

S R B C & CO LLP

Chartered Accountants

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

Auditor's Report

To,
The Board of Directors,
Bajaj Electricals Limited
45/47, Veer Nariman Road,
Mumbai, Maharashtra, India

1. We, the statutory auditors of Bajaj Electricals Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 14.1 of the draft Scheme of arrangement of Bajaj Projects Limited with the Company and their respective shareholders (hereinafter referred to as "the Scheme") in terms of the provisions of section(s) 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") with reference to its compliance with the applicable Accounting Standards notified under section 133 of the Act read together with Rule 3 of the of the Companies (Indian Accounting Standards) Amendment Rules, 2015 (as amended) ("the Applicable Accounting Standards") and Other Generally Accepted Accounting Principles in India.
2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Report, nor anything said or done in the course of, or in connection with the services that are subject to this Report, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India.
3. Read with para 2 above and based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013 and Other Generally Accepted Accounting Principles in India.
4. This Report is issued at the request of the Bajaj Electricals Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited and further onward submission with the National Company Law Tribunal, Mumbai Bench or any other regulatory authorities in connection with the Scheme. This Report should not be used for any other purpose.
5. This report should be read together with Annexures attached herewith. (refer Annexure A and Annexure B).

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



per Vikram Mehta
Partner
Membership No: 105938
UDIN: 22105938AATQIB3732
Place of Signature: Mumbai
Date: February 08, 2022



Annexure A: Independent Auditor's Report to confirm that the Accounting Treatment is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013

To,

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

1. This report is issued in accordance with the terms of the service scope letter dated February 07, 2022, and Master Engagement Agreement dated September 6, 2017, as amended between S R B C & CO LLP ("we" or "us" or "SRBCCo") with Bajaj Electricals Limited (hereinafter "the demerged Company").
2. At the request of the Company, we have examined the Accounting Treatment prescribed in Clause 14.1 of the accompanying draft Scheme of Arrangement (Annexure B) between Bajel Projects Limited and the Company and their respective shareholders (hereinafter "the Scheme"). This report is required by the Company in accordance with requirements of section 230(7) of the Companies Act, 2013 (hereinafter "the Act") and pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Securities and Exchange Board of India, National Stock Exchange of India Ltd, BSE Ltd and further onward submission with the National Company Law Tribunal, Mumbai Bench or any other regulatory authorities in connection with the Scheme to confirm whether the Accounting Treatment prescribed in the Scheme is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended.

Management's Responsibility

3. The Board of Directors of the Company are responsible for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards read with the rules made thereunder. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Scheme.

Auditor's Responsibility

4. Our responsibility is to provide reasonable assurance whether the Accounting Treatment of the demerged Company prescribed in the Scheme is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under, and the applicable accounting standards prescribed under section 133 of the Act read together with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the reporting criteria mentioned in paragraph 4 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the reporting criteria. Accordingly, we have performed the following procedures:



- a. Read the Scheme and the proposed accounting treatment in the books of demerged company specified in the Scheme.
- b. Examined the proposed Accounting Treatment in the books of demerged company prescribed in the Scheme and assessed whether the same is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under, and applicable accounting standards prescribed under Section 133 of the Act read together with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended.

Opinion

8. Based on the procedures performed by us as described in paragraph 7 above, and the information and explanation given to us, the accounting treatment contained in clause 14.1 of the Scheme is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and the applicable Accounting Standards prescribed under Section 133 of the Act read together with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended.

Restriction on Use

9. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose and for onward submission to the regulatory authorities as mentioned in paragraph 2 above and should not be used for any other person or purpose or distributed to anyone or referred to in any document. Our examination relates to the matters specified in this report and does not extend to the Company as a whole. We make, no representations regarding compliance with company law or any other statutory requirements. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



Per Vikram Mehta

Partner

Membership Number: 105938

UDIN: 22105938AATQIB3732

Place of Signature: Mumbai

Date: February 08, 2022



ANNEXURE B: EXTRACT OF ACCOUNTING TREATMENT FROM SCHEME OF ARRANGEMENT BETWEEN BAJAJ ELECTRICALS LIMITED (“DEMERGED COMPANY” or “BEL”) AND BAJEL PROJECTS LIMITED (“RESULTING COMPANY” or “BPL”) AND THEIR RESPECTIVE SHAREHOLDERS (UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

14. ACCOUNTING TREATMENT

14.1 The Demerged Company and the Resulting Company shall account for the Scheme in their respective books/financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and generally accepted accounting principles in India as amended from time to time including as provided herein below:

Accounting treatment in the books of the Demerged Company:

- 14.1.1 The demerger accounting will apply from the date on which all substantive approvals are received.
- 14.1.2 The Demerged Company shall derecognise the carrying value of assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.
- 14.1.3 The Demerged Company shall derecognise the carrying amount of investments in the Resulting Company cancelled pursuant to the Scheme.
- 14.1.4 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 14.1.5 The excess/deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 14.1.2 after giving effect to investment cancellation as mentioned in Clause 14.1.3 and effect to elimination of balances as mentioned in Clause 14.1.4, shall be adjusted with the Retained Earnings of the Demerged Company.
- 14.1.6 Till the time demerger is effective and approved by the NCLT, the Resulting Company will be considered as a wholly owned subsidiary of the Demerged Company and thus consolidated financial statement from incorporation till the date the Scheme becomes effective will be prepared by the Demerged Company.

Accounting treatment in the books of the Resulting Company:

- 14.1.7 The Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in it at their respective carrying values as appearing in the books of the Demerged Company.
- 14.1.8 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.



Bajaj Electricals Limited

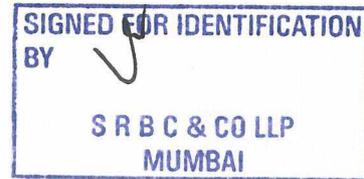
Inspiring Trust

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- 14.1.9 The Resulting Company shall credit to its share capital in its books of accounts the aggregate face value of equity shares issued by it to the shareholders of the Demerged Company pursuant to Clause 11 of this Scheme.
- 14.1.10 The excess/deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 14.1.7 after giving effect to Clause 14.1.8 and Clause 14.1.9, shall be transferred to the Capital Reserve of the Resulting Company.
- 14.1.11 In case of any difference in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail and the difference shall be adjusted appropriately as per the applicable Ind-AS.
- 14.1.12 The Resulting Company's share capital cancelled pursuant to Clause 12 shall be credited to the Capital Reserve account.
- 14.1.13 On the Effective Date, the financial information in the financial statements in respect of prior periods will be restated as if the demerger had occurred from the beginning of the preceding period or the date of incorporation of the Resulting Company, whichever is later, irrespective of the actual date of the combination in accordance with Appendix C to Ind-AS 103.

Thanking You,

For Bajaj Electricals Limited



E C Prasad

Chief Financial Officer

Mumbai, February 8, 2022

bajaj
group

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Email Id: legal@bajajelectricals.com
CIN: L31500MH1938PLC009887

Auditor's Report

To,
The Board of Directors,
Bajel Projects Limited
Rustomjee Aspire, 8th Floor,
Bhanu Shankar Yagnik Marg,
Sion East, Mumbai- 400022

1. We, the statutory auditors of Bajel Projects Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 14.1 of the draft Scheme of arrangement of Bajel Projects Limited with the Company and their respective shareholders (hereinafter referred to as "the Scheme") in terms of the provisions of section(s) 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") with reference to its compliance with the applicable Accounting Standards notified under section 133 of the Act read together with Rule 3 of the of the Companies (Indian Accounting Standards) Amendment Rules, 2015 (as amended) ("the Applicable Accounting Standards") and Other Generally Accepted Accounting Principles in India
2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Report, nor anything said or done in the course of, or in connection with the services that are subject to this Report, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India.
3. Read with para 2 above and based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013 and Other Generally Accepted Accounting Principles in India.
4. This Report is issued at the request of the Bajel Projects Limited for onward submission to the Securities and Exchange Board of India, National Stock Exchange of India Ltd. BSE Ltd with the National Company Law Tribunal, Mumbai Bench or any other regulatory authorities in connection with the Scheme. This Report should not be used for any other purpose.
5. This report should be read together with Annexures attached herewith. (refer Annexure A and Annexure B).

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



per Vikram Mehta
Partner
Membership No: 105938
UDIN: 22105938AATDS4571
Place of Signature: Mumbai
Date: February 08, 2022



Annexure A: Independent Auditor's Report to confirm that the Accounting Treatment is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013

To,

The Board of Directors,

Bajel Projects Limited

Rustomjee Aspire, 8th Floor,

Bhanu Shankar Yagnik Marg,

Sion East, Mumbai- 400022

1. This report is issued in accordance with the terms of the service scope letter dated February 08, 2022 and Master Engagement Agreement of same date between S R B C & CO LLP ("we" or "us" or "SRBCCo") with Bajel Projects Limited (hereinafter "the demerged Company").
2. At the request of the Company, we have examined the Accounting Treatment prescribed in Clause 14.1 of the accompanying draft Scheme of Arrangement (Annexure B) between Bajaj Electricals Limited and the Company and their respective shareholders (hereinafter "the Scheme"). This report is required by the Company in accordance with requirements of section 230(7) of the Companies Act, 2013 (hereinafter "the Act") and for onward submission to the Securities and Exchange Board of India, National Stock Exchange of India Ltd, BSE Ltd and further onward submission with the National Company Law Tribunal, Mumbai Bench or any other regulatory authorities in connection with the Scheme to confirm whether the Accounting Treatment prescribed in the Scheme is in compliance with applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended.

Management's Responsibility

3. The Board of Directors of the Company are responsible for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards read with the rules made thereunder. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Scheme.

Auditor's Responsibility

4. Our responsibility is to provide reasonable assurance whether the Accounting Treatment of the demerged Company prescribed in the Scheme is in conformity with the applicable accounting standards prescribed under section 133 of the Act read together with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the reporting criteria mentioned in paragraph 4 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the reporting criteria. Accordingly, we have performed the following procedures:
 - a. Read the Scheme and the proposed accounting treatment in the books of demerged company specified in the Scheme.
 - b. Examined the proposed Accounting Treatment in the books of demerged company prescribed in the Scheme and assessed whether the same is in compliance with the applicable accounting standards prescribed under Section 133 of the Act read together with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended.



SRBC & CO LLP

Chartered Accountants

Opinion

8. Based on the procedures performed by us as described in paragraph 7 above, and the information and explanation given to us, the accounting treatment contained in clause 14.1 of the Scheme is in conformity with the applicable Accounting Standards prescribed under Section 133 of the Act read together with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended.

Restriction on Use

9. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose and for onward submission to the regulatory authorities as mentioned in paragraph 2 above and should not be used for any other person or purpose or distributed to anyone or referred to in any document. Our examination relates to the matters specified in this report and does not extend to the Company as a whole. We make no representations regarding compliance with company law or any other statutory requirements. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



Per Vikram Mehta

Partner

Membership Number: 105938

UDIN: 22105938AATQDS4571

Place of Signature: Mumbai

Date: February 08, 2022



ANNEXURE B: EXTRACT OF ACCOUNTING TREATMENT FROM SCHEME OF ARRANGEMENT BETWEEN BAJAJ ELECTRICALS LIMITED ("DEMERGED COMPANY" or "BEL") AND BAJEL PROJECTS LIMITED ("RESULTING COMPANY" or "BPL") AND THEIR RESPECTIVE SHAREHOLDERS (UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

14. ACCOUNTING TREATMENT

14.1 The Demerged Company and the Resulting Company shall account for the Scheme in their respective books/financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and generally accepted accounting principles in India as amended from time to time including as provided herein below:

Accounting treatment in the books of the Demerged Company:

- 14.1.1 The demerger accounting will apply from the date on which all substantive approvals are received.
- 14.1.2 The Demerged Company shall derecognise the carrying value of assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.
- 14.1.3 The Demerged Company shall derecognise the carrying amount of investments in the Resulting Company cancelled pursuant to the Scheme.
- 14.1.4 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 14.1.5 The excess/deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 14.1.2 after giving effect to investment cancellation as mentioned in Clause 14.1.3 and effect to elimination of balances as mentioned in Clause 14.1.4, shall be adjusted with the Retained Earnings of the Demerged Company.
- 14.1.6 Till the time demerger is effective and approved by the NCLT, the Resulting Company will be considered as a wholly owned subsidiary of the Demerged Company and thus consolidated financial statement from incorporation till the date the Scheme becomes effective will be prepared by the Demerged Company.

Accounting treatment in the books of the Resulting Company:

- 14.1.7 The Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in it at their respective carrying values as appearing in the books of the Demerged Company.
- 14.1.8 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 14.1.9 The Resulting Company shall credit to its share capital in its books of accounts the aggregate face value of equity shares issued by it to the shareholders of the Demerged Company pursuant to Clause 11 of this Scheme.
- 14.1.10 The excess/deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 14.1.7 after giving effect to Clause 14.1.8 and Clause 14.1.9, shall be transferred to the Capital Reserve of the Resulting Company.



[Handwritten signature]

Regd. Off.: 801, Rustomjee Aspiree, Anik Wadala Link Road, Sion East, Mumbai - 400022
CIN: U31900MH2022PLC375133 | Email: legal@bajajelectricals.com



BAJEL PROJECTS LIMITED

- 14.1.11 In case of any difference in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail and the difference shall be adjusted appropriately as per the applicable Ind-AS.
- 14.1.12 The Resulting Company's share capital cancelled pursuant to Clause 12 shall be credited to the Capital Reserve account.
- 14.1.13 On the Effective Date, the financial information in the financial statements in respect of prior periods will be restated as if the demerger had occurred from the beginning of the preceding period or the date of incorporation of the Resulting Company, whichever is later, irrespective of the actual date of the combination in accordance with Appendix C to Ind-AS 103.

For Bajel Projects Limited



Shekhar Bajaj
Director
DIN: 00089358
Date: February 8, 2022

