Notes to financial statements

for the year ended March 31, 2018

NOTE : 1

1A GENERAL INFORMATION.

Bajaj Electricals Limited ('the Company') is an existing public limited company incorporated on July 14, 1938 under the provisions of the Indian Companies Act, 1913 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at 45/47, Veer Nariman Road, Mumbai-400 001. The Company deals in Consumer Segments (CP) (which includes appliances, fan and consumer lighting products). The Company also deals in Engineering and projects (EPC) (which includes supply and erection of transmission line towers, telecommunication towers, high masts, poles,special projects including rural electrification projects and luminaires. The equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The financial statements are presented in Indian Rupee (₹).

The financial statements are approved for issue by the Company's Board of Directors on May 23, 2018

1B SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of preparation

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

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

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

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

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

2 Revenue recognition :

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is because it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

(1) Sale of products:

(a) Domestic sales are recognised when significant risks and rewards of ownership of goods are transferred to the buyer, usually on delivery of goods.

(b) Export sales are recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, usually on the date of ship on board.

Revenue from sale of goods is measured net of returns and allowances, trade discounts and volume rebates.

(2) Revenue from construction contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs. Provision for foreseeable losses/ construction contingencies on said contracts is made on the basis of technical assessments of costs to be incurred and revenue to be accounted for.

Contract revenue earned in excess of billing has been reflected as 'Amounts due from customers for contract work' under 'Other current assets' and billings in excess of contract revenue earned is reflected as 'Gross amount due to customer for contract work' under 'Other current liabilities'.

3 Other income:

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

(2) Others:

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

4 Property, plant and equipment :

A) Asset class:

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

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

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

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

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

B) Depreciation:

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

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

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

b) Temporary structure cost at project site

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

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

v) Useful life of asset is as given below:

Asset block	Useful Lives (in years)
Leasehold Land	Over the period of the lease
Building - Office	5 to 70
Building - Factory	2 to 30
Ownership Premises	60
Plant & Machinery	2 to 20
Furniture & Fixtures	1 to 15
Electric Installations	6 to 8
Office Equipment	2 to 10
Vehicles	8 to 10
Dies & Jigs	1 to 10
Leasehold Improvements	2 to 10
Roads & Borewell	3 to 21
IT hardware	2 to 10
Laboratory equipments	5 to 10

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

5 Intangible assets:

An intangible asset shall be recognised if, and only if:

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

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

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

Asset class & depreciation:

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

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

6 Impairment of non-financial assets:

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

7 **Financial instruments:**

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

I. Financial Assets

A) Initial recognition and measurement

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

B) Subsequent measurement

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

- Debt instruments at amortised cost

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

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

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

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

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

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

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

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

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

  In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised 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 recognised in the statement of profit and loss.

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

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

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

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

C) Derecognition

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

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

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

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

D) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

II. Financial Liabilities

A) *Initial recognition and measurement*

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

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

B) *Subsequent measurement*

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

- <u>Financial liabilities at fair value through profit or loss</u>

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

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

- <u>Loans and Borrowings</u>

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

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

- <u>Financial guarantee contracts</u>

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

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

C) *De-recognition*

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

III. Reclassification of financial assets / liabilities

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

IV. Offsetting of financial instruments

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

V. Derivatives and hedging activities

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

8. Fair value measurements:

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

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

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

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

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

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

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

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

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

9. Cash and cash equivalents:

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

10. Inventories:

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

11. **Foreign currency transactions:**

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

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

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

c) Exchange differences arising on settlement of translation of monetary items are recognised in the Statement of Profit and Loss.

12. **Income tax**

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

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

A. **Current income tax**

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

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

B. **Deferred tax**

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

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

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

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

13. **Operating leases**

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

As a lessee

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

As a lessor

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

14. Borrowing costs

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

15. Provisions, contingent liabilities and contingent assets

A. Provisions

A provision is recognised if

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

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

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

B. Contingent liabilities

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

C. Contingent assets

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

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

16. Employee benefits

A. Short-term obligations

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

B. Other long-term employee benefit obligations

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

C. **Post-employment obligations**

The company operates the following post-employment schemes

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

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

Defined benefit plans :

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

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

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

Defined contribution plans :

In respect of certain employees, the Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. Such contributions are accounted for as employee benefit expense when they are due. Defined contribution to superannuation fund is being made to Life Insurance Corporation of India (LIC) as per the scheme of the Company. Defined contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority whereas the contributions for National Pension Scheme is made to Stock Holding Corporation of India Limited

D. **Employee stock option scheme**

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

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

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

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

17. **Segment reporting**

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

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

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

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

18. Dividends

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

19. Earnings per share

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

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

1C ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Issue of Ind AS 115 - Revenue from Contracts with Customers

Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on March 28, 2018, which has notified the following new Ind AS 115 – Revenue from Contracts with Customers accounting standard and is applicable for accounting periods commencing on or after April 01, 2018

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018.

The Company is in the process of evaluating the impact of the same on the financial statements.

Amendments to Ind AS 112 - Disclosure of Interests in Other Entities

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

The requirements of the amendment have no impact on the financial statements as there are no subsidiary, joint venture or an associate that has been classified as held for sale.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 01, 2018. These amendments are not expected to have any material impact on the Company.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after April 01, 2018. The Company does not have any investment property. Accodingly there is no impact.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised;

(b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from April 01, 2018. These amendments are not applicable to the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 01, 2018. However, the Company does not expect any significant effect on its financial statements.

1D SUMMARY OF CRITICAL ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

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

1 Warranty provision

The Company generally offers 1 to 2 year warranties for its consumer products. Based on the evaluation of the past warranty trends, management has estimated that warranty costs for 25% of sales arises in the year of sale itself, warranty costs for 50% of the sales in Year 1 and the balance 25% in Year 2. Based on the same, the related provision for future warranty claims has been determined. The assumptions made in relation to serviceable sales and related warranty provision estimation for the current period are consistent with those in the prior years.

2 Impairment allowance for trade receivables

The Company makes allowances for doubtful accounts receivable using a simplified approach which is a dual policy of an ageing based provision and historical / anticipated customer experience. Management believes that this simplified model closely represents the expected credit loss model to be applied on financial assets as per Ind AS 109.

3 Project revenue and costs

Revenue from construction contracts is recognised based on the stage of completion determined with reference to the actual costs incurred up to reporting date on the construction contract and the estimated cost to complete the project. The percentage-of-completion method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

4 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. Refer Note 34 of financial statements for the fair value disclosures.

5 Employee benefits

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

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

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in lakh)

Particulars	Freehold Land	Lease hold Land	Building	Ownership Premises	Plant & Machinery	Furniture & Fixtures	Electrical Installations	Office Equipment	Vehicles	Dies & Jigs	Leasehold Improvements	Temporary Structures	Roads & Borewell	IT Hardware	Total
Gross block as at April 01, 2016	**2,098.22**	**2,822.49**	**2,016.84**	**11,235.76**	**5,588.21**	**1,105.11**	**234.93**	**457.42**	**415.57**	**1,471.33**	**194.02**	**48.89**	**53.31**	**2,622.74**	**30,364.84**
Additions	-	-	1,924.83	28.29	1,614.23	364.66	156.66	192.87	92.12	373.73	-	31.53	37.80	1,943.43	6,760.15
Asset classified as held for sale	-	-	-	(35.63)	-	-	-	-	-	-	-	-	-	-	(35.63)
Disposals	-	-	-	-	(425.77)	(10.13)	(3.92)	(14.52)	(4.59)	-	-	-	-	(19.34)	(478.27)
Closing gross carrying amount as at March 31, 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 carrying amount as at March 31, 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**
Opening accumulated depreciation as at April 01, 2016	**-**	**37.50**	**102.24**	**194.71**	**874.03**	**161.73**	**43.78**	**106.93**	**57.71**	**293.98**	**40.60**	**48.89**	**24.55**	**737.80**	**2,724.45**
Depreciation charge during the year	-	54.18	144.34	200.81	836.33	163.33	29.40	126.79	57.27	365.28	45.26	31.53	2.77	927.20	2,984.49
Asset classified as held for sale	-	-	-	(1.48)	-	-	-	-	-	-	-	-	-	-	(1.48)
Disposals	-	-	-	-	(71.00)	(2.80)	(0.93)	(9.61)	(2.52)	-	-	-	-	(13.31)	(100.17)
Closing accumulated depreciation as at March 31, 2017	**-**	**91.68**	**246.58**	**394.04**	**1,639.36**	**322.26**	**72.25**	**224.11**	**112.46**	**659.26**	**85.86**	**80.42**	**27.32**	**1,651.69**	**5,607.29**
Depreciation charge during the year	-	37.38	153.30	201.07	912.82	186.98	53.77	191.70	65.44	395.24	37.58	25.83	9.01	1,080.07	3,350.20
Disposals	-	-	-	-	(28.31)	(0.08)	-	(0.61)	(33.77)	-	-	-	-	(75.07)	(137.84)
Adjustment *	-	-	(46.02)	46.02	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at March 31, 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**
Closing Net carrying amount as at March 31, 2017	**2,098.22**	**2,730.81**	**3,695.09**	**10,834.38**	**5,137.31**	**1,137.38**	**315.42**	**411.66**	**390.64**	**1,185.80**	**108.16**	**-**	**63.79**	**2,895.14**	**31,003.80**
Closing Net carrying amount as at March 31, 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**

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

(i) Leased assets

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

(₹ in lakh)

Particulars	31-Mar-18	31-Mar-17
Plant and Machinery		
Cost / Deemed cost	637.91	637.91
Accumulated depreciation	159.81	106.54
Net carrying amount	**478.10**	**531.37**

(ii) Property, plant and equipment pledged as security

Refer to note 42 for information on property, plant and equipment pledged as security by the Company.

(iii) Contractual obligations

Refer to note 40(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Capital work-in-progress

Capital work-in-progress mainly comprises of IT Hardware amounting to ₹ 248.04 lakh, pending for installation

NOTE 3: OTHER INTANGIBLE ASSETS

(₹ in lakh)

Particulars	Trade Marks	Computer Software	Total
Opening gross block as at April 01, 2016	**0.51**	**7.51**	**8.02**
Additions	-	-	-
Closing gross carrying amount as at March 31, 2017	**0.51**	**7.51**	**8.02**
Additions	-	369.88	369.88
Closing gross carrying amount as at March 31, 2018	**0.51**	**377.39**	**377.90**
Opening accumulated depreciation as at April 01, 2016	**0.05**	**2.94**	**2.99**
Amortisation charge for the year	0.05	2.59	2.64
Closing accumulated depreciation as at March 31, 2017	**0.10**	**5.53**	**5.63**
Amortisation charge for the year	0.05	44.24	44.29
Closing accumulated depreciation as at March 31, 2018	**0.15**	**49.77**	**49.92**
Closing Net carrying amount as at March 31, 2017	**0.41**	**1.98**	**2.39**
Closing Net carrying amount as at March 31, 2018	**0.36**	**327.62**	**327.98**

Notes

(i) Intangible assets under development mainly comprises of IT softwares amounting to ₹ 283.52 lakh.

NOTE 4.1 : INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

(₹ in lakh)

	31-Mar-18	31-Mar-17
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, 2017 - 1,140,000) equity shares of ₹ 25 each **	1,684.53	1,684.53
Accumulated impairment allowance in value of investments in Hind Lamps Limited	(1,000.00)	(1,000.00)
	684.53	**684.53**
Non-current equity investments (unquoted) in Starlite Lighting Ltd.		
- 5,875,000 (March 31, 2017 - 2,375,000) equity shares of ₹ 10 each	1,637.19	1,067.33
Accumulated impairment allowance in value of investments in Starlite Lighting Ltd (refer note 43)	(1,637.19)	-
	-	**1,067.33**
Total investments in associate & joint venture	**684.53**	**1,751.86**

NOTE 4.2 : FINANCIAL ASSETS (INVESTMENTS)

4.2 (a) Investment in equity instruments

(₹ in lakh)

	31-Mar-18	31-Mar-17
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, 2017 - 48,000) equity shares of ₹ 10 each; (Partly paid shares - ₹ 2.50 Per share paid up, Called up ₹ 5 per share)		
- 95,997 (March 31, 2017 - 95,997) equity shares of ₹ 10 each; (Partly paid shares - ₹ 1.25 Per share paid up, Called up ₹ 5 per share).		
Non-current equity investments (unquoted) in Mayank Electro Ltd.	0.10	0.10
- 100 (March 31, 2017 - 100) equity shares of ₹ 100 each.		
Total equity instruments	**0.10**	**0.10**

4.2 (b) Investment in debt instruments

(₹ in lakh)

	31-Mar-18	31-Mar-17
Investment in preference shares (fully paid up)		
Unquoted		
Measured at fair value through profit and loss		
10,000,000 - 9% cumulative redeemable preference shares (unquoted) of ₹ 10 each of Starlite Lighting Ltd, redeemable on June 30, 2024	950.83	1,606.84
Accumulated Impairment Allowance on Preference Shares (refer note 43)	(950.83)	-
	-	**1,606.84**
5,000,000 - 9% cumulative redeemable preference shares (unquoted) of ₹ 10 each of Starlite Lighting Ltd, redeemable on June 30, 2025 (refer note 43)	406.79	521.83
Accumulated Impairment Allowance on Preference Shares (refer note 43)	(406.79)	-
	-	**521.83**
Measured at amortised cost		
2,800,000 - 0% redeemable preference shares (Unquoted) of ₹ 25 each of Hind Lamps Ltd, redeemable at the end of term of 10 years, at a premium of ₹ 20 per share (date of allotment December 26, 2012)**	764.82	692.14
30,000,000 - 0% reedemable preference shares (unquoted) of ₹ 10 each of Starlite Lighting Ltd, redeemable in 3 equal tranches at an yield of 10% on June 30, 2026, June 30, 2027 and June 30, 2028 respectively	4,294.18	3,993.02
Accumulated Impairment allowance on Preference Shares (refer note 43)	(4,294.18)	(531.56)
	-	**3,461.46**
Total debt instruments	**764.82**	**6,282.27**
Total non-current investments	**764.92**	**6,282.37**

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

** The board of directors of the Company on November 23, 2015 have approved the proposed scheme of demerger of the manufacturing business of Hind Lamps Limited (Demerged undertaking) into the Company. The scheme of arranagement 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. The Company is in the process of filing the scheme with the National Company Law Tribunal. The board of directors in the meeting held on November 09, 2017 further approved the revised swap ratio of equity shares for the proposed demerger pursuant to the SEBI regulations and the directions of the stock exchanges.

The Company is in the process of filing the scheme with the National Company Law Tribunal.

NOTE 5 : TRADE RECEIVABLES

(₹ in lakh)

	31-Mar-18	31-Mar-17
Current	174,875.13	134,226.12
Non-current	26,338.62	30,438.80
	201,213.75	**164,664.92**
Unsecured, considered good	201,213.75	164,664.92
Unsecured, considered doubtful	16,733.95	15,223.16
Total	**217,947.70**	**179,888.08**
Impairment allowance (allowance for bad and doubtful debts)	(16,733.95)	(15,223.16)
Total trade recievables	**201,213.75**	**164,664.92**
Receivables from related parties included above (refer note 38)	**55.43**	**43.32**

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 current liabilities.

(₹ in lakh)

	31-Mar-18	31-Mar-17
Transferred receivables	**30,510.60**	**13,950.82**
Unsecured borrowing (Note 17)	4,952.78	745.77
Other financial liabilities (Note 18)	25,557.82	13,205.05

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

NOTE 6 : LOANS

(Unsecured, considered good unless otherwise stated)

(₹ in lakh)

	31-Mar-18	31-Mar-17
Non Current		
Loan to Joint venture - Starlight Lighting Ltd, considered doubtful	280.00	280.00
Impairment allowance (refer note 43)	(280.00)	-
	-	**280.00**
Loan to employees	6.17	10.29
Total Non-current loans	**6.17**	**290.29**

(₹ in lakh)

	31-Mar-18	31-Mar-17
Current		
Loan to employees	4.97	7.29
Total current loans	**4.97**	**7.29**

NOTE 7 : OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated) (₹ in lakh)

	31-Mar-18	31-Mar-17
Security deposits, considered good	1,881.04	3,110.55
Security deposits, considered doubtful	692.28	284.25
Impairment allowance for doubtful security deposits	(692.28)	(284.25)
	1,881.04	**3,110.55**
Fixed deposit under lien	22.25	2,497.08
Interest accrued on fixed deposits	2.76	5.02
Total non-current other financial assets	**1,906.05**	**5,612.65**

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

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. For trade and other receivables due from firms or private companies in which any director is a partner, a director or a member, refer note 38

NOTE 8 : DEFERRED TAX ASSETS (NET)

(₹ in lakh)

	31-Mar-18	31-Mar-17
Deferred tax assets	10,508.55	8,863.14
Deferred tax liabilities	(3,155.37)	(3,268.19)
Total deferred tax assets	**7,353.18**	**5,594.95**

Deferred tax assets comprise of the following:

(₹ in lakh)

	31-Mar-18	31-Mar-17
Employee benefit obligations (gratuity)	-	143.26
Employee benefit obligations (leave obligations)	1,307.72	1,636.74
Impairment allowance (allowance for doubtful debts and advances)	7,133.18	5,898.59
Financial assets measured at amortised cost	267.94	395.15
Assets held for sale	485.10	-
Others	1,314.61	789.40
Total deferred tax assets	**10,508.55**	**8,863.14**

Movement in deferred tax assets

(₹ in lakh)

	Employee benefit obligations (gratuity)	Employee benefit obligations (leave obligations)	Impairment allowance (allowance for doubtful debts and advances)	Financial assets measured at amortised cost	Assets held for sale	Others	Total
As at March 31, 2016	**189.52**	**1,100.36**	**5,176.59**	**428.22**	**-**	**361.07**	**7,255.76**
(Charged) / Credited :							
to statement of profit and loss	(151.27)	536.39	721.99	(33.07)	-	428.33	1,502.37
to other comprehensive income	105.01	-	-	-	-	-	105.01
As at March 31, 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
As at March 31, 2018	**-**	**1,307.72**	**7,133.17**	**267.94**	**485.09**	**1,314.63**	**10,508.55**

The Company has not recognised deferred tax assets of ₹ 2,847.31 lakh on the impairment allowance made on financial assets / investments of Starlite Lighting Limited and Hind Lamps Limited since it is not probable that the long term capital gains will be available against which such deferred tax assets can be utilised.

Deferred tax liabilities comprise of the following:

(₹ in lakh)

	31-Mar-18	31-Mar-17
Property, plant and equipment	2,977.33	2,965.71
Financial Assets measured at amortised cost	79.77	192.42
Financial Liabilities measured at amortised cost	66.54	82.49
Employee benefit obligations (gratuity)	31.73	-
Others	-	27.57
Total deferred tax liabilities	**3,155.37**	**3,268.19**

Movement in deferred tax liabilities

(₹ in lakh)

	Property, plant and equipment	Financial Assets measured at Amortised Cost	Financial Liabilities measured at Amortised Cost	Employee benefit obligations (gratuity)	Others	Total
As at March 31, 2016	**1,951.82**	**219.65**	**136.07**	**-**	**20.43**	**2,327.97**
Charged / (credited) :						
to Statement of Profit or Loss	1,013.89	(27.23)	(53.58)	-	7.14	940.22
As at March 31, 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
As at March 31, 2018	**2,977.35**	**79.76**	**66.53**	**31.73**	**-**	**3,155.37**

NOTE 9 : OTHER NON-CURRENT ASSETS

(₹ in lakh)

	31-Mar-18	31-Mar-17
Capital advances	295.81	526.91
Sales tax recoverables	4,590.58	3,016.32
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)	3,282.82	3,000.60
Advance to joint venture Starlite Lighting Limited	2,200.00	2,200.00
Others *	1,853.18	1,681.55
	12,237.39	**10,440.38**
Impairment allowance for doubtful advances	(506.90)	(536.55)
Impairment allowance for advances to Starlite Lighting Limited (refer note 43)	(2,200.00)	-
Total other non-current assets	**9,530.49**	**9,903.83**

*Others include prepaid expenses of ₹ 663.97 lakh (March 31, 2017 ₹ 1,594.47 lakh) and advances to suppliers of ₹ 1,189.98 lakh (March 31, 2017 ₹ 86.05 lakh)

NOTE 10 : INVENTORIES

(₹ in lakh)

	31-Mar-18	31-Mar-17
Raw material	9,447.80	8,533.71
Work-in-progress	1,195.61	726.54
Finished goods	7,006.62	5,445.94
Traded goods	38,165.81	38,961.47
Material in Transit (traded goods)	1,898.32	3,143.29
Stores and spares	201.90	307.26
Others	-	1.39
Total Inventories	**57,916.06**	**57,119.60**

Amounts recognised in profit or loss

Write-downs of inventories to net realisable value amounted to ₹ 711.75 lakh (March 31, 2017 - ₹ 800.69 lakh) was recognised as an expense during the year.

NOTE 11 : CASH AND CASH EQUIVALENTS

(₹ in lakh)

	31-Mar-18	31-Mar-17
Balances with banks		
in current accounts	1,490.14	892.04
in cash credit accounts	280.73	193.56
in EEFC accounts	-	23.53
Cheques in Hand	310.52	1,304.98
Cash on hand	100.58	94.12
Total cash and cash equivalents	**2,181.97**	**2,508.23**

NOTE 11 : BANK BALANCES OTHER THAN (II) ABOVE

(₹ in lakh)

	31-Mar-18	31-Mar-17
Unpaid Dividend Accounts	88.91	82.93
Deposits with maturity of more than three months & less than twelve months	303.29	3,935.36
Total other bank balances	**392.20**	**4,018.29**

NOTE 12 : OTHER CURRENT FINANCIAL ASSETS

(₹ in lakh)

	31-Mar-18	31-Mar-17
Interest accrued on fixed deposits	8.36	24.49
Security deposits	227.23	-
Derivative Asset	19.65	-
Total other current financial assets	**255.24**	**24.49**

NOTE 13 : OTHER CURRENT ASSETS

(₹ in lakh)

	31-Mar-18	31-Mar-17
Amount due from customers for contract work	7,634.20	1,451.31
Advance to Associate - Hind Lamps Ltd	797.96	753.47
Export benefits	88.45	27.22
Advance to Joint venture - Starlight Lighting Limited	5,354.82	1,716.66
Balances with government authorities	11,486.87	1,747.14
Contract work in progress	289.45	2,361.83
Right to reimbursement against employee benefit obligations for insurers who are related parties (Non-qualifying insurance policies)	1,383.51	1,328.60
Others*	4,761.25	4,975.27
Total other current assets	**31,796.51**	**14,361.50**

*Others mainly includes prepaid expenses of ₹ 1,604.90 lakh (March 31, 2017 ₹ NIL) and advances to suppliers of ₹ 2,465.74 lakh (March 31, 2017 ₹ 4,430.41 lakh)

NOTE 14 : ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in lakh)

	31-Mar-18	31-Mar-17
Building	219.41	219.41
Ownership premises	-	34.16
Total assets classified as held for sale	**219.41**	**253.57**

Upon relocation of Company's employees to new office premises in Mumbai, the 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 authorities the transaction is yet 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 amount of ₹ 800 lakh pertains to the advances received from the party in relation to this sale. The same is shown as a liability under other current liabilities.

Further, on March 29, 2017, the Board of Directors of the Company had approved the sale of Company owned residential premises to unlock the investment therein as the usage thereof was minimum. The sale of this residential premises was completed in this financial year.

NOTE 15 : EQUITY SHARE CAPITAL

(₹ in lakh)

	31-Mar-18 Amount	31-Mar-17 Amount
Authorised		
Equity share 20,00,00,000 (March 31, 2017 - 20,00,00,000) of ₹ 2 each	4,000.00	4,000.00

i) Movement in Issued Equity Share Capital

	No. of Shares	Amount
As at March 31, 2016	**100,948,976**	**2,018.98**
Exercise of Options under employee stock option scheme	341,200	6.82
As at March 31, 2017	**101,290,176**	**2,025.80**
Exercise of Options under employee stock option scheme	747,325	14.95
As at March 31, 2018	**102,037,501**	**2,040.75**

ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	Nos.	% Holding	Nos.	% Holding
Jamnalal Sons Private Limited	19,872,830	19.48	19,872,830	19.62
Bajaj Holdings & Investment Limited	16,697,840	16.36	16,697,840	16.49
Kiran Bajaj	5,252,819	5.15	-	-

iv) Share reserved for issue under employee stock option scheme

For details of shares reserved for issue under the employee share based payment plan of the Company, please refer Note 33

NOTE 16 : OTHER EQUITY

(₹ in lakh)

		31-Mar-18 Amount	31-Mar-17 Amount
i)	Securities premium reserve	24,139.09	22,029.16
ii)	Debenture redemption reserve	-	2,500.00
iii)	General reserve	47,725.16	45,158.03
iv)	Share options outstanding account	958.15	1,199.00
v)	Retained earnings	19,444.71	14,092.02
vi)	Capital reserve	10.00	10.00
vii)	Capital redemption reserve	135.71	135.71
Total reserves and suplus		**92,412.82**	**85,123.92**

i) Securities premium reserve

(₹ In lakh)

	31-Mar-18	31-Mar-17
Opening Balance	22,029.16	21,344.29
Exercise of options - proceeds received	1,650.33	582.48
Exercise of options - transferred from shares options outstanding account	459.60	102.39
Closing Balance	**24,139.09**	**22,029.16**

ii) Debenture redemption reserve

(₹ in lakh)

	31-Mar-18	31-Mar-17
Opening Balance	2,500.00	2,500.00
Less: Transferred to General Reserve	(2,500.00)	-
Closing Balance	**-**	**2,500.00**

iii) General Reserve

(₹ in lakh)

	31-Mar-18	31-Mar-17
Opening Balance	45,158.03	45,101.43
Add : Transferred from debenture redemption reserve	2,500.00	-
Add : Transferred from stock options reserve for vested cancelled options	67.13	56.60
Closing Balance	**47,725.16**	**45,158.03**

iv) Shares options outstanding account

(₹ in lakh)

	31-Mar-18	31-Mar-17
Opening Balance	1,199.00	967.81
Add : Employee stock option expense	285.88	390.18
Less : Transferred to general reserve for vested cancelled options	(67.13)	(56.60)
Less : Transferred to securities premium for exercise of options	(459.60)	(102.39)
Closing Balance	**958.15**	**1,199.00**

v) Retained earnings

(₹ in lakh)

	31-Mar-18	31-Mar-17
Opening Balance	14,092.02	3,555.45
Net profit for the period	8,362.16	10,766.09
Other comprehensive income (net of tax)	408.15	(229.52)
Less: Dividend on equity shares	(2,839.50)	-
Less: Dividend distribution tax	(578.12)	-
Closing Balance	**19,444.71**	**14,092.02**

vi) Capital reserve

(₹ in lakh)

	31-Mar-18	31-Mar-17
Opening Balance	10.00	10.00
Closing Balance	**10.00**	**10.00**

vii) Capital redemption reserve

(₹ in lakh)

	31-Mar-18	31-Mar-17
Opening Balance	135.71	135.71
Closing Balance	**135.71**	**135.71**

Dividends paid and proposed

Particulars	31-Mar-18	31-Mar-17
Cash dividends on equity shares declared and paid:		
Final dividend paid for the year ended March 31, 2017 of ₹ 2.8 per share (March 31, 2016 - ₹ Nil)	2,839.50	Nil
Dividend distribution tax on final dividend	578.12	Nil
Dividend not recognised at the end of the reporting period (*)		
Proposed dividend of ₹ 1.4 per share for the year ended March 31, 2018 (March 31, 2017 - 2.80 per share).	1,428.53	2,836.12
Dividend distribution tax on proposed dividend	290.85	577.43

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

NOTE 17 : BORROWINGS

(₹ in lakh)

	Note No.	31-Mar-18	31-Mar-17
Non-current			
Unsecured			
Sales tax deferral liability	Note a	1,147.14	1,695.08
Total non-current borrowings		**1,147.14**	**1,695.08**

Current			
Secured			
Cash credits	Note b	2,923.31	4,870.26
Packing credit rupee loan	Note c	1,000.00	-
Buyer's credit (foreign currency loan)	Note d	9,219.12	4,256.02
Total secured current borrowings		**13,142.43**	**9,126.28**
Unsecured			
Short term borrowings	Note e	2,500.00	-
Sales bills discounting	Note h	4,952.78	745.77
Commercial papers	Note f	7,398.16	22,329.33
Packing credit rupee loan	Note c	8,230.92	-
Packing Credit (foreign currency loan)	Note g	2,786.32	-
Buyer's credit (foreign currency loan)	Note d	2,531.44	-
Hundi acceptances	Note h	29,073.28	20,657.02
Total unsecured current borrowings		**57,472.90**	**43,732.12**
Total current borrowings		**70,615.33**	**52,858.40**

Refer Note I for security details. There are no financial covenants as per the terms of agreements with the lenders.

Note a:

Sales tax deferral liability is interest free and repayable over predefined instalments from the initial date of deferment of liability, as per the respective schemes as given below:

(₹ in lakh)

	31-Mar-18
Non-current	
FY 2019-20	466.42
FY 2020-21	327.93
FY 2021-22	228.51
FY 2022-23	107.63
FY 2023-24	16.65
	1,147.14
Current	
FY 2018-19	547.94
	1,695.08

Note b:

Cash credits are unsecured, repayable on demand and bear interest in the range of 8.6% to 13%.

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

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ lakh as on 31-Mar-18
ICICI Bank Ltd	23-Aug-18	8.15	1,000.00
			1,000.00
Deutsche Bank AG	12-Sep-18	7.25	3,730.51
Deutsche Bank AG	19-Sep-18	7.59	4,500.41
			8,230.92

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

Lending Bank	Maturity Date	Interest rate %	Liability In ₹ lakh as on 31-Mar-18
Yes Bank Ltd	Repayable from April 2018 to August 2018	LIBOR Linked	9,219.12
			9,219.12
RBL Bank Ltd.	Repayable from May 2018 to August 2018	LIBOR Linked	2,531.44
			2,531.44

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

Name of the Subscriber	Date of Maturity	Interest rate %	Liability In ₹ lakh as on 31-Mar-18
IDFC Bank Ltd	12-Apr-18	8.05	2,500.00
			2,500.00

Note f: Commercial Papers is as per the following terms

Name of the Subscriber	Date of Maturity	Interest rate %	Liability In ₹ lakh as on 31-Mar-18
Invesco Mutual Fund	18-Jun-18	7.45	4,921.85
HSBC Mutual Fund	18-May-18	7.45	2,476.31
			7,398.16

Note g: Packing Credit (Foreign Currency loan) is as per the following terms

Name of the Bank	Date of Maturity	Interest rate %	Liability In ₹ lakh as on 31-Mar-18
Standard Chartered Bank	14-Apr-18	2.19	1,401.26
Standard Chartered Bank	16-Jun-18	2.92	1,385.06
			2,786.32

Note h: Sales bill discounting and Hundi acceptances

The Company has arrangements with HSBC Bank, Kotak Mahindra Bank and BNP Paribas Bank for sales bill discounting. These loans are unsecured and carry interest in the range of 7.5% to 8.7% 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 in the range of 6.9% to 8% and for a period of 90 days.

Note I : Charge on secured borrowings is as given below

a First pari passu charge by way of hypothecation of inventories and book debts.

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

- i) Wardha premises - Plot no. 36, Block no. 17, Mouza no. 225, Bacharaj road, Gandhi Chowk, Wardha
- ii) Hari Kunj - Flat No. 103 and 104, 'B' wing, Sindhi Society, Chembur East, Mumbai - 400071

c Second pari passu charge over present and future Fixed Assets of the Company, situated at;

- i) Ranjangaon Units : Village Dhoksanghvi, Taluka Shirur, Ranjangaon, Dist. Pune - 412210;
- ii) Chakan Unit : Village Mahalunge, Chakan Talegaon Road, Khed, Pune - 410501;
- iii Wind Farm : Village Vankusawade, Tal. Patan, Dist. Satara, Maharashtra 415206;
- iv) Showroom on Ground floor and Office Premises on Second Floor at Bajaj Bhawan 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.
- v) Delhi Office : No. DSM-514 to DSM-521, DLF Tower, 5th Floor, 15 Shivaji Marg, Nazafgarh Road Industrial Area, Delhi - West, Delhi -110015
- vi) Office Premises No : 001, 502, 701 and 801, 'Rustomjee Aspiree', Bhanu Shankar Yagnik Marg, Off Eastern Highway, Sion (East), Mumbai - 400 022
- vii) Kosi Factory Unit at Khasra No.647,648, NH 02, Km 109 Mile Stone, Village Dautana, Chhatta, Kosi Kallan, Mathura 281403.
- viii) R & D centre at Plot no. 27/ pt 2/ at Millennium Business Park, TTC Industrial area, Mahape, Navi Mumbai

These securities also extend to the various credit facilities including Bank Guarantees and Letters of Credit of ₹ 155,799.05 lakh (Previous year ₹ 156,469.16 lakh) executed on behalf of the Company in the normal course of business.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 42

The Company has not defaulted on any loans payable during the year.

NOTE 18 : OTHER FINANCIAL LIABILITIES

(₹ in lakh)

	31-Mar-18	31-Mar-17
Non Current		
Deposits received	6.05	6.05
Financial gurarantee contracts	366.07	215.22
Total other non-current financial liabilities	**372.12**	**221.27**
Current		
Current maturities of Non Convertible Debenture (NCD)	-	5,999.50
Current maturities of foreign currency loan	-	1,349.34
Accrued interest on Non Convertible Debenture but not due	-	2,231.94
Current maturities of sales tax defferal liability (refer note 17)	547.94	522.12
Capital creditors	624.60	6.11
Unpaid dividends	88.91	82.93
Trade deposits (dealers, vendors etc.)	937.08	901.58
Interest (payable) accrued and not due	75.51	25.39
Interest accrued and due on borrowings	68.93	9.67
Channel financing liability (refer note 5)	25,557.83	13,205.05
Financial gurarantee contracts	309.93	133.85
Derivative liability	18.79	213.88
Other payables	2,248.11	1,232.88
Total other current financial liabilities	**30,477.63**	**25,914.24**

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

NOTE 19 : PROVISIONS

(₹ in lakh)

	31-Mar-18			31-Mar-17		
	Current	Non Current	Total	Current	Non Current	Total
Service warranties	4,592.96	1,130.24	5,723.20	5,427.27	1,339.11	6,766.38
Legal claims	525.17	-	525.17	473.38	-	473.38
Other matters**	1,350.00	-	1,350.00	652.00	-	652.00
Total Provisions	**6,468.13**	**1,130.24**	**7,598.37**	**6,552.65**	**1,339.11**	**7,891.76**

Movement in provisions is as given below:

Particulars	Service Warranties*	Legal Claims	Other Matters
Opening balance as on 1st April, 2016	**7,492.59**	**275.04**	**355.07**
Arising during the year	3,347.79	198.34	535.93
Unwinding of discount (finance cost)	18.99	-	-
Utilised during the year	(4,092.99)	-	(239.00)
Opening balance as on April 01, 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 March 31, 2018	**5,723.20**	**525.17**	**1,350.00**

* Refer note 1D(1)

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

NOTE 20 : EMPLOYEE BENEFIT OBLIGATIONS

(₹ in lakh)

Particulars	31-Mar-18			31-Mar-17		
	Current	Non-Current	Total	Current	Non-Current	Total
Leave obligations	1,087.46	2,654.86	3,742.32	1,392.58	3,336.79	4,729.37
Interest rate guarantee on provident fund	-	204.49	204.49	-	172.73	172.73
Gratuity	1,062.37	3,513.15	4,575.52	988.09	3,755.06	4,743.15
Employee benefit liabilities	5,962.03	-	5,962.03	4,722.58	-	4,722.58
Total employee benefit oblligations	**8,111.86**	**6,372.50**	**14,484.36**	**7,103.25**	**7,264.58**	**14,367.83**

Disclosure of defined benefit plans are as given below :

A. Gratuity :

The Company has a defined benefit gratuity plan in India (Funded) for its employees, which requires contribution to be made to a separately administered fund.

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

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

Benefits as per the Payment of Gratuity Act, 1972	
Salary for calculation of Gratuity (GS)	Last drawn basic salary including dearness allowance (if any)
Gratuity Service (SER)	Completed years of Continuous Service with part thereof in excess of six months
Vesting period	5 Years #
Benefit on normal retirement	15/26 * GS * SER
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	₹ 2,000,000

(ii) The Company's gratuity scheme :

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

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

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

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

Particulars	**For the year ended**	
	31-Mar-18	**31-Mar-17**
Present Value of Obligation as at the beginning	**508,365,669**	**425,579,954**
Current Service Cost	65,694,967	52,042,111
Interest Expense or Cost	34,036,423	33,171,652
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	1,834,288	-
- change in financial assumptions	(56,393,379)	45,157,287
- experience variance (i.e. Actual experience vs assumptions)	(11,015,587)	(6,563,150)
Benefits Paid	(52,957,437)	(41,022,185)
Present Value of Obligation as at the end	**489,564,944**	**508,365,669**

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

Particulars	**For the year ended**	
	31-Mar-18	**31-Mar-17**
Fair Value of Plan Assets as at the beginning	**34,051,747**	**69,392,962**
Investment Income	2,279,854	5,408,806
Employer's Contribution	3,132,567	19,111
Benefits Paid	(7,571,382)	(39,927,414)
Return on plan assets, excluding amount recognised in interest (expense)/income	222,036	(841,718)
Fair Value of Plan Assets as at the end	**32,114,822**	**34,051,747**

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

Particulars	For the year ended	
	31-Mar-18	31-Mar-17
Fair Value of Reimbursement Right as at the beginning	**432,920,189**	**301,427,263**
Investment Income	28,985,149	23,494,622
Employer's Contribution	50,000,000	100,000,000
Benefits Paid	(45,386,055)	(1,094,771)
Return on plan assets, excluding amount recognised in interest (expense)/income	113,969	9,093,075
Fair Value of Reimbursement Right as at the end	**466,633,252**	**432,920,189**

* 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 dislcosed in note 9 and note 13 of the financials statements

Amount recognised in balance sheet is as given below:

Particulars	As on	
	31-Mar-18	31-Mar-17
Present Value of Obligation	489,564,945	508,365,670
Fair Value of Plan Assets	32,114,822	34,051,747
Surplus / (Deficit)	**(457,450,123)**	**(474,313,923)**
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**(457,450,123)**	**(474,313,923)**

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

Particulars	For the year ended	
	31-Mar-18	31-Mar-17
Costs charged to statement of profit and loss :		
Current Service Cost	65,694,967	52,042,111
Interest Expense or Cost	34,036,423	33,171,652
Investment Income	(31,265,003)	(28,903,428)
Expense recognised in statement of profit and loss	**68,466,387**	**56,310,335**
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in demographic assumptions	1,834,288	-
Change in financial assumptions	(56,393,379)	45,157,287
Experience variance (i.e. Actual experience vs assumptions)	(11,015,587)	(6,563,150)
Return on plan assets, excluding amount recognised in interest expense/(income)	(336,005)	(8,251,357)
(Income) / Expense recognised in Other Comprehensive Income	**(65,910,683)**	**30,342,780**
Total Expense Recognised during the year	**2,555,704**	**86,653,115**

Amount recognised in the balance sheet and statement of profit and loss shown above excludes the defined benefit obligations relating to certain employees in branch offices outstide India where the liability is valued on an actual basis.

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

Particulars	As on	
	31-Mar-18	31-Mar-17
Funds managed by Insurer	100%	100%
Total	**100%**	100%

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

The significant actuarial assumptions are as follows:

Financial Assumptions

Particulars	As on	
	31-Mar-18	31-Mar-17
Discount rate (per annum)	7.60%	6.70%
Salary growth rate (per annum)	8.50%	10.00%

Demographic Assumptions

Particulars	As on 31-Mar-18	As on 31-Mar-17
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Withdrawal rates, based on age: (per annum) :		
Up to 30 years	16.00%	15.00%
31 - 44 years	14.00%	15.00%
Above 44 years	12.00%	12.00%

Summary of Membership Status

Particulars	As on 31-Mar-18	As on 31-Mar-17
Number of employees	3,047	2,783
Total monthly salary (₹)	77,488,075	70,566,263
Average past service (years)	5.29	5.40
Average age (years)	35.20	35.36
Average remaining working life (years)	22.80	22.65
Number of completed years valued	16,127	15,022
Decrement adjusted remaining working life (years)	6.16	5.92
Normal retirement age	58 years *	58 years *

* The standard retirement date for executive employees is June 30 and the April 1st for the staff employees. In case of employees with age above the normal retirement age indicated above, the retirement is assumed to happen immediately and valuation is done accordingly.

Sensitivity Analysis

The sensitivity analysis is determined based on reasonably possible changes of the assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

Particulars	31-Mar-18	31-Mar-17
Defined Benefit Obligation (Base)	489,564,945	508,365,670

Particulars	31-Mar-18		31-Mar-17	
	Result of decrease in assumption	Result of increase in assumption	Result of decrease in assumption	Result of increase in assumption
Discount Rate (- / + 1%)	513,538,080	468,102,725	534,913,159	484,710,365
(% change compared to base due to sensitivity)	4.9%	-4.4%	5.2%	-4.7%
Salary Growth Rate (- / + 1%)	469,554,223	511,442,138	486,738,955	532,069,433
(% change compared to base due to sensitivity)	-4.1%	4.5%	-4.3%	4.7%
Attrition Rate (- / + 50% of attrition rates)	529,205,058	467,759,189	581,257,609	471,460,482
(% change compared to base due to sensitivity)	8.1%	-4.5%	14.3%	-7.3%
Mortality Rate (- / + 10% of mortality rates)	489,418,953	489,710,420	508,349,415	508,381,836
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

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

a) Funding arrangements and Funding Policy

The scheme is managed on funded basis. Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which fully covers the same under Cash Accumulation Policies of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Expected Contribution during the next annual reporting period

Particulars	31-Mar-18	31-Mar-17
The Company's best estimate of Contribution during the next year	42,299,064	96,212,335

This has been calculated assuming that the employer's contribution next year shall increase by 5%.

c) Maturity Profile of Defined Benefit Obligation

Particulars	31-Mar-18	31-Mar-17
Weighted average duration (based on discounted cashflows)	5 years	5 years

Expected cash flows over the next (valued on undiscounted basis):	31-Mar-18	31-Mar-17
1 year	138,351,451	132,860,127
More than 1 and upto 2 years	57,454,545	63,085,641
More than 2 and upto 5 years	145,079,275	147,523,407
More than 5 and upto 10 years	177,708,215	171,114,629
More than 10 years	255,997,803	258,212,747

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 gauranteed interest rate declared by government / EPFO / relevant authorities.

The net defined benefit obligation as at the valuation date represents the excess of accumlated 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.

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

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 ended	
	31-Mar-18	31-Mar-17
Present Value of Obligation as at the beginning	**1,107,106,009**	**948,569,921**
Interest Cost	90,550,479	81,900,357
Current Service Cost (employer's contribution)	58,644,008	55,559,003
Employee's Contributions	127,547,774	121,558,659
Transfer In / (out) of the liability	40,173,708	33,371,819
Benefits Paid	(173,126,987)	(136,963,553)
Re-measurement (or Actuarial) (gain) / loss arising from:		
- experience variance (i.e. Actual experience vs assumptions), loss if positive	3,171,338	3,109,803
Present Value of Obligation as at the end	**1,254,066,329**	**1,107,106,009**

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

Particulars	For the year ended	
	31-Mar-18	31-Mar-17
Fair Value of Plan Assets as at the beginning	**1,131,585,274**	**977,924,463**
Investment Income	75,816,213	74,811,221
Employer's Contributions	58,644,008	55,559,003
Employee's Contributions	127,547,774	121,558,659
Transfers In	40,173,708	33,371,819
Benefits Paid	(173,126,987)	(136,963,553)
Return on plan assets, excluding amount recognised in interest (expense)/income	22,567,585	5,323,662
Fair Value of Plan Assets as at the end	**1,283,207,575**	**1,131,585,274**

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

Particulars	As on	
	31-Mar-18	31-Mar-17
Present Value of Obligation	1,254,066,329	1,107,106,009
Fair Value of Plan Assets	1,283,207,575	1,131,585,274
Surplus / (Deficit)	**29,141,246**	**24,479,265**
Effects of Asset Ceiling, if any	-	-
Net Asset / (Liability)	**29,141,246**	**24,479,265**

The present value of obligation of provident fund of trusts represents the aggregate of accumulated fund value of ₹ 1,233,622,385 (As on March 31, 2017 - ₹ 1,089,833,403) and interest rate guarantee ₹ 20,443,944 (As on March 31, 2017 - ₹ 17,272,606). 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 Bajaj Electricals Limited Employees' Provident Fund Trusts. The interest rate guarantee so recognised in the Company's books is considered as non-current liability

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-18	31-Mar-17
Costs charged to statement of profit and loss :		
Current Service Cost	58,644,008	55,559,003
Interest Expense or Cost	90,550,479	81,900,357
Investment Income	(75,816,213)	(74,811,221)
Expense recognised in statement of profit and loss	**73,378,274**	**62,648,139**
Re-measurement (or Actuarial) (gain) / loss arising from:		
Experience variance (i.e. Actual experience vs assumptions)	3,171,338	3,109,803
Return on plan assets, excluding amount recognised in interest expense/(income)	(22,567,585)	(5,323,662)
Expense recognised in Other Comprehensive Income	**(19,396,247)**	**(2,213,859)**
Total Expense Recognised during the year	**53,982,027**	**60,434,280**

The significant actuarial assumptions are as follows :

Financial and Demographic Assumptions

Particulars	As on			
	31-Mar-18		31-Mar-17	
	HO Unit	Chakan Unit	HO Unit	Chakan Unit
Discount rate (per annum)	7.60%	7.60%	6.70%	6.70%
Interest rate guarantee (per annum)	8.55%	8.55%	8.65%	8.65%
Discount Rate for the Remaining Term to Maturity of the Investment (p.a.)	7.60%	7.60%	6.70%	6.70%
Average Historic Yield on the Investment (p.a.)	8.45%	8.45%	8.70%	8.70%
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)	100.00%	100.00%	100.00%	100.00%
Attrition Rate	22.00%	22.00%	22.00%	22.00%

Summary of Membership Status

Particulars	As on	
	31-Mar-18	31-Mar-17
Dormant/Inoperative Employees	3,488	3,381
Live Number of employees	1,971	1,868
Total Number of employees	**5,459**	**5,249**
Average age (years)	37.08	37.10

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

Particulars	As on	
	31-Mar-18	31-Mar-17
Government of India securities	9.0%	4.8%
State Government securities	21.6%	29.1%
High quality corporate bonds	48.1%	46.1%
Equity shares of listed companies	1.0%	0.0%
Public Sector Bonds	0.0%	0.0%
Special Deposit Scheme	15.6%	13.5%
Funds managed by Insurer	4.1%	0.0%
Bank balance	0.3%	0.5%
Other Investments	0.3%	6.0%
Total	**100%**	**100%**

Sensitivity Analysis

The sensitivity analysis is determined based on reasonably possible changes of the assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

Particulars	31-Mar-18	31-Mar-17
Defined Benefit Obligation (Base)	1,254,066,329	1,107,106,009

Particulars	31-Mar-18		31-Mar-17	
	Result of decrease in assumption	Result of increase in assumption	Result of decrease in assumption	Result of increase in assumption
Discount Rate (- / + 1%)	1,275,039,906	1,237,201,962	1,131,250,924	1,093,412,980
(% change compared to base due to sensitivity)	1.7%	-1.3%	2.2%	-1.2%
Interest rate guarantee (- / + 1%)	1,229,947,211	1,192,892,629	1,086,158,229	1,049,103,647
(% change compared to base due to sensitivity)	-1.9%	-4.9%	-1.9%	-5.2%

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-18	31-Mar-17
The trusts' best estimate of Contribution during the next year	61,576,208	58,336,953

This has been calculated assuming that the employer's contribution next year shall increase by 5%.

c) Asset Liability Matching Strategies

For PF Trust Investments, the same are managed by Trustees as per advice and recommendations of a professional consultant. The Employees' Provident Fund Organisation, Ministry of Labour, Government of India, vide its notification in official gazette notified the pattern of investment for EPF exempted establishments, which depicts the obligatory pattern of investments of PF contributions and interests. The pattern mandates to invest as below :

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

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

Particulars	Provident Fund		Superannuation		Pension	
	For the year ended		For the year ended		For the year ended	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Expense recognised in the statement of Profit & Loss	10,315,339	7,956,603	28,129,974	31,225,090	40,529,958	37,804,048

The Leave Encashment Schemes, superannuation and pension schemes are managed on unfunded basis, hence Asset Liability Matching Strategies are not applicable

NOTE 21 : TRADE PAYABLES

(₹ in lakh)

	31-Mar-18	31-Mar-17
Current		
Trade payable	81,432.42	61,528.60
Dues to micro, small and medium enterprises (refer note below)	2,689.49	1,529.09
Acceptances	1,111.09	516.69
Trade payable to related parties	209.36	-
Total current trade payables	**85,442.36**	**63,574.38**
Non-Current		
Retention payable to contractor	14.47	16.60
Total non-current trade payables	**14.47**	**16.60**

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

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

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

(₹ in lakh)

		31-Mar-18	31-Mar-17
Principal		2,667.51	1,488.21
Interest		21.98	40.88
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.	40.88	20.03
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.	21.98	40.88
iv)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	0.44	-

NOTE 22 : OTHER CURRENT LIABILITIES

(₹ in lakh)

	31-Mar-18	31-Mar-17
Gross amount due to customer for contract work	20,678.13	30,009.42
Statutory liabilities payable	3,740.13	4,506.56
Deferred revenue *	3,241.20	-
Advance received from customer	11,245.50	17,424.84
Temporary overdraft as per books	-	2.65
Others	1,445.60	1,709.04
Total other current liabilities	**40,350.56**	**53,652.51**

* Deferred revenue pertains to accrual of points under the Retailer Bonding Program. Refer note 1D(5).

NOTE 23 : REVENUE FROM OPERATIONS

(₹ in lakh)

	31-Mar-18	31-Mar-17
Sale of products (including excise duty) *	281,776.85	290,834.50
Contract Revenue	187,819.42	137,393.09
Other operating revenue **	2,042.72	1,598.31
Total revenue from operations	**471,638.99**	**429,825.90**

* Sale of products includes excise duty collected from customers of ₹ 894.05 lakh (March 31, 2017 - ₹ 3,654.68 lakh). Sale of goods net of excise duty is ₹ 280,882.80 lakh (March 31, 2017 - ₹ 287,179.82 lakh). Revenue from operations for periods upto June 30, 2017 includes excise duty. From July 01, 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. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended March 31, 2018 is not comparable to March 31, 2017.

** Other operating revenue mainly comprises of scrap sales amounting to ₹ 1,097.77 lakh (March 31, 2017 - ₹ 725.43 lakh)

NOTE 24 : OTHER INCOME

(₹ in lakh)

	31-Mar-18	31-Mar-17
Interest income on bank deposits and others	1,518.24	1,456.62
Interest income from financial assets at amortised cost	1,744.03	1,241.24
Interest on income tax refund	947.31	-
Income on financial guarantees issued	239.42	136.47
Rental income	182.59	217.50
Net gain / (losses) on disposal of property, plant & equipment	135.74	156.47
Others	552.06	350.33
Total other income	**5,319.38**	**3,558.63**

NOTE 25 : COST OF RAW MATERIALS CONSUMED

(₹ in lakh)

	31-Mar-18	31-Mar-17
Raw materials at the beginning of the year	8,533.71	3,284.34
Add : Purchases	33,626.93	24,795.43
Less : Raw materials at the end of the year	9,447.80	8,533.71
Total cost of raw material consumed	**32,712.84**	**19,546.06**

NOTE 25 : CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS, TRADED GOODS

(₹ in lakh)

	31-Mar-18	31-Mar-17
Opening balance		
Work in progress	726.54	505.78
Finished Goods	5,445.94	3,095.55
Traded goods	42,104.77	43,163.86
Total opening balance	**48,277.25**	**46,765.19**
Closing 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 Closing balance	**48,266.36**	**48,277.25**
Total Changes in inventories of work in progress, traded goods and finished goods	**10.89**	**(1,512.06)**

NOTE 26 : ERECTION & SUBCONTRACTING EXPENSES

(₹ in lakh)

	31-Mar-18	31-Mar-17
Erection and subcontracting expense	31,042.67	29,378.77
Total Erection & subcontracting expense	**31,042.67**	**29,378.77**

NOTE 27 : EXCISE DUTY

(₹ in lakh)

	31-Mar-18	31-Mar-17
Excise Duty	894.05	3,654.68
Total Excise Duty	**894.05**	**3,654.68**

NOTE 28 : EMPLOYEE BENEFIT EXPENSES

(₹ in lakh)

	31-Mar-18	31-Mar-17
Salaries, wages and bonus	28,893.12	30,110.67
Contribution to Providend and other funds	1,531.88	1,451.39
Employees share based payment expense	285.88	390.18
Gratuity (refer note 20)	686.73	584.66
Staff welfare expenses	390.29	353.06
Total employee benefit expense	**31,787.90**	**32,889.96**

NOTE 29 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in lakh)

	31-Mar-18	31-Mar-17
Depreciation of property, plant and equipment	3,350.20	2,983.79
Depreciation of assets classified as held for sale	-	0.71
Amortisation of intangible assets	44.29	2.64
Total depreciation and amortisation expense	**3,394.49**	**2,987.14**

NOTE 30 : OTHER EXPENSES

(₹ in lakh)

	31-Mar-18	31-Mar-17
Consumption of stores & spares	1,046.52	1,038.15
Packing material consumed	864.83	702.65
Excise duty on increase/(Decrease) in stocks of finished goods	(0.01)	389.06
Power and fuel	1,068.25	1,173.64
Rent	4,377.81	4,167.45
Repairs and maintenance		
Plant and machinery	895.12	653.84
Buildings	12.95	8.18
Others	324.13	238.56
Telephone and communication charges	1,117.45	1,201.41
Rates and taxes	90.27	93.20
Lease rent	211.86	231.66
Travel and conveyance	7,049.35	6,534.38
Insurance	1,172.21	855.11
Printing and stationery	271.33	346.96
Directors fees & travelling expenses	63.04	79.53
Non executive directors commission	42.23	60.77
Advertisement & publicity	10,455.92	7,849.99
Freight & forwarding	7,396.01	7,117.05
Product promotion & service charges	8,038.89	10,319.62
Sales commission	2,509.52	3,234.06
Provisions		
Service warranties	(1,139.51)	(871.47)
Impairment allowance for doubtful debts and advances	1,889.17	2,086.22
Bad debts and other irrecoverable debit balances Written off	2,492.78	358.17
Payments to auditors (refer note 30(a))	130.04	142.93
Corporate social responsibility expenditure (refer note 30(b))	271.00	163.44
Impairment allowance of financial assets at amortised cost (refer note 43)	301.16	531.56
Fair value loss on financial instruments at fair value through profit and loss	771.05	-
Consultation charges	4,304.45	3,712.38
Site support charges - EPC	2,421.60	2,171.92
Sales tax expenses	1,091.35	775.20
Security service charges	1,426.39	1,233.73
Miscellaneous expenses	7,155.86	7,300.14
Total other expenses	**68,123.02**	**63,899.49**

NOTE 30(A) : DETAILS OF PAYMENT TO AUDITORS

(₹ in lakh)

	31-Mar-18	31-Mar-17
Payment to Auditors		
As Auditor		
Audit Fee	85.50	104.65
Tax Audit Fee	5.00	11.50
Limited Review Fees	26.50	22.43
In other capacities		
Certification fees	8.03	7.18
Re-imbursement of expenses	5.01	2.98
Total payment to auditors	**130.04**	**148.74**

NOTE 30(B) : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

(₹ in lakh)

		31-Mar-18	31-Mar-17
Amount required to be spent as per Section 135 of Companies Act, 2013		266.70	156.87
Amount spent during the year on			
(i)	Construction/Acquisition of an Asset	-	-
(ii)	on Purposes other than (i) above (refer note 44)	195.30	108.48

NOTE 31 : FINANCE COST

(₹ in lakh)

	31-Mar-18	31-Mar-17
Interest expense on borrowings	4,583.45	6,570.69
Interest expense on mobilisation advances	783.60	958.43
Unwinding of discount on provisions	182.96	173.07
Exchange differences regarded as an adjustment to borrowing costs	127.51	203.87
Other borrowing costs	208.95	293.46
Total	**5,886.47**	**8,199.52**
Finance cost capitalised	-	(155.75)
Finance cost expensed in profit and loss	**5,886.47**	**8,043.77**

NOTE 32 : INCOME TAX EXPENSE

(a) Income Tax Expense

(₹ in lakh)

	31-Mar-18	31-Mar-17
Current Tax		
Current income tax charge	10,060.00	6,600.00
Adjustments of tax relating to earlier periods	1.98	-
Total Current tax expense	**10,061.98**	**6,600.00**
Deferred Tax (refer note 8)		
Decrease / (increase) in deferred tax assets	(1,634.33)	(1,502.37)
(Decrease) / increase in deferred tax liabilities	(343.14)	940.22
Total deferred tax expense / (benefit)	**(1,977.47)**	**(562.15)**
Income tax expense in the statement of profit and loss	**8,084.51**	**6,037.85**

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

(₹ in lakh)

	31-Mar-18	31-Mar-17
Profit / (Loss) from continuing operations before income tax expense	16,446.67	16,803.94
Income Tax @ standard tax rate of 34.608%	5,691.86	5,815.51
Tax effect of amounts which are not deductible in calculating taxable income :		
- Corporate Social responsibility Expenditure	98.87	56.62
- Estimated expenditure to earn tax exempt Income	3.46	34.71
- Employee Share based payment expense	98.94	135.03
- Impairment Allowance / Fair Value Loss on Financial Asset and Investment of Starlite Lighting Limited*	2,501.25	-
Other items affecting effective tax rate:		
- Reversal of Defered Tax Asset on Impairment allowance on Investment in Hind Lamps Limited	346.08	-
- Effects of changes in statutory tax rate	(66.18)	-
- Deferred Tax Asset recognised on Asset held for Sale	(485.10)	-
- Others	(104.67)	(4.02)
Income Tax Expense reported in statement of profit and loss	8,084.51	6,037.85

*The Company has not recognised deferred tax assets since it is not probable that long term capital gains will be available against which such deferred tax assets can be utilised.

NOTE 33 : EMPLOYEE STOCK OPTIONS :

A. Summary of Status of ESOPs Granted :

The position of the existing schemes is summarised as under :

I. Details of the ESOS :

Sr. No.	Particulars	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
1	Date of Shareholder's Approval	Originally approved in AGM held on July 26, 2007 and revised in AGM held on July 28, 2010		Postal Ballot dated January 21, 2016
2	Total Number of Options approved	Bajaj Growth 2007 Scheme approved 4,321,440 shares of face value ₹ 2 each (erstwhile 864,288 shares of ₹ 10 each prior to share-split) equivalent to 5% of paid up equity shares i.e. 86,428,800 shares as at the date of the announcement of scheme. The ESOP 2011 being the modified ESOP 2007 Scheme approved aggregate of 78,03,560 shares of face value ₹ 2 each equivalent to 8% of paid up equity shares i.e. 97,544,495 as at the date of the announcement of scheme.		30,27,073 shares of face value ₹ 2 each equivalent to 3% of paid up equity i.e. 100,902,426 shares as at the date of the announcement of scheme.
3	Vesting Requirements & Exercise Period	Options vesting happens only on continuation of employment being the vesting requirement. The options are granted to employees with grade Assistant General Manager and above. As per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and SEBI (Share Based Employee Benefits) (Amendment) Regulations, 2015, there is a minimum period of one year between the grant of options and vesting of option observed by the Company. The vested options can be exercised anytime upto 3 years from date of vesting. Options granted under the plan carry no dividend or voting rights till the options are excercised and duly allotted to the employees. When exercisable, each option is convertible into one equity share.		
4	The Pricing Formula	Closing price on the stock exchange where there is highest traded volume on working day prior to the date of grant.		
5	Maximum term of Options Granted (years)	7 Years	7 Years	7 Years
6	Method of Settlement	Equity settled	Equity settled	Equity settled
7	Source of shares	Fresh Issue	Fresh Issue	Fresh Issue
8	Variation in terms of ESOPs	Nil	Nil	Nil
9	Equity Shares reserved for issue under Employee Stock Options Outstanding as at March 31, 2018	The Company had reserved for issuance of 10,830,633 Equity Shares of ₹ 2 each to eligible employees of the Company under Employees Stock Option Pool, of which number of stock options not yet granted are 1,069,792, number of stock options vested & exercisable are 409,075, number of stock options unvested are 981,500, number of stock options cancelled under ESOP 2015 Scheme are 163,500 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, 2018 are 2,623,867.		

II. 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

Option Movement during the year ended March 31, 2017

		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	307,450	280.57	2,008,550	230.81	115,000	177.85
2	Options Granted during the year	-	-	-	-	507,500	258.04
3	Options Forfeited / Surrendered during the year	29,500	247.22	246,500	228.16	52,500	226.50
4	Options Expired (Lapsed) during the year	120,950	288.38	59,300	195.54	-	-
5	Options Exercised during the year	37,000	173.35	303,200	172.62	1,000	177.85
6	Number of Options Outstanding at the end of the year	120,000	313.95	1,399,550	245.37	569,000	244.89
7	Number of Options Exercisable at the end of the year	120,000	313.95	843,300	226.31	18,000	177.85

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, 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

Range of Exercise Price	Weighted average contractual life (years) as on March 31, 2017		
0 to 100	Nil	Nil	Nil
No. of Options Outstanding	Nil	Nil	Nil
101 to 200	Nil	1.71	4.54
No. of Options Outstanding	Nil	467,050	94,000
201 to 300	Nil	3.23	5.14
No. of Options Outstanding	Nil	617,500	452,500
301 to 400	0.58	2.78	5.65
No. of Options Outstanding	120,000	315,000	22,500

IV 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			Nil
(c)	Exercise price is less than market price			Nil

Weighted Average Fair Value of Options Granted during the year ended March 31, 2017 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	92.92
(b)	Exercise price is greater than market price			Nil
(c)	Exercise price is less than market price			Nil

V The weighted average market price of options exercised :

	BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
During the year ended March 31, 2018	360.32	405.77	436.58
During the year ended March 31, 2017	272.38	253.73	308.40

VI 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 (₹)			423.48
6.	Price of the underlying share in market at the time of the option grant. (₹)			423.48

Method and Assumptions used to estimate the Fair Value of Options Granted during the year ended March 31, 2017 :

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

The Assumptions used in the model are as follows:

Variables		BAJAJ GROWTH 2007	ESOP 2011	ESOP 2015
		Weighted Average	Weighted Average	Weighted Average
1.	Risk Free Interest Rate	No options granted during the year	No options granted during the year	6.71%
2.	Expected Life (in years)			4.15
3.	Expected Volatility			37.37%
4.	Dividend Yield			1.09%
5.	Exercise Price (₹)			258.04
6.	Price of the underlying share in market at the time of the option grant. (₹)			258.04

Assumptions:

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered

Volatility: The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publically available information. The volatility is calculated considering the daily volatility of the stock prices on National Stock Exchange of India Ltd. (NSE), over a period prior to the date of grant corresponding with the expected life of the options.

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

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

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

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

VII Effect of Share-Based Payment Transactions on the Entity's Profit and Loss for the year :

Particulars	31-Mar-18	31-Mar-17
1 Employee Stock Option Plan Expense	28,587,834	39,018,554
2 Total ESOP Reserve at the end of the year	95,814,741	119,899,461

NOTE 34 : FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

The carrying amounts of financial instruments by class are as follows

Particulars	31-Mar-18	31-Mar-17
A. Financial assets		
I. Measured at amortised cost		
Investments	764.82	4,153.60
Trade Receivables	201,213.75	164,664.92
Loans	11.14	297.58
Cash and Cash Equivalents	2,181.97	2,508.23
Bank Balances other than above	392.20	4,018.29
Other Financial Assets	2,141.64	5,637.14
II. Measured at fair value through profit and loss (FVTPL)		
Other Financial Assets (Derivative Assets)	19.65	-
Investments	0.10	2,128.77
	206,725.27	**183,408.53**
B. Financial liabilities		
I. Measured at amortised cost		
Borrowings	71,762.47	54,553.48
Trade Payables	85,456.83	63,590.98
Other Financial Liabilities	30,830.96	25,921.63
II. Measured at fair value through profit and loss (FVTPL)		
Other Financial Liabilities (Derivative Liability)	18.79	213.88
	188,069.05	**144,279.97**

(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, 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**
As at March 31, 2017						
Investments	Discounted Cash Flow	2,128.77	2,128.77			2,128.77
Other Financial Liabilities (Derivative Liability)	Mark to Market	213.88	213.88		213.88	
		2,342.65	**2,342.65**	**-**	**213.88**	**2,128.77**

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 negative. 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, 2018

Particulars	Significant Unobservable Inputs	Sensitivity
Investments (Preference shares of Starlite Lighting Limited)	Discount rate - Scenario 1 – 12% - Scenario 2 – 16% - Scenario 3 – 20% Average of scenario 1-3 is considered for valuation	The Company has reduced the fair value of investments in preference shares in Starlite Lighting Limited and impaired fully the equity instruments since the enterprise value less external debt is negative.
Invesments (Equity shares of Starlite Lighting Limited)	Discount rate – 18.16% Terminal value growth rate – 3%	1% increase in discount rate will decrease fair value by ₹ 753.00 lakh. 1% decrease in discount rate will increase the fair value by ₹ 853.80 lakh. 1% increase in terminal value growth rate will increase fair value by ₹ 191.80 lakh. 1% decrease in terminal value growth rate will decrease the fair value by ₹ 168.00 lakh.

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

NOTE 35 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of borrowings, trade and other payables, 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 Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds investments (measured at FVTPL and amortised cost) and enters into derivative transactions (other than for speculative purposes).

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

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

(A) Credit risk

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

Trade and other receivables

Trade and other receivables of the Company are typically unsecured and credit risk is managed through credit approvals and periodical monitoring of the creditworthiness of customers to which the Company grants credit terms. In respect of trade receivables, the Company typically operates in two segments:

Consumer products

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

Engineering and projects

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

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

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

The maximum exposure to credit risk as at March 31, 2018 and March 31, 2017 is the carrying value of such trade and other receivables as shown in note 5, 7 and 12 of the financials.

Reconciliation of impairment allowance on trade and other receivables (₹ in lakh)

Particulars	Amount
Impairment allowance on March 31, 2017	**15,507.41**
Created during the year	5,318.76
Reversed during the year	(3,399.95)
Impairment allowance on March 31, 2018	**17,466.22**

Bank deposits

The company maintains its cash and bank balances with credit worthy banks and financial institutions and reviews it on an on-going basis. Moreover, the interest-bearing deposits are with banks and financial institutions of reputation, good past track record and high-quality credit rating. Hence, the credit risk is assessed to be low. The maximum exposure to credit risk as at March 31, 2018 and March 31, 2017 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 as at March 31, 2018 in its financial statements (Refer Note 43).

(B) Liquidity risk

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

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

(i) Financing arrangements

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

(₹ In lakh)

Particulars	31-Mar-18	31-Mar-17
Floating / Fixed Rate		
- Expiring within One year (Bank overdraft and other facilities)	237,581	212,894

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

(ii) Maturities of financial liabilities

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

(₹ in lakh)

Particulars	Carrying value as at March 31, 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	71,762.46
Trade payables	85,456.83	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	**188,069.05**	**186,857.50**	**622.49**	**823.36**	**16.65**	**188,320.00**

Particulars	Carrying value as at March 31, 2017	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	54,553.48	53,529.08	547.94	1,022.86	124.28	55,224.16
Trade payables	63,590.98	63,044.60	18.97	-	0.27	63,063.84
Other financial liabilities	26,135.51	25,799.61	118.67	96.55	6.05	26,020.88
Total	**144,279.97**	**142,373.29**	**685.58**	**1,119.41**	**130.60**	**144,308.88**

(C) Market Risk

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

(i) Foreign currency risk

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

The company operates in the global market and is therefore exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar ('USD'), Euro ('EUR'), Great Britain Pound ('GBP'), Chinese Yuan Renminbi ('RMB') and United Arab Emirates Dirham ('AED'). Apart from exports receivables and Imports payables arising out of trade in the normal course of business, the company also has foreign exchange exposures in terms of buyer's credit, packing credit, foreign currency term loans, etc. As these commercial transactions are recorded in currency other than the functional currency (₹), the company is exposed to Foreign Exchange risk arising from future commercial transactions and recognised assets and liabilities. The company is a net importer as its imports and other forex liabilities exceeds the exports. It ascertains its forex exposure and bifurcates the same into forex receivables and payables. The export collections are received in EEFC account, which provides some natural hedge. Other exposures are covered by taking appropriate forward cover from the banks.

The company has a forex policy, which is duly approved by the Board of Directors. All forex hedging is done as per the said approved forex policy. The company has also taken Board approval for authorising certain company officials for entering into hedge transactions. The forex policy is flexible in terms of the hedging the overall forex exposure, as also the instrument to be used for hedging. The company takes a forward cover for the period which matches the maturity date of the forex liability which is proposed to be hedged. On maturity date, the forward contracts are utilised for settlement of the underlying transactions.

(a) Foreign currency risk exposure:

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

(₹ In lakh)

	31-Mar-18					31-Mar-17					
	USD	EUR	CAD	GBP	AED	USD	EUR	RMB	JPY	AUD	AED
Financial assets	990.66	-	-	-	-	451.17	(1.21)	47.90	-	-	17.52
Financial liabilities	16,703.28	46.24	28.47	3.19	(1.47)	8,847.28	499.73	25.54	(2.61)	(1.98)	5.33

Further, the Company has open foreign exchange forward contracts amounting to USD 123.64 lakh (March 31, 2017 - USD 82.42 lakh)

b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments is given below

(₹ In lakh)

Particulars	Impact on profit after tax & Equity	
	31-Mar-18	31-Mar-17
USD sensitivity		
₹ appreciates by 4%(March 31, 2017 - 5%)	628.48	419.77
₹ depreciated by 4%(March 31, 2017 - 5%)	(628.48)	(419.77)

The company also has an exposure in EUR, CAD, RMB, JPY and AUD, the impact of sensitivity of which is very negligible.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any long term borrowings except sales tax deferral loan which is interest free. Also in case of short term borrowings, the interest rate is fixed in a large number of cases and linked to the LIBOR in a few cases. Hence, interest rate risk is assessed to be low. Accordingly, the sensitivity / exposure to change in interest rate is insignificant

(iii) Price risk

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

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

NOTE 36 : CAPITAL MANAGEMENT

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

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

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

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Total debt (total borrowings including current maturities of long term borrowings) divided by total equity (as shown in the balance sheet excluding debenture redemption reserve, capital reserve and capital redemption reserve)

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

Particulars	31-Mar-18	31-Mar-17
Total debt	72,310.41	64,656.38
Total equity	94,329.31	84,504.01
Total debt to equity ratio	0.77	0.77

NOTE 37 : SEGMENT REPORTING

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

1) Segment Results :

(₹ in lakh)

Particulars	31-Mar-18	31-Mar-17
a) Consumer Products	10,868.45	9,902.94
b) EPC	19,460.09	14,167.01
c) Others	(45.15)	(17.12)
Operating Segment Profit	**30,283.39**	**24,052.83**
Unallocated income / (expenses)		
Depreciation & amortisation expenses	(128.82)	-
Finance Cost	(5,886.47)	(8,043.77)
Interest income on financial assets measured at amortised cost	373.83	597.32
Impairment / Fair value loss of financial assets	(771.05)	(531.56)
Profit / (Loss) on sale of Property, plant & equipment	152.22	153.08
Rent received	182.59	217.50
Employee share based payment expenses	(285.88)	(390.18)
Interest on Income Tax refund	947.31	-
Exceptional items	(8,936.26)	-
Others	515.81	748.72
Profit before income tax	**16,446.67**	**16,803.94**

The operating segment results includes depreciation and amortisation of ₹ 1,551.16 lakh (March 31, 2017 – ₹ 1,557.54 lakh) for consumer products, ₹ 1,676.25 lakh (March 31, 2017 – ₹ 1,391.33 lakh) for EPC and ₹ 38.26 lakh (March 31, 2017 – ₹ 72.02 lakh) for others.

2) Segment Revenue:

(₹ in lakh)

Particulars	31-Mar-18	31-Mar-17
a) Consumer Products	222,845.89	231,421.03
b) EPC	248,756.15	198,332.80
c) Others	36.95	72.07
Sub-total	**471,638.99**	**429,825.90**
Less: Inter Segment Revenue	-	-
Net Sales / Income from Operations	**471,638.99**	**429,825.90**

There is no single customer with more than 10% of revenue. The amount of its revenue from external customers broken down by location of the customers is shown in table below:

(₹ in lakh)

Particulars	31-Mar-18	31-Mar-17
India	466,102.24	425,128.59
Outside India	5,536.75	4,697.31
Total	**471,638.99**	**429,825.90**

3) Segment Assets :

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

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Consumer Products	93,378.72	78,430.85
b) EPC	211,803.31	172,427.08
c) Others	301.07	305.59
Total Segment Assets	**305,483.10**	**251,163.52**
Unallocated		
Deferred tax assets	7,353.18	5,594.96
Income tax assets (net)	828.12	4,486.51
Investments	1,449.45	8,034.22
Property, Plant & Equipments	22,490.06	22,568.00
Cash & cash equivalents	2,574.17	6,526.51
Others	7,092.18	10,298.03
Total assets as per balance sheet	**347,270.26**	**308,671.75**

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

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
India	31,250.40	30,980.80
Outside India	4.59	23.00
Total	**31,254.99**	**31,003.80**

The capital expenditure incurred for consumer products is ₹ 330.34 lakh (March 31, 2017 – ₹ 355.79 lakh), for EPC is ₹ 1,103.64 lakh (March 31, 2017 – ₹ 1,347.04 lakh) and for others is ₹ 2,659.22 lakh (March 31, 2017 – ₹ 5,507.32 lakh).

4) Segment Liabilities :

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

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Consumer Products	73,238.84	65,808.00
b) EPC	100,620.76	88,524.08
c) Others	-	-
Total Segment Liabilities	**173,859.60**	**154,332.08**
Unallocated		
Borrowings	72,310.41	62,424.44
Others	6,625.23	4,765.51
Total liabilities as per balance sheet	**252,795.24**	**221,522.03**

NOTE 38 : DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES

(₹ in lakh)

Name of Related Party and Nature of relationship	Nature of Transaction	2017-18		2016-17	
		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					
Nil	Not Applicable				
(B) Subsidaries					
Nil	Not Applicable				
(C) Associate - Hind Lamps Limited					
	Purchases	2,872.46	(87.42)	2,803.85	(124.88)
	Trade Advance Given	2,952.74	797.96	3,124.89	753.47
	Sales	159.24	13.05	109.92	10.41
	Interest on loan / advance	111.41	-	102.62	25.45
	0% Non Convertible Redeemable Preference Shares		764.82		692.14
	Finance Income of preference shares (financial asset at amortised cost)	72.68		65.77	
	Services Received	-		0.33	
(D) Joint Venture - Starlite Lighting Limited					
	Purchases	8,179.86	(216.14)	5,100.51	1,610.86
	Contribution to Equity	3.50		-	
	Contribution to Equity on A/c of valuation of Corporate Guarantee	566.36		-	
	Finance income on Corporate Guarantee given	239.42		136.47	
	Sales of Components	3,883.12	-	-	-
	0% Non Convertible Redeemable Preference Shares (at amortised cost) *	-	-	-	3,461.46
	9% Non Convertible Redeemable Preference Shares (at fair value through profit or loss) *	-	-	-	2,128.66
	Finance Income of preference shares (financial asset at amortised cost)	301.16		531.56	
	Impairment and fair value loss of financial assets and equity	10,008.46		531.56	
	Trade Advance Given *	650.00	5,354.82	1,200.00	3,916.67
	Loans given *	-	-	-	280.00
	Reimbursement of Expenses	-	-	8.44	-
	Lease Rent received	-	-	51.64	-
	Interest on loan and advance	882.90	-	525.89	304.40
(E) Key Mangement Personnel Compensation					
	Short-term employee benefits	1,645.80	(942.82)	1,224.95	(653.73)
	Post- employment benefits (contribution to super annunation fund)	53.95		48.15	
	Long-term employee benefits (contribution to provident fund)	43.16		38.52	
	Perquisite value of ESOPs excercised during the year	25.01	-	6.08	-
	Total Compensation	**1,767.92**	**(942.82)**	**1,317.70**	**(653.73)**

Name of Related Party and Nature of relationship	Nature of Transaction	2017-18		2016-17	
		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
(F) Transactions with the Entities which is Controlled or Jointly Controlled by a person identified in para 9 (a) of Ind AS 24 - Related Party Disclosures					
	Reimbursement of Expenses	602.97	(43.61)	651.49	(23.05)
	Services Received	194.64	(41.27)	34.05	(1.80)
	Rent Paid	54.00	-	10.35	(1.35)
	Deposits given	-	27.00	27.00	27.00
	Sales	962.99	306.33	34.78	13.74
	Purchases	-	(0.05)	28.78	(0.23)
(G) Transactions with the entities in which a person identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures is a member of the KMP of the entity					
	Advance for Insurance premium	-	474.07	-	453.55
	Claims Received	76.39	-	53.36	-
	Insurance Premium paid	664.30	(0.13)	569.18	(0.27)
	Contribution to Gratuity Fund	500.00	4,623.34	1,000.00	4,299.48
	Sales	88.05	38.77	71.88	19.16
	Advance for Capital Asset	86.92	-	13.04	2.74
	Reimbursement of Expenses	10.07	(4.76)	4.92	(4.82)
	Rent Deposit Given	-	100.00	-	100.00
	Rent Paid	28.14	-	27.57	-
	Services Received	11.62	-	4.10	(0.75)
(I) Transactions with the entities which are the post employment benefit plans as identified in para 9 (b) (v) of Ind AS 24 - Related Party Disclosures					
	Trustees Bajaj Electricals Ltd Employees Provident Fund	1,833.71	(156.20)	1,745.34	(147.44)
	Matchwel Electrical India Limited Employees Provident Fund Trust	28.21	(2.54)	-	-
(J) Transactions with the persons identified in para 9 (a) (i) of Ind AS 24 - Related Party Disclosures					
	Rent Deposit Given / (Refunded)	(400.00)	-	-	400.00
	Rent Paid	8.25	-	9.00	-
	Reimbursement of Expenses received (net)	49.53	-	-	-

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

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

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

NOTE 39 : EARNINGS PER SHARE:

	31-Mar-18	31-Mar-17
Profit for the year after tax but before exceptional items and tax on exceptional items (A) (₹ in lakh)	16,431.80	10,766.09
Profit for the year after exceptional items and tax on exceptional items (B) (₹ in lakh)	8,362.16	10,766.09
Weighted average number of equity shares for basic EPS (C)	101,617,351	101,116,802
Add: Effect of dilution (employee stock options - refer note 33)	501,553	203,308
Weighted average number of equity shares for diluted EPS (D)	102,118,904	101,320,110
Earnings Per Share in ₹ :-		
(a) Basic before exceptional items (A/C)	16.17	10.65
(b) Diluted before exceptional items (A/D)	16.09	10.63
Earnings Per Share in ₹ :-		
(a) Basic after exceptional items (B/C)	8.23	10.65
(b) Diluted after exceptional items (B/D)	8.19	10.63

NOTE 40 : COMMITMENTS AND CONTINGENCIES

a. Contingent liabilities

(₹ in lakh)

		31-Mar-18	31-Mar-17
Contingent Liabilities not provided for :			
i.	Claims against the Company not acknowledged as debts (refer note x below)	668.49	1,032.02
ii.	Guarantees / Letter of Comfort given on behalf of Companies ₹ 23,700.00 lakh (Previous Year ₹ 29,064.00 lakh) (refer note ix below)	17,640.43	16,721.88
iii.	Excise and Customs duty matters under dispute	-	7.20
iv.	Service Tax matters under dispute	-	156.05
v.	Income Tax matters under dispute	322.18	286.13
vi.	Sales Tax matters under dispute	5,068.27	6,475.17
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 and the Company has accordingly submitted its application for the EPR Authorisation to CPCB.

However, in view of pendency of the Writ Petition, the financial obligations which may arise in the event of the Hon’ble High Court passing adverse order against ELCOMA and its member, is unascertainable at this point of time and hence the same is disclosed as contingent liability.

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, 2018, 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. Further, the management of the Company has obtained loan covenant waiver from the lenders of SLL. Accordingly, 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.

b. Commitments

i. Estimated amounts of contracts remaining to be executed in capital account (net of capital advances) is ₹ 501.95 lakh (March 31, 2017, ₹ 562.35 lakh).

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 ₹ 4,589.67 lakh (March 31, 2017 – ₹ 4,399.11 lakh). There are no non-cancellable leases.

NOTE 41 : DISCLOSURE FOR CONSTRUCTION CONTRACTS

(₹ in lakh)

			31-Mar-18	31-Mar-17
(a)	(i)	Contract revenue recognised during the year	187,819.42	137,393.09
	(ii)	Method used to determine the contract revenue recognised and the stage of completion (Refer note 1B (6)	-	-
(b)	**Disclosure in respect of contracts in progress as at the year end**			
	(i)	Aggregate amount of costs incurred and recognised profits (net of recognised losses)	464,565.63	398,271.04
	(ii)	Advances received, outstanding	8,130.83	17,424.84
	(iii)	Retentions receivable	45,530.08	37,903.55
	(iv)	Amount due from customers (included under Note 13)	7,634.20	1,451.31
	(v)	Amount due to customers (included under Note 22)	20,678.13	30,009.42
	(vi)	Contingencies on account of warranty cost, penalties or possible losses	16.16	-

NOTE 42 : ASSETS PLEDGED AS SECURITY

(₹ in lakh)

Particulars	Note No	31-Mar-18	31-Mar-17
Current assets			
First Charge			
Receivables	5	201,213.75	164,664.92
Other Bank Balances		-	3,100.00
Inventories	10	57,916.06	57,119.60
Total current assets pledged as security		**259,129.81**	**224,884.52**
Non-current assets			
First & Second Charge			
Building	2	1,749.59	1,808.44
Freehold & Leasehold Land	2	4,750.22	4,787.60
Office and Ownership Premises	2	8,799.42	8,998.72
Plant & Machinery	2	1,474.07	1,021.38
First Charge			
Office and Ownership Premises	2	395.44	402.33
Total non-currents assets pledged as security		**17,168.74**	**17,018.47**
Total assets pledged as security		**276,298.55**	**241,902.99**

NOTE 43 : EXCEPTIONAL ITEMS:

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

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

(₹ in lakh)

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

* This pertains to impairment allowance on interest income accreted during the year.

The valuation has been performed by an independent external valuer based on which the equity value (enterprise value less external debt) is negative. Accordingly, all investments and loans have been fully impaired. For assumption used in valuation refer note 34.

NOTE 44 : CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013, the gross amount to be spent by the Company during FY 2017-18 is ₹ 266.70 lakh (Previous year ₹ 156.87 lakh). The Company has spent ₹ 195.30 lakh (Previous year ₹ 108.48 lakh) on various CSR initiatives as below.

(₹ In lakh)

	31-Mar-18	31-Mar-17
Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	61.37	9.63
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water	89.25	60.18
protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	17.77	31.44
Enabling access to, or improving the delivery of, public health systems be considered under the head "preventive healthcare" or "measures for reducing inequalities faced by socially & economically backward groups"	5.91	7.23
Contribution to the Prime Minsiters relief fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes and other backwoard classes, minorities and women	21.00	-
Total	**195.30**	**108.48**

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

Shekhar Bajaj
Chairman & Managing Director

Anant Bajaj
Joint Managing Director

per Vikram Mehta
Partner
Membership No.105938
Mumbai, May 23, 2018

Mangesh Patil
Executive Vice President
Legal & Company Secretary

Anant Purandare
President &
Chief Financial Officer

Anuj Poddar
Chairman - Audit Committee