

August 11, 2023

To,
BSE Limited : Code No. 500031
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

National Stock Exchange of India Limited : BAJAJELEC - Series: EQ
Listing Department
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Dear Sir/Madam,

Sub.: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") by Bajaj Electricals Limited (the "Company")

Pursuant to the proviso to Regulation 30(4)(i)(d) of the SEBI Listing Regulations, read with the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, and in accordance with the Company's Policy on Determination of Materiality for Disclosure of Events or Information, we hereby provide the details of the continuing litigation(s), dispute(s), assessment(s) or regulatory action(s) deemed to have become material events or information as per the notification of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023, in the enclosed **Annexure**.

We request you to take the above on record and treat the same as compliance under the applicable provisions of the SEBI Listing Regulations.

Thanking you,

Yours faithfully,
For Bajaj Electricals Limited

Prashant Dalvi
Company Secretary & Chief Compliance Officer

Encl.: As above.

Disclosure as per Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, and SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023:

(a) Ongoing Civil Proceedings with Alpha Communications Limited:

| At the time of becoming the party: | | |
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| (a) | Brief details of litigation viz. name(s) of the opposing party, court / tribunal / agency where litigation is filed, brief details of dispute / litigation. | Alpha Communications Limited (“Alpha”) had supplied certain materials to Bajaj Electricals Limited (“Company”) for various project sites of the Company in Uttar Pradesh. The Company had raised certain issues with the quality of the material supplied by Alpha and withheld payments to Alpha. However, Alpha filed a petition before the Micro and Small Enterprise Facilitation Council (MSEFC) at Kanpur, in November 2019, involving an amount of approximately Rs.26.58 crore (<i>excluding alleged interest thereon</i>). The Company thereafter filed a statement of defence and counter claim against Alpha in January 2020. The case was transferred to the Zonal MSEFC in Meerut (“MSEFC Meerut”). The Company filed an additional affidavit with MSEFC Meerut to place on record the evidence and documents necessary for the adjudication of the dispute, however, MSEFC Meerut had refused to take on record the same and insisted to settle the matter amicably. Consequently, the Company approached the Hon’ble High Court of Judicature at Allahabad (“Allahabad High Court”) by filing a writ petition. The Allahabad High Court disposed of the petition and directed MSEFC Meerut to permit both parties to adduce their evidence. This case is currently pending before the MSEFC Meerut for competition of pleadings and adducing of evidence by both the parties. |
| (b) | Expected financial implications, if any, due to compensation, penalty etc. | Claim involving an amount of approximately Rs.26.58 crore (<i>excluding alleged interest thereon</i>). |
| (c) | quantum of claims, if any. | Not applicable. |
| Regularly till the litigation is concluded or dispute is resolved: | | |
| (a) | The details of any change in the status and / or any development in relation to such proceedings. | Not applicable. |

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| (b) | In the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide details of any change in the status and / or any development in relation to such proceedings. | Not applicable. |
| (c) | In the event of settlement of the proceedings, details of such settlement including terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity. | Not applicable. |

(b) Ongoing Civil Proceedings with Bajaj Electricals Kamgar Sanghatana:

| At the time of becoming the party: | | |
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| (a) | Brief details of litigation viz. name(s) of the opposing party, court / tribunal / agency where litigation is filed, brief details of dispute / litigation. | In November 2002, the Bajaj Electricals Kamgar Sanghatana, Pune ("Union"), filed a complaint against Bajaj Electricals Limited ("Company") before the Learned Industrial Court, alleging an unfair labor practices under the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 ("MRTU and PULP Act") ("Complaint"). In the said Complaint, the Union, among other things, contended that the Company had implemented a deemed illegal lock-out of its 'Die Casting Division' - which was then located at Chakan, Maharashtra State ("Division"), and claimed that the closure of the said Division of the Company was illegal under the MRTU and PULP Act. In December 2005, the Industrial Court partially allowed the Union's Complaint, ruling in favor of their contention that the (<i>then</i>) 'Die Casting Division' and the (<i>existing</i>) 'Fan Division' of the Company were not separate units and that the Company had employed over 100 workers. The Company challenged this ruling by filing a writ petition before the Hon'ble Bombay High Court ("Bombay High Court"). In July 2008, the Bombay High Court allowed the writ petition, setting aside the Industrial Court's order, and held that the burden of proving the employment of 100 workers rested on the Union. Unfortunately, the Union failed to present |

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| | | <p>sufficient evidence to meet this burden. Subsequently, the Union filed a Special Leave Petition (“SLP”) before the Hon’ble Supreme Court of India (“Supreme Court”) in February 2019 to challenge the Bombay High Court’s decision.</p> <p>This case is currently pending before the Hon’ble Supreme Court.</p> |
| (b) | Expected financial implications, if any, due to compensation, penalty etc. | In the SLP, the Union claimed that, if the Union is successful, each of their 34 members is entitled to receive Rs.1.06 crore. However, until the Supreme Court delivers its decision, the fate of the case remains uncertain, and financial obligations, if any, for the Company remain undetermined. |
| (c) | quantum of claims, if any. | Not applicable. |
| Regularly till the litigation is concluded or dispute is resolved: | | |
| (a) | The details of any change in the status and / or any development in relation to such proceedings. | Not applicable. |
| (b) | In the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide details of any change in the status and / or any development in relation to such proceedings. | Not applicable. |
| (c) | In the event of settlement of the proceedings, details of such settlement including terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity. | Not applicable. |

(c) Ongoing Income Tax Assessment Proceedings – Assessment Year (AY) 2019-20:

| At the time of becoming the party: | | |
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| (a) | Brief details of litigation viz. name(s) of the opposing party, court / tribunal / agency where litigation is filed, brief details of dispute / litigation. | <p>In July 2023, the Company has filed an application for rectification and issuance of the rectification order under section 154 of the Income-Tax Act, 1961 (“Act”) (“Application”), in response to the order passed by the Office of the Assistant Commissioner of Income Tax, Mumbai, Income Tax Department (“ACIT”) in June 2023 (“Order”), under section 154 read with section 155(18) of the Act. In the Application, the Company has brought to the notice of the ACIT that an error occurred during the computation of tax for the AY 2019-20 and that the ACIT did not grant credit for the following taxes already paid by the Company viz.: (i) foreign tax of Rs.0.68 crore (under section 90 of the Act); (ii) tax deducted at source (TDS) of Rs.39.95 crore; (iii) tax collected at source (TCS) of Rs.0.006 crore; (iv) advance tax of Rs.87.10 crore; (v) tax paid on regular assessment of Rs.9.47 crore; and (vi) dividend distribution tax of Rs.7.34 crore (collectively, the “Taxes Paid”) and hence, as a result, the Order alleged a demand of Rs.183.45 crore (“Demand”). The Company's Application requests the ACIT to grant credit for the Taxes Paid and re-compute interest under sections 234A, 234B, 234C, 234D, and 244A of the Act. The Company is currently in discussions with the ACIT.</p> <p>This matter is currently pending before the ACIT.</p> |
| (b) | Expected financial implications, if any, due to compensation, penalty etc. | The Order alleged the mentioned Demand; however, upon the issuance of the rectification order, proper credit for the Taxes paid, and re-computation of the alleged interest, the Company anticipates a significant reduction in the Demand to approximately Rs.1.50 crore. |
| (c) | quantum of claims, if any. | Not applicable. |
| Regularly till the litigation is concluded or dispute is resolved: | | |
| (a) | The details of any change in the status and / or any development in relation to such proceedings. | Not applicable. |
| (b) | In the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide | Not applicable. |

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| | details of any change in the status and / or any development in relation to such proceedings. | |
| (c) | In the event of settlement of the proceedings, details of such settlement including terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity. | Not applicable. |
