deposit taken	20,000.00	(20,000.00)	-	-
	Interest on Inter Corporate Deposit	246.58	(142.03)	-	-
	Services Received	3.19	7.17	3.54	(0.32)
(G) Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures has significant influence over the entities					
	Dividend Paid	28.00	-	-	-
(H) Transactions with the entities which are the post employment benefit plans as identified in para 9 (b) (v) of Ind AS 24 - Related Party Disclosures					
	Trustees Bajaj Electricals Ltd Employees Provident Fund	1,022.98	(176.05)	981.57	(162.46)
	Matchwel Electrical India Limited Employees Provident Fund Trust	22.44	(3.95)	16.17	(2.97)
(I) 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)

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

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

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Note 8. Earnings per share:

Particulars	30-Sep-19	30-Sep-18
Profit / (loss) for the period after tax but before exceptional items and tax on exceptional items (A) (Rs. In Lakhs)	(1,884.34)	6,998.16
Profit / (loss) for the period after exceptional items and tax on exceptional Items (B) (Rs. In Lakhs)	(1,884.34)	6,998.16
Weighted average number of equity shares for basic EPS (C)	102,423,416	102,129,618
Add: Effect of dilution (employee stock options)	296,908	408,893
Weighted average number of equity shares for diluted EPS (D)	102,720,324	102,538,511
Earnings Per Share in Rs. :- (not annualised)		
(a) Basic before exceptional items (A/C)	(1.84)	6.85
(b) Diluted before exceptional items (A/D)	(1.84)	6.82

Note 9. Commitments and contingencies

a. Contingent liabilities

(Rs in Lakhs)

		30-Sep-19	31-Mar-19
	Contingent Liabilities not provided for :		
i)	Claims against the Company not acknowledged as debts (Refer Note x, xi and xii below)	2,203.41	799.64
ii)	Guarantees / Letter of Comfort given on behalf of Companies Rs. 24,200.00 Lakhs (Previous Year Rs. 24,200.00 Lakhs) (refer note ix below)	21,874.20	23,491.94
iii)	Excise and Customs duty - matters under dispute	15.49	15.49
iv)	Service Tax matters under dispute	149.40	149.40
v)	Income Tax matters under dispute	536.54	536.54
vi)	Sales Tax matters under dispute	3,027.66	4,136.86
vii)	Uncalled liability in respect of partly paid Shares held as investments	7.20	7.20

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

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

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

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

xi. The Company had in earlier years terminated employment agreements of few die casting workmen at the Chakan plant. On 3rd July, 2018, the Honourable Hight Court of Bombay had awarded the appeal in favour of the Company. On 27th June, 2019, the appeal on the matter has been admitted in the Honourable Supreme Court. Management has assessed that the outflow of resources embodying economic benefits is not probable and has accordingly considered the claim of Rs 258.44 lakhs as contingent liability.

xii. The Company has issued purchase orders to a vendor for procurement of "AB cables and service cables" to its Madhyanchal ("MVVNL") and Purvanchal ("PVVNL") projects site in UP. The vendor being a MSME registered party has filed the suit under MSMED Act, 2006 claiming interest as well as principal against the Company. Per the suit, vendor claims to have supplied consignments as per the terms and conditions mentioned in the purchase orders however payments have not been made by the Company. The management is in the process of filing a Statement of Defence and Counter Claim since the vendor has failed to comply with the terms and conditions in the purchase order (viz. timely supply of material, supply of the material as per specifications, making good of any short supply of material, providing replacement of material flagged as not meeting specifications or deficient in quality). Accordingly, the management has assessed the exposure in this regard to be not probable and disclosed Rs. 554.57 lakhs as contingent liability.

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

b. Commitments

i. Estimated amounts of contracts remaining to be executed in capital account (net of capital advances) is Rs 591.43 lakhs (31st March, 2019 – Rs. 513.49 lakhs).

ii. The Company has entered into an agreement with Bharat Innovation Fund (Category 1 Alternative Investment Fund – Venture Capital Fund) amongst IDBI Trusteeship Services Limited (the trustee) and CIIE Advisors Private Limited (the fund manager), for a contribution of Rs 1,300 lakhs. As on 30th September, 2019, only Rs 333.17 Lakhs has been drawn down by Bharat Innovation Fund.

Note 10: Disclosures of revenue from contracts with customers

Disaggregation of revenue

Disaggregation of the Company's revenue from contracts with customers and reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price is as given below.

(Rs in Lakhs)

Particulars		For the six months ended 30-Sep-19	For the six months ended 30-Sep-18
Revenue from contracts with customers (a)			
Consumer products (includes appliances, lighting and fans)		148,680.63	123,073.18
Engineering, procurement and construction (EPC) (includes power distribution, transmission line towers and illumination)		91,121.76	149,518.47
Others		41.19	36.41
	Total	**239,843.58**	**272,628.06**
Add: Other revenue (b)			
Claims received, export incentives, etc		427.28	1,345.76
Revenue from operations (a+b)		**240,270.86**	**273,973.82**

Particulars	For the six months ended 30-Sep-19	For the six months ended 30-Sep-18
Timing of revenue recognition		
At a point in time	148,820.08	124,087.39
Over a period of time	91450.78	149,886.43
Revenue from operations	**240,270.86**	**273,973.82**

Note 11: During the previous year on 31st August 2018, the Company had acquired controlling equity stake of 79.85% in Nirlep Appliances Private Limited ('Nirlep') for a cash consideration of Rs 3,070.45 lakhs to further augment the product range available under the consumer products segment. As on 31st March 2019, pursuant to Ind AS 103 - Business Combinations, the Company had provisionally accounted the business combination. During the six months ended 30th September 2019, the Company has finalised the accounting of the acquisition of Nirlep and adjustment has been made to property, plant and equipment and to goodwill (net of taxes).

The financial statements for the six months ended 30th September 2019 include the results of Nirlep and accordingly are not comparable with the previous period ended 30th September 2018.

Note 12: Impact of Tax Ordinance

The Group has computed the tax expense for the current period as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, (a) the provision for current and deferred tax has been determined at the rate of 25.17%, and (b) the deferred tax assets and deferred tax liabilities as on 1st April 2019 have been restated at the rate of 25.17%. As a result, the tax expense for the six months ended 30th September 2019 is higher by Rs. 1,395.29 lakhs.

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Note 13: Subsequent event

On 11th November, 2019, the rating committee of ICRA, based on a review of the latest developments, after due consideration has downgraded the long term rating to [ICRA]A- (pronounced ICRA A minus) from [ICRA]A (pronounced ICRA A) and short-term rating to [ICRA]A2+ (pronounced ICRA A two plus) from [ICRA]A1 (pronounced ICRA A one). The Outlook on the long term rating is said to be Negative.

The Management has a comprehensive plan to meet all obligations of the Company as under:

- Company enjoys full support from the Promoter group to meet all its debt obligations. The Company has an approval from the board to borrow inter corporate deposit upto Rs 500 crores.
- Further, the Company has already obtained board and shareholder's approval for raising funds by way of issue of equity shares, or any other equity linked instruments or securities, for an aggregate amount of upto Rs 600 crores.

Note 14: Previous period's figures have been regrouped / reclassed wherever necessary to correspond with the current period's classification / disclosure.

Signature to note 1 to note 14
As per our report attached of even date

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

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

per Vikram Mehta
Partner
Membership No. 105938
Mumbai, January 6, 2020

For and on behalf of the Board of Directors

BAJAJ ELECTRICALS LIMITED
45-47
V. N. Rd.
MUMBAI-01

Shekhar Bajaj
Chairman and Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

Ajay Nagle
Executive Vice President
Legal & Company Secretary

Anant Purandare
President &
Chief Financial Officer

Dr. Indu Shahani
Chairman – Audit Committee
DIN: 00112289

S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Bajaj Electricals Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Bajaj Electricals Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"),. its associate and joint venture comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

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Key audit matters	How our audit addressed the key audit matter
A. Cost to complete estimates in the EPC business segment and receivable in respect of the Madhyanchal and Purvanchal projects [Refer Note 1D (3) of the consolidated Ind AS financial statements]	
Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of technical, political, regulatory and other related contract risks and their financial estimation; scope of deliveries and services required for fulfilling the contractually defined obligations and expected delays, if any. Further, for the year ended March 31, 2019, Rs 1,60,893 lakhs of the revenue from the EPC business segment pertains to the Madhyanchal and Purvanchal projects in Uttar Pradesh ('UP projects'). Also, as at March 31, 2019, Rs 1,21,852 lakhs of 'Trade receivables' and Rs 657 lakhs 'Amounts due to customers for contract work' relates to the aforesaid projects. The revenue and receivables of the UP projects are material to the financial statements. Accordingly, cost to come estimates and receivables in respect of UP projects have been considered as a key audit matter.	Our audit procedures included the following: ▪ Evaluation of the design and operating effectiveness of controls relating to cost estimation; ▪ Selected projects by applying audit sampling techniques and examining whether the cost estimates for these projects are in line with the supplier quotations obtained by the management and other internal estimates where latest supplier quotations are not available. Further, examining the contingencies identified by the management in these projects and corroborating the same with internal / external evidence available with the management. ▪ Evaluation of delay analysis performed by the Company and testing with corroborative evidence like contractual terms and correspondences with the customers. ▪ For the UP projects, examined whether the recognition and measurement of the receivables are in line with terms and conditions of the contract entered into with the customer, including management assessment of recoverability of the outstanding balance as at March 31, 2019.

Key audit matters	How our audit addressed the key audit matter
B. Impairment allowance on trade receivables pertaining to operationally closed projects in Power Distribution (PD) and Transmission Line Tower (TLT) business [Refer Note 1D (2) and Note 5 of the consolidated Ind AS financial statements]	
As at March 31, 2019, trade receivables of Rs 23,968 lakhs (net of impairment allowance of Rs 6,694 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 aging status and likelihood of collection based on contractual terms, past experience, customer claims etc. Based on such assessment, specific allowances are made for receivables that are unlikely to be collected. Due to the involvement of high level of management judgement and materiality of the amounts involved, we considered the same as a key audit matter.	Our audit procedures included the following ▪ Examined management basis for identification of amounts which are 'overdue' and 'not due' for operationally closed projects where the receivables were material. For these samples, assessed whether the rationale behind the management's judgment in determining the impairment provisions are adequate. ▪ Examined the provisions made for these receivables by evaluating the overdue balances, customer's historical payment patterns, and post year-end payments. Additionally, we also examined corroborative evidence including correspondence supporting any disputes between the parties involved, attempts by management to recover the amounts outstanding and the credit status of significant counterparties where available.

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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">C. Recoverability of advances, investments in associates and recognition of liability for guarantee given for loans taken by associate [Refer Note 4.1, 4.2 and Note 40(a)(ix) of the standalone Ind AS financial statements]</td></tr>
<tr><td>As at March 31, 2019, the Company has the following in respect of Starlite Lighting Limited ('SLL'):-
• Equity investment of Rs 579 lakhs, fully impaired.
• Preference investment of Rs 1,358 lakhs measured at fair value through profit and loss, fully impaired
• Preference investment of Rs 4,294 lakhs measured at amortised cost, fully impaired
• Trade advances of Rs 4,646 lakhs (net of impairment allowance of Rs 2,200 lakhs)
• Loans of Rs 280 lakhs, fully impaired
• Financial guarantee of Rs 24,200 lakhs given by the Company for loans taken by SLL from the banks
SLL has been making losses over the past several years. Management has performed a fair value assessment by forecasting and discounting future cash flows which involve significant estimates and judgment and determined that:-
a) No further impairment is required to be recorded for the year ended March 31, 2019.
b) No liability is probable on the financial guarantee given by the Company for loans taken by SLL.
Accordingly, it has been determined as a key audit matter.</td><td>Our audit procedures included the following
▪ Obtained management's future cash flow forecasts for SLL and testing the mathematical accuracy of the underlying value-in-use calculations and agreeing them to the approved one-year financial budget and future forecasts.
▪ Comparing historical actual results to those budgeted and understanding the reasons for significant deviations in assessing the quality of management's forecasts.
▪ Assessing the key assumptions used in the fair value assessment, comprising sales growth rates, gross profit margin, net profit margin, perpetual growth rate and discount rates.
▪ Obtained the valuation report prepared by external valuation specialists from the management and assessed the reasonableness of the above assumptions used by management.
▪ Assessing the headroom calculation performed by the management based on the recoverable value determined above and by performing sensitivity testing of key assumptions used.</td></tr>
</table>

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the business responsibility report, corporate governance report and management discussion and analysis but does not include the consolidated Ind AS financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the message from chairman, financial snapshot and directors' report, which is expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and shall comply with the relevant applicable requirements of the Standard on Audit for The Auditor's Responsibility in relation to Other Information in Documents containing audited financial statements.

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Responsibilities of Management for the Consolidated Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 239 lakhs for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of such other auditor.

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

Report on Other Legal and Regulatory Requirements

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

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors, except for matters given in Qualified Opinion in Annexure 1 to this report;

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

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Holding Company, subsidiary, its associate and joint venture incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary, associate and joint venture incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, associate and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiary, associate and joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint venture - Refer Note 40 to the consolidated Ind AS financial statements;

ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associate and joint venture incorporated in India during the year ended March 31, 2019.

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

per Vikram Mehta
Partner
Membership Number: 105938
Place of Signature: Mumbai
Date: May 22, 2019

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Annexure 1 To The Independent Auditor's Report Of Even Date On The Consolidated Financial Statements Of Bajaj Electricals Limited

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

In conjunction with our audit of the consolidated financial statements of Bajaj Electricals Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Bajaj Electricals Limited (hereinafter referred to as the "Holding Company") and its subsidiary company , its associate company and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on the report issued by us on internal financial controls over financial reporting with reference to these consolidated financial statements in case of the subsidiary company, which is a Company incorporated in India, the following material weaknesses have been identified as at March 31, 2019:

> The subsidiary company did not have an appropriate internal financial control system over the financial statement closure process and internal controls relating to maintenance of a fixed asset register for its property, plant and equipment which could potentially result in the subsidiary company not recording items of assets, liabilities, income or expenses on a timely basis.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria in respect of a subsidiary company, the Holding Company, its subsidiary company, its associate company and joint venture which are companies incorporated in India, have, maintained in all material respects, adequate internal financial over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements insofar as it relates to the subsidiary company, associate company and joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These material weaknesses were considered in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2019 consolidated financial statements of the Holding Company and this report does not affect our report dated May 22, 2019, which expressed an unqualified opinion on these financial statements.

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

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

per Vikram Mehta
Partner
Membership No.: 105938
Place: Mumbai
Date: May 22, 2019

Bajaj Electricals Ltd.

Consolidated Balance Sheet as at 31st March 2019 (Rs in Lakhs)

	Notes	As at 31-Mar-19	As at 31-Mar-18
ASSETS			
Non -Current Assets			
Property, plant and equipment	2	34,634.31	31,254.99
Capital work in progress	2	705.67	350.20
Intangible assets	3	2,149.81	327.98
Intangible assets under development	3	239.31	283.52
Goodwill on consolidation	44	2,494.39	-
Investments in associate and joint venture	4.1	-	-
Financial Assets			
i) Investments	4.2	1,076.62	764.92
ii) Trade receivables	5	51,962.54	26,338.62
iii) Loans	6	6.76	6.17
iv) Other financial assets	7	2,258.11	1,906.05
Deferred tax assets (net)	8	5,754.93	7,353.18
Income tax assets (net)		5,370.66	828.12
Other non-current assets	9	12,192.95	9,531.17
Total Non-Current Assets		**118,846.06**	**78,944.92**
Current Assets			
Inventories	10	83,024.82	57,916.06
Financial Assets			
i) Trade receivables	5	262,419.92	174,875.13
ii) Cash and cash equivalents	11	1,120.72	2,181.97
iii) Bank balances other than (ii) above	11	518.48	392.20
iv) Loans	6	2.02	4.97
v) Other current financial assets	12	259.74	255.24
Other current assets	13	32,498.48	31,796.51
Contract assets	41	18,987.43	-
Assets classified as held for sale	14	219.41	219.41
Total Current Assets		**399,051.02**	**267,641.49**
Total Assets		**517,897.08**	**346,586.41**
EQUITY & LIABILITIES			
Equity			
Equity share capital	15	2,047.99	2,040.75
Other Equity	16	103,537.05	91,589.01
Share application money pending allotment		7.84	21.45
Non-controlling interest	44	-	-
Total Equity		**105,592.88**	**93,651.21**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
i) Borrowings	17	21,262.12	1,147.14
ii) Trade payables	21	-	14.47
iii) Other financial liabilities	18	1,245.33	372.12
Provisions	19	1,698.71	1,130.24
Employee benefit obligations	20	6,300.05	6,372.50
Total Non-Current Liabilities		**30,506.21**	**9,036.47**
Current Liabilities			
Financial Liabilities			
i) Borrowings	17	137,269.94	70,615.33
ii) Trade payables	21		
Total Outstanding dues of micro enterprises & small enterprises		2,241.67	2,689.49
Total Outstanding dues of other than micro enterprises & small enterprises		108,166.82	82,752.87
iii) Other current financial liabilities	18	38,390.15	30,477.63
Provisions	19	8,977.60	6,468.13
Employee benefit obligations	20	6,216.61	8,111.86
Current tax liabilities (net)		962.72	2,292.90
Contract liabilities	41	63,123.25	-
Other current liabilities	22	16,449.23	40,490.52
Total Current Liabilities		**381,797.99**	**243,898.73**
Total Liabilities		**412,304.20**	**252,935.20**
Total Equity & Liabilities		**517,897.08**	**346,586.41**
Summary of significant accounting policies	1B		
The accompanying notes are an integral part of the Financial Statements			

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

For and on behalf on the Board of directors

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

per Vikram Mehta
Partner
Membership No.105938
Mumbai, May 22, 2019

Mangesh Patil
Executive Vice President
Legal & Company Secretary

Anant Purandare
President &
Chief Financial Officer

Dr. Indu Shahani
Chairman - Audit Committee
DIN: 00112289

Bajaj Electricals Limited

BAJAJ *Inspiring Trust*

Bajaj Electricals Ltd.

Consolidated Statement of Profit and Loss for the year ended 31st March 2019 (Rs. In Lakhs)

	Notes	31-Mar-19	31-Mar-18
Income:			
Revenue from operations	23	667,941.20	471,638.99
Other income	24	6,494.98	5,319.38
Total Income		**674,436.18**	**476,958.37**
Expenses:			
Cost of raw materials consumed	25	49,735.15	32,712.84
Purchases of traded goods		444,142.70	277,723.11
Changes in inventories of work-in-progress, finished goods, traded goods	25	(21,909.04)	10.89
Erection & subcontracting expenses	26	44,375.75	31,042.67
Excise duty	27	-	894.05
Employee benefit expenses	28	36,056.09	31,787.90
Depreciation and amortisation expense	29	4,394.39	3,394.49
Other expenses	30	81,530.16	68,123.02
Finance cost	31	11,759.53	5,886.47
Total Expenses		**650,084.73**	**451,575.44**
Profit before share of profit / (loss) of an associate and a joint venture, exceptional items and tax		**24,351.45**	**25,382.93**
Exceptional Items	42	-	7,878.50
Profit before share of profit / (loss) of an associate and a joint venture and tax		**24,351.45**	**17,504.43**
Share of profit / (loss) of associate and joint venture		(238.97)	(1,056.43)
Profit before tax		**24,112.48**	**16,448.00**
Income tax expense:			
Current tax	32	7,965.00	10,060.00
Deferred tax	8	779.80	(1,977.47)
Adjustment of tax relating to earlier periods	32	9.75	1.98
Total tax expenses		**8,754.55**	**8,084.51**
Profit for the year		**15,357.93**	**8,363.49**
Other comprehensive income			
Items that will not be reclassified to profit and loss in subsequent periods	20		
Remeasurement (gains)/losses on defined benefit plans		665.72	(627.39)
Tax impacts on above		(232.39)	219.24
Share of other comprehensive income of associates and joint ventures after tax accounted for using equity method		-	(13.60)
Other comprehensive income, net of tax		**433.33**	**(421.75)**
Total Comprehensive Income, net of tax		**14,924.60**	**8,785.24**

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BAJAJ ELECTRICALS LIMITED ★ 45-47 V. N. Rd; MUMBAI-01 ★

Profit for the year attributable to			
Shareholders of the company		15,639.54	8,363.49
Non-controlling interest		(281.61)	-
Other comprehensive income for the year attributable to			
Shareholders of the company		432.50	(421.75)
Non-controlling interest		0.83	-
Total comprehensive income for the year attributable to			
Shareholders of the company		15,207.04	8,785.24
Non-controlling interest		(282.44)	-
Earnings per equity share before exceptional items (face value per share Rs. 2)	39		
Basic		15.02	15.13
Diluted		14.98	15.06
Earnings per equity share after exceptional items (face value per share Rs. 2)	39		
Basic		15.02	8.23
Diluted		14.98	8.19
Summary of significant accounting policies	1B		
The accompanying notes are an integral part of the Financial Statements			

As per our report attached of even date

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

For and on behalf of the Board of directors

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

per Vikram Mehta
Partner
Membership No.105938
Mumbai, May 22, 2019

Mangesh Patil
Executive Vice President
Legal & Company Secretary

Anant Purandare
President
& Chief Financial Officer

Dr. Indu Shahani
Chairman – Audit Committee
DIN: 00112289

Bajaj Electricals Limited
BAJAJ *Inspiring Trust*

Consolidated Statement of changes in equity
for the year ended 31st March 2019

A. Equity share capital (Note 15) **(Rs. In Lakhs)**

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
At the beginning of the year	2,040.75	2,025.80
Issue of equity share capital during the year	7.24	14.95
At the end of the year	**2,047.99**	**2,040.75**

B. Other equity (Note 16) **(Rs in Lakhs)**

Particulars	Reserves and surplus						Other reserves		
	Securities premium reserve	Debenture Redemption Reserve	Shares Option Outstanding	General Reserve	Retained earnings	Total	Capital Redemption Reserve	Capital Reserve	Total
Balance at 31st March 2017	**22,029.16**	**2,500.00**	**1,199.00**	**45,158.03**	**13,253.28**	**84,139.47**	**135.71**	**10.00**	**84,285.18**
Profit for the year	-	-	-	-	8,363.49	8,363.49	-	-	8,363.49
Other comprehensive income	-	-	-	-	421.75	421.75	-	-	421.75
Total comprehensive income for the year	**22,029.16**	**2,500.00**	**1,199.00**	**45,158.03**	**22,038.52**	**92,924.71**	**135.71**	**10.00**	**93,070.42**
Exercise of options – proceeds received	1,650.33	-		-	-	1,650.33	-	-	1,650.33
Exercise of options – transferred from shares options outstanding account	459.60	-	(459.60)	-	-	-	-	-	-
Employee stock option expense for the year	-	-	285.88	-	-	285.88	-	-	285.88
Transferred to General reserve for vested cancelled options	-	-	(67.13)	67.13	-	-	-	-	-
Dividend on equity shares	-	-	-	-	(2,839.50)	(2,839.50)	-	-	(2,839.50)
Dividend distribution tax	-	-	-	-	(578.12)	(578.12)	-	-	(578.12)
Transfer from Debenture redemption reserve to General Reserve	-	(2,500.00)	-	2,500.00	-	-	-	-	-
Balance at 31st Mar 2018	**24,139.09**	**-**	**958.15**	**47,725.16**	**18,620.90**	**91,443.30**	**135.71**	**10.00**	**91,589.01**

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(Rs in Lakhs)

Particulars	Reserves and surplus						Other reserves		
	Securities premium reserve	Debenture Redemption Reserve	Shares Option Outstanding	General Reserve	Retained earnings	Total	Capital Redemption Reserve	Capital Reserve	Total
Balance at 31st Mar 2018	**24,139.09**	**-**	**958.15**	**47,725.16**	**18,620.90**	**91,443.30**	**135.71**	**10.00**	**91,589.01**
Profit for the year	-	-	-	-	15,639.54	15,639.54	-	-	15,639.54
Other comprehensive income	-	-	-	-	(432.50)	(432.50)	-	-	(432.50)
Total comprehensive income for the year	**24,139.09**	**-**	**958.15**	**47,725.16**	**33,827.94**	**106,650.34**	**135.71**	**10.00**	**106,796.05**
Exercise of options – proceeds received	951.99	-	-	-	-	951.99	-	-	951.99
Exercise of options – transferred from shares options outstanding account	370.06	-	(370.06)	-	-	-	-	-	-
Employee stock option expense for the year	-	-	389.30	-	-	389.30	-	-	389.30
Transferred to General reserve for vested cancelled options	-	-	(63.62)	63.62	-	-	-	-	-
Dividend on equity shares	-	-	-	-	(3,574.96)	(3,574.96)	-	-	(3,574.96)
Dividend distribution tax	-	-	-	-	(735.01)	(735.01)	-	-	(735.01)
Transfer from General reserve to Debenture redemption reserve	-	4,625.00	-	(4,625.00)	-	-	-	-	-
Fair value of non-controlling interest put option (Note 44)	-	-	-	-	(126.90)	(126.90)	-	-	(126.90)
Call option on non-controlling interest (Note 44)	-	-	-	-	(163.42)	(163.42)	-	-	(163.42)
Balance at 31st Mar 2019	**25,461.14**	**4,625.00**	**913.77**	**43,163.78**	**29,227.65**	**103,391.34**	**135.71**	**10.00**	**103,537.05**

Summary of significant accounting policies (Note 1B)
The accompanying notes are an integral part of the Financial Statements

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

For and on behalf of the Board of directors

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

per Vikram Mehta
Partner

Membership No.105938
Mumbai, May 22, 2019

Mangesh Patil

Executive Vice President
Legal & Company Secretary

Anant Purandare
President &

Chief Financial Officer

Dr. Indu Shahani
Chairman - Audit Committee
DIN: 00112289

Consolidated Cash Flow Statement for the year ended 31st March 2019

(Rs in Lakhs)

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Cash flow from operating activities		
Profit before income tax	**24,112.48**	**16,448.00**
Adjustments for:		
Depreciation and amortisation expense	4,394.39	3,394.49
Employee share-based payment expense	389.30	285.88
(Gain)/Loss on disposal of property, plant and equipment	31.37	(135.74)
Measurement of financial assets held at fair value through Profit or Loss	28.54	2,128.66
Measurement of financial assets and liabilities held at amortised cost	(407.23)	2,961.89
Measurement of provisions at fair value	(162.65)	(60.00)
Share of loss of associate and joint venture	238.97	1,056.43
Impairment allowance of investment in joint venture	-	579.42
Income from financial guarantee contracts	(676.01)	(239.42)
Finance costs	11,759.53	5,886.47
Interest income	(1,176.33)	(2,466.79)
Impairment of property, plant and equipment	729.36	-
Impairment allowance for doubtful debts & advances (net of write back)	(2,218.04)	4,369.17
Bad debts and other irrecoverable debit balances written off	1,606.87	2,492.78
	38,650.55	**36,701.24**
Change in operating assets and liabilities:		
(Increase)/decrease in trade receivables (current & non-current)	(109,595.44)	(39,963.61)
(Increase)/decrease in financial and other assets (current & non-current)	(21,851.73)	(15,086.90)
(Increase)/decrease in inventories	(24,028.76)	(796.46)
Increase/(decrease) in trade payables , provisions, employee benefit obligations, other financial liabilities and other liabilities (current & non-current)	68,661.10	14,299.34
Cash generated from / (used in) operations	**(48,164.28)**	**(4,846.39)**
Income taxes paid	(13,886.34)	(5,440.64)
Net cash inflow / (outflow) from operating activities	**(62,050.62)**	**(10,287.03)**
Cash flows from investing activities		
Purchase of property, plant and equipment including capital work in progress and capital advances	(5,480.63)	(3,152.04)
Purchase of intangible assets including intangible assets under development	(245.19)	(653.40)
Proceeds from sale of property, plant and equipment including advances received	98.69	257.67
Proceeds from sale of non current assets held for sale	-	34.16
Loans and advances (given) / repaid by associate and joint ventures (net)	(1,342.21)	(44.49)
Increase in investment in joint venture	-	(3.50)
Acquisitions by Group	(3,070.42)	-
Purchase of investments	(259.93)	-
(Increase)/decrease in Bank Deposits	(116.96)	6,100.91
Interest received	16.65	1,069.32
Net cash inflow / (outflow) from investing activities	**(10,400.00)**	**3,608.63**
Cash flows from financing activities		
Proceeds from issues of shares	945.62	1,686.73
Proceeds from borrowings	101,671.25	34,480.77
Repayment of borrowings	(16,032.16)	(18,775.40)
Interest paid	(10,960.89)	(7,628.32)
Dividends paid to company's shareholders	(3,569.06)	(2,833.52)
Tax on dividend paid	(735.01)	(578.12)
Net cash inflow / (outflow) from financing activities	**71,319.75**	**6,352.14**
Net increase (decrease) in cash and cash equivalents	**(1,130.87)**	**(326.26)**
Cash and cash equivalents at the beginning of the financial year	2,181.97	2,508.23
Acquired on business combination (Note 44)	69.62	-
Cash and cash equivalents at end of the year	**1,120.72**	**2,181.97**

Change in liability arising from financing activities	**(Rs in Lakhs)**
Borrowings as on April 1, 2018	**71,762.47**
Proceeds from borrowings	101,671.25
Repayment of borrowings	(16,032.16)
Acquired in business combination (Note 44)	1,101.65
Foreign exchange movement	28.85
Borrowings as on March 31, 2019	**158,532.06**

Summary of significant accounting policies (Note 1B)
The accompanying notes are an integral part of the Financial Statements

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

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of directors

BAJAJ ELECTRICALS LIMITED 45-47 V. N. Rd. MUMBAI-01

Shekhar Bajaj
Chairman & Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

per Vikram Mehta
Partner
Membership No.105938
Mumbai, May 22, 2019

Mangesh Patil
Executive Vice President
Legal & Company Secretary

Anant Purandare
President
& Chief Financial Officer

Dr. Indu Shahani
Chairman - Audit Committee
DIN: 00112289

Note : 1 Notes to consolidated financial statements for the year ended 31 March, 2019

1A GENERAL INFORMATION.

Bajaj Electricals Limited ('the Company') is an existing public limited company incorporated on 14th July 1938 under the provisions of the Indian Companies Act, 1913 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at 45/47, Veer Nariman Road, Mumbai-400 001.

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

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

1B SIGNIFICANT ACCOUNTING POLICIES

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

1 **Basis of preparation**

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

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

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

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

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has identified twelve months as its operating cycle.

Basis of consolidation

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

Name of the Company	Country of Incorporation	% share holding of the Company	Consolidated as
Starlite Lighting Limited	India	47%	Joint Venture
Hind Lamps Limited	India	19%	Associate
Nirlep Appliances Pvt Ltd	India	79.85%	Subsidiary

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

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

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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.

(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.

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CHARTERED ACCOUNTANTS

BAJAJ ELECTRICALS LIMITED
45-47 V. N. Rd. MUMBAI-1

2 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values (including related deferred tax). For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

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

3 Revenue from contract with customers:

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The recognition criteria for sale of products and construction contracts is described below

(1) Sale of products

Revenue from sale of products is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the product to the customer's destination. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points). In determining the transaction price for the sale of product, the Group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

The Group provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

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

(2) Construction contracts

Performance obligation in case of construction contracts is satisfied over a period of time, as the Group creates an asset that the customer control and the Group has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. Cost estimates involves judgments including those relating to cost escalations; assessment of technical, political, regulatory and other related contract risks and their financial estimation; scope of deliveries and services required for fulfilling the contractually defined obligations and expected delays, if any. Provision for foreseeable losses/ construction contingencies on said contracts is made based on technical assessments of costs to be incurred and revenue to be accounted for. The Group pays insurance and bank guarantee charges for each contract that they obtain for supply of materials and erection services. The Group amortizes the same over the period of the contract. The Group has long-term receivables from customers. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component

(3) Contract balances

Contract asset

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(4) Change in accounting policy

Ind AS 115 – Revenue from contracts with customers

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

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

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

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

4 Other income:

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

(2) Others:

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The Group recognises other income (including rent, income from sale of power generated, income from scrap sales, income from claims received, etc.) on accrual basis. However, where the ultimate collection of the same is uncertain, revenue recognition is postponed to the extent of uncertainty.

5 Property, plant and equipment :

A) Asset class:

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

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

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

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

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

B) Depreciation:

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

ii) 100% depreciation is provided in the month of addition for:

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

b) Temporary structure cost at project site

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

iv) The 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 15
Electric Installations	2 to 10
Office Equipment	2 to 10
Vehicles	8 to 10
Dies & Jigs	1 to 10
Leasehold Improvements	2 to 10
Roads & Borewell	3 to 21
IT hardware	2 to 10
Laboratory Equipment	1 to 10

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vi) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

6 **Intangible assets:**
An intangible asset shall be recognised if, and only if:

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group; and

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

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

Asset class & depreciation:

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

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

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

7 **Impairment of non-financial assets:**

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

8 **Financial instruments:**

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

I. Financial Assets

A) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, 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.

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

II. Financial Liabilities

A) Initial recognition and measurement

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

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

B) Subsequent measurement

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

- Financial liabilities at fair value through profit or loss

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.
  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss.

- Loans and Borrowings

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

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

- Financial guarantee contracts

  Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.
  The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the contractual payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

C) De-recognition

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

III. Reclassification of financial assets / liabilities

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

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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.

9. Fair value measurements:

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

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

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

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

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

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

10. Cash and cash equivalents:

Cash and cash equivalents in the consolidated balance sheet and for the purpose of the consolidated statement of cash flows, include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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11. **Inventories:**

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

12. **Foreign currency transactions:**

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

13. **Income tax**

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

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

A. Current income tax

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

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

B. Deferred tax

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

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

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

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

14. **Operating leases**

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

As a lessee

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

As a lessor

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

15. Borrowing costs

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

16. Provisions, contingent liabilities and contingent assets

A. Provisions

A provision is recognised if

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

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

Provision for warranty related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The estimate of warranty related costs is revised annually.

B. Contingent liabilities

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

C. Contingent assets

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

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

17. Employee benefits

A. Short-term obligations

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

B. Other long-term employee benefit obligations

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

C. Post-employment obligations

The Group operates the following post-employment schemes

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

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

D. Employee stock option scheme

The Company operates a number of equity settled, employee share based compensation plans, under which the Company receives services from employees as consideration for equity shares of the Company.

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

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

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

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18. Segment reporting

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

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

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

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

19. Dividends

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

20. Earnings per share

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

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

1C ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

A) <u>Ind AS 116 – Leases</u>

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

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

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

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

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

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

C) Ind AS 109 – Prepayment Features with Negative Compensation

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

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

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

E) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

F) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group applies equity method and hence there is no impact.

G) Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group does not expect any impact from this amendment.

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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 assumptions made in relation to serviceable sales and related warranty provision estimation for the current period are consistent with those in the prior years.

2 Impairment allowance for trade receivables

The Group makes allowances for doubtful accounts receivable using a simplified approach which is a dual policy of an ageing based provision and historical / anticipated customer experience. Management believes that this simplified model closely represents the expected credit loss model to be applied on financial assets as per Ind AS 109. Further, in case of operationally closed projects, Group makes specific assessment of the overdue balances by considering the customer's historical payment patterns, latest correspondences with the customers for recovery of the amounts outstanding and credit status of the significant counterparties where available. Accordingly, a best judgment estimate is made to record the impairment allowance in respect of operationally closed projects

3 Project revenue and costs

Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. The percentage-of-completion method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Group re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

4 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. Refer Note 34 of consolidated financial statements for the fair value disclosures.

5 Employee benefits

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

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

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Note 2 : Property, plant and equipment

(Rs in Lakhs)

Particulars	Freehold Land	Lease hold Land	Building	Ownership Premises	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Vehicles	Dies & Jigs	Leasehold Improvements	Temporary Structures	Roads & Borewell	IT Hardware	Total
Opening gross block as at 1st April 2017	**2,098.22**	**2,822.49**	**3,941.67**	**11,228.42**	**6,776.67**	**1,459.64**	**387.67**	**635.77**	**503.10**	**1,845.06**	**194.02**	**80.42**	**91.11**	**4,546.83**	**36,611.09**
Additions	-	-	246.02	-	846.20	246.87	183.37	576.11	235.81	275.81	-	25.83	16.93	1,070.37	3,723.32
Disposals	-	-	-	-	(62.71)	(0.64)	-	(0.81)	(116.58)	-	-	-	-	(79.03)	(259.77)
Adjustment *	-	-	(20.81)	-	-	(45.21)	-	50.29	-	-	-	-	15.73	-	-
Closing gross block as at 31st March 2018	**2,098.22**	**2,822.49**	**4,166.88**	**11,228.42**	**7,560.16**	**1,660.66**	**571.04**	**1,261.36**	**622.33**	**2,120.87**	**194.02**	**106.25**	**123.77**	**5,538.17**	**40,074.64**
Additions	1,629.84	-	12.22	-	351.44	142.08	25.24	311.73	384.62	610.22	-	14.41	2.89	1,577.35	5,062.04
Disposals	-	-	-	-	(6.78)	(54.70)	(1.51)	(14.26)	(83.59)	-	-	-	-	(56.82)	(217.66)
Acquired in business combination (Note 44)	523.38	-	778.18	-	1,530.56	-	12.15	17.86	-	67.39	-	-	-	-	2,929.52
Closing gross block as at 31st March 2019	**4,251.44**	**2,822.49**	**4,957.28**	**11,228.42**	**9,435.38**	**1,748.04**	**606.92**	**1,576.69**	**923.36**	**2,798.48**	**194.02**	**120.66**	**126.66**	**7,058.70**	**47,848.54**
Opening accumulated depreciation as at 1st April 2017	-	**91.68**	**246.58**	**394.04**	**1,639.36**	**322.26**	**72.25**	**224.11**	**112.46**	**659.26**	**85.86**	**80.42**	**27.32**	**1,651.69**	**5,607.29**
Depreciation charge during the year	-	37.38	153.30	201.07	912.82	186.98	53.77	191.70	65.44	395.24	37.58	25.83	9.01	1,080.08	3,350.20
Disposals	-	-	-	-	(28.31)	(0.08)	-	(0.61)	(33.77)	-	-	-	-	(75.07)	(137.84)
Adjustment *	-	-	(46.02)	46.02	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at 31st March 2018	-	**129.06**	**353.86**	**641.13**	**2,523.87**	**509.16**	**126.02**	**415.20**	**144.13**	**1,054.50**	**123.44**	**106.25**	**36.33**	**2,656.70**	**8,819.65**
Depreciation charge during the year	-	37.38	163.59	201.07	990.48	210.87	61.07	224.59	81.19	510.79	17.54	14.41	9.57	1,230.27	3,752.82
Disposals	-	-	-	-	(1.94)	(20.66)	(0.33)	(5.03)	(7.94)	-	-	-	-	(51.70)	(87.60)
Adjustment *	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at 31st March 2019	-	**166.44**	**517.45**	**842.20**	**3,512.41**	**699.37**	**186.76**	**634.76**	**217.38**	**1,565.29**	**140.98**	**120.66**	**45.90**	**3,835.27**	**12,484.87**
Impairment allowance as on April 1, 2018	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Impairment charge during the year (Refer Note v below)	-	-	-	-	729.36	-	-	-	-	-	-	-	-	-	729.36
Impairment allowance as on March 31, 2019	-	-	-	-	**729.36**	-	-	-	-	-	-	-	-	-	**729.36**
Closing Net carrying amount as at 31st March 2018	**2,098.22**	**2,693.43**	**3,813.02**	**10,587.29**	**5,036.29**	**1,151.50**	**445.02**	**846.16**	**478.20**	**1,066.37**	**70.58**	-	**87.44**	**2,881.47**	**31,254.99**
Closing Net carrying amount as at 31st March 2019	**4,251.44**	**2,656.05**	**4,439.83**	**10,386.22**	**5,193.61**	**1,048.67**	**420.16**	**941.93**	**705.98**	**1,233.19**	**53.04**	-	**80.76**	**3,223.43**	**34,634.31**

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

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(i) Leased assets **(Rs. In lakh)**

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

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

(ii) Property, plant and equipment pledged as security

Refer to note 17 for information on property, plant and equipment pledged as security by the Group.

(iii) Contractual obligations

Refer to note 40(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Capital work-in-progress

Capital work-in-progress mainly comprises of Furnitures & Fixtures and IT Hardware amounting to Rs. 441.44 Lacs and Rs. 119.18 Lacs 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 Rs 729.36 lacs has been impaired during the year.

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Note 3: Other Intangible Assets

(Rs in Lakhs)

Particulars	Trade Marks	Computer Software	Brand	Distributor / Dealer Network	Customer relationships	Total
Opening gross block as at 1st April 2017	0.51	7.51	-	-	-	8.02
Additions	-	369.88	-	-	-	369.88
Closing gross block as at 31st March 2018	**0.51**	**377.39**	**-**	**-**	**-**	**377.90**
Additions	-	289.40	-	-	-	289.40
Acquired in Business Combination (Note 44)	-	-	1,952.33	195.57	26.10	2,174.00
Closing gross block as at 31st March 2019	**0.51**	**666.79**	**1,952.33**	**195.57**	**26.10**	**2,841.30**
Opening accumulated depreciation as at 1st April 2017	0.10	5.53	-	-	-	5.63
Amortisation charge for the year	0.05	44.24	-	-	-	44.29
Closing accumulated depreciation as at 31st March 2018	**0.15**	**49.77**	**-**	**-**	**-**	**49.92**
Amortisation charge for the year *	0.05	189.91	229.94	195.57	26.10	641.57
Closing accumulated depreciation as at 31st March 2019	**0.20**	**239.69**	**229.95**	**195.57**	**26.10**	**691.49**
Closing Net carrying amount as at 31st March 2018	**0.36**	**327.62**	**-**	**-**	**-**	**327.98**
Closing Net carrying amount as at 31st March 2019	**0.31**	**427.10**	**1,722.38**	**-**	**-**	**2,149.81**

Notes
(i) Intangible assets under development mainly comprises of IT softwares amounting to Rs 239.31 lacs.
* Distributor / Dealer Network and Customer relationships of Nirlep Appliances Pvt Ltd acquired on business combination has been written off during the year as the same is not utilised by the Group

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Note 4.1 : Investments in associates and joint venture

	31-Mar-19	(Rs in Lakhs) 31-Mar-18
Investment in equity instruments of associate & joint venture (fully paid up)		
Unquoted		
Non-current equity investments (unquoted) in Hind Lamps Limited. - 1,140,000 (March 31, 2018 - 1,140,000) equity shares of Rs 25 each **	1,000.00	1,000.00
Accumulated impairment allowance in value of investments in Hind Lamps Limited	(1,000.00)	(1,000.00)
	-	-
Non-current equity investments (unquoted) in Starlite Lighting Ltd. - 5,875,000 (March 31, 2018 - 5,875,000) equity shares of Rs 10 each	579.42	579.42
Accumulated impairment allowance in value of investments in Starlite Lighting Ltd (refer note 42)	(579.42)	(579.42)
	-	-
Total investments in associate & joint venture	-	-

Note 4.2 : Financial assets (Investments)

4.2 (a) Investment in equity instruments

	31-Mar-19	(Rs in Lakhs) 31-Mar-18
Investment in equity shares		
Unquoted		
Measured at fair value through profit and loss		
Non-current equity investments (unquoted) in M. P. Lamps Limited * - 48,000 (March 31, 2018 - 48,000) equity shares of Rs. 10/- each; (Partly paid shares - Rs. 2.50/- Per share paid up, Called up Rs. 5.00/- per share) - 95,997 (March 31, 2018 - 95,997) equity shares of Rs. 10/- each; (Partly paid shares - Rs. 1.25 Per share paid up, Called up Rs. 5 per share).	-	-
Non-current equity investments (unquoted) in Mayank Electro Ltd. - 100 (March 31, 2018 - 100) equity shares of Rs. 100/- each.	0.10	0.10
Investment in equity shares of co-operative banks	2.29	-
Total equity instruments	**2.39**	**0.10**

4.2 (b) Investment in debt instruments

	31-Mar-19	(Rs in Lakhs) 31-Mar-18
Investment in venture capital fund		
Unquoted		
Measured at fair value through profit and loss		
Units of Bharat Innovation Fund	229.10	-
Investment in preference shares (fully paid up)		
Unquoted		
Measured at fair value through profit and loss		
10,000,000 - 9% cumulative redeemable preference shares (unquoted) of Rs. 10/- each of Starlite Lighting Ltd, redeemable on June 30, 2024	950.83	950.83
Accumulated Impairment Allowance on Preference Shares (refer note 42)	(950.83)	(950.83)
	-	-
5,000,000 - 9% cumulative redeemable preference shares (unquoted) of Rs. 10/- each of Starlite Lighting Ltd, redeemable on June 30, 2025	406.79	406.79
Accumulated Impairment Allowance on Preference Shares (refer note 42)	(406.79)	(406.79)
	-	-

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Measured at amortised cost		
2,800,000 - 0% redeemable preference shares (Unquoted) of Rs.25/- each of Hind Lamps Ltd, redeemable at the end of term of 10 years, at a premium of Rs. 20/- per share (date of allotment December 26, 2012)**	845.13	764.82
30,000,000 - 0% redeemable preference shares (unquoted) of Rs. 10/- each of Starlite Lighting Ltd, redeemable in 3 equal tranches at an yield of 10% on June 30, 2026, 30 June, 2027 and June 30, 2028 respectively	4,294.18	4,294.18
Accumulated Impairment Allowance on Preference Shares (refer note 42)	(4,294.18)	(4,294.18)
	-	-
Total debt instruments	**1,074.23**	**764.82**
Total non-current investments	**1,076.62**	**764.92**

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

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

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

Note 5 : Trade receivables

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Current	262,419.92	174,875.13
Non-current	51,962.54	26,338.62
	314,382.46	**201,213.75**
Secured, considered good	-	-
Unsecured, considered good	314,382.46	201,213.75
Unsecured, with significant increase in credit risk	-	-
Unsecured, credit impaired	14,758.88	16,733.95
Total	**329,141.34**	**217,947.70**
Impairment allowance (allowance for bad and doubtful debts)	(14,758.88)	(16,733.95)
Total trade receivables (net of impairment allowance)	**314,382.46**	**201,213.75**

Transferred receivables

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

(Rs in Lakhs)

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

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

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Note 6 : Loans
(Unsecured, considered good unless otherwise stated)

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Non Current		
Unsecured, considered good	6.76	6.17
Unsecured, credit impaired	280.00	280.00
Total	**286.76**	**286.17**
Impairment allowance (refer note 42)	(280.00)	(280.00)
Total Non-current loans	**6.76**	**6.17**

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

(Rs in Lakhs)

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

Note 7 : Other financial assets
(Unsecured, considered good unless otherwise stated)

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Security deposits, considered good	2,242.33	1,881.04
Security deposits, credit impaired	642.95	692.28
Impairment allowance for credit impaired security deposits	(642.95)	(692.28)
	2,242.33	1,881.04
Fixed deposit under lien	12.93	22.25
Interest accrued on fixed deposits	2.85	2.76
Total non-current other financial assets	**2,258.11**	**1,906.05**

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

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. For trade and other receivables due from firms or private companies in which any director is a partner, a director or a member, refer note 38

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Note 8 : Deferred tax assets (net)

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Deferred tax assets	10,319.26	10,508.55
Deferred tax liabilities	(4,564.33)	(3,155.37)
Total deferred tax assets	**5,754.93**	**7,353.18**

Deferred tax assets comprise of the following:

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Employee benefit obligations (gratuity)	252.32	-
Employee benefit obligations (leave obligations)	972.53	1,307.72
Impairment allowance (allowance for doubtful debts and advances)	6,429.01	7,133.18
Financial assets measured at amortised cost	143.60	267.94
Assets held for sale	466.76	485.10
Others	1,658.48	1,314.61
Carry forward losses of Subsidiary	396.56	-
Total deferred tax assets	**10,319.26**	**10,508.55**

Movement in deferred tax assets

(Rs in Lakhs)

	Employee benefit obligations (gratuity)	Employee benefit obligations (leave obligations)	Impairment allowance (allowance for doubtful debts and advances)	Financial assets measured at amortised cost	Assets held for sale	Others	Carry forward losses of Subsidiary	Total
At 31st March, 2017	**143.26**	**1,636.75**	**5,898.58**	**395.15**	**-**	**789.40**	**-**	**8,863.14**
(Charged) / Credited :								
to statement of profit and loss	(143.26)	(329.03)	1,234.59	(127.21)	485.09	514.15	-	1,634.33
to other comprehensive income	-	-	-	-	-	11.08	-	11.08
At 31st March, 2018	**-**	**1,307.72**	**7,133.17**	**267.94**	**485.09**	**1,314.63**	**-**	**10,508.55**
(Charged) / Credited :								
to statement of profit and loss	216.88	(335.19)	(704.16)	(124.34)	(18.33)	146.90	396.56	(421.68)
to other comprehensive income	35.44	-	-	-	-	196.95	-	232.39
At 31st March, 2019	**252.32**	**972.53**	**6,429.01**	**143.60**	**466.76**	**1,658.48**	**396.56**	**10,319.26**

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Deferred tax liabilities comprise of the following:

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Property, plant and equipment	3,776.57	2,977.33
Intangible assets on business combination	601.87	-
Financial assets measured at amortised cost	106.93	79.77
Financial liabilities measured at amortised cost	78.96	66.54
Employee benefit obligations (gratuity)	-	31.73
Total deferred tax liabilities	**4,564.33**	**3,155.37**

Movement in deferred tax liabilities

(Rs in Lakhs)

	Property, plant and equipment	Intangible assets	Financial Assets measured at Amortised Cost	Financial Liabilities measured at Amortised Cost	Employee benefit obligations (gratuity)	Others	Total
At 31st March, 2017	**2,965.71**	**-**	**192.42**	**82.49**	**-**	**27.57**	**3,268.19**
Charged / (credited) :							
to Statement of Profit or Loss	11.64	-	(112.66)	(15.96)	(198.59)	(27.57)	(343.14)
to other comprehensive income	-		-	-	230.32	-	230.32
At 31st March, 2018	**2,977.35**	**-**	**79.76**	**66.53**	**31.73**	**-**	**3,155.37**
Charged / (credited) :							
to Statement of Profit or Loss	799.22	601.87	27.17	12.43	(31.73)	-	1,408.96
to other comprehensive income							-
At 31st March, 2019	**3,776.57**	**601.87**	**106.93**	**78.96**	**-**	**-**	**4,564.33**

Note 9 : Other non-current assets

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Capital advances	358.93	295.81
Sales tax recoverables	5,235.07	4,590.58
Balances with government authorities	15.00	15.00
Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies)	2,795.98	3,282.82
Advance to Starlite Lighting Limited (joint venture)	2,200.00	2,200.00
Others *	4,435.98	1,853.86
	15,040.96	**12,238.07**
Impairment allowance for doubtful advances	(648.01)	(506.90)
Impairment allowance for advances to Starlite Lighting Limited (refer note 42)	(2,200.00)	(2,200.00)
Total other non-current assets	**12,192.95**	**9,531.17**

*Others include prepaid expenses of Rs. 73.62 lakhs (31 March 2018 Rs. 663.97 lakhs) and advances to suppliers of Rs. 4,362.36 lakhs (31 March 2018 Rs. 1,189.98 lakhs)

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Note 10 : Inventories

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Raw material	12,633.01	9,447.80
Work-in-progress	1,844.66	1,195.61
Finished goods	3,157.82	7,006.62
Traded goods	61,907.91	38,165.81
Material in Transit (traded goods)	3,265.01	1,898.32
Stores and spares	216.41	201.90
Others	-	-
Total Inventories	**83,024.82**	**57,916.06**

Amounts recognised in profit or loss
Write-downs of inventories to net realisable value amounted to Rs. 3,413.78 lakhs (31 March 2018 - Rs 711.75 lakhs) was recognised as an expense during the year.

Note 11 : Cash and cash equivalents

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Balances with banks		
in current accounts	781.89	1,490.14
in cash credit accounts	29.40	280.73
Cheques in Hand	214.63	310.52
Cash on hand	94.80	100.58
Total cash and cash equivalents	**1,120.72**	**2,181.97**

Note 11 : Bank balances

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Unpaid Dividend Accounts	94.81	88.91
Deposits with maturity of more than three months & less than twelve months	423.67	303.29
Total other bank balances	**518.48**	**392.20**

Note 12 : Other current financial assets

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Interest accrued on fixed deposits	13.22	8.36
Security deposits	189.46	227.23
Receivable from Gratuity Fund	50.02	-
Derivative Asset	7.04	19.65
Total other current financial assets	**259.74**	**255.24**

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Note 13 : Other current assets

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Amount due from customers for contract work (Refer Note 41(ii))	-	7,634.20
Advance to Hind Lamps Ltd (associate)	2,140.17	797.96
Advance to Starlite Lighting Limited (joint venture)	4,646.15	5,354.82
Export benefits	284.38	88.45
Balances with government authorities	19,032.71	11,486.87
Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies)	1,366.59	1,383.51
Others*	5,028.48	5,050.70
Total other current assets	**32,498.48**	**31,796.51**

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

Note 14 : Assets classified as held for sale

(Rs in Lakhs)

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

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

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Note 15 : Equity share capital

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

i) Movement in Issued Equity Share Capital

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

ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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

iv) Share reserved for issue under employee stock option scheme

For details of shares reserved for issue under the employee share based payment plan of the Company, please refer Note 33

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Note 16 : Other Equity

	31-Mar-19	(Rs in Lakhs) 31-Mar-18
i) Securities premium reserve	25,461.14	24,139.09
ii) Debenture redemption reserve	4,625.00	-
iii) General reserve	43,163.78	47,725.16
iv) Share options outstanding account	913.77	958.15
v) Retained earnings	29,227.65	18,620.90
vi) Capital reserve	10.00	10.00
vii) Capital redemption reserve	135.71	135.71
Total reserves and surplus	**103,537.05**	**91,589.01**

i) Securities premium reserve

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

ii) Debenture redemption reserve

	31-Mar-19	(Rs in Lakhs) 31-Mar-18
Opening Balance	-	2,500.00
Less: Transferred to General Reserve	4,625.00	(2,500.00)
Closing Balance	**4,625.00**	-

iii) General Reserve

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

iv) Shares options outstanding account

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

v) Retained earnings

	31-Mar-19	(Rs in Lakhs) 31-Mar-18
Opening Balance	18,620.90	13,253.28
Net profit for the period	15,639.54	8,363.49
Other comprehensive income (net of tax)	(432.50)	421.75
Less: Dividend on equity shares	(3,574.96)	(2,839.50)
Less: Dividend distribution tax	(735.01)	(578.12)
Less: Fair value of non-controlling interest put option (Note 44)	(126.90)	-
Less: Call option on non-controlling interest (Note 44)	(163.42)	-
Closing Balance	**29,227.65**	**18,620.90**

vi) Capital reserve

	31-Mar-19	(Rs in Lakhs) 31-Mar-18
Opening Balance	10.00	10.00
Closing Balance	**10.00**	**10.00**

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vii) Capital redemption reserve

(Rs in Lakhs)

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

Nature and purpose of reserves

Securities Premium

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

Debenture Redemption Reserve

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

General Reserve

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

Share options outstanding account

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

Dividends paid and proposed

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

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

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Note 17 : Borrowings

(Rs in Lakhs)

	Note No.	31-Mar-19	31-Mar-18
Non-current			
Unsecured			
Sales tax deferral liability	Note a	680.71	1,147.14
Non-convertible redeemable debentures	Note c	18,500.00	-
Foreign currency term loan	Note d	2,081.41	-
Total unsecured non-current borrowings		**21,262.12**	**1,147.14**
Total non-current borrowings		**21,262.12**	**1,147.14**
Current			
Secured			
Cash credits	Note b	9,960.57	2,923.31
Packing credit rupee loan	Note e	-	1,000.00
Supplier's credit (foreign currency loan)	Note f	1,517.67	-
Buyer's credit (foreign currency loan)		-	9,219.12
Working capital rupee loan	Note g	1,500.00	-
Rupee Loans	Note g	178.82	-
Total secured current borrowings		**13,157.06**	**13,142.43**
Unsecured			
Short term borrowings	Note h	29,000.00	2,500.00
Sales bills discounting	Note j	5,411.14	4,952.78
Commercial papers	Note i	22,202.50	7,398.16
Packing credit rupee loan	Note e	13,500.00	8,230.92
Packing Credit (foreign currency loan)		-	2,786.32
Buyer's credit (foreign currency loan)		-	2,531.44
Hundi acceptances	Note j	53,999.24	29,073.28
Total unsecured current borrowings		**124,112.88**	**57,472.90**
Total current borrowings		**137,269.94**	**70,615.33**

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

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

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:

(Rs in Lakhs)

	31-Mar-19
Non-current	
FY 2020-21	327.93
FY 2021-22	228.51
FY 2022-23	107.63
FY 2023-24	16.65
	680.72
Current (note 18)	
FY 2019-20	466.42
	1,147.14

Note b:

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

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Note c: Unsecured NonConvertible Redeemable Debentures

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

* These are zero coupon debentures yielding 11%

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

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

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

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

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

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

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

Note g: Rupee Loans

Lending Bank	Maturity Date	Interest rate %	Liability In Rs. Lakhs as on 31-Mar-19
Bank of Maharashtra	60 instalments of Rs 3.34 Lakhs starting from Jan 2019	12.25%	178.82

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

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

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

Name of the Subscriber	Date of Maturity	Interest rate %	Liability In Rs. Lakhs as on 31-Mar-19
Bank of Bahrain & Kuwait B.S.C.	26-Apr-19	8.45%	1,500.00
IDFC Bank Limited	30-Apr-19	9.10%	2,500.00
Qatar National Bank	9-May-19	7.70%	4,500.00
Abu Dhabi Commercial Bank Ltd.	16-May-19	9.40%	1,000.00
Abu Dhabi Commercial Bank Ltd.	21-May-19	9.40%	2,000.00
Abu Dhabi Commercial Bank Ltd.	23-May-19	9.40%	2,000.00
Axis Bank Ltd.	10-Jun-19	8.45%	2,500.00
Axis Bank Ltd.	13-Jun-19	8.45%	2,500.00
Standard Chartered Bank	26-Jun-19	9.75%	3,500.00
Kotak Mahindra Bank Ltd.	16-Sep-19	9.70%	3,000.00
Kotak Mahindra Bank Ltd.	18-Sep-19	9.70%	2,000.00
Kotak Mahindra Bank Ltd.	20-Sep-19	9.70%	2,000.00
			29,000.00

Note i: Commercial Papers is as per the following terms

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

Note j: Sales bill discounting and Hundi acceptances

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

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

Note K : Charge on secured borrowings is as given below

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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i) First and exclusive charge by way of mortgage of Non-Agriculture factory land and building at Plot No B - 5,6,7, MIDC, Railway Station Aurangabad owned by Umasons Equipment and Accessories and exclusive charge by way of mortgage land & building at Gut No. 16Naigavhan, Khandewadi, Tq. Paithan, Paithan Road, Aurangabad.

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

iii) First and exclusive charge by way of hyphothecation of plant and machinery at Gut No 16, Naighavan Khandewadi, Paithan , Aurnagabad

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

All the above loans are also secured by the personal guarantee of Director - Shri Mukund N. Bhogale and ex-directors Mr Ramchandra N Bhogale & Mr Nityanand J Bhogale.

e These securities also extend to the various credit facilities including Bank Guarantees and Letters of Credit of Rs. 229,208.96 lacs (Previous year Rs.155,799.05 lacs) executed on behalf of the Company in the normal course of business.

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

Note 18 : Other Financial Liabilities

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Non Current		
Deposits received	6.05	6.05
Accrued premium on redemption of non convertible debenture but not due	217.44	-
Financial guarantee contracts	-	366.07
Redemption liability of non-controlling interest at fair value (Note 44)	1,021.84	-
Total other non-current financial liabilities	**1,245.33**	**372.12**

Current	**31-Mar-19**	**31-Mar-18**
Current maturities of sales tax deferral liability (Note 17)	466.42	547.94
Capital creditors	427.53	624.60
Unpaid dividends	94.81	88.91
Trade deposits (dealers, vendors etc.)	959.82	937.08
Interest (payable) accrued and not due	407.57	75.51
Interest accrued and due on borrowings	189.01	68.93
Channel financing liability (Note 5)	32,092.69	25,557.83
Financial guarantee contracts	-	309.93
Derivative liability	146.93	18.79
Other payables	3,605.37	2,248.11
Total other current financial liabilities	**38,390.15**	**30,477.63**

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

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Note 19 : Provisions

(Rs in Lakhs)

	31-Mar-19			31-Mar-18		
	Current	Non Current	Total	Current	Non Current	Total
Service warranties*	5,393.86	1,698.71	7,092.57	4,592.96	1,130.24	5,723.20
Legal claims	542.92	-	542.92	525.17	-	525.17
Other matters**	3,040.82	-	3,040.82	1,350.00	-	1,350.00
Total Provisions	**8,977.60**	**1,698.71**	**10,676.31**	**6,468.13**	**1,130.24**	**7,598.37**

Movement in provisions is as given below:

Particulars	Service Warranties	Legal Claims	Other matters
Opening balance as on 1st April, 2017	**6,766.38**	**473.38**	**652.00**
Arising during the year	2,970.47	70.29	698.00
Unwinding of discount (finance cost)	97.94	-	-
Utilised during the year	**(4,111.59)**	**(18.50)**	-
Closing balance as on 31st March, 2018	**5,723.20**	**525.17**	**1,350.00**
Arising during the year	5,362.91	17.75	1,690.82
Unwinding of discount (finance cost)	92.09	-	-
Utilised during the year	(4,085.63)	-	-
Closing balance as on 31st March, 2019	**7,092.57**	**542.92**	**3,040.82**

*Refer note 1D(1)
**The Company has made provisions for litigation cases and pending assessments in respect of taxes, the outflow of which would depend on the cessation of the respective events.

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Note 20 : Employee Benefit Obligations

Particulars	31-Mar-19 Current	31-Mar-19 Non Current	31-Mar-19 Total	31-Mar-18 Current	31-Mar-18 Non Current	31-Mar-18 Total
Leave obligations	590.71	2,198.09	2,788.80	1,087.46	2,654.86	3,742.32
Interest rate guarantee on provident fund	-	230.08	230.08	-	204.49	204.49
Gratuity	1,070.58	3,829.02	4,899.60	1,062.37	3,513.15	4,575.52
Employee benefit liabilities	4,555.32	42.86	4,598.18	5,962.03	-	5,962.03
Total employee benefit obligations	**6,216.61**	**6,300.05**	**12,516.66**	**8,111.86**	**6,372.50**	**14,484.36**

Disclosure of defined benefit plans are as given below :

A. Gratuity :

The Company has a defined benefit gratuity plan in India (Funded) for its employees, which requires contribution to be made to a separately administered fund. The gratuity liability of subsidiary is unfunded.

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

The gratuity liability of subsidiary is guided by provisions of the Payment of Gratuity Act, 1972, refer (i) below

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

Benefits as per the Payment of Gratuity Act, 1972	
Salary for calculation of Gratuity (GS)	Last drawn basic salary including dearness allowance (if any)
Gratuity Service (SER)	Completed years of Continuous Service with part thereof in excess of six months
Vesting period	5 Years #
Benefit on normal retirement	15/26 * GS * SER
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	Rs. 2,000,000

(ii) The Company's gratuity scheme :

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

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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** Between 5 & 9 years Between 10 & 14 years Between 15 & 24 years 25 years & Above	**Benefits** 60% x GS x SER 70% x GS x SER 80% x GS x SER GS x SER
Benefit on early retirement / termination / resignation / withdrawal	**Service** Between 5 & 9 years Between 10 & 14 years Between 15 & 24 years 25 years & Above	**Benefits** 60% x GS x SER 70% x GS x SER 80% x GS x SER 90% x GS x SER
Benefit on death in service	HO Category E & PSG: GS x SER Factory Staff : Same as normal retirement benefit based on the service upto the date of exit.	
Limit	No Limit	

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

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

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

Particulars	For the year ending	
	31-Mar-19	31-Mar-18
Present Value of Obligation as at the beginning	**507,974,047**	**508,365,669**
Current Service Cost	61,755,035	65,694,967
Interest Cost	38,597,019	34,036,423
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(720,276)	1,834,288
- change in financial assumptions	8,483,622	(56,393,379)
- experience adjustments (i.e. Actual experience vs assumptions)	1,013,615	(11,015,587)
Benefits Paid	(95,095,680)	(52,957,437)
Present Value of Obligation as at the end	**522,007,382**	**489,564,944**

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

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

Subsidiary's gratuity liability is unfunded

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

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

* Reimbursement right is a non-qualifying insurance policy under Ind AS 19 as it is with Bajaj Allianz Life Insurance Co. Ltd (a related party of Bajaj Electricals Limited). The same has been disclosed in Note 9 and Note 13 of the financials statements

Amount recognised in balance sheet is as given below:

Particulars	As on	
	31-Mar-19	31-Mar-18
Present Value of Obligation	522,007,382	489,564,944
Fair Value of Plan Assets	32,280,217	32,114,822
Surplus / (Deficit)	**(489,727,165)**	**(457,450,122)**
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**(489,727,165)**	**(457,450,122)**
Liability on an actual basis for employees at foreign branches	**(233,575)**	**(101,856)**
Total Net Asset / (Liability)	**(489,960,740)**	**(457,551,978)**

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

Particulars	For the year ended	
	31-Mar-19	31-Mar-18
Costs charged to statement of profit and loss :		
Current Service Cost	61,755,035	65,694,967
Interest Expense or Cost	38,597,019	34,036,423
Investment Income	(37,877,947)	(31,265,003)
Expense recognised in statement of profit and loss	**62,474,107**	**68,466,387**
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in demographic assumptions	(720,276)	1,834,288
Change in financial assumptions	8,483,622	(56,393,379)
Experience adjustments (i.e. Actual experience vs assumptions)	1,013,615	(11,015,587)
Return on plan assets , excluding amount recognised in interest expense/(income)	1,433,372	(336,005)
(Income) / Expense recognised in Other Comprehensive Income	**10,210,333**	**(65,910,683)**
Total Expense Recognised during the year	**72,684,440**	**2,555,704**

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

Particulars	As on	
	31-Mar-19	31-Mar-18
Funds managed by Insurer	100%	100%
Total	**100%**	**100%**

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

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The significant actuarial assumptions are as follows:

Financial Assumptions - Group

Particulars	As on	
	31-Mar-19	31-Mar-18
Discount rate (per annum)	7.25% - 7.70%	7.60%
Salary growth rate (per annum)	5.00% - 8.50%	8.50%

Demographic Assumptions - BEL

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

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

Summary of Membership Status - Company

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

* The standard retirement date for executive employees is June 30 and the April 1st for the staff employees. In case of employees with age above the normal retirement age indicated above, the retirement is assumed to happen immediately and valuation is done accordingly.

Summary of Membership Status - Subsidiary (Nirlep)

Particulars	As on	
	31-Mar-19	31-Mar-18
Number of employees	122	N.A.
Total monthly salary (Rs.)	1,953,778	N.A.
Average past service (years)	13.77	N.A.
Average age (years)	41.66	N.A.
Average remaining working life (years)	16.35	N.A.
Number of completed years valued	1,680	N.A.
Decrement adjusted remaining working life (years)	13.09	N.A.
Normal retirement age	58 years #	N.A.

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

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Sensitivity Analysis

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

Particulars	31-Mar-19	31-Mar-18
Defined Benefit Obligation (Base)	522,007,382	489,564,944

Particulars	31-Mar-19		31-Mar-18	
	Result of decrease	Result of increase	Result of decrease	Result of increase
Discount Rate (- / + 1%)	549,013,839	497,871,965	513,538,080	468,102,725
(% change compared to base due to sensitivity)	*5.2%*	*-4.6%*	*4.9%*	*-4.4%*
Salary Growth Rate (- / + 1%)	499,465,463	546,692,262	469,554,223	511,442,138
(% change compared to base due to sensitivity)	*-4.3%*	*4.7%*	*-4.1%*	*4.5%*
Attrition Rate (- / + 50% of attrition rates)	568,811,942	496,708,754	529,205,058	467,759,189
(% change compared to base due to sensitivity)	*9.0%*	*-4.8%*	*8.1%*	*-4.5%*
Mortality Rate (- / + 10% of mortality rates)	521,856,913	522,157,310	489,418,953	489,710,420
(% change compared to base due to sensitivity)	*0.0%*	*0.0%*	*0.0%*	*0.0%*

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

a) Funding arrangements and Funding Policy

The scheme is managed on funded basis. Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which fully covers the same under Cash Accumulation Policies of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Expected Contribution during the next annual reporting period

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

c) Maturity Profile of Defined Benefit Obligation

Particulars	31-Mar-19	31-Mar-18
Weighted average duration (based on discounted cashflows)	5 years for BEL and 6 years for Nirlep	5 years

Expected cash flows over the next (valued on undiscounted basis):	31-Mar-19	31-Mar-18
1 year	139,338,612	138,351,451
More than 1 and upto 2 years	56,493,041	57,454,545
More than 2 and upto 5 years	152,872,404	145,079,275
More than 5 and upto 10 years	194,860,580	177,708,215
More than 10 years	279,838,522	255,997,803

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d) Asset liability matching strategies
For gratuity, the Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy terms, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)

B. Provident Fund (Defined Benefit Plan) :

Bajaj Electricals Limited operates in two schemes for the compliance of provident fund statute - (i) Bajaj Electricals Limited Employees' Provident Fund Trust & Matchwel Electricals (India) Ltd Employees' Provident Fund Trust (defined benefit plan) and (ii) RPFC Contributions for provident fund (defined contribution plan).
For exempt provident fund, the defined benefit obligation of the Company arises from the possibility that during anytime in the future, the scheme may earn insufficient investment income to meet the guaranteed interest rate declared by government / EPFO / relevant authorities as well as for fund assets shortfall as against the liabilities of the Trusts. The subsidiary operates in only one scheme via RPFC Contributions for provident fund (defined contribution plan)

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

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

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

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

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

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

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

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

The present value of obligation of Matchwel Electricals (India) Ltd Employees' Provident Fund Trust represents the aggregate of accumulated fund value of Rs. 28,061,523 (As on March 31, 2018 - Rs. 23,639,275) and interest rate guarantee Rs. 484,162 (As on March 31, 2018 - Rs. 391,757). Of the above, the interest rate guarantee is recognised as provision in the Company's books, while the accumulated fund value is recognised by the Trust. The interest rate guarantee so recognised in the Company's books is considered as non-current liability

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

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

The present value of obligation of Bajaj Electricals Limited Employees' Provident Fund Trust represents the aggregate of accumulated fund value of Rs. 1,305,483,761 (As on March 31, 2018 - Rs. 1,209,983,110) and interest rate guarantee Rs. 22,524,287 (As on March 31, 2018 - Rs. 20,052,187). Of the above, the interest rate guarantee is recognised as provision in the Company's books, while the accumulated fund value is recognised by the Trust. The interest rate guarantee so recognised in the Company's books is considered as non-current liability.

Since interest rate guarantee is already accounted in BEL's books, the liability of Rs. 53,832,520 which is Accumulated Fund Value of Rs. 1,305,483,761 in excess of Fair Value of Plan Assets of Rs. 1,251,651,241 is accounted by BEL as payable to Trust on shortfall of plan assets. This liability has arisen mainly on account of negative return on plan assets contributed by negative return on Trust's investment in IL&FS and the same is recognised as actuarial loss in the Other Comprehensive Income of BEL

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

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

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

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

The significant actuarial assumptions are as follows :
Financial and Demographic Assumptions

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

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

Summary of Membership Status :

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

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

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

Sensitivity Analysis

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

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

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

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

a) Funding arrangements and Funding Policy

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

b) Expected contribution during the next annual reporting period

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

This has been calculated assuming that the employer's contribution next year shall increase by 5%.

c) Asset liability matching strategies

For PF Trust Investments, the same are managed by Trustees as per advice and recommendations of a professional consultant. The Employees' Provident Fund Organisation, Ministry of Labour, Government of India, vide its notification in official gazette notified the pattern of investment for EPF exempted establishments, which depicts the obligatory pattern of investments of PF contributions and interests. The pattern mandates to invest as below :

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

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

Particulars	Provident Fund		Superannuation		Pension	
	For the year ended		For the year ended		For the year ended	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Expense recognised in the statement of Profit & Loss	17,220,513	10,315,339	24,414,964	28,129,974	56,267,971	51,703,252

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

Note 21 : Trade Payables

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Current		
Trade payable	102,814.72	81,432.42
Dues to micro, small and medium enterprises (Refer note below)	2,241.67	2,689.49
Acceptances	5,352.10	1,111.09
Trade payable to related parties	-	209.36
Total current trade payables	**110,408.49**	**85,442.36**
Non-Current		
Retention payable to contractor	-	14.47
Total non-current trade payables	**-**	**14.47**

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

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

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

(Rs in Lakhs)

		31-Mar-19	31-Mar-18
	Principal	2,209.36	2,667.51
	Interest	32.31	21.98
i)	The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	21.98	40.88
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
iii)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	32.31	21.98
iv)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.		0.44

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Note 22 : Other Current Liabilities

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Gross amount due to customer for contract work (Refer Note 41(ii))	-	20,678.13
Statutory liabilities payable	5,706.47	3,740.13
Deferred revenue *	8,155.15	3,241.20
Advance received from customer (Refer Note 41(ii))	-	11,245.50
Others	2,587.61	1,585.56
Total other current liabilities	**16,449.23**	**40,490.52**

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

Note 23 : Revenue from operations

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Sale of products (including excise duty) *	328,499.58	281,776.85
Contract Revenue	335,389.38	187,819.42
Other operating revenue **	4,052.24	2,042.72
Total revenue from operations (Refer Note 41(i))	**667,941.20**	**471,638.99**

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

** Other operating revenue mainly comprises of scrap sales and insurance claims amounting to Rs. 1,027.45 lacs (March 31, 2018 - Rs 1,097.77 lacs) and Rs. 1,056.57 lacs (March 31, 2018 - Rs 466.56 lacs) respectively.

Note 24 : Other income

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Interest income on bank deposits and others	1,176.33	1,518.24
Interest income from financial assets at amortised cost	1,161.03	1,744.03
Interest on income tax refund	-	947.31
Income on financial guarantees issued	676.01	239.42
Rental income	235.37	182.59
Net gain / (losses) on disposal of property, plant & equipment	(31.37)	135.74
Others *	3,277.61	552.05
Total other income	**6,494.98**	**5,319.38**

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

Note 25 : Cost of raw materials consumed

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Raw materials at the beginning of the year	9,447.80	8,533.71
Add : Purchases	52,920.36	33,626.93
Less : Raw materials at the end of the year	12,633.01	9,447.80
Total cost of raw material consumed	**49,735.15**	**32,712.84**

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

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Opening balance		
Work in progress	1,195.61	726.54
Finished Goods	7,006.62	5,445.94
Traded goods	40,064.13	42,104.77
Total opening balance	**48,266.36**	**48,277.25**
Closing balance		
Work in progress	1,844.66	1,195.61
Finished Goods	3,157.82	7,006.62
Traded goods	65,172.92	40,064.13
Total Closing balance	**70,175.40**	**48,266.36**
Total Changes in inventories of work in progress, traded goods and finished goods	**(21,909.04)**	**10.89**

Note 26 : Erection & subcontracting expenses

(Rs in Lakhs)

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

Note 27 : Excise duty

(Rs in Lakhs)

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

Note 28 : Employee benefit expenses

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Salaries, wages and bonus	32,880.56	28,893.12
Contribution to provident and other funds	1,662.67	1,531.88
Employees share based payment expense	389.30	285.88
Gratuity (Note 20)	617.30	686.73
Staff welfare expenses	506.26	390.29
Total employee benefit expense	**36,056.09**	**31,787.90**

Note 29 : Depreciation and amortisation expense

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Depreciation of property, plant and equipment	3,752.82	3,350.20
Amortisation of intangible assets	641.57	44.29
Total depreciation and amortisation expense	**4,394.39**	**3,394.49**

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Note 30 : Other expenses

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Consumption of stores & spares	1,113.00	1,046.52
Packing material consumed	982.30	864.83
Excise duty on increase/(Decrease) in stocks of finished goods	-	-
Power and fuel	1,434.33	1,068.25
Rent	4,902.87	4,377.81
Repairs and maintenance		
Plant and machinery	872.79	895.12
Buildings	9.21	12.95
Others	278.01	324.13
Telephone and communication charges	995.08	1,117.45
Rates and taxes	105.26	90.27
Lease rent	191.89	211.86
Travel and conveyance	8,560.86	7,049.35
Insurance	2,225.20	1,172.21
Printing and stationery	345.64	271.33
Directors fees & travelling expenses	92.12	63.04
Non executive directors commission	67.00	42.23
Advertisement & publicity	9,938.08	10,455.92
Freight & forwarding	9,921.29	7,396.01
Product promotion & service charges	8,817.12	8,038.89
Sales commission	2,299.31	2,509.52
Provisions		
Service warranties	1,222.90	(1,139.51)
Impairment allowance for doubtful debts and advances	591.16	1,889.17
Bad debts and other irrecoverable debit balances written off	1,606.87	2,492.78
Payments to auditors	161.68	130.04
Corporate social responsibility expenditure	239.84	195.40
Impairment allowance of financial assets at amortized cost (Note 42)	-	301.16
Fair value loss on financial instruments at fair value through profit and loss	28.54	771.05
Impairment of property, plant and equipment (Note 2(v))	729.36	-
Legal and Professional Fees	4,680.56	4,304.45
Site support charges	5,187.71	2,421.60
Sales tax expenses	1,705.39	1,091.35
Security service charges	2,176.60	1,426.39
Miscellaneous expenses	10,048.19	7,231.45
Total other expenses	**81,530.16**	**68,123.02**

Note 31 : Finance cost

(Rs in Lakhs)

	31-Mar-19	31-Mar-18
Interest expense on borrowings	9,501.92	4,583.45
Interest expense on mobilization advances	1,683.72	783.60
Unwinding of discount on provisions	100.21	182.96
Exchange differences regarded as an adjustment to borrowing costs	284.04	127.51
Other borrowing costs	189.64	208.95
Total	**11,759.53**	**5,886.47**

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Note 32 : Income Tax Expense

(a) Income Tax Expense

(Rs. in lakhs)

	31-Mar-19	31-Mar-18
Current Tax		
Current income tax charge	7,965.00	10,060.00
Adjustments of tax relating to earlier periods	9.75	1.98
Total Current tax expense	**7,974.75**	**10,061.98**
Deferred Tax (Note 8)		
Decrease / (increase) in deferred tax assets	554.63	(1,634.33)
(Decrease) / increase in deferred tax liabilities	225.17	(343.14)
Total deferred tax expense / (benefit)	**779.80**	**(1,977.47)**
Income tax expense in the statement of profit and loss	**8,754.55**	**8,084.51**

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

(Rs. in lakhs)

	31-Mar-19	31-Mar-18
Profit / (Loss) from continuing operations before income tax expense	24,112.37	16,448.47
Income Tax @ standard tax rate of 34.944% (March 31, 2018 - 34.608%)	8,425.83	5,692.49
Tax effect of amounts which are not deductible in calculating taxable income :		
- Corporate Social responsibility Expenditure	71.32	98.87
- Estimated expenditure to earn tax exempt Income	71.46	3.46
- Employee Share based payment expense	136.04	98.94
- Impairment Allowance / Fair Value Loss on Financial Asset and Investment of Starlite Lighting Limited*	-	2,135.12
Other items affecting effective tax rate:		
- Reversal of Deferred Tax Asset on Impairment allowance on Investment in Hind Lamps Limited	-	346.08
- Share of results of associates and joint ventures (net of tax)	83.51	365.50
- Effects of changes in statutory tax rate	-	(66.18)
- Deferred Tax Asset recognised on Asset held for Sale	18.34	(485.10)
- Others	(51.95)	(104.67)
Income Tax Expense reported in statement of profit and loss	**8,754.55**	**8,084.51**

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

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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 Rs.2 each (erstwhile 864,288 shares of Rs.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 Rs.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 Rs.2 each equivalent to 3% of paid up equity i.e. 100,902,426 shares as at the date of the announcement of scheme.
3	Vesting Requirements & Exercise Period	Options vesting happens only on continuation of employment being the vesting requirement. The options are granted to employees with grade Assistant General Manager and above. As per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and SEBI (Share Based Employee Benefits) (Amendment) Regulations, 2015, there is a minimum period of one year between the grant of options and vesting of option observed by the Company. The vested options can be exercised anytime upto 3 years from date of vesting. Options granted under the plan carry no dividend or voting rights till the options are exercised and duly allotted to the employees. When exercisable, each option is convertible into one equity share.		
4	The Pricing Formula	Closing price on the stock exchange where there is highest traded volume on working day prior to the date of grant.		
5	Maximum term of Options granted (years)	7 Years	7 Years	7 Years
6	Method of Settlement	Equity settled	Equity settled	Equity settled
7	Source of shares	Fresh Issue	Fresh Issue	Fresh Issue
8	Variation in terms of ESOP	Nil	Nil	Nil
9	Equity shares reserved for issue under Employee Stock Option Scheme and Outstanding as at March 31, 2019	The Company had reserved for issuance of 10,830,633 Equity Shares of Rs.2/- each to eligible employees of the Company under Employees Stock Option Pool, of which number of stock options not yet granted are 602,292, number of stock options vested & exercisable are 303,675, number of stock options unvested are 947,750, number of stock options cancelled under ESOP 2015 Scheme are 323,250 and number of stock options lapsed under ESOP 2015 Scheme are Nil. Thus, total equity shares reserved for issuance under ESOP Scheme outstanding as at March 31, 2019 are 2,176,967.		

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II. Option Movement during the year ended March 31, 2019 :							
		BAJAJ GROWTH 2007		ESOP 2011		ESOP 2015	
Sr. No.	Particulars	No. of options	Wt. avg exercise price	No. of options	Wt. avg exercise price	No. of options	Wt. avg exercise price
1	No. of Options Outstanding at the beginning of the year	-	-	603,325	274.41	787,250	332.72
2	Options Granted during the year	-	-	-	-	467,500	599.74
3	Options Forfeited / Surrendered during the year	-	-	48,750	281.51	159,750	368.85
4	Options Expired (Lapsed) during the year	-	-	36,050	261.04	-	-
5	Options Exercised during the year	-	-	280,550	268.74	81,550	251.74
6	Number of options outstanding at the end of the year	-	-	237,975	281.66	1,013,450	456.71
7	Number of options exercisable at the end of the year	-	-	170,475	290.02	133,200	328.31

Option Movement during the year ended March 31, 2018 :							
		BAJAJ GROWTH 2007		ESOP 2011		ESOP 2015	
Sr. No.	Particulars	No. of options	Wt. avg exercise price	No. of options	Wt. avg exercise price	No. of options	Wt. avg exercise price
1	No. of Options Outstanding at the beginning of the year	120,000	313.95	1,399,550	245.37	569,000	244.89
2	Options Granted during the year	-	-	-	-	377,500	423.48
3	Options Forfeited / Surrendered during the year	4,000	313.95	130,000	278.39	108,500	233.86
4	Options Expired (Lapsed) during the year	57,500	313.95	28,150	192.03	-	-
5	Options Exercised during the year	58,500	313.95	638,075	213.55	50,750	234.50
6	Number of options outstanding at the end of the year	-	-	603,325	274.41	787,250	332.72
7	Number of Options exercisable at the end of the year	-	-	348,325	268.87	60,750	237.87

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III. Weighted Average remaining contractual life

	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
Range of Exercise Price	**Weighted average contractual life (years) as on March 31, 2019**		
0 to 100	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
101 to 200	Nil	1.18	3.30
No. of Options Outstanding	Nil	16,625	20,375
201 to 300	Nil	2.43	3.54
No. of Options Outstanding	Nil	139,300	221,875
301 to 400	Nil	1.56	4.05
No. of Options Outstanding	Nil	82,050	141,200
401 to 500	Nil	Nil	4.90
No. of Options Outstanding	Nil	Nil	187,500
501 to 600	Nil	Nil	5.41
No. of Options Outstanding	Nil	Nil	102,500
601 to 700	Nil	Nil	5.01
No. of Options Outstanding	Nil	Nil	340,000

Range of Exercise Price	Weighted average contractual life (years) as on March 31, 2018		
0 to 100	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
101 to 200	Nil	1.33	3.85
No. of Options Outstanding	Nil	89,375	50,000
201 to 300	Nil	3.05	4.32
No. of Options Outstanding	Nil	310,150	337,250
301 to 400	Nil	2.02	4.95
No. of Options Outstanding	Nil	203,800	177,500
401 to 500	Nil	Nil	5.90
No. of Options Outstanding	Nil	Nil	222,500
501 to 600	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
601 to 700	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil

IV	Weighted Average Fair Value of Options Granted during the year ended March 31, 2019 whose,			
		BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
(a)	Exercise price equals market price	No options were granted during the year	No options were granted during the year	238.53
(b)	Exercise price is greater than market price			None
(c)	Exercise price is less than market price			None

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	Weighted Average Fair Value of Options Granted during the year ended March 31, 2018 whose,			
		BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
(a)	Exercise price equals market price	No options were granted during the year	No options were granted during the year	159.71
(b)	Exercise price is greater than market price			None
(c)	Exercise price is less than market price			None
V	The weighted average market price of options exercised :			
		BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
	During the year ended March 31, 2019	Nil	544.76	544.17
	During the year ended March 31, 2018	360.32	405.77	436.58

VI	Method and Assumptions used to estimate the Fair Value of Options Granted during the year ended March 31, 2019 :			
	The fair value has been calculated using the Black Scholes Option Pricing model			
	The Assumptions used in the model are as follows:			
		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	7.62%
	2. Expected Life (in years)			4.15
	3. Expected Volatility			38.77%
	4. Dividend Yield			0.59%
	5. Exercise Price (Rs.)			599.74
	6. Price of the underlying share in market at the time of the option grant. (Rs.)			599.74

	Method and Assumptions used to estimate the Fair Value of Options Granted during the year ended March 31, 2018 :			
	The fair value has been calculated using the Black Scholes Option Pricing model			
	The Assumptions used in the model are as follows:			
		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	6.89%
	2. Expected Life (in years)			4.15
	3. Expected Volatility			37.22%
	4. Dividend Yield			0.68%
	5. Exercise Price (Rs.)			423.48

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	6. Price of the underlying share in market at the time of the option grant. (Rs.)			423.48

Assumptions:
Stock Price: Closing price on National Stock Exchange on the date of grant has been considered

Volatility: The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to 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 :**

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

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Note 34 : Fair value measurements

(i) Financial instruments by category

The carrying amounts of financial instruments by class are as follows

Particulars	As at March 31, 2019	As at March 31, 2018
A. Financial assets		
I. Measured at amortized cost		
Investments	845.14	764.82
Trade Receivables	314,382.46	201,213.75
Loans	8.78	11.14
Cash and Cash Equivalents	1,120.72	2,181.97
Bank Balances other than above	518.48	392.20
Other Financial Assets	2,510.80	2,141.64
II. Measured at fair value through profit and loss (FVTPL)		
Other Financial Assets (Derivative Assets)	7.04	19.65
Investments	231.49	0.10
	319,624.91	**206,725.27**
B. Financial liabilities *		
I. Measured at amortized cost		
Borrowings	158,532.06	71,762.47
Trade Payables	110,408.49	85,456.83
Other Financial Liabilities	38,466.71	30,830.96
II. Measured at fair value through profit and loss (FVTPL)		
Other Financial Liabilities (Derivative Liability)	146.93	18.79
	307,554.19	**188,069.05**

* Does not include redemption liability of non-controlling interest of Rs. 1,021.84 Lakhs, changes of which are recognised directly in equity.

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

Particulars	Valuation Techniques	Carrying values	Fair Values	Fair Values Measurement using		
				Level 1	**Level 2**	**Level 3**
As at March 31, 2019						
Other Financial Assets (Derivative Assets)	Mark to Market	7.04	7.04		7.04	
Investments	Discounted Cash Flow / Net Asset Value	231.49	1,589.01			1,589.01
Other Financial Liabilities (Derivative Liability)	Mark to Market	146.93	146.93		146.93	-
		385.45	**1,742.98**	**-**	**153.97**	**1,589.01**
As at March 31, 2018						
Other Financial Assets (Derivative Assets)	Mark to Market	19.65	19.65		19.65	
Investments	Discounted Cash Flow	0.10	1,357.62			1,357.62
Other Financial Liabilities (Derivative Liability)	Mark to Market	18.79	18.79		18.79	
		38.54	**1,396.06**	**-**	**38.44**	**1,357.62**

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

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

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

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

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

Note 35: Financial risk management objectives and policies

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

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

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

A) Credit risk

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

Trade and other receivables

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

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

Consumer products

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

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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 31 March 2019 and 31 March 2018 is the carrying value of such trade and other receivables as shown in note 5, 7 and 12 of the financials.

Reconciliation of impairment allowance on trade and other receivables

(Rs in Lakhs)

Particulars	Amount
Impairment allowance on 31 March 2018	**17,933.13**
Created during the year	918.84
Reversed during the year	(2,802.13)
Impairment allowance on 31 March 2019	**16,049.84**

Bank deposits

The Group maintains its cash and bank balances with credit worthy banks and financial institutions and reviews it on an on-going basis. Moreover, the interest-bearing deposits are with banks and financial institutions of reputation, good past track record and high-quality credit rating. Hence, the credit risk is assessed to be low. The maximum exposure to credit risk as at 31 March 2019 and 31 March 2018 is the carrying value of such cash and cash equivalents and deposits with banks as shown in note 11 of the financials.

Loans, advances and investments in preference shares with affiliate companies

The Company has given loans and advances to its affiliate companies (Starlite Lighting Limited and Hind Lamps Limited). Further, the Company also has made strategic investments (equity and preference investments) in these entities. All such loans / advances / investments and their respective terms and conditions are duly approved by the Board of Directors of the Company. These entities also act as a strategic source of product supply to the Company.

The exposure on these loans / advances / investments are reviewed on regular basis for their recoverability on the basis of their business plan, future profitability, cash flow projections, market value of the assets, etc. Such assessment is performed by the management through an independent external valuer based on which any expected credit losses are provided for in the books.

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

(B) Liquidity risk

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

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

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(i) Financing arrangements

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

(Rs. In Lakhs)

	31-Mar-19	31-Mar-18
Floating / Fixed Rate		
- Expiring within One year (Bank overdraft and other facilities)	106,081	237,581

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

(ii) Maturities of financial liabilities

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

(Rs in Lakhs)

Particulars	Carrying value as at March 31, 2019	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	158,532.05	137,269.94	4,637.94	22,425.24	-	**164,333.12**
Trade payables	110,408.49	110,408.49	-	-	-	**110,408.49**
Other financial liabilities	39,635.49	38,390.17	47.18	1,198.14	-	**39,635.49**
Total	**308,576.03**	**286,068.60**	**4,685.12**	**23,623.38**	-	**314,377.10**

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

(C) Market Risk

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

(i) Foreign currency risk

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

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

The Group has a forex policy, which is duly approved by the Board of Directors. All forex hedging is done as per the said approved forex policy. The company has also taken Board approval for authorizing certain company officials for entering into hedge transactions. The forex

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policy is flexible in terms of the hedging the overall forex exposure, as also the instrument to be used for hedging. The company takes a forward cover for the period which matches the maturity date of the forex liability which is proposed to be hedged. On maturity date, the forward contracts are utilized for settlement of the underlying transactions.

(a) Foreign currency risk exposure:

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

	31-Mar-19								31-Mar-18			
	USD	EUR	CAD	GBP	RMB	KES	ZMW	AED	USD	EUR	CAD	AED
Financial assets	93.95	-	-	3.19	52.70	74.45	11.44	22.69	990.66	-	-	-
Financial liabilities	5,367.62	47.20	10.97	2.21	-	-	-	0.39	16,703.28	46.24	28.47	(1.47)

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

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

(Rs. In Lakh)

Particulars	Impact on profit after tax & Equity	
	31-Mar-19	31-Mar-18
USD sensitivity		
INR appreciates by 4%(31 March 2018 - 4%)	210.95	668.11
INR depreciated by 4%(31 March 2018 - 4%)	(210.95)	(668.11)

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

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has foreign currency Term Loan and interest on the same is linked to LIBOR rate. However, the amount of interest thereon is not significant and hence the interest rate risk is negligible. The Group also has Non-Convertible Debentures outstanding, but these are Zero Coupon corresponding to 11% p.a. and fixed in nature. Sales tax deferral loan is interest free. Also in case of short term borrowings, the interest rate is fixed in a large number of cases and linked to the LIBOR in a few cases. Hence, interest rate risk is assessed to be low. Accordingly, the sensitivity / exposure to change in interest rate is insignificant

(iii) Price risk

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

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

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Note 36: Capital Management

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

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

Total debt (total borrowings including current maturities of long term borrowings) divided by total equity (as shown in the balance sheet excluding debenture redemption reserve, capital reserve and capital redemption reserve)

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

	31-Mar-19	31-Mar-18
Total debt	158,998.48	72,310.41
Total equity	100,822.17	93,505.50
Total debt to equity ratio	1.58	0.77

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NOTE 37: Segment reporting

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

1) Segment Results

(Rs in Lakhs)

Particulars	**31-Mar-19**	**31-Mar-18**
a) Consumer Products	16,586.37	10,868.45
b) EPC	19,530.98	19,460.09
c) Others	(34.26)	(45.15)
Operating Segment profit	**36,083.09**	**30,283.39**
Unallocated income / (expenses)		
Depreciation & amortisation expenses	(159.14)	(128.82)
Finance Cost	(11,759.54)	(5,886.47)
Interest income on financial assets measured at amortised cost	80.31	373.83
Impairment / Fair value loss of financial assets	-	(771.05)
Profit / (Loss) on sale of Property, plant & equipment	(34.86)	152.22
Impairment allowance on property, plant and equipment (Note 2(v))	(729.36)	-
Rent received	230.12	182.58
Employee share based payment expenses	(389.30)	(285.88)
Interest on Income Tax refund	-	947.31
Exceptional items	-	(7,878.50)
Share of profit / (loss) of associate and joint venture	(238.97)	(1,056.43)
Others	1,030.13	515.81
Profit before income tax	**24,112.48**	**16,448.00**

The operating segment results includes depreciation and amortization of Rs 2,225.80 (March 31, 2018 – Rs 1,551.16) for consumer products, Rs 1,971.12 (March 31, 2018 – Rs 1,676.25) for EPC and Rs 38.33 (March 31, 2018 – Rs 38.26) for others.

2) Segment Revenue:

(Rs in Lakhs)

Particulars	**31-Mar-19**	**31-Mar-18**
a) Consumer Products	274,702.80	222,845.89
b) EPC	393,188.47	248,756.15
c) Others	49.93	36.95
Sub-total	**667,941.20**	**471,638.99**
Less: Inter Segment Revenue	-	-
Net Sales / Income from Operations	**667,941.20**	**471,638.99**

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

(Rs in Lakhs)

Particulars	**31-Mar-19**	**31-Mar-18**
India	658,306.50	466,102.24
Outside India	9,634.70	5,536.75
Total	**667,941.20**	**471,638.99**

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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.

(Rs in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Consumer Products	138,971.29	93,378.72
b) EPC	337,480.14	211,803.31
c) Others	247.82	301.07
Total Segment Assets	**476,699.25**	**305,483.10**
Unallocated		
Deferred tax assets	5,754.93	7,353.18
Income tax assets (net)	5,370.66	828.12
Investments	1,076.61	764.92
Property, Plant & Equipments	23,993.78	22,490.06
Cash & cash equivalents	1,639.21	2,574.17
Others	3,362.64	7,092.86
Total assets as per balancesheet	**517,897.08**	**346,586.41**

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:

(Rs in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
India	34,632.38	31,250.40
Outside India	1.93	4.59
Total	**34,634.31**	**31,254.99**

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

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.

(Rs in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Consumer Products	91,439.93	73,238.84
b) EPC	156,641.77	100,620.76
c) Others	-	-
Total Segment Liabilities	**248,081.70**	**173,859.60**
Unallocated		
Borrowings	158,998.48	72,310.41
Others	5,224.02	6,765.19
Total liabilities as per balancesheet	**412,304.20**	**252,935.20**

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Note 38: Disclosure of transactions with related parties

(Rs in Lakhs)

Name of Related Party and Nature of relationship	Nature of Transaction	2018-19		2017-18	
		Transaction Value for the year	Outstanding receivable / (payable) carried in the Balance Sheet	Transaction Value for the year	Outstanding receivable / (payable) carried in the Balance Sheet
(A) Parent Entities					
	Not Applicable				
(B) Associate - Hind Lamps Limited					
	Purchases	5,806.60	(128.64)	2,872.46	(87.42)
	Trade Advance Given	3,107.00	2,140.17	2,952.74	797.96
	Sales	1,184.65	36.29	159.24	13.05
	Rent Received	6.20	6.09	-	-
	Interest on loan / advance	142.53	25.47	111.41	-
	0% Non Convertible Redeemable Preference Shares	-	845.13	-	764.82
	Finance Income of preference shares (financial asset at amortised cost)	80.31	-	72.68	-
(C) Joint Venture - Starlite Lighting Limited					
	Purchases	11,141.02	(757.28)	8,179.86	(216.14)
	Contribution to Equity	-	-	3.50	-
	Contribution to Equity on A/c of valuation of Corporate Guarantee	-	-	566.36	-
	Finance income on Corporate Guarantee given	676.01	-	239.42	-
	Sales of Components	3,279.67	0.95	3,883.12	-
	Finance Income of preference shares (financial asset at amortised cost)	-	-	301.16	-
	Impairment and fair value loss of financial assets and equity	-	-	10,008.46	-
	Trade Advance Given *		4,646.15	650.00	5,354.82
	Interest Paid on delayed payment	25.78	(23.20)	-	-
	Interest on loan and advance given	790.43	73.10	882.90	-
(D) Key Management Personnel #					
	Short-term employee benefits	1,562.25	(657.30)	1,645.80	(942.82)
	Gratuity settlement	647.00	-	-	-
	Post- employment benefits (contribution to super annuation fund)	51.63	-	53.95	-
	Long-term employee benefits (contribution to provident fund)	39.22	-	43.16	-
	Perquisite value of ESOPs exercised during the year	7.34	-	25.01	-
	Total Compensation	**2,307.43**	**(657.30)**	**1,767.92**	**(942.82)**

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(Rs in Lakhs)

Name of Related Party and Nature of relationship	Nature of Transaction	2018-19		2017-18	
		Transaction Value for the year	Outstanding receivable / (payable) carried in the Balance Sheet	Transaction Value for the year	Outstanding receivable / (payable) carried in the Balance Sheet
(E) Transactions with the Entities which is Controlled or Jointly Controlled by a person identified in para 9 (a) of Ind AS 24 - Related Party Disclosures					
	Reimbursement of Expenses	407.00	(76.81)	602.97	(43.61)
	Services Received	160.20	(16.31)	194.64	(41.27)
	Rent Paid	54.00	-	54.00	-
	Deposits given	-	21.08	-	27.00
	Sales	705.70	299.46	962.99	306.33
	Purchases	1,048.19	(187.31)	-	(0.05)
	Interest	33.64	-	-	-
	Unsecured Loan	185.90	-	-	-
	Sale of Property	1,014.57	-	-	-
(F) Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures is a member of the KMP of the entity					
	Advance for Insurance premium	-	647.78	-	474.07
	Claims Received	157.31	-	76.39	-
	Insurance Premium paid	754.21	-	664.30	(0.13)
	Other Expenses	3.49	(3.43)	-	-
	Contribution to Gratuity Fund	16.14	4,115.88	500.00	4,623.34
	Sales	64.00	32.83	88.05	38.77
	Advance for Capital Asset	291.76	14.06	86.92	-
	Reimbursement of Expenses	7.26	(6.77)	10.07	(4.76)
	Rent Deposit Advanced	50.00	150.00	-	100.00
	Rent Paid	33.04	(2.70)	28.14	-
	Fixed Assets Purchase	17.17	(17.17)	-	-
	Services Received	9.44	(0.32)	11.62	-
(G) Transactions with the entities which are the post employment benefit plans as identified in para 9 (b) (v) of Ind AS 24 - Related Party Disclosures					
	Trustees Bajaj Electricals Ltd Employees Provident Fund	1,959.98	(162.46)	1,833.71	(156.20)
	Matchwel Electrical India Limited Employees Provident Fund Trust	33.62	(2.97)	28.21	(2.54)
(H) Transactions with the persons identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures					
	Rent Deposit Given / (Refunded)	-	-	(400.00)	-
	Rent Paid	-	-	8.25	-
	Refund of Advance Rent	242.15	(15.00)	-	-
	Sales Of Furniture	17.15	-	-	-
	Reimbursement of Expenses received (net)	-	-	49.53	-

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

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

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

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Note 39. Earnings per share:

Particulars	31-Mar-19	31-Mar-18
Profit for the year after tax but before exceptional items and tax on exceptional items (A) (Rs. In Lakh)	15,357.93	15,375.47
Profit for the year after exceptional items and tax on exceptional items (B) (Rs. In Lakh)	15,357.93	8,363.49
Weighted average number of equity shares for basic EPS (C)	102,245,950	101,617,351
Add: Effect of dilution (employee stock options - Refer Note 33)	266,442	501,553
Weighted average number of equity shares for diluted EPS (D)	102,512,392	102,118,904
Earnings Per Share in Rs. :-		
(a) Basic before exceptional items (A/C)	15.02	15.13
(b) Diluted before exceptional items (A/D)	14.98	15.06
Earnings Per Share in Rs. :-		
(a) Basic after exceptional items (B/C)	15.02	8.23
(b) Diluted after exceptional items (B/D)	14.98	8.19

Note 40. Commitments and contingencies
a. Contingent liabilities

(Rs in Lakhs)

		31-Mar-18	31-Mar-17
	Contingent Liabilities not provided for :		
i)	Claims against the Company not acknowledged as debts (Refer Note x below)	799.64	668.49
ii)	Guarantees / Letter of Comfort given on behalf of Companies Rs. 24,200.00 Lacs (Previous Year Rs. 23,700.00 Lacs) (refer note x below)	23,491.94	17,640.43
iii)	Excise and Customs duty - matters under dispute	15.49	0.00
iv)	Service Tax matters under dispute	149.40	0.00
v)	Income Tax matters under dispute	536.54	322.18
vi)	Sales Tax matters under dispute	4,136.86	5,068.27
vii)	Uncalled liability in respect of partly paid Shares held as investments	7.20	7.20

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

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

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

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

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

b. Commitments

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

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

c. Leases

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

Lease rent recognised in statement of profit and loss is Rs. 5,094.76 lacs (March 31, 2018 – Rs 4,589.67 lacs). The total minimum lease rentals payable over the lease term are as below.

(Rs in Lakhs)

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

Note 41: Disclosures of revenue from contracts with customers

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

(i) Disaggregation of revenue

Disaggregation of the Company's revenue from contracts with customers and reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price is as given below.

(Rs in Lakhs)

Particulars		31-Mar-19
A. Revenue from contracts with customers		
Consumer products (includes appliances, lighting and fans)		273,542.89
Engineering, procurement and construction (EPC) (includes power distribution, transmission line towers and illumination)		392,685.88
Others		49.93
	Total	**666,278.70**
B. Reconciliation of contracted price with (A) above		
Revenue at contracted price		662,882.39
Unbilled on account of work under certification		11,353.23
Billing in excess of contract revenue		4,646.22
Revenue deferred on customer loyalty program		(4,913.95)
Discounts		(6,903.26)
Others		(785.93)
Revenue from contracts with customers (a)	**Total**	**666,278.70**
Add: Other revenue (b)		
Claims received, export incentives, etc		1,662.50
Revenue from operations (a+b)		**667,941.20**

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(ii) Contract balances

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

(Rs in Lakhs)

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

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

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

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

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

(iii) Performance obligations

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

Consumer Product Segment:

a) Delivery of goods:

The Company sells fans, appliances and lighting products to the dealers and distributors. The performance obligation is satisfied and revenue is recognised on delivery of the goods to the dealer and distributor. The stand alone selling price of the performance obligation is determined after taking the variable consideration and right to return. The contracts do not have a significant financing component. The Company offers standard warranty on selected products. The Company makes provision for same as per the principles laid down under Ind AS 37. The payment is generally due within 30 to 60 days across various streams of dealers and distributors.

b) Loyalty program:

The Company operates a customer loyalty program (for retailers), where the customer is awarded certain points on purchase of selected products from the Company. The customer (retailer) can redeem these points in future. The Company treats the redemption of customer loyalty points as a separate performance obligation. Accordingly, the revenue is recognised by allocating the total transaction price on the stand alone selling prices of sale of goods and loyalty points.

Engineering, procurement and construction:

The performance obligations in EPC segment is the supply of materials and erection services. The supply of materials and erection services are promised goods and services which are not individually distinct. Hence both of them are counted as a single performance obligation under the contract. The satisfaction of this performance obligation happens over time, as the performance or enhancement of the obligation is controlled by the customer. Also, the performance of the obligation creates an asset without any alternative use to the customer. The Company uses the input method to determine the progress of the satisfaction of the performance obligation and accordingly recognises revenue.

The standalone selling price of the performance obligation is determined after taking the variable consideration and significant financing component .

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(iv) Unsatisfied performance obligations

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

	(Rs in Lakhs) 31-Mar-19
Consumer products	8,155.15
EPC	2,62,057.10
Total	**270,212.25**

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

The incremental costs of obtaining a contract with a customer are recognised as an asset if the Company expects to recover them. The Company incurs costs such as bank guarantee charges and insurance charges. The Company amortizes the same over the period of the contract. The total unamortised balances towards such cost is as below.

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

(vi) Transition disclosures

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

Note 42: Exceptional Items:

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

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

(Rs in Lacs)

Particulars	Impairment Amount
Non-current equity investments (unquoted)	
5,875,000 (March 31, 2017 - 2,375,000) equity shares of Rs 10 each of Starlite Lighting Ltd	579.42
Non-current debt instruments (preference shares)	
At fair value through profit and loss	
10,000,000 - 9% cumulative redeemable preference shares (unquoted) of Rs. 10/- each of Starlite Lighting Ltd, redeemable on June 30, 2024	950.83
5,000,000 - 9% cumulative redeemable preference shares (unquoted) of Rs. 10/- each of Starlite Lighting Ltd, redeemable on June 30, 2025	406.79
At amortised cost	
30,000,000 - 0% redeemable preference shares (unquoted) of Rs. 10/- each of Starlite Lighting Ltd, redeemable in 3 equal tranches at an yield of 10% on June 30, 2026, 30 June, 2027 and June 30, 2028 respectively	3,762.62
Non-current loans and advances	
Loan	280.00
Advances	2,200.00
Total	**8,179.66**
- disclosed under 'other expenses' (Note 30) *	**301.16**
- disclosed as exceptional item	**7,878.50**

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Bajaj Electricals Limited
BAJAJ *Inspiring Trust*

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

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

\NOTE 43: Disclosure of interest in entities

i) Summarised financial information for joint venture and associate
The tables below provide summarised financial information for the Group's joint ventures and associates. The information disclosed reflects the amounts presented in the consolidated financial statements of the relevant associates and joint ventures and not Company's share of those amounts.

Summarised balance sheet

Summarised balancesheet	Starlite Lighting Limited (Joint venture)		Hind Lamps Limited (Associate)	
	31-03-2019 (Audited)	31-03-2018 (Audited)	31-03-2019 (Audited)	31-03-2018 (Audited)
Current assets				
Cash and cash equivalents	79.20	78.37	6.15	4.22
Other assets	8,511.65	10,365.87	1,653.18	1,120.47
Total current assets	**8,590.85**	**10,444.24**	**1,659.33**	**1,124.69**
Total non-current assets	**12,914.11**	**14,656.74**	**2,666.98**	**2,659.59**
Current liabilities				
Financial liabilities (excluding trade payables)	31,198.01	16,854.48	2,412.99	353.33
Other liabilities	6,651.78	5,672.82	4,358.10	4,725.02
Total Current liabilities	**37,849.79**	**22,527.30**	**6,771.09**	**5,078.35**
Non-current liabilities				
Financial liabilities (excluding trade payables)	8,809.86	17,313.02	3,042.88	2,940.92
Other liabilities	118.49	68.85	850.89	866.36
Total non-current liabilities	**8,928.35**	**17,381.87**	**3,893.77**	**3,807.29**
Net Assets	**(25,273.18)**	**(14,808.19)**	**(6,338.55)**	**(5,101.34)**

Reconciliation to carrying amounts

Particulars	Starlite Lighting Limited (Joint venture)		Hind Lamps Limited (Associate)	
	31-03-2019 (Audited)	31-03-2018 (Audited)	31-03-2019 (Audited)	31-03-2018 (Audited)
Opening net assets	579.42	550.50	1,000.00	1,366.82
Add: Investment during the year	-	3.50	-	-
Profit / (Loss) for the year	-	(554.00)	(238.97)	(519.24)
Other comprehensive income	-	-	-	13.61
Add: Guarantee given during the year	-	579.42	-	-
Less: Accumulated impairment	(579.42)	(579.42)	(1,000.00)	(1,000.00)
Closing net assets	-	-	-	-
Recognised as liability *	-	-	**238.97**	**138.80**

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* As per the rehabilitation scheme approved by the BIFR, the Company has a legal or constructive obligation to support Hind Lamps Ltd. Accordingly, the group's share in losses of the associate in excess of the investment value has been recorded under 'Other current liabilities' in Note 22.

Summarised statement of profit and loss

Particulars	Starlite Lighting Limited (Joint venture)		Hind Lamps Limited (Associate)	
	31-03-2019 (Audited)	31-03-2018 (Audited)	31-03-2019 (Audited)	31-03-2018 (Audited)
Revenue from operations	13,884.61	16,199.95	5,737.50	4,160.15
Other income	61.35	28.84	33.96	57.65
Cost of manufacturing	11,888.16	14,136.95	4,261.43	2,866.41
Employee benefits expense	913.96	732.80	1,737.50	1,574.73
Depreciation and amortisation	1,610.28	1,618.23	28.11	29.99
Other expenses	2,018.18	1,862.64	406.26	472.52
Finance Cost	3,850.05	3,908.92	574.62	496.14
Exceptional items	3,416.99	4,955.93	-	-
Income tax expense	-	-	21.29	(304.64)
Profit for the year from continuing operations	**(9,751.66)**	**(10,986.69)**	**(1,257.75)**	**(917.36)**
Other comprehensive income	(37.32)	0.74	20.54	71.58
Total comprehensive income	**(9,788.98)**	**(10,985.95)**	**(1,237.21)**	**(845.78)**
Dividends received	NIL	NIL	NIL	NIL

ii) Commitments and contingent liabilities in respect of associate

Bajaj Electricals Limited, being promoter for Hind Lamps Limited under rehabilitation scheme approved by Hon'ble BIFR, is entitled to support Hind Lamps Limited and entitled to bring in the funds in the form of unsecured loans irrespective of any statutory provisions in any of the acts prevailing which may stop Bajaj Electricals Limited to do so.

For commitment and contingencies relating to Starlite Lighting Limited, refer note 40.

iii) Disclosure in terms of Schedule III of the Companies Act, 2013 as at and for the year ended March 31, 2019.

(Rs in Lakhs)

	Net Assets (i.e Total assets minus total liabilities)		Share in Profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
1. Parent								
Bajaj Electricals Limited	102.07%	107,777.42	108.78%	16,706.87	99.05%	(429.21)	109.07%	16.277.66
2. Subsidiary								
Nirlep Appliances Pvt Ltd	(1.68%)	(1,776.28)	(12.79%)	(1,964.40)	0.95%	(4.13)	(13.19%)	(1,968.53)
3. Joint Venture								
Starlite Lighting Limited	-	-	-	-	-	-	-	-
4. Associate								
Hindlamps Limited	-	-	(1.56%)	(238.97)	-	-	(1.60%)	(238.97)
5. Intercompany eliminations and consolidation adjustments	(0.39%)	(408.25)	5.56%	854.44	-	-	5.73%	854.44
Total	**100.00%**	**105,592.88**	**100.00%**	**15,357.93**	**100.00%**	**(433.33)**	**100.00%**	**14,924.60**

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NOTE 44: Business Combinations

During the year, the Company has acquired controlling equity stake of 79.85 in Nirlep Appliances Private Limited ('Nirlep') for a cash consideration of Rs 3,070.45 lacs to further augment the product range available under the consumer products segment. Further, in terms of the share purchase agreement, the Company has a perpetual call option to buy the remaining equity stake at an exercise price as determined in the agreement and the non-controlling interest (NCI) have a put option to sell the remaining equity stake for a period of 60 after expiry of 3 years from the closing date, at an exercise price as determined in the agreement. The Company has accounted for the acquisition as a business combination under Ind AS 103. Accordingly, the fair value of the assets acquired and the liabilities assumed as at the acquisition date (i.e August 31, 2018) have been recorded as below:-

Particulars	Rs in Lakhs
Assets	
Property, plant and equipment	2,929.52
Intangible assets (brands, customer relationships and distributor / dealer network)	2,174.01
Investments	2.29
Inventories	1,080.00
Trade receivables	417.85
Cash and bank balances	69.62
Other financial assets	46.19
Other current assets	260.81
Liabilities	
Borrowings	(1,101.65)
Trade payables	(2,123.63)
Provisions	(54.38)
Employee benefit obligations	(356.88)
Other current liabilities	(664.04)
Deferred tax liabilities	(1,050.84)
Current tax liabilities	(38.87)
Fair value of net assets acquired	**1,590.00**

The measurement of the fair value of the property, plant and equipment for the purpose of this business combination accounting has been carried out on a provisional basis as per provisions of Ind AS 103.

The non-controlling interest on acquisition date has been measured at fair value, being the present value of the estimated future purchase price of Rs 1,177.38 lacs. Further, the fair value of the call option on the non-controlling interest of Rs 163.42 lacs on the acquisition date is recognised in equity considering it is an option over the non-controlling interest which is regarded as 'equity' in the financial statements. The goodwill has been recognised as follows:

Particulars	Rs. In Lakh
Fair value of consideration)	3,070.45
Non-controlling interest at fair value *	1,177.38
Less: Fair value of net assets acquired	-1,590.00
Less: Fair value of the call option on the non-controlling interest	-163.42
Goodwill on acquisition	**2,494.41**

* Present value of the estimated future purchase price

During the year ended March 31, 2019, the Group has performed its annual impairment test and determined that there is no impairment. The recoverable amounts of the CGU's have been determined on the basis of the value in use calculations. The calculation uses cash flow projections based on budgets approved by the management. Management believes that any reasonably possible change in the key assumptions on which the specific CGU's recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

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Movement in NCI from acquisition date to reporting date is as given below:

Particulars	Rs in Lakhs
Non-controlling interest as on acquisition date	1,177.38
Share in profit / loss attributable to NCI as per the statement of profit and loss	(281.61)
Share in other comprehensive income attributable to NCI	(0.83)
Non- controlling interest after above adjustments (A)	**894.94**
Redemption liability of non-controlling interest as at March 31, 2019 (being the present value of the estimated future purchase price) (B)	1,021.84
Differential recognised in equity (A-B)	**126.90**

Revenue and profit / (loss) of Nirlep included in the consolidated financial statements for the year ended March 31, 2019 is Rs. 2,910.39 lacs and Rs 1,110.08 lacs respectively.

Note 45: Previous year's figures have been regrouped / reclassed wherever necessary to correspond with the current year's classification / disclosure.

Signature to note 1 to note 45
As per our report attached of even date

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

For and on behalf of the Board of Directors

BAJAJ ELECTRICALS LIMITED 45-47 V. N. Rd. MUMBAI-01.

Shekhar Bajaj
Chairman and Managing Director
DIN: 00089358

Anuj Poddar
Executive Director
DIN: 01908009

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

per Vikram Mehta
Partner
Membership No. 105938
Mumbai, May 22, 2019

Mangesh Patil
Executive Vice President
Legal & Company Secretary

Anant Purandare
President
& Chief Financial Officer

Dr. Indu Shahani
Chairman – Audit Committee
DIN: 00112289

MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since September 30, 2019, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to meet material liabilities:

Post September 30, 2019 there have been downgrades in our credit rating by ICRA Limited, details of which are as below:

Rating agency	Particulars of downgrade	Particulars of debt
ICRA Limited	From ICRA A1 to ICRA A2+	Commercial paper (short term)
ICRA Limited	From Provisional ICRA A (negative) to Provisional ICRA A- (negative)	Non-convertible debenture (long term)
ICRA Limited	From ICRA A+(Negative) to ICRA A(Negative)	Non-convertible debenture (long term)
ICRA Limited	From ICRA A (Negative) to ICRA A- (Negative)	Term loans (long term)
ICRA Limited	From ICRA A (Negative) to ICRA A- (Negative)	Fund based limits (long term)
ICRA Limited	From ICRA A1 to ICRA A2+	Fund based limits (short term)
ICRA Limited	From ICRA A (Negative) / ICRA A1 to ICRA A- (Negative) / ICRA A2+	Non-fund based limits (long term/ short term)
ICRA Limited	From ICRA A (Negative) / ICRA A1 to ICRA A- (Negative) / ICRA A2+	Non-fund based/ fund based limits (long term/ short term)

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Financial Statements included in the section "*Financial Statements*" on page [●].

Accounting Ratios

Ratio	As at and for the six month period ended September 30, 2019	As at and for the Fiscal 2019
Earnings per Equity Share - Basic (in ₹)	(1.84)*	15.02
Earnings per Equity Share - Diluted (in ₹)	(1.84)*	14.98
Return on net worth (in %)	(1.89%)	14.57%
Net asset value per Equity Share (in ₹)	97.28	103.12
EBITDA (In ₹ million)	1,244.17	4,026.64

Note: Figures for September 30, 2019 are not directly comparable with figures for Fiscals 2019. These figures are presented for convenience purposes only.

*Not annualised

The ratios have been computed as below:

Ratios	Computation
Basic and diluted earnings per Equity Share	$\frac{\text{Profit/(loss) for the period/year}}{\text{Weighted average number of Equity Shares outstanding at the end of year/period}}$
Return on net worth (%)	$\frac{\text{Profit/(loss) for the period/year}}{\text{Net worth at the end of the year/period}}$ 'Net worth' is defined in Regulation 2(1)(hh) of the SEBI ICDR Regulations, as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. The Company believes that there has been no clear guidance available in terms of the above definition, post adoption of Ind AS. Accordingly, the Company has interpreted 'net worth' to include paid-up share capital, securities premium reserve, debenture redemption reserve, share option outstanding, general reserve and retained earnings (including adjustments made on account of transition to Ind AS). Further, in computing 'net worth', the Company has excluded capital reserve, capital redemption reserve and share application money pending allotment.
Net asset value per Equity Share	Net asset value per Equity Share is computed by dividing total equity as disclosed in the Financial Statements with the number of issued, subscribed and fully paid-up Equity Shares outstanding as at respective year/period end.
EBITDA	Profit / (loss) for the period / year plus total tax expenses plus finance cost plus depreciation and amortization expenses

Calculations of return on net worth (on a consolidated basis)

(*In ₹ million, unless otherwise specified*)

Particulars	As at September 30, 2019	As at March 31, 2019
Profit/loss for the period/year (A)	(188.43)	1,535.79
Net worth (B)	9,952.08	10,543.94
Return on net worth (A)/(B)*100	**(1.89%)**	**14.57%**

Calculation of net asset value per Equity Share (on a consolidated basis)

(*In ₹ million, unless otherwise specified*)

Particulars	As at September 30, 2019	As at March31, 2019
Total Equity (A)	9,966.65	10,559.29
Total number of equity shares (B)	102,456,451	102,399,601
Net asset value per Equity Share (A/B)	**97.28**	**103.12**

Calculation of EBITDA (on a consolidated basis)

(*In ₹ million, unless otherwise specified*)

Particulars	As at September 30, 2019	As at March 31, 2019
Profit/ (loss) for the period/year	(188.43)	1,535.79
Add: Total tax expenses	128.08	875.46
Add: Finance cost	949.81	1,175.95
Add: Depreciation and amortisation expense	354.71	439.44
EBITDA	**1,244.17**	**4,026.64**

Capitalisation Statement

The following table sets forth the capitalisation statement of our Company derived from (i) the Unaudited Consolidated Condensed Interim Financial Statements as at and for the six month period ended September 30, 2019, and (ii) as adjusted for the Issue:

(₹ in million)

	As of September 30, 2019	As adjusted for the Issue*
Current borrowings:		
- Total secured current borrowings	2,507.14	[●]
- Total unsecured current borrowings	9,476.34	[●]
- Current maturities of sales tax deferral liability	32.79	
Non-Current borrowings:		
- Total unsecured non-current borrowings	2,598.60	
Total borrowings – A	14,614.87	[●]
Equity attributable to owners		
Equity share capital	204.91	[●]
Securities premium reserve	2,566.84	[●]
Debenture redemption reserve	462.50	[●]
Shares option outstanding	110.21	[●]
General reserve	4,319.45	[●]
Retained earnings	2,288.17	[●]
Capital redemption reserve	13.57	[●]
Capital reserve	1.00	[●]
Total equity - B	9,966.65	[●]
Total capitalisation A+B	24,581.52	[●]
Debt / equity ratio (Total debt/Total equity attributable to owners (A/B))	1.47	[●]

**To be incorporated after determination of the Issue Price.*

Note: With the adoption of Ind AS 116 from April 1, 2019, we have presented finance lease obligations as part of 'Lease Liabilities' in the balance sheet. As finance lease obligations are not disclosed as 'Borrowings' in the balance sheet, they are also not included as part of total borrowings as at September 30, 2019.

STOCK MARKET DATA FOR SECURITIES OF OUR COMPANY

The Equity Shares are listed on BSE and NSE. The Rights Equity Shares will be listed on the Stock Exchanges pursuant to the Issue. For further details, see "*Terms of the Issue*" on page [●]. We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchanges to be issued pursuant to the Issue from BSE and NSE pursuant to letters dated [●] and [●], respectively.

The following table sets forth the high, low and average market prices of the Equity Shares recorded on BSE and NSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded:

BSE

Financial Year ended	High (₹)	Date of High(1)	Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (₹ million)	Low (₹)	Date of low(2)	Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (₹ million)	Average price for the year (₹)(3)
2019	706.35	April 24, 2019	138,879	94.97	379	February 19, 2019	20,980	8.93	529.79
2018	634.35	March 15, 2018	2,691,940	1,681.79	294.5	August 11, 2017	44,025	13.38	410.64
2017	334.9	March 30, 2017	94,377	30.65	186.05	April 1, 2016	51,474	10.10	245.22

(Source: www.bseindia.com)

Notes:
(1) High of intraday high.
(2) Low of intraday low.
(3) Average price for the year represents the average of daily closing prices.

NSE

Financial Year ended	High(1) (₹)	Date of High	Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (₹ million)	Low(2) (₹)	Date of low	Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (₹ million)	Average price for the year (₹)(3)
2019	705.8	April 24, 2018	1,300,864	891.30	416.35	January 29, 2019	192,629	82.16	529.73
2018	634.4	March 15, 2018	1,007,007	626.19	295.2	August 11, 2017	142,221	43.62	410.69
2017	329.8	March 14, 2017	2,170,361	680.74	185.1	April 1, 2016	449,811	87.57	245.37

(Source: www.nseindia.com)

Notes:
(1) High of intraday high.
(2) Low of intraday low.
(3) Average price for the year represents the average of daily closing prices.

The following table sets forth the monthly high and low prices and trading volumes on the BSE and the NSE for the six months preceding the date of filing of this Letter of Offer.

BSE

Month Ended	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (₹ million)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (₹ million)	Average price for the month (₹)
December 31, 2019	359.9	December 31, 2019	19,513	6.89	316	December 9, 2019	7,875	2.52	332.88
November 30, 2019	398.9	November 6, 2019	49,045	17.72	306.3	November 21, 2019	7,333	2.30	335.83
October 31, 2019	413.3	October 22, 2019	7,260	2.92	367	October 15, 2019	4,772	1.80	383.69
September 30, 2019	426.75	September 23, 2019	14,347	5.92	368	September 9, 2019	6,641	2.48	388.88
August 31, 2019	406.1	August 28, 2019	18,220	7.27	340.3	August 5, 2019	7,879	2.83	374.94
July 31, 2019	548.5	July 5, 2019	209,222	109.96	338.85	July 31, 2019	15,487	5.51	456.26

(Source: www.bseindia.com)

Notes:
(1) High of intraday high.
(2) Low of intraday low.
(3) Average price for the month represents the average of daily closing prices.

NSE

Month Ended	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (₹ million)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (₹ million)	Average price for the month (₹)
December 31, 2019	360	December 31, 2019	587,924	207.49	315.2	December 9, 2019	72,040	23.02	333.12
November 30, 2019	394.65	November 5, 2019	71,837	27.92	306.7	November 20, 2019	158,387	49.12	335.99
October 31, 2019	413.8	October 22, 2019	116,319	46.89	370	October 25, 2019	89,674	33.83	384.01
September 30, 2019	427.8	September 23, 2019	161,370	66.57	367.4	September 9, 2019	81,565	30.35	388.84
August 31, 2019	406	August 28, 2019	1,48,221	58.96	347.00	August 2, 2019	75,118	26.68	374.82
July 31, 2019	541	July 5, 2019	176,789	93.35	338.45	July 31, 2019	539,277	194.66	456.34

(Source: www.nseindia.com)

Notes:
(1) High of intraday high.
(2) Low of intraday low.
(3) Average price for the month represents the average of daily closing prices.

Week end prices of Equity Shares along with the highest and lowest closing prices on the Stock Exchanges for the last four weeks preceding the date of filing of this Letter of Offer is as stated below:

BSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
January 17, 2020	398.05	398.05	379.6

BSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
January 10, 2020	390.35	390.35	354.5
January 3, 2020	355.65	364.1	341.25
December 27, 2019	340.75	340.75	336.1

Source: www.bseindia.com

NSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
January 17, 2020	399.1	399.1	380.2
January 10, 2020	390.85	390.85	357.55
January 3, 2020	355.7	364.85	342.05
December 27, 2019	340.7	340.7	336.6

Source: www.nseindia.com

The closing market price of the Equity Shares as on one day prior to the date of this Letter of Offer was ₹[●] on BSE and ₹[●] on NSE.

The Issue Price of ₹ [●] per Rights Equity Share has been arrived at in consultation between our Company and the Lead Manager.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as disclosed herein below, there is no outstanding litigation involving our Company and/or our Subsidiary with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiary, (ii) material violations of statutory regulations by our Company and/or our Subsidiary, and (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiary.

*In terms of our Company's "Policy on Determination of Materiality for Disclosure of Events or Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Materiality Policy**"), there is no outstanding litigation that has been disclosed to the Stock Exchanges. Based on the Materiality Policy, there is no pending matter against our Company and/or our Subsidiary, which if they result in an adverse outcome would materially and adversely affect our operations or our financial position.*

Further, in the ordinary course of our EPC Business, there are certain first information reports and complaints filed with the respective police authorities against certain of our employees in relation to accidents and injuries of our employees/ labourers at project sites. These first information reports and complaints are not specifically filed against our Company or our Directors.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigation involving our Company

Litigation against our Company

Criminal Proceedings

1. Pursuant to a complaint ("**Complaint**") by C Babu Rao Sagar (the "**Complainant**"), the Anti-Corruption Bureau, State of Telangana has filed a charge sheet before the IST Additional Special Judge for SPE & ACB cases, Hyderabad, against the president and other present and former office bearers of Hyderabad Cricket Association, Hyderabad, in relation to alleged misappropriation of funds in relation to construction of Rajiv Gandhi International Cricket Stadium, Uppal, Hyderabad. Our Company was awarded the tender for the illumination project at the said stadium. Although our Company has been made a party to the Complaint, there are no specific charges against our Company in the charge sheet. The matter is currently pending.

2. Pradeep Kumar Singh ("**Complainant**") has filed a first information report with the Kotwali city police station, Uttar Pradesh, against certain employees of our Company and other alleging inter alia, cheating, forgery and criminal intimidation in relation to supply and delivery of certain goods by the Complainant. The matter is currently pending.

Civil Proceedings

1. Alpha Communication Limited (the "**Plaintiff**") has filed a petition before the Uttar Pradesh Micro & Small Enterprises Facilitation Council against our Company, claiming an amount of ₹215.30 million from our Company, on account of non-payment of dues by our Company towards goods supplied by the Plaintiff. The matter is currently pending.

Litigation involving our Subsidiary

Litigation against our Subsidiary

Regulatory Proceedings

1. The Registrar of Companies, Mumbai ("**RoC**"), pursuant to a letter dated September 25, 2018, sought clarifications from our Subsidiary in relation to a complaint filed by Mohan Bhogale ("**Complainant**") to the RoC alleging that the Complainant did not receive the offer to participate in the rights issues undertaken by our Subsidiary between 2010- 2018. Our Subsidiary has replied to RoC pursuant to a letter dated October 11, 2018. The matter is currently pending.

2. Dinkar Dnyanoba Ghayal, an employee of our Subsidiary ("**Complainant**") filed a complaint ("**Complaint")** before the Industrial Court, Maharashtra at Aurangabad ("**Court**") against our Subsidiary. The Complainant alleged that our Subsidiary is engaged in unfair labour practices, as he has not been granted the benefits of permanency and its incidental benefits even after rendering eight years of continuous services towards our Subsidiary. The Court issued a show cause notice for the Complaint on October 5, 2018 to our Subsidiary. The matter is currently pending.

GOVERNMENT AND OTHER APPROVALS

As on date of this Letter of Offer, our Company has obtained all material regulatory and government approvals required for its business and operations, which are valid as on date. As on date of this Letter of Offer, there are no material regulatory and government approvals which are pending application or renewal.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution dated January 6, 2020 of our Board pursuant to Section 62 of the Companies Act.

Our Board/Rights Issue Committee in its meeting held on [●] has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ [●] million. The Issue Price of ₹ [●] per Rights Equity Share has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.

This Letter of Offer has been approved by our Board/Rights Issue Committee pursuant to its resolution dated [●].

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or Other Governmental Authorities

Our Company, our Promoters, members of our Promoter Group and our Directors are not and have not been in the past, prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Promoters or our Directors are associated as promoters or directors, have not been debarred from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoters nor our Directors, are declared as Fugitive Economic Offenders.

Association with securities market

None of our Directors are associated with the securities market in any manner.

Disclosures pertaining to wilful defaulters

The name of Rajendra Prasad Singh, one of our Non-Executive and Independent Directors, appears in the list of wilful defaulters issued by TransUnion CIBIL Limited (formerly Credit Information Bureau (India) Limited) ("**CIBIL**") in relation to a default of payment of loan(s) availed by G.E.T. Power Limited ("**GPL**") from Axis Bank Limited ("**Axis Bank**") and Punjab National Bank ("**PNB**"). As per the information available on CIBIL's website, the said default appears for the period from period December 2016 to December 2017 (as reported by Axis Bank) and from September 2018 to March 2019 (as reported by PNB). The outstanding amount as of December 31, 2017 was ₹ 587.4 million (as reported by Axis Bank) and was ₹ 1,235.4 million (as reported by PNB). Rajendra Prasad Singh has intimated in writing to Axis Bank, PNB and CIBIL on August 21, 2019, stating that he had resigned from the board of GPL on August 12, 2014 and requested Axis Bank, PNB and CIBIL to issue a letter taking this information on record and requesting them to remove his name from the list of wilful defaulters. Further, Rajendra Prasad Singh, who was an independent director on the board of directors of GPL, resigned from its board on August 12, 2014.

Apart from the above, neither our Company, our Promoters nor our Directors have been or are identified as Wilful Defaulters.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Indian Companies Act, 1913. The Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer the Rights Equity Shares pursuant to the Issue in terms of Part IX of Chapter III, Part B of Schedule VI and other applicable provisions of the SEBI

ICDR Regulations, read with letter dated December 26, 2019 issued by SEBI in relation to relaxation from strict enforcement of Regulation 70 read with Part B (1)(a) of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last three years immediately preceding the date of filing of the Letter of Offer with SEBI.

2. The reports, statements and information referred to above are available on the website of BSE and NSE.

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Pursuant to a letter from SEBI dated December 26, 2019, bearing reference number SEBI/HO/CFD/OW/ADM/RK/2019/34568, the Company was granted relaxation from the strict enforcement of Regulation 70 read with Part B (1)(a) of Schedule VI of the SEBI ICDR Regulations.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and is not covered under the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (5) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGER, BEING EDELWEISS FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, BEING EDELWEISS FINANCIAL SERVICES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES

WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE LETTER OF OFFER OF THE SUBJECT ISSUE;

(2) **ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

(a) **THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**

(b) **ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

(c) **THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

(3) **BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. <u>COMPLIED WITH.</u>**

(4) **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT <u>APPLICABLE</u>**

(5) **WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. – <u>NOT APPLICABLE.</u>**

(6) **ALL APPLICABLE PROVISONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. – <u>NOT APPLICABLE.</u>**

(7) **ALL APPLICABLE PROVISONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. – <u>NOT APPLICABLE.</u>**

(8) NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE

(9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH

(10) A DISCLOSURE HAS BEEN MADE IN THE LETTER OF OFFER THAT INVESTORS SHALL BE GIVEN AN OPTION TO RECEIVE THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE SINCE THE ALLOTMENT WILL TAKE PLACE AFTER MAY 10, 2019.

(11) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER: COMPLIED WITH

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI.

(12) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. NOTED FOR COMPLIANCE.

(13) IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INSTITUTIONAL TRADING PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018. NOT APPLICABLE.

(14) NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT (IN CASE OF A PUBLIC ISSUE)/LETTER OF OFFER (IN CASE OF A RIGHTS ISSUE) HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY. COMPLIED WITH

(15) THE ISSUER IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF (REGULATION 99 IN CASE OF RIGHTS ISSUES AND REGULATION 155 IN CASE OF FURTHER PUBLIC OFFERS, AS APPLICABLE) OF THESE REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE ISSUER HAS ALSO BEEN DISCLOSED IN THE OFFER DOCUMENT/LETTER OF OFFER. COMPLIED WITH

(16) THE ABRIDGED PROSPECTUS/ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THESE REGULATIONS. COMPLIED WITH

(17) ALL MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT/LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE

INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. COMPLIED WITH AND NOTED FOR COMPLIANCE

(18) AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER. COMPLIED WITH

The filing of this Letter of Offer does not, however, absolve our Company from any liabilities under the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearance as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the Lead Manager any irregularities or lapses in this Letter of Offer.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager does not accept any responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorised information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE Limited.

Disclaimer Clause of BSE

BSE Limited (the "**Exchange**") has given, vide its letter dated [●] permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter dated [●], permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Selling Restrictions

General

The distribution of this Letter of Offer and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Shareholders and will dispatch this Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Shareholders who have provided an Indian address. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other material relating to the Rights Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchanges.

The Rights Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer or any offering materials or advertisements in connection with the Rights Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, in whole or in part, to any other person or published, in whole or in part, for any purpose.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Rights Equity Shares or accepting any provisional allotment of Rights Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlement.

Our Company reserves the right to require a person in any jurisdiction not listed below to give it an opinion of legal counsel that the purchase of the Rights Entitlements and Rights Equity Shares by such person in accordance with the terms of this Letter of Offer Document was in accordance with the laws of such jurisdiction.

In the event you do not meet the criteria and requirements laid down under "-*Selling Restrictions*" and in the other terms of this Letter of Offer, you are not qualified to apply to subscribe for the Rights Entitlements or Rights Equity Shares.

Cayman Islands

The Letter of Offer does not constitute an offer or invitation to the public in the Cayman Islands to subscribe for Rights Entitlements or Rights Equity Shares in the Issue.

European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is or was implemented in that Relevant Member State (the "**Relevant Implementation Date**"), the Rights Entitlements and Rights Equity Shares may not be offered or sold to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Rights Entitlements or Rights Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive (defined below) and the 2010 Amending Directive (defined below), except that the Rights Entitlements and Rights Equity Shares, with effect from and including the Relevant Implementation Date, may be offered to the public in that Relevant Member State at any time to persons or entities that are "qualified investors" as defined in the Prospectus Directive or, if that Relevant Member State has implemented the 2010 Amending Directive, as defined in the 2010 Amending Directive ("**Qualified Investor**"). This Letter of Offer may not be issued, circulated or distributed to any person in a Relevant Member States unless that person is a Qualified Investor. Each person in a Relevant Member States subscribing for Rights Entitlements and Rights Equity Shares in the Issue will be deemed to represent and warrant that it is a Qualified Investor.

For the purposes of the above paragraph, the expression an "offer of Equity Shares to the public" in relation to any Rights Entitlements or Rights Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Rights Entitlements and Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Rights Entitlements and Rights Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State and the expression "2010 Amending Directive" means Directive 2010/73/EU and includes any relevant implementing measure in each Member State.

Our Company and the Lead Manager have not authorised, and they will not authorise, the making of any offer of Rights Entitlements or Rights Equity Shares through any financial intermediary on their behalf, other than offers made by our Company or the Lead Manager.

Hong Kong

The Letter of Offer has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Letter of Offer has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorized by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of this Letter of Offer, they should obtain independent professional advice.

The Letter of Offer does not constitute an offer or invitation to the public in Hong Kong to acquire any Rights Entitlements or Rights Equity Shares nor an advertisement of the Rights Entitlements and Rights Equity Shares in Hong Kong. The Letter of Offer must not be issued, circulated or distributed in Hong Kong other than to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"). Any person in Hong Kong subscribing for the Rights Entitlements and Rights Equity Shares in the Issue will deemed to represent and warrant it is a Professional Investor.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Rights Entitlements or Rights Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Rights Entitlements and Rights Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

No person who has received a copy of this Letter of Offer may issue, circulate or distribute this Letter of Offer in Hong Kong or make or give a copy of this Letter of Offer to any other person. No person allotted Rights Entitlements or Rights Equity Shares in the Issue may sell, or offer to sell, such Rights Entitlements or Rights Equity Shares to the public in Hong Kong within six months following the date of the issue of such Rights Entitlements or Rights Equity Shares.

People's Republic of China

The Letter of Offer does not constitute an offer or invitation to any person in the People's Republic of China to acquire any Rights Entitlements or Rights Equity Shares. The Letter of Offer must not be issued, circulated or distributed in in the People's Republic of China.

Singapore

This Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). The offer of Rights Equity Shares to Eligible Equity Shareholders in Singapore is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA.

The Rights Entitlements and Rights Equity Shares offered in the Issue may not be renounced to a person in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Rights Entitlements and Rights Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Rights Entitlements and Rights Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Letter of Offer is strictly private and confidential and is being distributed to a limited number of qualified investors who are not natural persons and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. By receiving the Letter of Offer, the entity to whom it has been issued understands, acknowledges and agrees The Letter of Offer has not been approved by or filed with the Central Bank of the United Arab Emirates, the United Arab Emirates Securities or Commodities Authority (the SCA) or any other authorities in the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to Rights Entitlements and Rights Equity Shares may or will be consummated within the UAE. The Rights Entitlements and Rights Equity Shares may not be offered or sold directly or indirectly to the public in the UAE. This does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 2 of 2015 (as amended) or otherwise.

The Rights Entitlements and Rights Equity Shares to which this Letter of Offer relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Rights Entitlements and Rights Equity Shares offered in the Issue should conduct their own due diligence on the Rights Entitlements and Rights Equity Shares. If you do not understand the contents of this Letter of Offer, you should consult an authorised financial adviser.

Dubai International Financial Centre

The Rights Entitlements and Rights Equity Shares have not been offered and are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**");and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural persons. This Letter of Offer must not be delivered to, or relied on by, any other person. The DFSA has not approved this Letter of Offer nor taken steps to verify the information set out in it and has no responsibility for it.

The Rights Entitlements and Rights Equity Shares to which this Letter of Offer relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Rights Entitlements and Rights Equity Shares offered in the Issue should conduct their own due diligence on the Rights Entitlements and Rights Equity Shares. If you do not understand the contents of this Letter of Offer, you should consult an authorised financial adviser.

United Kingdom (in addition to the European Economic Area selling restrictions above)

The Rights Entitlements and Rights Equity Shares offered in the Issue cannot be promoted in the United Kingdom to the general public. The contents of this Letter of Offer have not been approved by an authorised person within the meaning of Financial Services and Markets Act 2000, as amended (the "**FSMA**"). The Lead Manager (a) may only communicate or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA), to persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), or (ii) fall within any of the categories of persons described in article 49(2)(a) to (d) of the Financial Promotion Order or otherwise in circumstances in which section 21(1) of the FSMA does not apply to our Company; and (b) is required to comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Rights Entitlements and Rights Equity Shares in, from or otherwise involving the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with, or relating to, the sale or purchase of any Rights Entitlements or Rights Entitlements and Rights Equity Shares, may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply. It is the responsibility of all persons under whose control or into whose possession this document comes to inform themselves about and to ensure observance of all applicable provisions of FSMA in respect of anything done in relation to an investment in Rights Entitlements and Rights Equity Shares in, from or otherwise involving, the United Kingdom.

United States of America

The Rights Entitlements and Rights Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Rights Entitlements and Rights Equity Shares are not being offered or sold in the United States in the Issue. The Rights Entitlements and Rights Equity Shares are being offered and sold in the Issue only outside the United States in "offshore transactions" (as defined in Regulation S under the Securities Act ("**Regulation S**")) in reliance on Regulation S. To help ensure that the offer and sale of the Rights Entitlements and Rights Equity Shares in the Issue was made in compliance with Regulation S, each purchaser of Rights Entitlements and Rights Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "***- Transfer Restrictions***" below.

Transfer Restrictions

Each purchaser of the Rights Entitlements and Rights Equity Shares in the Issue will be deemed to represent, warrant, acknowledge and agree that:

- It is entitled to acquire the Rights Entitlements and Rights Equity Shares under the laws of all relevant jurisdictions that apply to it and that it has fully observed such laws and has complied with all necessary formalities to enable it to purchase the Rights Entitlements and Rights Equity Shares;

- it was outside the United States (within the meaning of Regulation S) at the time the offer of the Rights Entitlements and Rights Equity Shares was made to it and it was outside the United States (within the meaning of Regulation S) when its buy order for the Rights Entitlements and Rights Equity Shares was originated;

- it did not purchase the Rights Entitlements and Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S);

- the Rights Entitlements and Rights Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States, that it will not offer or sell the Rights Entitlements except outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of the jurisdiction where the offers and sales are made and that it will not offer or sell the Rights Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India;

- if it acquired any of the Rights Entitlements and/or Rights Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account;

- it shall indemnify and hold our Company and the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Rights Entitlements and Rights Equity Shares; and

- it acknowledges that our Company, the Lead Manager and others will rely upon the truth and accuracy of the foregoing representations, warranties and acknowledgements.

Filing

This Letter of Offer is being filed with the Designated Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, submit a copy of this Letter of Offer with SEBI, at SEBI Bhawan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and online filing with the SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI, and with the other Stock Exchange.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders' Relationship Committee which currently comprises of Pooja Bajaj, Indu Shahani and Shekhar Bajaj. The broad terms of reference include redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates etc. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

The investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint. **Investors may contact our Compliance Officer or the Registrar in case of any pre-Issue/post-Issue related problems such as non-receipt of Allotment advice/demat credit/refund orders etc. The contact details of the Compliance Officer and Registrar to the Issue are as follows:**

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park
L. B. S. Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
E-mail: bajajelectricals.rights@linkintime.co.in
Investor grievance e-mail: bajajelectricals.rights@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI Registration No.: INR000004058

Compliance Officer

Ajay Nagle
Company Secretary and Compliance Officer
Bajaj Electricals Limited
45/47, Veer Nariman Road,
Mumbai 400 001
Maharashtra, India
Tel: +91 22 6110 7800 / 6149 7000
E-mail: legal@bajajelectricals.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the ASBA Investors and Non-ASBA Investors proposing to subscribe to the Issue through the ASBA process and non-ASBA process, respectively. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process or non-ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Allotment pursuant to the Issue will only be made in dematerialised form. The Equity Shares allotted to the applicants who do not have demat accounts or who have not provided their demat details will be kept in abeyance till receipt of the details of the demat account of such Applicants. See "Risk Factors – Risks Relating to the Equity Shares and the Issue – Investors will not have the option of getting the allotment of Equity Shares in physical form." on page **[●]**.

OVERVIEW

The Issue and the Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the SAF, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment advice or security certificate.

The ASBA Facility

Please note that in accordance with provisions of circulars issued by SEBI, all QIB and Non-Institutional Investors complying with the eligibility conditions prescribed under SEBI Regulations must mandatorily invest in the Issue through ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations, all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the application amounts/applicant category. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, see "*Terms of the Issue - Procedure for Application through the ASBA Process*" on page [●].

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by SCSBs on their own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in the Issue and clear demarcated funds should be available in such account for ASBA applications.

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on January 6, 2020, pursuant to Section 62 of the Companies Act.

Our Board/Rights Issue Committee in its meeting held on [●] has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ [●] million.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the existing Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in dematerialised form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange.

Rights Entitlement and Rights Issue Shares

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members as an Eligible Equity Shareholder in respect of the Equity Shares held in physical form as on the Record Date, you are entitled to subscribe to the number of Equity Shares as set out in Part A of the CAF.

Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer, Abridged Letter of Offer and CAF(s) only to Eligible Equity Shareholders who have provided an Indian address to our Company. The distribution of this Letter of Offer, Abridged Letter of Offer and the offer and sale of Rights Entitlements and Rights Equity Shares to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been or will be taken to permit the the offer or sale of Rights Entitlements or Rights Equity Shares in any jurisdiction where action would be required for that purpose, except India. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the CAF or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer or the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, Abridged Letter of Offer or the CAF must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer or the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, Abridged Letter of Offer or the CAF in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. For more details, see "*Other Regulatory and Statutory Disclosures – Selling Restrictions*" on page [●]. All purchasers of Rights Entitlements and Rights Equity Shares shall be deemed to make the representations, warranties, agreements and acknowledgements set out in "*Other Regulatory and Statutory Disclosures – Transfer Restrictions*" on page [●].

PRINCIPAL TERMS OF THE ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 2.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share) in the Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share for every [●] Equity Share held by the Eligible Equity Shareholders as on the Record Date.

Terms of Payment

Full amount of ₹ [●] per Rights Equity Share is payable on Application.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in the Issue.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted lesser number of Rights Equity Shares than applied for, the excess Application Money paid shall be refunded. The monies would be refunded within 15 (fifteen) days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Share held as on the Record Date. For Equity Shares being offered on rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●] Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his Rights Entitlement.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have ‘zero’ entitlement for the Rights Equity Shares and shall be dispatched a CAF for zero entitlement. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Share and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares. However, they cannot renounce the same in favour of third parties and the CAF with zero entitlement shall be non-negotiable/ non renounceable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association of our Company. The Rights Equity Shares to be issued and Allotted under the Issue shall rank *pari passu* with the existing Equity Shares, in all respects including with respect to dividends.

Listing and trading of the Rights Equity Shares

The existing Equity Shares are listed and traded on BSE (Scrip Code: 500031) and NSE (Scrip Code: BAJAJELEC). The Rights Equity Shares proposed to be issued pursuant to the Issue shall, in terms of SEBI Circular No. CIR/MRD/DP/21/2012 dated August 2, 2012, be Allotted under a temporary ISIN shall be frozen till the time final listing/ trading approval is granted by the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Equity Shares shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

The Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within seven Working Days of the finalisation of the Basis of Allotment. Our Company has received in-principle approval from BSE through letter no. [●] dated [●] and from NSE through letter no. [●] dated [●].

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof. For details of risks in relation to price or volume fluctuations or an active trading market for the Rights Equity Shares, *See "Risk Factors – Risks Relating to the Equity Shares and the Issue – Investors will not have the option of getting the allotment of Equity Shares in physical form."* on page [●].

If permissions to list and deal in the Equity Shares are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Letter of Offer. If such money is not repaid within eight days after our Company becomes liable to repay it, that is, seven days from the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

Subscription to the Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see "*Capital Structure – Subscription to the Issue by our Promoter and Promoter Group*" on page [●].

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, holders of Rights Equity Shares shall have the following rights:

1. The right to receive dividend, if declared;

2. The right to vote in person, or by proxy;

3. The right to receive offers for rights shares and be allotted bonus shares, if announced;

4. The right to receive surplus on liquidation;

5. The right of free transferability of Equity Shares;

6. The right to attend general meetings of our Company and exercise voting powers in accordance with law and unless prohibited by law; and

7. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share. Allotment pursuant to the issue shall be only in demat form. *See "Risk Factors – Risks Relating to the Equity Shares and the Issue – Investors will not have the option of getting the allotment of Equity Shares in physical form." on page* **[●]**.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

The nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Eligible Equity Shareholder or all of the joint Eligible Equity Shareholders, as the case may be, shall become entitled to the Rights Equity Shares issued pursuant to the Issue. A person, being a nominee, becoming entitled to the Rights Equity Shares by reason of death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages and obligations to which he would be entitled if he were the registered Eligible Equity Shareholder. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Shares, in the event of death of the said Eligible Equity Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Where the Rights Equity Shares are held by more than one person jointly, the nominee shall become entitled to all rights in the Rights Equity Shares only in the event of death of all the joint holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act or any other rules that may be prescribed under the Companies Act, any person who becomes a nominee shall upon the production of such evidence as may be required by our Board, elect either:

1. to register himself or herself as the holder of the Rights Equity Shares; or

2. to make such transfer of the Rights Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holders of the Rights Equity Shares himself, he shall deliver to our Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased holder.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Rights Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Rights Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Investor(s) has already registered the nomination with our Company, no further nomination needs to be made for Rights Equity Shares that may be Allotted in the Issue under the same folio.

The Allotment of Equity Shares pursuant to this Rights Issue is in dematerialised form only. There is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective DP of the Investor would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective DP.

The Equity shares allotted to the applicants who do not have demat account or who have not specified their demat details will be kept in abeyance till receipt of the details of the demat account of such Applicants. See *"Risk Factors – Risks Relating to the Equity Shares and the Issue – Investors will not have the option of getting the allotment of Equity Shares in physical form."* on page **[●]**.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialised form only and therefore the marketable lot is one Equity Share and no arrangements for disposal of odd lots are required.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Marathi national daily newspaper with wide circulation (Marathi being the regional language of Mumbai, where our Registered Office is situated) and/or, will be sent by post to the Indian address of the Eligible Equity Shareholders provided to our Company.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 6 of the FEMA Non-Debt Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders, including additional rights equity shares. **This Letter of Offer, Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.**

If an NR or NRI Investor has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

CAFs will be made available for eligible non-resident investors at our Registered Office and with the Registrar to the Issue. The Letter of Offer/ Abridged Letter of Offer and CAFs to non-resident investors shall be sent only to their Indian address, if provided, and any such documents shall not be dispatched to any Eligible Equity Shareholders whose addresses are outside of India.

In case of change of status of holders *i.e.* from Resident to Non-Resident, a new demat account must be opened.

DETAILS OF SEPARATE COLLECTING CENTRES FOR NON-RESIDENT APPLICATIONS SHALL BE PRINTED ON THE CAF.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Equity Shareholder being an OCB is required to obtain prior approval from RBI for applying in the Issue.

PROCEDURE FOR APPLICATION

How to Apply

The CAF for the Rights Equity Shares offered as part of the Issue would be printed for all Eligible Equity Shareholders. The CAFs to non-resident Eligible Equity Shareholders shall be sent only to their Indian address, if provided, and shall not be dispatched to any Eligible Equity Shareholders whose addresses are outside of India.

In case the original CAFs are not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and Indian address. However, if the Registrar receives any request for issue of duplicate CAF from Eligible Equity Shareholders having return addresses situated in the United States, the Registrar shall duly forward the requests to our Company and shall not be responsible for dispatch of duplicate CAF to such Eligible Equity Shareholders. In case the signature of the Investor(s) does not match with the specimen registered with our Company or the depository participant, the Application is liable to be rejected.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the CAF or the duplicate CAF attributable to postal delays or if the CAF or the duplicate CAF are misplaced in the transit. Eligible Equity Shareholders should note that those who are making the application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Equity Shareholder violates any of these requirements, he/she shall face the risk of rejection of both the Applications.

Please note that in accordance with provisions of SEBI circulars all QIB and Non-Institutional Investors complying with eligibility conditions prescribed under the SEBI Regulations must mandatorily invest in the issue through the ASBA Process unless otherwise permitted by regulatory authorities or under applicable law.

Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations, all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the application amounts/applicant category.

CAF

The Registrar will dispatch CAF along with the Abridged Letter of Offer to the Eligible Equity Shareholders as of the Record Date. The CAFs to non-resident Eligible Equity Shareholders shall be sent only to their Indian address, if provided, and shall not be dispatched to any Eligible Equity Shareholders whose addresses are outside India. The CAF will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Eligible Equity Shareholders who have neither received the original CAF nor are in a position to obtain the duplicate CAF may participate in the Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in the Issue using plain paper shall not be permitted to renounce any portion of their Rights Entitlement. For further details, see "*Terms of the Issue - Application on Plain Paper under ASBA process"* and "*Terms of the Issue - Application on Plain Paper under non-ASBA process*" on pages [●] and [●], respectively.

The CAF consists of four parts:

Part A: Form for accepting the Rights Equity Shares offered as a part of the Issue, in full or in part, and for applying for additional Rights Equity Shares;

Part B: Form for renunciation of Rights Equity Shares;

Part C: Form for application of Rights Equity Shares by Renouncee(s); and

Part D: Form for request for Split Application Forms.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in the Issue, then such shareholder can:

(i) Apply for their Rights Entitlement of Rights Equity Shares in full;

(ii) Apply for their Rights Entitlement of Rights Equity Shares in part (without renouncing the other part);

(iii) Apply for their Rights Entitlement of Rights Equity Shares in part and renounce the other part of the Rights Equity Shares;

(iv) Apply for their Rights Entitlement in full and apply for additional Rights Equity Shares; and

(v) Renounce their Rights Entitlement in full.

Procedure for Application through the ASBA Process

The procedure for application through the ASBA process is set out below.

This section is for the information of the ASBA Investors and non-ASBA Investors proposing to subscribe to the Issue through the ASBA process and non-ASBA process, respectively. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process or non-ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that in accordance with provisions of SEBI circulars all QIB and Non-Institutional Investors complying with eligibility conditions prescribed under the SEBI Regulations must mandatorily invest in the issue through the ASBA Process unless otherwise permitted by regulatory authorities or under applicable law.

Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations, all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the application amounts/applicant category.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Self-certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA process is provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable . For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link / SEBI website .

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Rights Equity Shares in the Issue through the ASBA Process is only available to the Eligible Equity Shareholders of our Company on the Record Date and who:

1. hold the Equity Shares in dematerialised form as on the Record Date and are applying towards their Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;

2. have not renounced their Rights Entitlements

3. are not a Renouncee;

4. are applying through a bank account maintained with SCSBs; and

5. are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Rights Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. ASBA Investors will have to select for ASBA payment mechanism in Part A of the CAF and provide necessary details.

ASBA Investors are required to submit their applications by selecting the ASBA option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. ASBA Investors shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account calculated separately for each issue.

Purchase of the Rights Equity Shares pursuant to a Rights Entitlement

You may accept and apply for the Rights Equity Shares pursuant to a Rights Entitlement, either in full or in part, by filling up Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply for Rights Equity Shares under applicable law and you have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of our Board, in consultation with the Designated Stock Exchange and in the manner prescribed under the section "*Terms of the Issue - Basis of Allotment*" on page [●].

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can they renounce their Rights Entitlement.

Application on Plain Paper under ASBA process

Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations, all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the application amounts/applicant category.

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA process may make an Application to subscribe to the Issue on plain paper and the Eligible Equity Shareholders should submit the same with the SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed "Bajaj Electricals Limited - Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company or the Depositories, must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

1. Name of the Company, being Bajaj Electricals Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders;

3. Registered DP and Client ID No.;

4. Number of Equity Shares held as on Record Date in dematerialised form only and ratio of Rights Entitlement;

5. Allotment option – Only demat form;

6. Number of Rights Equity Shares entitled to;

7. Number of Rights Equity Shares applied for;

8. Number of additional Rights Equity Shares applied for, if any;

9. Total number of Rights Equity Shares applied for;

10. Total amount paid at the rate of ₹[●] per Rights Equity Share;

11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

12. In case of NR Eligible Equity Shareholders, details of the NRE/FCNR/NRO Account such as the account;

13. number, name, address and branch of the SCSB with which the account is maintained;

14. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;

15. If the payment is made by a draft purchased from NRE or FCNR or NRO Account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO Account;

16. The Applicant shall include the following statement "I/we hereby make the representations, warranties, acknowledgments and agreements set out in "*Other Regulatory and Statutory Disclosures –Transfer Restrictions*" on page [●] of the Letter of Offer"; and

17. Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company or the Depositories).

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar.

Mode of payment

The Investor applying under the ASBA process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the Application Money mentioned in the CAF until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account, a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section

40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar and the Lead Manager to the respective SCSB.

The Investor applying under the ASBA process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds as set forth hereinafter.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Investors is presented below. You may exercise any of the following options with regard to the Rights Equity Shares, using the CAF received from Registrar:

Sr. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF *(All joint holders must sign in the same sequence)*
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares.	Fill in and sign Part A of the CAF, including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares *(All joint holders must sign in the same sequence)*

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide necessary details as required. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Option to receive Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA INVESTOR ON THE RECORD DATE.

General instructions for Investors applying under the ASBA Process

(a) Please read the instructions printed on the respective CAF carefully.

(b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer and Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.

(c) ASBA Investors are required to select ASBA option/mechanism in Part A of the CAF and provide necessary details, including details of the ASBA Account, authorizing the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the CAF, and including the signature of the ASBA Account holder if the ASBA Account holder is different from the Applicant.

(d) The CAF in the ASBA process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue or Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to our Company or the Registrar or the Lead Manager.

(e) All Applicants, and in the case of application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the application. Except for applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors**.

(f) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(g) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the CAF as per the specimen signature recorded with our Company or the Depositories.

(h) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company or the Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(i) All communication in connection with application for the Rights Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.

(j) Only the Eligible Equity Shareholders to whom the Rights Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.

(k) Only persons outside the United States and other restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

(l) Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through the ASBA process.

(m) Eligible Equity Shareholders who have renounced their entitlement in part or in full are not entitled to apply using the ASBA process.

(n) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section "*Terms of the Issue - Application on Plain Paper under ASBA process*" on page [●].

(o) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

Do's:

(a) Ensure that the ASBA process option is selected in Part A of the CAF and necessary details are filled in.

(b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be allotted in the dematerialized form only.

(c) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares, as the case may be, applied for} X {Issue Price of Rights Equity Shares, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form or plain paper application.

(g) Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(i) Ensure that the demographic details such as address, bank account details for printing on refund orders and occupation ("**Demographic Details**") are updated, true and correct, in all respects.

(j) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

(k) Investors are requested to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under applicable law.

Don'ts:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction. For details, see "*Other Regulatory and Statutory Disclosures –Transfer Restrictions*" on page [●];

(b) Do not apply on duplicate CAF after you have submitted a CAF nor submit the CAF after you have submitted a plain paper application to a Designated Branch of the SCSB.

(c) Do not pay the amount payable on application in cash, by money order, pay order or postal order.

(d) Do not send your physical CAFs to the Lead Manager, the Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(e) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(f) Do not apply if the ASBA account has been used for five Applicants, for the issue of each instrument under the Issue.

(g) Do not apply through the ASBA process if you are not an ASBA Investor.

(h) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under section "*Terms of the Issue - Grounds for Technical Rejections for non-ASBA Investors*" on page [●], applications under the ABSA process are liable to be rejected on the following grounds:

(a) Application on a SAF.

(b) Application for allotment of Rights Entitlements or additional Rights Equity Shares which are in physical form.

(c) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.

(d) Sending CAF or an ASBA application on plain paper to Lead Manager, Registrar, Escrow Collecting Banks (assuming that such Escrow Collecting Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or the Company.

(e) Renouncee applying under the ASBA process.

(f) Submission of more than five CAFs per ASBA Account, calculated separately for each issue.

(g) Insufficient funds are available with the SCSB for blocking the Application Money.

(h) Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.

(i) Account holder not signing the CAF or declaration mentioned therein.

(j) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States or any other restricted jurisdiction and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.

(k) CAFs which have evidence of being executed in or dispatched from any restricted jurisdiction.

(l) Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.

(m) Submitting the GIR instead of the PAN.

(n) Applications by persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

(o) ASBA Bids by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(p) Applications by Applicants ineligible to make applications through the ASBA process, made through the ASBA process.

(q) ASBA Investors who have a bank account with an SCSB providing ASBA facility in the location of the ASBA Investors and the application by the ASBA Investors is not made through that SCSB providing ASBA facility in such location.

(r) Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.

(s) If an Investor is (a) debarred by SEBI or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.'

(t) Application by an Eligible Equity Shareholder which is eligible under the 2009 SEBI Circular, where the cumulative value of Equity Shares applied for is more than Rs. 2,00.000 but has applied separately through split CAFs of less than Rs. 2,00,000 and has not done so through the ASBA process.

(u) An Eligible Equity Shareholder who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.

(v) Application by Applicants ineligible to make Applications through the ASBA process, applying through ASBA process

Depository account and bank details for Investors applying under the ASBA Process

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA process should note that on the basis of name of these Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF or the plain paper applications, as the case may be, the Registrar to the Issue will obtain Demographic Details from the Depository. Hence, Investors applying under the ASBA process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor. The Demographic Details given by the Investors in the CAF would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Investors applying under the ASBA process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Investor applying under the ASBA process as per the Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Investors applying under the ASBA process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors applying under the ASBA process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Investor applying under the ASBA process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Procedure for Application through Non-ASBA Process

Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations, all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not

eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the application amounts/applicant category.

Purchase of the Rights Equity Shares pursuant to a Rights Entitlement

Please note that only Eligible Equity Shareholders who have renounced part of their Rights Entitlement or hold the Equity Shares in physical form and Renouncees can apply through non-ASBA process.

You may accept the offer to participate and apply for the Rights Equity Shares pursuant to a Rights Entitlement, either in full or in part, by filling up the applicable Part of the CAF/SAF and as provided under the section "*Terms of the Issue - Procedure for Application under Non-ASBA Process - Instructions for Each Option"* on page [●], and submit the same along with the Application Money payable to the Bankers to the Issue or any of the collection centres as mentioned on the reverse of the CAF/SAF, before close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard. Non-ASBA Investors at centres not covered by the collection branches of the Bankers to the Issue can send their CAF/SAF together with the cheque drawn at par or a demand draft payable at Mumbai to the Registrar by registered post so as to reach the Registrar prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager or the Registrar shall be responsible for delay in the receipt of the CAF/SAF attributable to postal delays or if the CAF/SAF is misplaced in the transit. Such applications sent to anyone other than the Registrar are liable to be rejected. For further details on the mode of payment, see "*Terms of the Issue - Mode of Payment for Resident Investors*" and "*Terms of the Issue - Mode of Payment for Non-Resident Investors*" on page [●].

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply for such Rights Equity Shares under applicable law and have applied for all the Rights Equity Shares offered to you without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of our Board, subject to the sectoral caps and as per applicable laws and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section "*Terms of the Issue - Basis of Allotment*" on page [●].

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Renouncee(s) applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between Non-Residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

Where the number of additional Rights Equity Shares applied for exceeds the number of Rights Equity Shares available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

The Issue includes a right exercisable by the Eligible Equity Shareholders to renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Non-ASBA Investors who are Renouncees cannot further renounce. Your attention is drawn to the fact that our Company shall not Allot and/or register the Rights Equity Shares in favour of the following Renouncees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors; (iv) HUF; or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882 or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce their Rights Entitlement in favour of persons or entities which would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities or other laws. Eligible Equity Shareholders may also not renounce their Rights Entitlement in favour of persons or entities in the

United States or to who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities law.

Procedure for renunciation

The following procedure applies to renunciation by the Eligible Equity Shareholders of their Rights Entitlement.

To renounce all the Rights Equity Shares offered to an Eligible Equity Shareholder in favour of one Renouncee

If you wish to renounce your Rights Entitlement indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF in the same order. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part or the whole to more than one Renouncee

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under the Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Company or the Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Banker(s) to the Issue or any of the collection branches as mentioned on the reverse of the CAF on or before the Issue Closing Date along with the Application Money in full.

Change and/or introduction of additional holders

If you wish to apply for Rights Equity Shares jointly with any other person(s), not more than three including you, who is or are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Each Option

The summary of options available to the Eligible Equity Shareholder and Renouncees is presented below. You may exercise the following options, as applicable, with regard to the Rights Equity Shares offered, using the CAF:

Option Available	Action Required
Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (*All joint holders must sign in the same sequence*)
Accept your Rights Entitlement in full and apply for additional Rights Equity Shares.	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (*All joint holders must sign in the same sequence*)
Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s)	Fill in and sign Part D (*All joint holders must sign in the same sequence*) requesting for SAFs. Send the CAF to the Registrar so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once.

Option Available	Action Required
OR Renounce your entire Rights Entitlement with respect to the Rights Equity Shares offered to more than one Renouncee	On receipt of the SAF take action as indicated below. (i) For the Rights Equity Shares, you wish to accept, if any, fill in and sign Part A. (ii) For the Rights Equity Shares, you wish to renounce, fill in and sign Part B indicating the number of Rights Equity Shares renounced and hand it over to the Renouncees. (iii) Each Renouncee should fill in and sign Part C for the Rights Equity Shares, accepted by them.
Renounce your Rights Entitlement in full to one person (*Joint Renouncees are considered as one*).	Fill in and sign Part B (*All joint holders must sign in the same sequence*) indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (*All joint Renouncees must sign*)
Introduce a joint holder or change the sequence of joint holders.	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

In case of Equity Shares held in physical form, Applicants must provide information in the CAF as to their respective bank account numbers and name of the bank where their account is held, to enable the Registrar to print the said details on the refund order. Failure to comply with this may lead to rejection of application. In case of Equity Shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.

The Allotment pursuant to the Rights Issue shall be in dematerialized form only. The Equity shares allotted to the applicants who do not have demat account or who have not specified their demat details will be kept in abeyance till receipt of the details of the demat account of such Applicants. *See "Risk Factors – Risks Relating to the Equity Shares and the Issue – Investors will not have the option of getting the allotment of Equity Shares in physical form." on page* **[●]**.

Please note that:

1. Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom this Letter of Offer has been addressed. If used, this will render the application invalid.

2. Request for each SAF should be made for a minimum of one Rights Equity Share, in multiples thereof and one Rights SAF for the balance Rights Equity Shares, if any.

3. Request by the Investor for the SAF should reach the Registrar latest by the close of business hours on the last date of receiving requests for SAFs as provided herein.

4. Only the Eligible Equity Shareholder to whom this Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.

5. The SAF will be sent to the Investor(s) by post at the Applicant's risk at their Indian addresses available with our Company.

6. Eligible Equity Shareholders may not renounce in favour of persons or entities who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

7. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part B of the CAF) duly filled in shall be conclusive evidence for use of the person(s) applying for Equity Shares in Part C of the CAF to receive Allotment of such Equity Shares.

8. While renouncing their Rights Entitlement, all joint Eligible Equity Shareholders must sign the CAF/SAF and in the same order and as per specimen signatures recorded with our Company or the Depositories.

9. *Non-resident Eligible Equity Shareholders*: Application(s) received from Non-Resident or NRIs, or

persons of Indian origin residing abroad for allotment of Rights Equity Shares allotted as a part of the Issue shall, amongst other things, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, Allotment of Rights Equity Shares, subsequent issue and allotment of Rights Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or an Eligible Equity Shareholder who is an NRI has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.

10. Non-ASBA Investors must write their CAF/SAF number at the back of the cheque/demand draft, issued in each case.

11. RBI has mandated that CTS 2010 standard non-compliant cheques can be present in clearing only in a reduced frequency, i.e., once a week. This may have an impact on timelines for the issuance of the final certificate by the Escrow Collection Banks. Hence, the CAF/SAF accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number or DP and Client ID number and his/ her full name and Indian address to the Registrar. However, if the Registrar receives any request for issue of duplicate CAF from Eligible Equity Shareholders having return addresses situated in the United States, the Registrar shall duly forward the requests to our Company and shall not be responsible for dispatch of duplicate CAF to such Eligible Equity Shareholders. Please note that the request for duplicate CAF should reach the Registrar at least seven days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received or found, as the case may be, subsequently. If the Investor violates such requirements, he/ she shall face the risk of rejection of both the applications. Our Company or the Registrar to the Issue or the Lead Manager will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque/ demand draft, net of bank and postal charges payable at par and the Investor should send the same by registered post directly to the Registrar to the Issue. For details of the mode of payment, see "*Terms of the Issue - Modes of Payment*" on page [●]. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super scribed "Bajaj Electricals Limited - Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company or the Depositories, must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

1. Name of the Company, being Bajaj Electricals Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders;

3. Registered Folio Number/DP and Client ID No.;

4. Number of Equity Shares held as on Record Date and ratio of Rights Entitlement;

5. Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;

6. Allotment option preferred - physical or demat form

7. Number of Rights Equity Shares entitled to;

8. Number of Rights Equity Shares applied for;

9. Number of additional Rights Equity Shares applied for, if any;

10. Total number of Rights Equity Shares applied for;

11. Total amount paid at the rate of ₹ [●] per Rights Equity Share;

12. Particulars of cheque/demand draft;

13. Savings or current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;

14. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;

15. If the payment is made by a draft purchased from NRE or FCNR or NRO Account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO Account;

16. The Applicant shall include the following statement "I/we hereby make the representations, warranties, acknowledgments and agreements set out in "*Other Regulatory and Statutory Disclosures –Transfer Restrictions*" on page [●] of the Letter of Offer"; and

17. Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company or the Depositories).

Please note that Eligible Equity Shareholders who are making an application otherwise than on a CAF (*i.e.*, on plain paper as stated above on page [●]) shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the applications. Our Company shall refund such application amount to the Eligible Equity Shareholder without any interest thereon and no liability shall arise on part of our Company, Lead Manager and our Directors. In cases where multiple CAFs are submitted, including cases where an Investor submits CAFs along with a plain paper application, such applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper application format will be available on the website of the Registrar at www. linkintime.co.in.

Last date for Application

The last date for submission of the duly filled in CAF or a plain paper application is [●], *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the CAF together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Banker to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any Committee of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any Committee of Directors shall be at liberty to dispose of the Equity Shares hereby offered, as provided under the section "*Terms of the Issue - Basis of Allotment*" on page [●].

Modes of Payment

Mode of payment in case of (a) Eligible Equity Shareholders who hold Equity Shares in physical form or who have renounced their Rights Entitlement in part; and (b) Renouncees

A separate cheque/demand draft/pay order must accompany each application form.

All payments should be made by cheque/demand draft/pay order drawn on any bank, (including a cooperative bank), which is situated at and is a member or a sub-member of the bankers clearing house located at the center where the CAF is accepted. Outstation cheques /money orders/postal orders will not be accepted and CAFs accompanied by such cheque/money orders/postal orders are liable to be rejected. The Registrar to the Issue will not accept any payments against applications, if such payments are made in cash.

In terms of the RBI circular (No. DPSS.CO.CHD.No./133/04.07.05/2013-14) dated July 16, 2013, non-CTS cheques will be processed in three CTS centres once a week from November 1, 2014 onwards. Investors are advised to use CTS cheques. Investors are cautioned that CAFs accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond 6 (six) working days from the Issue Closing Date.

Mode of payment for Resident Investors

1. All cheques / demand drafts accompanying the CAF should be drawn in favour of "Bajaj Electricals Limited – Rights Issue – Escrow Collection - R" crossed 'A/c Payee only' and should be submitted along with the CAF to the Bankers to the Issue or the Escrow Collecting Banks or to the Registrar on or before the Issue Closing Date.

2. Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with an account payee cheque/ demand draft for the full application amount, net of bank and postal charges drawn in favour of "Bajaj Electricals Limited – Rights Issue – Escrow Collection - R", crossed 'A/c Payee only' and payable at par, directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed "Bajaj Electricals Limited - Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

3. Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Manager. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe for Rights Equity Shares by applicable local securities laws can obtain application forms from the following address:

   Link Intime India Private Limited
   C-101, 247 Park, L.B.S. Marg
   Vikhroli (West)
   Mumbai 400 083
   Maharashtra, India
   Tel: +91 22 4918 6200
   E-mail: bajajelectricals.rights@linkintime.co.in
   Investor Grievance E-Mail: bajajelectricals.rights@linkintime.co.in
   Website: www.linkintime.co.in
   Contact Person: Sumeet Deshpande

2. Applications will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

3. Non-resident investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges drawn in favour of "Bajaj Electricals Limited – Rights Issue – Escrow Collection - NR" crossed 'A/c Payee only' payable at par, in case of non-resident Investors applying on repatriation basis and in favour of "Bajaj Electricals Limited – Rights Issue – Escrow Collection - R" crossed 'A/c Payee only' payable at par, in case of non-resident Investors applying on non-repatriation basis, directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed "Bajaj Electricals Limited - Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

4. Payment by non-residents must be made by demand draft /cheque drawn on a bank account maintained with the Escrow Collection Banks or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

1. By Rupee drafts purchased from abroad or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);

2. By separate cheque/draft drawn on an NRE or FCNR Account with Escrow Collection Banks;

3. By Rupee draft purchased by debit to NRE or FCNR Account maintained elsewhere in India and payable at par;

4. FPIs registered with SEBI must utilise funds from special non-resident rupee account;

5. Non-resident investors with repatriation benefits should draw the cheques/ demand drafts in favour of "Bajaj Electricals Limited – Rights Issue – Escrow Collection - NR" crossed "A/c Payee only" for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue or collection centres or to the Registrar;

6. Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO Account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO Account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

1. As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained with the Escrow Collection Banks or Rupee Draft purchased out of NRO Account maintained elsewhere in India. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.

2. Non-resident investors without repatriation benefits should draw the cheques/demand drafts in favour of "Bajaj Electricals Limited – Rights Issue – Escrow Collection - R" crossed "A/c Payee only" for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue or collection centres or to the Registrar;

3. Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO Accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO Account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

4. An Eligible Equity Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

4. In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

5. Applications received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and allotment of Rights Equity Shares, interest and export of share certificates.

6. In the case of NRIs who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account, details of which should be furnished in the appropriate columns in the CAF. In the case of NRIs who remit their application money through Rupee Drafts from abroad, refunds and other disbursements, if any will be made in U. S. Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Applicant's bankers

Issue Schedule

Issue Opening Date:	**[●]**
Last date for receiving requests for SAFs:	**[●]**
Issue Closing Date:	**[●]**

Our Board may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Investors whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person that our Board as it may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of regulation 3(1)(b) of the SEBI Takeover Regulations. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advice or Refund Orders

Our Company will issue and dispatch Allotment advice or demat credit and/or letters of regret, as the case may be, along with refund order or credit the allotted Rights Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% per annum and within such time as specified under applicable law.

Investors residing at centres where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("**NACH**") except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, the Allotment Advice shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

The Allotment pursuant to the issue will only be made in dematerialised form. *See "Risk Factors – Risks Relating to the Equity Shares and the Issue – Investors will not have the option of getting the allotment of Equity Shares in physical form." on page* **[●]**.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's Indian address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of non-resident Investors who remit their Application Money through Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Rupee amount into US Dollars. The share certificates will be sent by registered post or speed post to the Indian address of the non-resident Investors as provided to our Company.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

2. National Electronic Fund Transfer ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

4. RTGS – If the refund amount exceeds ₹200,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the CAF. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

5. For all other Investors the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

6. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to Non-residents

Where applications are accompanied by Rupee drafts purchased abroad, refunds will be made in Rupees based on the U.S. dollars equivalent which ought to be refunded. Rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE or FCNR or NRO cheques, refunds will be credited to NRE or FCNR or NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

Allotment advice or share certificates or demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date.
The Allotment pursuant to the issue will only be made in dematerialised form.

INVESTORS MAY PLEASE NOTE THAT THE ALLOTMENT OF EQUITY SHARES PURSUANT TO THE ISSUE WILL BE ONLY IN DEMAT FORM.

See "Risk Factors – Risks Relating to the Equity Shares and the Issue – Investors will not have the option of getting the allotment of Equity Shares in physical form." on page **[●]**.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to the Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Rights Equity Shares arising out of the Issue may be made in dematerialized form even if the original Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the CAF, the Investor will get Rights Equity Shares in physical form.

5. The Rights Equity Shares allotted to Applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Applicant by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable allotment advice/ refund orders will be directly sent to the Investors by the Registrar to the Issue.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the application is liable to be rejected. Our Company in consultation with the Lead Manager and the Designated Stock Exchange, may consider issuing such Rights Equity Shares in physical form, on a case to case basis.

General instructions for non-ASBA Investors

(a) Please read the instructions printed on the CAF carefully.

(b) Eligible Equity Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non-ASBA process. Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations, all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue.

(c) Application should be made on the printed CAF, provided by our Company except as mentioned stated under the section "*Terms of the Issue - Application on Plain Paper*" on page [●] and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's or husband's name must be filled in block letters.

(d) The CAF together with the cheque or demand draft should be sent to the Bankers to the Issue or the Escrow Collection Banks or to the Registrar and not to our Company or the Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by our Company for collecting applications, will have to make payment by demand draft of an amount net of bank and postal charges and send their CAFs to the Registrar by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

Applications where separate cheques/demand drafts are not attached for amounts to be paid for Rights Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stockinvest are liable to be rejected.

(e) Except for applications on behalf of the Central and the State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the Income-tax Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.

(f) Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings or current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

(g) All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(h) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF as per the specimen signature recorded with our Company.

(i) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under the Issue and to sign the application and a copy of the Memorandum of Association and Articles of Association and/or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.

(j) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company or the Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

(k) Application(s) received from NRs or NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of application money, Allotment of Rights Equity Shares, subsequent issue and Allotment of Rights Equity Shares, interest, export of share certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in any jurisdiction where the offer or sale of the Rights Entitlements and subsequent issue of Rights Equity Shares may be restricted by applicable securities laws.

(l) All communication in connection with application for the Rights Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and transfer agents of our Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.

(m) SAFs cannot be re-split.

(n) Only the person or persons to whom Rights Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

(o) Investors must write their CAF number at the back of the cheque or demand draft.

(p) Only one mode of payment per application should be used. The payment must be by cheque or demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.

(q) A separate cheque or draft must accompany each CAF. Outstation cheques, demand drafts or post-dated cheques and postal or money orders will not be accepted and applications accompanied by such cheques, demand drafts, money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.

(r) No receipt will be issued for application money received. The Bankers to the Issue, the Escrow Collection Banks or the Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

(s) The distribution of this Letter of Offer and issue of Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard this Letter of Offer and not to attempt to subscribe for Rights Equity Shares.

(t) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

Do's for non-ASBA Investors:

(a) Check if you are eligible to apply, *i.e.*, you are an Eligible Equity Shareholder on the Record Date.

(b) Read all the instructions carefully and ensure that the cheque or draft option is selected in Part A of the CAF and necessary details are filled in.

(c) In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be allotted in the dematerialized form only.

(d) Ensure that your Indian address is available to us and the Registrar and transfer agent, in case you hold the Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form.

(e) Ensure that the value of the cheque or draft submitted by you is equal to the (number of Rights Equity Shares applied for) X (Issue Price of Rights Equity Shares, as the case may be) before submission of the CAF. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by us for collecting applications, will have to make payment by demand draft of an amount net of bank and postal charges.

(f) Ensure that you receive an acknowledgement from the collection branch of the Bankers to the Issue for your submission of the CAF in physical form.

(g) Ensure that you mention your PAN allotted under the Income-tax Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim and officials appointed by the courts.

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(i) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

(a) Do not apply if you are in the United States or any other restricted jurisdiction or are otherwise not eligible to participate in the Issue pursuant to the securities laws applicable to your jurisdiction. For details, see "*Other Regulatory and Statutory Disclosures –Selling Restrictions*" on page [●].

(b) Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue.

(c) Do not pay the amount payable on application in cash, by money order or by postal order.

(d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(e) Do not submit Application accompanied with stock invest.

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

1. Amount paid does not tally with the amount payable.

2. Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar and transfer agent (in the case of physical holdings).

3. Age of Investor(s) not given (in case of Renouncees).

4. Except for CAFs on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value.

5. In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted.

6. If the signature of the Investor does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories.

7. CAFs are not submitted by the Investors within the time prescribed as per the CAF and this Letter of Offer.

8. CAFs not duly signed by the sole or joint Investors.

9. CAFs or SAFs by OCBs not accompanied by a copy of an RBI approval to apply in the Issue.

10. CAFs accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

11. In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID.

12. CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorized to acquire the Rights Entitlements and Rights Equity Shares in compliance with all applicable laws and regulations.

13. CAFs which have evidence of being executed in or dispatched from restricted jurisdictions.

14. CAFs by ineligible Non-Residents (including on account of restriction or prohibition under applicable local laws) and where an Indian address has not been provided.

15. CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

16. In case the GIR number is submitted instead of the PAN.

17. Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

18. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.

19. Applications from ASBA Investors applying in the Issue for Rights Equity Shares, not through ASBA process.

Please read this Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Letter of Offer or the CAF.

Procedure for Applications by FPIs

In terms of the SEBI FPI Regulations, investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control) shall be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Rules the total holding by each FPI or an investor group, cannot exceed 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate holdings of all the FPIs, including any other direct and indirect foreign investments in our Company, shall not exceed 24 % of the total paid-up Equity Share capital on a fully diluted basis.

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the capital of an Indian company is subject to certain limits, i.e. the individual holding of an FPI (including its investor group) is restricted to below 10% of the capital of the company. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e. 100%). The aggregate limit may be decreased below the sectoral cap to a threshold limit of 24% or 49% or 74% as deemed fit by way of a resolution passed by our Board followed by a special resolution passed by the Shareholders of our Company. In terms of the FEMA Non- Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by FEMA Non-Debt Rules. Applications will not be accepted from NRIs in restricted jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application Form meant for resident Indians and shall not use the Application Forms meant for reserved category.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different

names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Section 447 of the Companies Act, 2013 provides for punishment for fraud which, amongst other things, states punishment of imprisonment for a terms which shall not be less than six months but which may extend to ten years and shall be liable to a fine which shall not be less than the amount involved in the fraud, but which shall extend to three times of the amount involved in the fraud.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by our Company. However, the Bankers to the Issue, the Registrar or the Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

Our Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

Our Board declares that:

1. All monies received out of the Issue shall be transferred to a separate bank account;

2. Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

3. Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.

3. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6. Adequate arrangements shall be made to collect all ASBA applications and to consider then similar to non-ASBA applications while finalising the Basis of Allotment.

7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue including devolvement of the underwriters, the entire subscription monies shall be refunded to the Applicants within 15 days from the Issue Closing Date. If there is a delay in the refund of subscription money by more than 8 days after our Company becomes liable to pay the subscription amount, the issuer shall pay interest for the delayed period, at rates prescribed under the Companies Act.

Important

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and super scribed "Bajaj Electricals Limited - Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

    Link Intime India Private Limited
    C-101, 247 Park, L.B.S. Marg
    Vikhroli (West)
    Mumbai 400 083
    Maharashtra, India
    Tel: +91 22 4918 6200
    E-mail: bajajelectricals.rights@linkintime.co.in
    Investor Grievance E-Mail: bajajelectricals.rights@linkintime.co.in
    Website: www.linkintime.co.in
    Contact Person: Sumeet Deshpande

The Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of filing of the Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated [●], 2020 among our Company and the Lead Manager.
2. Registrar Agreement dated [●], 2020 among our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated [●] among our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.
4. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation of our Company and certificate of change of name issued pursuant to the change of name of our Company to ‘Bajaj Electricals Limited’ from ‘Radio Lamp Works Limited’.
3. Certificate of commencement of business from the Registrar of Joint Stock Companies, Punjab dated September 12, 1938.
4. Resolution of our Board dated January 6, 2020, approving the Issue and finalizing the terms of the Issue including Issue Price and Rights Entitlement ratio.
5. Resolutions passed by our Board/Rights Issue Committee dated [●], approving this Letter of Offer.
6. Resolution passed by the Board/Rights Issue Committee dated [●] determining the Record Date.
7. Consents of our Directors, Company Secretary & Compliance Officer, the Lead Manager, Indian legal counsel to the Issue, International legal counsel with respect to selling and transfer restrictions, Banker to the Issue, Registrar to the Issue and the Monitoring Agency for inclusion of their names in this Letter of Offer to act in their respective capacities.
8. Annual Reports of our Company for Fiscals 2019, 2018 and 2017.
9. In-principle approvals dated [●] and [●] issued by BSE and NSE, respectively under Regulation 28(1) of the SEBI Listing Regulations.
10. Audit report dated May 22, 2019 relating to the Annual Audited Financial Statements and the review report dated January 6, 2020, on the Unaudited Consolidated Condensed Interim Financial Statements of the Company from the Statutory Auditors.
11. The statement of special tax benefits dated [●].
12. Due diligence certificate dated [●] addressed to SEBI from the Lead Manager.
13. Tripartite agreement dated October 1, 2001, among our Company, Link Intime India Private Limited and NSDL.

14. Tripartite agreement dated September 27, 2001, among our Company, Link Intime India Private Limited and CDSL.

15. Certified copy of the Employees Stock Option Plan 2011.

16. Certified copy of the Employees Stock Option Plan 2015.

17. Certified copy of the Scheme of Arrangement between Hind Lamps Limited and Bajaj Electricals Limited and their Respective Shareholders and Creditors.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF THE COMPANY

Shekhar Bajaj
Chairman and Managing Director

Anuj Poddar
Executive Director

Rajivnayan Bajaj
Non-Executive Director

Madhur Bajaj
Non-Executive Director

Pooja Bajaj
Non-Executive Director

Harsh Vardhan Goenka
Non-Executive and Independent Director

Siddharth Mehta
Non-Executive and Independent Director

Munish Khetrapal
Non-Executive and Independent Director

Indu Shahani
Non-Executive and Independent Director

Rajendra Prasad Singh
Non-Executive and Independent Director

Shailesh Haribhakti
Additional Director (Non-Executive and Independent Director)

Anant Purandare
Chief Financial Officer

Date: [●]

Place: [●]