

# Directors' Report

Dear Members,

The Board of Directors are pleased to present the 83rd Annual Report (Integrated) of the Company along with the audited financial statements (standalone and consolidated) for the financial year 2021-22.

## FINANCIAL RESULTS

The highlights of the Standalone Financial Results are as under:

Particulars	₹ in crore, except for EPS)	
	FY 2021-22	FY 2020-21
Revenue from Operations & Other Income	4,871.60	4,645.75
Gross Profit before Finance Cost and Depreciation	328.38	374.23
Less: Finance Cost	52.93	75.55
Less: Depreciation	56.75	69.26
Profit/(Loss) before Exceptional Items and Tax	218.70	229.42
Exceptional Items	(13.23)	11.76
Profit/(Loss) before Taxes	205.48	241.18
Less: Provision for Tax expenses	51.98	57.54
Profit/(Loss) after Tax	153.50	183.64
Less: Other Comprehensive Income	(5.39)	(6.95)
Add: Balance in Profit & Loss Account	-	262.23
Less: Dividend including Dividend Distribution Tax paid during the year	-	-
Add: Transferred to retained earnings for vested cancelled options	0.35	1.23
Amount transferred to General Reserves	-	(18.36)
Amount transferred from Debenture Redemption Reserve	37.50	-
Balance available for appropriation	632.42	435.68
Basic EPS (₹)	13.38	16.08
Diluted EPS (₹)	13.33	16.02

The highlights of the Consolidated Financial Results are as under:

Particulars	₹ in crore, except for EPS)	
	FY 2021-22	FY 2020-21
Revenue from Operations & Other Income	4,881.35	4,653.81
Profit/(Loss) before Exceptional Items and Tax	179.51	220.78
Exceptional Items	(13.23)	25.49
Profit/(Loss) before Taxes	166.28	246.27
Share of Profit/(Loss) of subsidiaries, associates & joint ventures	-	-
Profit/(Loss) before Taxes	166.28	246.27
Less: Provision for Tax expenses	41.88	57.31
Profit/(Loss) for the period	124.41	188.96
Basic EPS (₹)	10.85	16.54
Diluted EPS (₹)	10.81	16.49

Return on Net Worth, Return on Capital Employed and EPS for the financial year ended March 31, 2022 and for the last four financial years, are given below:

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Return on Net Worth (%)	9.06	12.31	(0.01)	15.50	8.85
Return on Capital Employed (%)	14.01	13.85	8.20	14.13	13.43
Basic EPS (after exceptional items) (₹)	13.38	16.08	(0.01)	16.34	8.23



The financial results of the Company are elaborated in the Management Discussion and Analysis Report, which forms part of the Annual Report.

## STATE OF COMPANY AFFAIRS / OPERATIONS

During the financial year 2021-22:

- Revenue from operations on standalone basis increased to ₹ 4,770.35 crore as against ₹ 4,573.06 crore in the previous year - a growth of 4.3%.
- Revenue from Consumer Product Segment increased by 12.8% to ₹ 3,727.53 crore.
- Revenue from EPC Segment decreased by 17.9% to ₹ 1,042.25 crore.
- Cost of goods sold as a percentage to revenue from operations increased to 72.3% as against 70.9% in the previous year.
- Employee cost as a percentage to revenue from operations decreased to 8.1% (₹ 384.36 crore) as against 8.5% (₹ 388.28 crore) in the previous year.
- Other expense as a percentage to revenue from operations increased to 14.9% (₹ 712.18 crore) as against 14.1% (₹ 643.02 crore) in the previous year.
- The Company has contributed approximately a sum of ₹ 0.34 crore towards COVID-19 pandemic related relief activities.
- The Profit after Tax for the current year is ₹ 153.50 crore as against ₹ 183.64 crore in the previous year - a de-growth of 16.4%.
- On a consolidated basis, the group achieved revenue of ₹ 4,881.35 crore as against ₹ 4,653.81 crore - a growth of 4.9%. Net profit after non-controlling interest for the group for the current year is ₹ 124.41 crore as against ₹ 188.96 crore in the previous year - a degrowth of 34.2%.

As at March 31, 2022, the gross property, plant and equipment, investment property and other intangible assets including leased assets, stood at ₹ 694.63 crore and the net property, plant and equipment, investment property and other intangible assets, including leased assets, at ₹ 422.45 crore. Capital Expenditure during the year amounted to ₹ 57.72 crore (₹ 29.65 crore in the previous year).

The Company's cash and cash equivalent as at March 31, 2022 was ₹ 117.82 crore. The Company manages cash and cash flow processes assiduously, involving all parts of the business. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

Foreign Exchange transactions are partly covered and there are no materially significant uncovered exchange rate risks in the context of Company's imports and exports. The Company accounts for mark-to-market gains or losses every quarter end, are in line with the requirements of Ind AS 21.

The Company has not transferred any amount to the General Reserves during the current financial year.

During the year under review, there has been no change in the nature of business of the Company.

Detailed information on the operations of the different business segments of the Company are covered in the Management Discussion and Analysis Report, which forms part of the Annual Report.

## TRANSFER TO RESERVES

During the year under review, there was no amount transferred to any of the reserves by the Company.

## DIVIDEND & DIVIDEND DISTRIBUTION POLICY

Your Directors are pleased to recommend a dividend of 150% (₹ 3.00) on 11,48,74,114 equity shares of ₹ 2 each for the financial year 2021-22. The amount of dividend aggregates to ₹ 34.46 crore (previous year Nil). The dividend on equity shares, subject to the approval of the Members at the Annual General Meeting ("AGM") to be held on August 12, 2022, will be paid on or after August 16, 2022 to the Members whose names appear in the Register of Members as of the close of business hours on July 29, 2022; and, in respect of shares held in dematerialised form, it will be paid to Members whose names are furnished by Depositories, as beneficial owners as of the close of business hours on that date.

Shares that may be allotted on exercise of stock options granted under the Employee Stock Option Scheme before the book closure date for payment of dividend will rank pari-passu with the existing shares and be entitled to receive the dividend.

The Board of Directors, at its meeting held on May 17, 2022, has amended the Dividend Distribution Policy of the Company. In terms of the amendment, and subject to the parameters/ circumstances given in the said revised Dividend Distribution Policy, the Board would endeavor to maintain a dividend pay-out in the range of 20-40% of the Company's Profit After Tax on standalone financials. The revised Dividend Distribution Policy containing the requirements mentioned in Regulation 43A of the SEBI Listing Regulations is attached as **Annexure A** and forms part of this Report. This Policy can also be accessed on the Company's website at: <https://www.bajajelectricals.com/investors-updates/>.

## SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2022 was ₹ 22.97 crore. The increase in number of shares during the year is on account of allotment of 3,37,495 equity shares of ₹ 2 each to the employees upon their exercise of stock options. These shares were included, on weighted average basis, for the computation of EPS. The Company has not issued shares with differential voting rights.

No disclosure is required under Section 67(3)(c) of the Act, in respect of voting rights not exercised directly by the employees of the Company, as the provisions of the said Section are not applicable.



The equity shares of the Company continue to remain listed on BSE Limited and National Stock Exchange of India Limited (collectively "Stock Exchanges"). The listing fees for financial year 2022-23 have been paid to the Stock Exchanges.

## DEPOSITORY SYSTEM

The Company's shares are compulsorily tradable in electronic form. As on March 31, 2022, 98.63% of the Company's total paid up capital representing 11,33,04,794 equity shares are in dematerialised form.

In light of the provisions of Regulation 40 of the SEBI Listing Regulations, read with a Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, as issued by the Securities and Exchange Board of India ("SEBI"), Members may please note that the transfer of shares will be in dematerialised form only. In view of the above and to avail advantages offered by the Depository system as well as to avoid frauds, Members holding shares in physical mode are advised to avail the facility of dematerialisation from either of the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited.

## CREDIT RATING

The below table depicts Company's credit ratings profile in a nutshell:

Instrument	Rating Agency	Rating	Outlook
Line of Credit (long-term)	ICRA Limited	[ICRA]A+	Stable
Line of Credit (short-term)	ICRA Limited	[ICRA]A1	Stable
Non-convertible debenture	ICRA Limited	[ICRA]A+	Stable
Short Term Debt	CRISIL Ratings Limited	CRISIL A1+	-
Bank Loan Facilities (long-term)	CRISIL Ratings Limited	CRISIL A+/Watch Developing	-
Bank Loan Facilities (short-term)	CRISIL Ratings Limited	CRISIL A1+/Watch Developing	-

## RELATED PARTY TRANSACTIONS

In line with the requirements of the Act and SEBI Listing Regulations, the Company has formulated a Policy on Materiality of Related Party Transactions which is also available on the Company's website at: <https://www.bajajelectricals.com/investors-updates/>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties.

All related party transactions are placed before the Audit Committee for review and approval. Pursuant to the provisions of the Act and SEBI Listing Regulations with respect to omnibus approval, prior omnibus approval is obtained for related party transactions on a yearly basis for transactions which are of

## DEPOSITS

During the year under review, the Company has not accepted any deposits covered under Chapter V of the Act. Accordingly, no disclosure or reporting is required in respect of details relating to deposits.

## NON-CONVERTIBLE DEBENTURES ISSUED ON PRIVATE PLACEMENT BASIS

During the financial year 2018-19, the Company had issued 1,850 Unsecured Listed Redeemable Non-Convertible Debentures ("NCDs") of ₹ 10,00,000 each, aggregating to ₹ 185 crore, on private placement basis, in 3 options viz., Option A of 350 NCDs, Option B of 750 NCDs and Option C of 750 NCDs, listed on National Stock Exchange of India Limited under ISIN 'INE193E08038', 'INE193E08020' and 'INE193E08012', respectively. Option A NCDs were redeemed on February 18, 2021, Option B NCDs were redeemed on August 20, 2021 and Option C NCDs were (early) redeemed on December 10, 2021, as per the terms of Information Memorandum dated February 18, 2019.

Axis Trustee Services Limited was the Debenture Trustee for the Debenture holders, whose details are provided in the Corporate Governance Section which forms a part of the Annual Report.

repetitive nature and entered in the ordinary course of business and are at arm's length. Transactions entered into pursuant to omnibus approval are verified and a statement giving details of all related party transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

All transactions entered with related parties for the year under review were in ordinary course of business and at arm's length basis. No Material related party transactions i.e., transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, were entered during the year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable. Further, there are no material related party transactions during the year under review with the Promoters,

Directors or Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

The related party transactions are mentioned in the notes to the accounts. The Directors draw attention of the members to Note No.38 to the standalone financial statements which sets out related party disclosure.

Pursuant to the provisions of Regulation 34(3) read with clause 2 of Part A of Schedule V of the SEBI Listing Regulations, the listed entity shall make disclosures in respect of loans and advances in compliance with the Accounting Standard on Related Party Disclosures. The required disclosure is as under:

Name	Category	(Amount: ₹ in crore)	
		Balance of loans and advances as on March 31, 2022*	Maximum outstanding during the year*
Nirlep Appliances Private Limited ("Nirlep")	Subsidiary	47.67	47.67
Starlite Lighting Limited ("Starlite")	Subsidiary	338.95	338.95
Hind Lamps Limited ("Hind Lamps")	Associate	0.10	0.10

\* Excluding trade advances.

During the year under review, the following person(s) or entity(ies) belonging to the promoter/promoter group which held 10% or more share in the paid-up equity share capital of the Company:

Name of the person/entity	Shareholding (%)
Jamnial Sons Private Limited	19.54
Bajaj Holdings and Investment Limited	16.36

Disclosures of transactions pursuant to the provisions of Regulations 34(3) read with clause 2A of Part A of Schedule V of the SEBI Listing Regulations is attached as **Annexure B** and forms part of this Report.

## PARTICULARS OF LOANS AND ADVANCES, GUARANTEES OR INVESTMENTS

Pursuant to the provisions of Section 186 of the Act and the rules framed thereunder, the particulars of the loans given, investments made or guarantees given or security provided are given in the Notes to the standalone financial statements.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators/courts/tribunal which would impact the going concern status of the Company and its operations in the future.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE TILL THE DATE OF THIS REPORT

There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the financial year for the Company i.e., March 31, 2022, and the date of this Directors' Report i.e., May 17, 2022.

## APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

i. Datamax Marketing Consultants, sole proprietor – Mr. Amit Thaper ("Datamax"), a sub-contractor appointed by the Company for the supply of (skilled/semi-skilled/unskilled) manpower at different locations across various states for the execution of power distribution work, had filed an application under Section 9 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), against the Company, claiming an amount of ₹ 2.72 crores from the Company, on account of non-payment of dues by the Company towards services supplied by Datamax. The Company was contesting the matter on the ground of double billing, non-payment of statutory dues, and non-submission of data/records for reconciliation purposes by Datamax.

During the year under review, the parties have negotiated and reached an amicable settlement. Subsequently, Datamax had applied for withdrawal of the IBC proceedings which was allowed by the Hon'ble NCLT vide its order dated April 29, 2022. Accordingly, this matter stands disposed-off.

ii. Shivpriya Cables Private Limited ("Shivpriya") had filed an application under Section 9 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, against the Company, claiming an amount of ₹ 0.92 crore from the Company, on account of non-payment of dues by the Company towards goods supplied by Shivpriya. The Company was contesting



the matter considering the issues of substandard material supplied, subsequent debarment by Madhyanchal Vidut Vitran Nigam Limited, and that the Company had a legal and equitable hold on the payments of Shivpriya.

During the year under review, the parties have settled their dispute and signed a settlement agreement. Subsequently, Shivpriya had applied for withdrawal of the IBC proceedings which was allowed by the Hon'ble NCLT vide its order dated September 24, 2021. Accordingly, this matter stands disposed-off.

consisting of Power Transmission and Power Distribution Business (as defined in the Demerger Scheme) of the Company into Bajel and consequent issue of equity shares by Bajel to the shareholders of the Company. The equity shares of Bajel shall be listed on the Stock Exchanges, post the effectiveness of the Scheme. The shareholders of the Company will be issued equity shares in Bajel in the same proportion as their holding in the Company. The Demerger Scheme is subject to the necessary statutory and regulatory approvals including the approvals of Hon'ble National Company Law Tribunal, the shareholders and creditors of each of the companies.

### DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year under review, there was no instance of one-time settlement with banks or financial institutions.

### ONGOING SCHEME OF ARRANGEMENTS UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013 ("ACT")

#### • Scheme of Merger by Absorption of Starlite Lighting Limited with Bajaj Electricals Limited and their respective shareholders:

The Board of Directors of the Company, at its meeting held on May 25, 2021, has considered and approved the Scheme of Merger by Absorption of Starlite Lighting Limited with Bajaj Electricals Limited and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Act ("Merger Scheme").

The Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated February 21, 2022 (passed in the matter of Company Scheme Application in respect of the Merger Scheme), has inter-alia directed the Company to convene a meeting of the equity shareholders of the Company on Tuesday, May 31, 2022 at 11.00 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) for consideration and approval of the Merger Scheme under Sections 230 to 232 (read with other applicable provisions) of the Act, and rules framed thereunder.

#### • Scheme of Arrangement between Bajaj Electricals Limited and Bajel Projects Limited and their respective shareholders:

The Board of Directors of the Company, at its meeting held on February 8, 2022, has considered and approved the Scheme of Arrangement between Bajaj Electricals Limited ("Company") and Bajel Projects Limited ("Bajel") and their respective shareholders under Sections 230 to 232 of Act ("Demerger Scheme") involving the transfer by way of demerger of the Demerged Undertaking (as defined in the Demerger Scheme)

### CORPORATE SOCIAL RESPONSIBILITY

The Company is having a Policy on Corporate Social Responsibility ("CSR") and has constituted a CSR Committee as required under the Act for implementing various CSR activities. The CSR Committee comprised of Mr. Shekhar Bajaj, as the Chairman of the Committee, and Dr. (Mrs.) Indu Shahani and Dr. Rajendra Prasad Singh, as the members of the Committee. The CSR policy is available on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

Other details about the CSR Committee are provided in Corporate Governance Report which forms part of this Report.

The Company has implemented various CSR projects directly and/or through implementing partners and the said projects undertaken by the Company are in accordance with its CSR Policy and Schedule VII to the Act.

Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is given in **Annexure C**, which forms part of this Report.

### BUSINESS RESPONSIBILITY REPORT

Regulation 34(2) of the SEBI Listing Regulations, inter-alia, provides that the Annual Report of the top 1000 listed entities based on market capitalisation (calculated as on March 31 of every financial year), shall include a Business Responsibility Report ("BRR").

The Company, being one of such top 1000 listed entities, has included BRR for the financial year 2021-22, as part of this Annual Report, describing initiatives taken from an environmental, social and governance perspective.

### CORPORATE GOVERNANCE

Maintaining high standards of Corporate Governance has been fundamental to the business of the Company since its inception.

As per Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, a separate section on corporate governance practices followed by the Company, together with the following declarations/certifications forms an integral part of this Corporate Governance Reporting:

- A declaration signed by Mr. Shekhar Bajaj, Chairman and Managing Director, stating that the members of board of directors and senior management personnel have affirmed compliance with the Company's Code of Business Conduct and Ethics;
- A compliance certificate from the Company's Statutory Auditors confirming compliance with the conditions of Corporate Governance;
- A certificate of Non-Disqualification of Directors from the Secretarial Auditor of the Company; and
- A certificate of the CEO and CFO of the Company, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI Listing Regulations is provided in a separate section and forms an integral part of this Annual Report.

### ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year ended March 31, 2022 can be accessed at <https://www.bajajelectricals.com/investors-updates/>.

### VIGIL MECHANISM

The Company has a Whistle Blower Policy to report genuine concerns or grievances about any poor or unacceptable practice and any event of misconduct and to provide adequate safeguards against victimisation of persons who may use such mechanism. The Whistle Blower Policy has been posted on the website of the Company at: <https://www.bajajelectricals.com/investors-updates/>.

### EMPLOYEES STOCK OPTION SCHEME

The Company implemented the Employees Stock Option Scheme ("ESOP Scheme") in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, read with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") as a measure to reward and motivate employees as also to attract and retain talent. During the year under review, the ESOP Scheme was amended by shareholders at their 82nd AGM held on August 11, 2021 by increasing the maximum number of employee stock

options ("Options") to be granted to an individual employee from 1,00,000 (One Lakh) Options to 2,00,000 (Two Lakh) Options under the Scheme. The ESOP Scheme is in compliance with SEBI SBEB Regulations.

During financial year under review, 5,17,500 stock options were granted to the eligible employees at the market price prevailing on the National Stock Exchange of India Limited as on the date of their grant. Details of the shares issued under ESOP Scheme, as also the disclosures in compliance with SEBI SBEB Regulations is uploaded on the website of the Company [www.bajajelectricals.com](http://www.bajajelectricals.com), which forms part of this Report. No employee has been issued stock options, during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant. The issuance of equity shares pursuant to exercise of stock options does not affect the profit and loss account of the Company, as the exercise is made at the market price prevailing as on the date of the grant plus taxes as applicable.

The Company has obtained a Certificate from the Secretarial Auditors stating that ESOP Scheme has been implemented in accordance with the SEBI SBEB Regulations. The said Certificate will be made available for inspection through electronic mode by writing to the Company at [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com) from the date of circulation of the AGM Notice till the date of the AGM i.e., August 12, 2022.

### SUBSIDIARY, JOINT VENTURE AND ASSOCIATE

#### Details of subsidiary/associate companies/joint ventures of the Company

Name	% of shareholding of the Company as on March 31, 2022	Status
Nirlep Appliances Private Limited ("Nirlep")	100.00	Subsidiary
Starlite Lighting Limited ("Starlite")	88.48	Subsidiary
Bajel Projects Limited ("Bajel")	100.00	Subsidiary
Hind Lamps Limited ("Hind Lamps")	19.00	Associate

#### Performance of Subsidiary, Joint Venture and Associate

**Nirlep:** Total income of Nirlep for the financial year 2021-22 stood at ₹ 71.17 crore (Previous Year: ₹ 51.37 crore). Loss for the year was at ₹ 7.07 crore (Previous Year Loss: ₹ 4.69 crore).

**Starlite:** Total income of Starlite for the financial year 2021-22 stood at ₹ 198.39 crore (Previous Year: ₹ 181.82 crore). Loss for the year was at ₹ 39.83 crore (Previous Year Loss: ₹ 49.35 crore).



**Bajel:** Total income of Bajel for the financial year 2021-22 was NIL. Loss for the year was at ₹ 0.09 crore.

**Hind Lamps:** Total income of Hind Lamps for the financial year 2021-22 stood at ₹ 2.82 crore (Previous Year: ₹ 3.81 crore). Loss for the year was at ₹ 0.08 crore (Previous Year Profit: ₹ 0.17 crore).

Pursuant to the provisions of Section 129(3) of the Act, a Report on the performance and financial position of the subsidiary, associate and joint venture are included in the Consolidated Financial Statement and their contribution to the overall performance of the Company in Form AOC-1 is given in **Annexure D**, which forms part of this Report.

In accordance with the fourth proviso to Section 136(1) of the Act, the Annual Report of Company, containing therein its Standalone and Consolidated Financial Statements are available on the Company's website at: <https://www.bajajelectricals.com/investors-updates/>. Further, as per fifth proviso to the said Section, the annual accounts of the subsidiary, joint venture and associate of the Company are also available on the Company's website at: <https://www.bajajelectricals.com/investors-updates/>. Any member who may be interested in obtaining a copy of the aforesaid documents may write to the Company Secretary at the Company's Registered Office. Further, the said documents will be available for examination by the shareholders of the Company at its Registered Office during all working days except Saturday, Sunday, Public Holidays and National Holidays, between 11.00 a.m. to 01.00 p.m.

The Policy for Determining Material Subsidiary as approved by the Board may be accessed on the Company's website at: <https://www.bajajelectricals.com/investors-updates/>.

### Execution of Control Transfer Agreement and Share Subscription Agreement

- a. With the approval granted by the Board of Directors at its Meeting held April 30, 2021 ("Mentioned Meeting"), the Control Transfer Agreement ("CTA") has been executed by and amongst: (i) the Company, (ii) Mr. Ravindra Bharati and Mr. Arvind Bharati (collectively, the "Outgoing Promoters"), who, along with the Company, were Promoters/Joint Promoters of Starlite, (iii) some other shareholders of Starlite (related to the Outgoing Promoters or belonging to their business group), and (iv) Starlite, on April 30, 2021 ("Effective Date"), inter-alia:
  - to terminate the Shareholders Agreement dated February 22, 2007 by and between the Outgoing Promoters, the Company and Starlite; and
  - to record the agreed terms and conditions for the relinquishment and transfer of the joint Control and Management Rights of Starlite by the Outgoing Promoters in favour of the Company such that the Company shall have the sole Control and Management Rights of Starlite from the start of the business hours on the Effective Date.

- b. In consideration of the said relinquishment and transfer of joint Control and Management Rights of Starlite by Outgoing Promoters in favour of the Company, the Company has paid an aggregate control premium of ₹ 14.80 crore, plus GST as applicable, to the Outgoing Promoters, subject to the terms and conditions of the said CTA.
- c. Consequently, Starlite has become a subsidiary of the Company with effect from the Effective Date.
- d. Further, as per the terms of Share Subscription Agreement dated April 30, 2021 executed by and amongst: (i) the Company, (ii) Starlite, (iii) Mr. Ravindra Bharati, and (iv) Mr. Arvind Bharati, pursuant to the approval granted by the Board of the Company at its Mentioned Meeting, on May 11, 2021, the Company has acquired 4,49,99,990 Equity Shares of Starlite ("Subscription Shares") at a price of ₹ 10/- per Equity Share ("Price") on private placement/preferential allotment basis ("Mode"). Further, 10 Equity Shares of Starlite were acquired by the Company's ten (10) identified purchasers at the same Price and through the same Mode.
- e. With the aforesaid acquisition of the Subscription Shares, the total equity shareholding of the Company in Starlite has increased from 47% to 88.48%, whereas, Bajaj Group holding in Starlite (i.e. aggregate holdings of the Company along with its promoter group entity – 'Jamnalal Sons Private Limited') has increased from 60% to 91.30%.

### Incorporation of Bajel

During the year under review, pursuant to the approval granted by the Board of Directors at its meeting held on December 9, 2021, a new wholly-owned subsidiary company of the Company, in the name of "Bajel Projects Limited", has been incorporated on January 19, 2022.

Bajel is a public limited company under the provisions of the Act, having CIN-U31900MH2022PLC375133 with its registered office in the State of Maharashtra. Its main object inter-alia is to carry out the Power Transmission and Power Distribution Business.

### Acquisition/Purchase of additional equity shares in Nirlep, a subsidiary of the Company

Pursuant to the Share Purchase and Shareholders Agreement dated June 15, 2018 ("SPSA"), executed by and amongst: (i) the Company, (ii) Nirlep – a subsidiary of the Company, (iii) Mr. Mukund Bhogale, Mrs. Rajani Bhogale, Mr. Ramchandra Bhogale, and Mr. Nityanand Bhogale (collectively, "Continuing Shareholders" of Nirlep), and (iv) other shareholders of Nirlep ("Other Shareholders", and together with the Continuing Shareholders, the "Sellers"), the Company had, inter-alia, agreed to purchase and acquire, along with its Nominee Shareholders (as defined under SPSA), the entire equity shareholding of Nirlep from the Sellers.

On September 1, 2018, as first tranche, the Company had completed transactions towards acquisition of 79.85% equity share capital of Nirlep, for a cash consideration of ₹ 30.70 crore, whereas 0.36% equity share capital of Nirlep was acquired by the Nominee Shareholders of the Company.

As per the terms of SPSA:

- a. The Company had a 'call option' to purchase the balance 19.78% equity shares in Nirlep or part thereof at an option price which was to be determined/calculated as per terms prescribed under SPSA; and
- b. The Continuing Shareholders had a 'put option' to call upon the Company to acquire their aforesaid 19.78% equity shares in Nirlep or part thereof at any time on or after the third anniversary of the Closing Date (as defined under SPSA) and upto 60 (sixty) business days from such date at an option price.

On September 1, 2021, the Continuing Shareholders had exercised their 'put option' in writing, to call upon the Company to acquire, or caused to be acquired through its Nominee Shareholders, 147,061 (19.78%) equity shares of face value of ₹ 100/- each ("Option Shares"), as held by the Continuing Shareholders in Nirlep, at an option price which was determined / calculated at ₹ 679.05 per equity share as per terms prescribed under SPSA ("Option Price"). The aggregate consideration for acquisition of the aforesaid Option Shares worked out to ₹ 9.99 crore.

On September 30, 2021, the Continuing Shareholders and the Company had completed the required procedure for transfer of the Option Shares to the Company. All the above Option Shares have been acquired by the Company, against a cash consideration, at an agreed Option Price. With the aforesaid acquisition of the Option Shares, the total equity shareholding of the Company in Nirlep had increased from 79.85% to 99.63%.

Thereafter, on March 23, 2022, the Company had completed the procedure towards purchase/acquisition of additional 2,671 (0.37%) equity shares in Nirlep, from all the other shareholders of Nirlep, for a cash consideration at ₹ 695.81 per equity share. The aggregate consideration for acquisition of these additional shares worked out to ₹ 0.19 crore.

With the above transactions (acquisition and purchase), the entire 100% equity share capital of Nirlep is now legally and beneficially held by the Company along with its nominees, and consequently, Nirlep had become a wholly-owned subsidiary company of the Company during the year under review.

### CONSOLIDATED FINANCIAL STATEMENTS

The Directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiary, associate and joint venture prepared in compliance with the Act, applicable Accounting Standards and the SEBI Listing Regulations and they form part of this Report.

### FINANCIAL STATEMENTS

The financial statements of the Company for the year ended March 31, 2022, as per Schedule III to the Act forms part of this Report.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Appointments/Re-appointments and Director coming up for retirement by rotation

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Anuj Poddar (DIN: 01908009) and Ms. Pooja Bajaj (DIN: 08254455), are the Directors liable to retire by rotation at the forthcoming AGM and being eligible offers themselves for re-appointment.

The Board recommends re-appointment of Mr. Anuj Poddar and Ms. Pooja Bajaj for the consideration of the Members of the Company at the forthcoming AGM. The relevant details including profiles of Mr. Anuj Poddar and Ms. Pooja Bajaj are included separately in the Notice of AGM and Report on Corporate Governance of the Company, forming part of the Annual Report.

Mr. Siddharth Mehta (DIN: 03072352), an Independent Director of the Company, whose first term expired on May 29, 2021, had conveyed his desire not to seek reappointment for the second term, owing to his professional commitments. Accordingly, Mr. Siddharth Mehta's tenure as an Independent Director of the Company came to an end on May 29, 2021.

As on the date of this Report, the Company's Board comprises of ten (10) Directors, out of which, eight (8) are Non-Executive Directors (NEDs) including two (2) Woman Directors. NEDs represent 80% of the total strength. Further, out of the said eight (8) NEDs, five (5) are independent directors representing 50% of the total strength of the Board. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations and also with the provisions of the Act.

#### Independent Directors

All Independent Directors of the Company have given declarations under Section 149(7) of the Act that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) and other applicable provisions of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation. All Independent Directors of the Company have valid registration in the Independent Director's databank of Indian Institute of Corporate Affairs as required under Rule 6(1) of the Companies (Appointment and Qualification of Director) Fifth Amendment Rules, 2019. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence



specified in Section 149(6) of the Act and Regulation 16(1)(b) and other applicable provisions of the SEBI Listing Regulations.

The terms and conditions of appointment of the Independent Directors are placed on the website of the Company at: <https://www.bajajelectricals.com/investors-updates/>.

In compliance with the requirement of SEBI Listing Regulations, the Company has put in place a familiarisation programme for the independent directors to familiarise them with their role, rights and responsibility as directors, the working of the Company, nature of the industry in which the Company operates, business model, etc. The details of familiarisation programme are explained in the Corporate Governance Report and the same are also available on the website of the Company at: <https://www.bajajelectricals.com/investors-updates/>.

### Key Managerial Personnel

The Board of Directors of the Company, at its meeting held on May 25, 2021, has:

- Taken on record the retirement of Mr. Anant Purandare, President & Chief Financial Officer and Key Managerial Personnel of the Company, with effect from the close of business hours on June 30, 2021, upon his attaining the age of superannuation; and
- Considered and approved the appointment of Mr. E C Prasad, the then Vice President – Finance and Finance Controller of the Company, as the new Chief Financial Officer and Key Managerial Personnel of the Company with effect from the start of business hours on July 1, 2021.

Pursuant to the provisions of Sections 2(51) and 203 of the Act, read with the Rules framed thereunder, the Board has designated Mr. Shekhar Bajaj, Chairman & Managing Director, Mr. E C Prasad, Chief Financial Officer and Mr. Ajay Nagle, EVP and Head of Department - Legal (and Company Secretary and Compliance Officer), as Key Managerial Personnel of the Company.

### NUMBER OF MEETINGS OF THE BOARD

Eight (8) Board meetings were held during the financial year 2021-22. The intervening gap between the meetings was within the period prescribed under the Act and SEBI Listing Regulations. The details of meetings of the Board held during the financial year 2021-22 forms part of the Corporate Governance Report.

### COMMITTEES OF THE BOARD

As on March 31, 2022, the Board of Directors had the following Committees:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;

- Risk Management Committee;
- Corporate Social Responsibility Committee;
- Finance Committee; and
- Committee of Independent Directors.

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

### BOARD EVALUATION

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors. The manner in which the evaluation was conducted by the Company and evaluation criteria has been explained in the Corporate Governance Report which forms part of this Annual Report.

The Board of Directors has expressed its satisfaction with the evaluation process.

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board of Directors has framed a Nomination and Remuneration Policy which lays down a framework in relation to appointment and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company ("Policy"). The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The Policy also provides for the Board Diversity, the criteria for determining qualifications, positive attributes and independence of Director and criteria for appointment of Key Managerial Personnel/Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors whilst taking a decision on the potential candidates.

The above Policy is given in **Annexure E**, which forms part of this Report, and has also been posted on the website of the Company at: <https://www.bajajelectricals.com/investors-updates/>.

### RISK AND INTERNAL CONTROLS ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of

audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Based on the report of the Statutory Auditors, the internal financial controls with reference to the standalone financial statements were adequate and operating effectively.

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### REPORTING OF FRAUD

There was no instance of fraud reported during the year under review, which required the Statutory Auditors, Cost Auditor or Secretarial Auditor to report the same to the Audit Committee of the Company under Section 143(12) of the Act and Rules framed thereunder.

### RISK MANAGEMENT

The Company has formulated a risk management policy and has in place a mechanism to inform the Board about risk assessment and minimisation procedures along with a periodical review to ensure that executive management controls risk by means of a properly designed framework.

### AUDIT COMMITTEE

The Audit Committee comprises of three Directors viz. Mr. Shailesh Haribhakti as the Chairman of the Committee, and Dr. (Mrs.) Indu Shahani, and Dr. Rajendra Prasad Singh, as the members of the Committee.

During the year under review all the recommendations of the Audit Committee were accepted by the Board. Details of the role and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of the Annual Report.

### AUDITORS AND AUDITOR'S REPORT

#### Statutory Auditors

Messrs S R B C & Co. LLP, Chartered Accountants (ICAI Registration No.324982E/E300003), were appointed as the Statutory Auditors of the Company at the 78th AGM held on August 3, 2017, to hold office till the conclusion of the ensuing 83rd AGM.

Messrs S R B C & Co. LLP, Chartered Accountants are eligible to be re-appointed for a further term of 5 (five) years, in terms of provisions of Sections 139 and 141 of the Act and the Rules framed thereunder.

Accordingly, the Board of Directors of the Company at its meeting held on May 17, 2022, on the recommendation of the Audit Committee and subject to the approval of the shareholders of the

Company at the ensuing AGM, has approved the re-appointment of Messrs S R B C & Co. LLP, Chartered Accountants (ICAI Registration No.324982E/E300003), as the Statutory Auditors, for a further period of 5 (five) years i.e. from the conclusion of the 83rd AGM till the conclusion of 88th AGM of the Company.

The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules framed thereunder, from Messrs S R B C & Co. LLP. They have confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the SEBI Listing Regulations.

The Auditors have issued an unmodified opinion on the Financial Statements, both standalone and consolidated for the financial year ended March 31, 2022. The said Auditors' Report(s) for the financial year ended March 31, 2022 on the financial statements of the Company forms part of this Annual Report.

### Cost Auditors

Pursuant to the provisions of Section 148 of the Act read with the Rules framed thereunder, the cost audit records maintained by the Company in respect of its manufacturing activities are required to be audited. Messrs R. Nanabhoy & Co. (Firm Registration No.000010), Cost Accountants carried out the cost audit for applicable businesses during the year.

Based on the recommendation of the Audit Committee, the Board of Directors has appointed Messrs R. Nanabhoy & Co. (Firm Registration No.000010), Cost Accountants as the Cost Auditors for the financial year 2022-23. The Company has received a certificate from Messrs R. Nanabhoy & Co., confirming that they are not disqualified from being appointed as the Cost Auditors of the Company.

The remuneration payable to the Cost Auditors is required to be placed before the members in the general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to Messrs R. Nanabhoy & Co., Cost Accountants, is included at Item No.6 of the Notice of the ensuing AGM.

The particulars of the Cost Auditors and cost audit conducted by them for financial year 2020-21 are furnished below:

ICWA Membership No.	7464
Registration No. of Firm	000010
Address	Jer Mansion, 70, August Kranti Marg, Mumbai 400036
Cost Audit Report	Financial year 2020-21
Due date of filing of Report	September 30, 2021
Actual date of filing of Report	September 6, 2021

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts and records are maintained.



## Secretarial Auditors

The Board had appointed Messrs Anant B. Khamankar & Co., Practicing Company Secretaries (Membership No. FCS 3198; CP No. 1860) as the Secretarial Auditors to conduct the secretarial audit of the Company for the financial year ended March 31, 2022, as per the provisions of Section 204 of the Act read with Rules framed thereunder. The Secretarial Audit Report in Form MR-3 is given as **Annexure F** and forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Pursuant to the provisions of Regulation 24A of the SEBI Listing Regulations read with SEBI Circulars issued in this regard, the Company has undertaken an audit for the financial year 2021-22 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report duly signed by Messrs Anant B. Khamankar & Co., Practicing Company Secretaries (Membership No. FCS 3198; CP No. 1860) has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

### Transfer of Unpaid/Unclaimed Dividend to Investor Education and Protection Fund

Pursuant to the provisions of Sections 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended, unpaid and/or unclaimed dividend of ₹ 8,93,203.50 pertaining to the financial year ended on March 31, 2014, were transferred during the year to the Investor Education and Protection Fund ("IEPF").

### Transfer of shares to IEPF

Pursuant to the provisions of Section 124 of the Act read with the IEPF Rules, 9,522 equity shares of face value of ₹2/- each, in respect of which dividend was not paid or claimed by the members for seven consecutive years or more, have been transferred by the Company to IEPF during the year. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure G** which forms part of this Report.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of its business. The Company considers people as its biggest assets and hence has put in concerted efforts in talent management and succession planning practices, strong performance management and learning,

coupled with training initiatives to ensure that it consistently develops inspiring, strong and credible leadership. Apart from continued investment in skill and leadership development of its people, the Company has also focused on employee engagement initiatives and drives aimed at increasing the culture of innovation and collaboration across all strata of the workforce. These are discussed in detail in the Management Discussion and Analysis Report forming part of the Annual Report.

The relations with the employees of the Company have continued to remain cordial.

## ENVIRONMENT, HEALTH AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

## PROTECTION OF WOMEN AT WORKPLACE

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder ("POSH Act"), the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees either permanent, temporary or contractual are covered under the above policy. The said policy has been uploaded on the internal portal of the Company for information of all employees. This has been widely disseminated. An Internal Complaint Committee (ICC) has been set up in compliance with the said provisions.

Number of cases filed and their disposal under Section 22 of the POSH Act, as at March 31, 2022, is as follows:

Particulars	Numbers
Number of complaints pending as on the beginning of the financial year	Nil
Number of complaints filed during the financial year	Nil
Number of complaints pending as on the end of the financial year	Nil

## PARTICULARS OF EMPLOYEES

Disclosures relating to remuneration and other details as required in terms of the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure H**, which forms part of this Report.

Further, in accordance with the provisions of Sections 197(12) & 136(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list pertaining to the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid

Rules, is kept open for inspection during working hours at the Registered Office of the Company and the Report & Accounts as set out therein are being sent to all the Members of the Company. Any Member, who is interested in obtaining these, may write to the Company Secretary at the Registered Office of the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## OTHER DISCLOSURES / CONFIRMATIONS

- Neither the Chairman and Managing Director nor the Executive Director of the Company received any remuneration or commission from any of the subsidiaries of the Company.
- The Company has not issued any sweat equity shares to its directors or employees.
- The Company has not failed to implement any corporate action during the year under review.
- The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company.
- The Company's securities were not suspended during the year under review.

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

**Shekhar Bajaj**  
Chairman & Managing Director  
DIN: 00089358

**E C Prasad**  
Chief Financial Officer  
Mumbai, May 17, 2022

- There was no revision of financial statements and Board's Report of the Company during the year under review.

## APPRECIATION AND ACKNOWLEDGEMENT

The Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment, which is vital in achieving the over-all growth of the Company.

The Directors places on record their appreciation for the support and co-operation the Company has been receiving from its suppliers, distributors, business partners and others associated with it as its trading partners. The Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be the Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests. The Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government Regulatory Authorities and Stock Exchanges, for their continued support.

The Directors regret the loss of life due to COVID-19 pandemic globally and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

## ANNEXURES

The following annexures form part of this Report:

- Dividend Distribution Policy – **Annexure A**;
- Disclosures of transactions pursuant to the provisions of Regulation 34(3) read with clause 2A of Part A of Schedule V of the SEBI Listing Regulations – **Annexure B**;
- Annual Report on CSR Activities – **Annexure C**;
- Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures – **Annexure D**;
- Nomination and Remuneration Policy of the Company – **Annexure E**;
- Secretarial Audit Report – **Annexure F**;
- Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo – **Annexure G**; and
- Disclosures under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – **Annexure H**.

**Anuj Poddar**  
Executive Director  
DIN: 01908009

**Ajay Nagle**  
Head of Department - Legal (and Company Secretary)  
ICSI Membership No. A9855



# Annexure A

## DIVIDEND DISTRIBUTION POLICY

### 1. PREAMBLE

As per the provisions of Regulation 43A of the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors (the "Board") of Bajaj Electricals Limited (the "Company") had approved the Company's first Dividend Distribution Policy at its meeting held on March 29, 2017.

In the endeavour to provide more clarity to stakeholders on the Company's dividend distribution framework, this revised Dividend Distribution Policy ("Dividend Policy") has been framed for adoption by the Board of the Company. This Dividend Policy shall supersede the earlier policy and shall be effective from May 17, 2022.

### 4. PARAMETERS FOR DECLARATION OF DIVIDEND

External and Internal factors (strategic and financial) that would be considered for declaration of dividend includes:

External Factors	Internal Factors
<ul style="list-style-type: none"> <li>State of Economy in case of uncertain or recessionary economic and business conditions;</li> <li>Market conditions and consumer trends;</li> <li>Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution;</li> <li>Statutory Obligations, Government Regulations and Taxation policies;</li> <li>Dividend pay-out ratios of companies in the same industry; and</li> <li>Other external factors.</li> </ul>	<ul style="list-style-type: none"> <li>Distributable surplus available and liquidity position of the Company;</li> <li>Present &amp; future capital requirements of the existing businesses including any acquisition;</li> <li>Expansion / Modernisation of existing businesses;</li> <li>Outstanding Borrowings and covenants thereof;</li> <li>Likelihood of crystallisation of contingent liabilities, if any; and</li> <li>Other internal factors.</li> </ul>

Circumstances under which shareholders may not expect a dividend includes:

- Adverse market conditions & business uncertainty;
- Inadequacy of profits earned during the fiscal year;
- Inadequacy of cash balance;
- Large forthcoming capital requirements which are funded through internal accruals;
- Changing Government regulations; and
- Any other relevant circumstances.

Even under such (unfavorable) circumstances, the Board may, at its sole discretion, and subject to applicable rules, choose to

### 2. DIVIDEND DISTRIBUTION PHILOSOPHY AND OBJECTIVE

This Dividend Policy of the Company aims to strike a balance between the dual objectives of rewarding shareholders through Dividends and ploughing back earnings to support sustained growth.

The management endeavours to divide 'net earnings' into dividends and retained earnings in an optimum way to achieve the objective of wealth maximisation for shareholders.

### 3. DIVIDEND

The dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount of the paid-up shares they hold. Dividend includes Interim Dividend.

### 5. DIVIDEND PAYOUT

The Board would endeavor to maintain a **Dividend pay-out in the range of 20-40%** of the Company's Profit After Tax on standalone financials. However, the Board, at its sole discretion, may pay dividend which is higher or lower than this dividend pay-out range.

The Board may also consider declaring or recommending special dividends or one or more Interim dividends during the

year. Additionally, the Board may recommend final dividend for the approval of the shareholders at the Annual General Meeting.

The date of the Board meeting in which the dividend proposal will be considered shall be intimated to the stock exchanges and post-board meeting, the outcome of the meeting shall also be provided to the stock exchanges, as required under the SEBI Listing Regulations.

### 6. UTILISATION OF RETAINED EARNINGS

Subject to the applicable provisions, the retained earnings of the Company shall be applied for:

- Funding Inorganic and Organic Growth needs including working capital requirement, capital expenditure, repayment of the debt, etc. The Company can consider venturing into new markets/geographies/verticals;
- Research and Development of new products, investment in emerging technologies, etc. to increase market share;
- Capital Expenditure by way of state of art factories, technology upgradation, platform development, etc.
- Mergers and acquisitions;
- Buyback of shares subject to applicable limits;
- Payment of dividends in future years;
- Issue of Bonus Shares; and
- Any other permissible purpose.

### 7. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has only one class of shares at this point.

### 8. DIVIDEND POLICY EXCLUSION

The Dividend Policy shall not be applicable in the following circumstances:

- Any distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.
- Distribution of dividend in kind i.e. by the issue of fully or partly paid bonus shares or other securities.
- Determination and declaring dividends on preference shares, if any.

### 9. DISCLOSURES

The Dividend Policy shall be disclosed on the website of the Company i.e., [www.bajajelectricals.com](http://www.bajajelectricals.com).

### 10. REVIEW AND AMENDMENT

Any or all provisions of this Dividend Policy would be subject to the revision/amendment to the SEBI Listing Regulations or related circular, notification, guidance notes issued by the Securities and Exchange Board of India or relevant authority, on the subject from time to time.

Any such amendment shall automatically have the effect of amending this Dividend Policy without the need for any approval by the Board or any of its Committees. This Dividend Policy is subject to review from time to time.

### 11. DISCLAIMER

This Dividend Policy neither solicits investment in the Company's securities nor gives any assurance of guaranteed returns (in any form) for investments in the Company's equity shares.

Mumbai, May 17, 2022

sd/-  
**Shekhar Bajaj**  
Chairman & Managing Director



# Annexure B

**Disclosures of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company pursuant to the provisions of Regulation 34(3) read with clause 2A of part A of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

(Amounts: ₹ in lakhs)

Name of the person or entity	Nature of Transaction	FY 2021-22		FY 2020-21	
		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
Jamnalal Sons Private Limited	Rent Paid	44.84	(6.30)	35.40	(3.21)
	Rent Deposit Advanced	50.00	200.00	-	150.00
	Reimbursement of Expenses	4.79	-	4.79	-
Bajaj Holdings and Investment Limited	None.	Nil	Nil	Nil	Nil

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

**Shekhar Bajaj**  
Chairman & Managing Director  
DIN: 00089358

**E C Prasad**  
Chief Financial Officer  
Mumbai, May 17, 2022

**Anuj Poddar**  
Executive Director  
DIN: 01908009

**Ajay Nagle**  
Head of Department - Legal (and Company Secretary)  
ICSI Membership No. A9855

# Annexure C

## Annual Report on Corporate Social Responsibilities (CSR) Activities for the Financial Year 2021-22

### 1. Brief outline on CSR Policy of the Company:

The vision and philosophy of late Jamnalal Bajaj, the founder of Bajaj Group, guide the Corporate Social Responsibility (CSR) activities of the group. He embodied the concept of trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Group believes that true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, Bajaj Group addresses the needs of communities residing in the vicinity of its facilities by taking sustainable initiatives in the areas of health, education, environment conservation, infrastructure and community development, and response to natural calamities. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment and the reason behind the smiles that light up a million faces.

At Bajaj Electricals Limited, CSR encompasses not only what we do with our profits, but also how we make them. CSR is a very useful platform to engage in all key spheres of influence such as market place, workplace, supply chain and society.

The four pillars of CSR:

- Sustainability – To ensure that the long-term business goals are aligned with sustainable development without compromising on the economic, environmental and social factor.

- Gender Diversity – To have a high performing inclusive work culture and commitment to attract and retain capable talent maintaining gender sensitivity and balance.
- Employee Volunteering – To reach out to all employees and drive the volunteering programs of the Company through collective social responsibility and strong individual commitment.
- Community Outreach Programs – To ensure the communities where we operate should also benefit.

CSR Policy:

A detailed CSR Policy was last amended by the Company on May 25, 2021, with approvals of the CSR Committee and Board of Directors. The Policy, inter alia, covers the following:

- Philosophy
- Preamble / Objective of the CSR Policy
- Vision
- Corporate Social Responsibility Committee
- Responsibilities of the Board
- CSR Programmes/Projects
- Implementation and Monitoring
- Engagement of International Organisations
- CSR Annual Action Plan
- Information Dissemination

The CSR Policy is placed on the Company's website [www.bajajelectricals.com](http://www.bajajelectricals.com).

### 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Shekhar Bajaj	Chairperson – Managing Director	2	2/2
2.	Dr. (Mrs.) Indu Shahani	Member – Independent Director		2/2
3.	Dr. Rajendra Prasad Singh*	Member – Independent Director		1/2
4.	Mr. Siddharth Mehta*	Member – Independent Director		1/2

\*Mr. Siddharth Mehta, whose first term was due to expire on May 29, 2021, had conveyed his desire not to seek re-appointment for the second term, owing to his professional commitments. Accordingly, Mr. Siddharth Mehta's tenure as an Independent Director of the Company came to an end on May 29, 2021. Effective from May 29, 2021, Dr. Rajendra Prasad Singh was appointed as the member of CSR Committee.



- The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: <https://www.bajajelectricals.com/miscellaneous/>
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		NIL	

- Average net profit of the Company as per Section 135(5): ₹ 16,478.92 lakh.
- Two percent of average net profit of the Company as per section 135(5): ₹ 329.57 lakh.
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil.
  - Amount required to be set off for the financial year, if any: Nil.
  - Total CSR obligation for the financial year (7a+7b-7c): ₹ 329.57 lakh.
- CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in lakh)	Amount Unspent (₹ in lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
200.39	129.18	April 28, 2022	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project			Project duration	Amount allocated for the project (₹ in lakh)	Amount spent in the current financial year (₹ in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakh)	Mode of Implementation - Through Implementing Agency	Mode of Implementation - Direct (Yes/No)	
				State	District	District							
(1)				(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1.	Rain Water harvesting in Govt aided schools	Education	Yes	Maharashtra	Raigad		2021-2022	27.04	24.34	2.70	No	Bajaj Electricals Foundation (BEF)	CSR00003537
2.	Upgradation of WASH Infrastructure	Education	Yes	Gujarat	Ahmedabad		2021-2022	7.72	3.86	3.86	No	BEF	CSR00003537
3.	Scholarship program	Education	Yes	Maharashtra	Mumbai		2021-2023	56.54	14.14	42.41	No	BEF	CSR00003537
4.	Kalanand	Promotion of Arts and Culture	Yes	Maharashtra	Mumbai		2021-2022	20.00	19.45	0.55	No	BEF	CSR00003537
5.	Urban Forestation Project 1	Environment Sustainability	Yes	Tamilnadu	Chennai		2021-2023	24.75	12.38	12.37	No	BEF	CSR00003537
6.	Urban Forestation Project 2	Environment Sustainability	Yes	Maharashtra	Mumbai		2021-2022	13.36	0.67	12.69	No	BEF	CSR00003537
7.	Urban Forestation Project 3	Environment Sustainability	Yes	Maharashtra	Aurangabad		2021-2022	22.01	11.01	11.01	No	BEF	CSR00003537
8.	Solar Power Project (off grid)	Environment Sustainability	No	Meghalaya	West Garo		2021-2022	39.99	35.99	4.00	No	BEF	CSR00003537
9.	Project Cloth Bag - Alternate to plastics	Environment Sustainability	Yes	Maharashtra	Mumbai		2021-2022	10.15	6.09	4.06	No	BEF	CSR00003537
10.	Project Recycle	Environment Sustainability	Yes	Maharashtra	Mumbai		2021-2022	5.16	0.86	4.30	No	BEF	CSR00003537
11.	Upgradation of the Primary Health Centre	COVID-19 Response	No	Meghalaya	West Garo		2021-2022	23.74	21.37	2.37	No	BEF	CSR00003537
12.	Distribution of medical equipments	COVID-19 Response	No	Madhya Pradesh	Balaghat, Panna, Sheopur, Allirajpur		2021-2022	25.00	15.00	10.00	No	BEF	CSR00003537
13.	Livelihood Support to women entrepreneurs	Post COVID-19 Response	No	Rajasthan	Barmer		2021-2022	16.22	4.06	12.16	No	BEF	CSR00003537
14.	Support for education to students	Post COVID-19 Response	Yes	Maharashtra and Gujarat	Mumbai and Ahmedabad		2021-2022	4.16	3.29	0.87	No	BEF	CSR00003537
15.	School refurbishment and education support for students	Post COVID-19 Response	Yes	Maharashtra	Mumbai		2021-2022	8.55	2.73	5.82	No	BEF	CSR00003537
	<b>Total</b>							<b>304.40</b>	<b>175.22</b>	<b>129.18</b>			



(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (₹ in lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Development of sports & training for students	Education	Yes	Hyderabad	Gachibowli	11.00	No	BEF	CSR00003537
2.	COVID-19 Response – 1	COVID-19 Response	Yes	Maharashtra	Mumbai	1.76	No	BEF	CSR00003537
3.	COVID-19 Response – 2	COVID-19 Response	Yes	Maharashtra	Mumbai	2.02	No	BEF	CSR00003537
4.	COVID-19 Response	COVID-19 Response	No	Rajasthan	Barmer	4.20	No	BEF	CSR00003537
5.	COVID-19 Response	COVID-19 Response	Yes	New Delhi	New Delhi	1.00	No	BEF	CSR00003537
<b>Total</b>						<b>19.98</b>			

(d) Amount spent in Administrative Overheads: ₹ 5.20 lakh.

(e) Amount spent on Impact Assessment, if applicable: Not Applicable.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 200.39 lakh.

(g) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (₹ in lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	329.57
(ii)	Total amount spent for the Financial Year	200.39
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lakh)	Amount spent in the reporting Financial Year (₹ in lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any (₹ in lakh)	Amount remaining to be spent in succeeding financial years (₹ in lakh)
(1)	(2)	(3)	(4)	(5)	(6)
1.	2020-21	204.59	37.67	Nil	166.92

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (₹ in lakh)	Amount spent on the project in the reporting Financial Year (₹ in lakh)	Cumulative amount spent at the end of reporting Financial Year (₹ in lakh)	Status of the project - Completed / Ongoing
1.	SV/20-21/001	Upgradation of the secondary school, Karjat	2020-21	2021-2022	13.93	6.96	13.93	Completed
2.	SV/20-21/002	Upgradation of WASH Infrastructure and Smart Class, Mumbai	2020-21	2021-2022	11.00	3.30	9.90	Ongoing
3.	SV/20-21/003	Upgradation of Ashram School for Girls, Mokahda	2020-21	2021-2022	10.88	4.35	10.88	Completed
4.	AC/20-21/001	Kalanand	2020-21	2020-2022	17.25	1.73	17.25	Completed
5.	GI/20-21/001	Urban Dense Plantation, Pune	2020-21	2021-2023	17.63	7.05	15.87	Ongoing
6.	GI/20-21/002	Urban Dense Plantation, Mumbai	2020-21	2021-2022	5.01	2.00	5.01	Completed
7.	CI/20-21/001	Waste Management - Innovation in Biogas Technology	2020-21	2020-2022	17.39	6.96	17.39	Completed
8.	TC/20-21/001	Awareness on Tobacco Control program	2020-21	2021-2022	13.28	-	7.97	Ongoing
9.	TC/20-21/002	Model Tobacco Cessation Centres, Maharashtra	2020-21	2021-2024	114.40	-	-	Ongoing
10.	TC/20-21/003	Tobacco Cessation Program, Navi Mumbai	2020-21	2021-2022	14.45	1.97	1.97	Ongoing
11.	TC/20-21/004	Training and Capacity Building on Tobacco Cessation and Tobacco Free Workplace, Bengaluru	2020-21	2021-2022	26.40	-	-	Ongoing
12.	TC/20-21/005	Training and Capacity Building of Dental Students, Mumbai	2020-21	2021-2022	4.01	1.67	1.67	Ongoing
13.	TC/20-21/006	Certification of Tobacco Cessation Intervention Initiatives, Mumbai	2020-21	2021-2022	4.80	1.68	1.68	Ongoing
<b>Total</b>					<b>270.42</b>	<b>37.67</b>	<b>103.50</b>	



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year- Nil.

**(asset-wise details).**

- (a) Date of creation or acquisition of the capital asset(s). – Not Applicable.
- (b) Amount of CSR spent for creation or acquisition of capital asset. - Not Applicable.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Not Applicable.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Not Applicable.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- Not Applicable.

sd/-

**Shekhar Bajaj**

Chairman & Managing Director and  
Chairman of CSR Committee

Mumbai, May 17, 2022

# Annexure D

## FORM AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

### Statement containing salient features of the financial statement of subsidiary, associate and joint venture

#### Part A: Subsidiary

				(Amount: ₹ in lakh)
Sr. No.	Particulars	Nirlep Appliances Private Limited	Starlite Lighting Limited	Bajel Projects Limited ("Bajel")
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable <b>[Refer Note below]</b>
2.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable
3.	Share capital	743.56	5,750.00	50.00
4.	Reserves & surplus	(4,152.03)	(40,409.94)	(9.50)
5.	Total assets	7,221.97	16,914.24	45.72
6.	Total liabilities	10,630.47	51,574.18	5.21
7.	Investments	-	-	-
8.	Turnover	6,929.81	19,192.75	-
9.	Profit/(Loss) before taxation	(701.75)	(3,983.23)	(9.50)
10.	Provision for taxation	4.80	-	-
11.	Profit/(Loss) after taxation	(706.55)	(3,983.23)	(9.50)
12.	Proposed dividend	-	-	-
13.	% of shareholding of the Company in the subsidiary	100.00	88.48	100.00

**Note:** Bajel has been incorporated on January 19, 2022, and hence, pursuant to provisions of Section 2(41) of the Companies Act, 2013, the first financial year of Bajel shall end on March 31, 2023. The above details are provided basis the management reviewed financials of Bajel as at March 31, 2022.

Names of subsidiaries which are yet to commence operations: Nil

Names of subsidiaries which have been liquidated or sold during the year: Nil

#### Part B: Associate and Joint Venture

Sr. No.	Particulars	Hind Lamps Limited (Associate)
1.	Date on which the associate or joint venture was associated or acquired	January 7, 1952
2.	Latest audited Balance Sheet date	March 31, 2022
3.	Shares of associate/joint venture held by the Company on the year end	
	Number of equity shares	1140000
	Amount of investment in associate / joint venture	Nil
	Extent of holding %	19.00



Sr. No.	Particulars	Hind Lamps Limited (Associate)
4.	Description of how there is significant influence	As per Section 2(6) of the Act, "associate company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary of the Company having such influence and includes a joint venture company. For the purposes of this clause, "significant influence" means control of at least 20% of total share capital, or of business decisions under an agreement. The Company is in a position to influence the operating and financial policies of this company.
5.	Reason why the associate / joint venture is not consolidated	Impaired post Demerger
6.	Net worth attributable to Shareholding as per latest audited / unaudited Balance Sheet	₹ 22.35 lakh
7.	Profit / (Loss) for the year	
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	₹ (0.01) lakh

Names of associates or joint ventures which are yet to commence operations: Nil

Names of associates or joint ventures which have been liquidated or sold during the year: Nil

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

**Shekhar Bajaj**  
Chairman & Managing Director  
DIN: 00089358

**Anuj Poddar**  
Executive Director  
DIN: 01908009

**E C Prasad**  
Chief Financial Officer  
Mumbai, May 17, 2022

**Ajay Nagle**  
Head of Department - Legal (and Company Secretary)  
ICSI Membership No. A9855

# Annexure E

## NOMINATION AND REMUNERATION POLICY

### 1. REGULATORY FRAMEWORK

1.1. This policy ("Policy") of Bajaj Electricals Limited ("Company"/"BEL") has been prepared and adopted in accordance with the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") alongwith circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

1.2. Section 178(3) of the Act and Part D of Schedule II of SEBI LODR Regulations requires the Nomination and Remuneration Committee ("Committee") to formulate the criteria for determining qualifications, positive attributes and independence of a director, recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees, criteria for evaluation of performance, board diversity etc.

1.3. The Committee shall review the Policy periodically and may amend the same from time to time, as deemed necessary.

### 2. OBJECTIVES OF THIS POLICY

This policy aims to formulate certain criteria for the following activities with regards to its directors, key managerial personnel, senior management and employees:

- 2.1. Selection, appointment and removal;
- 2.2. Remuneration;
- 2.3. Evaluation of performance;
- 2.4. Board diversity.

### 3. DEFINITIONS

3.1. "Key Managerial Personnel" or "KMP" in relation to the Company, means-

- 3.1.1. the Chief Executive Officer or the managing director or the manager;
- 3.1.2. the company secretary;
- 3.1.3. the whole-time director;
- 3.1.4. the Chief Financial Officer;
- 3.1.5. such other officer, not more than one level below the directors who is in Whole-time employment, designated as key managerial personnel by the Board; and
- 3.1.6. such other officer as may be prescribed.

3.2. "Net Profit" shall be calculated as per section 198 of the Act.

3.3. "Senior Management" shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

### 4. CRITERIA FOR APPOINTMENT OF DIRECTORS, KMP AND SENIOR MANAGEMENT

4.1. The Committee shall formulate criteria for determining qualifications, positive attributes and independence of a director. The Committee may consider this Policy and the below provisions of this Policy as guidance.

4.2. The person to be appointed as a Director, KMP or in the senior management should possess adequate qualification, experience and expertise for the position he or she is considered for, considering various factors including the Company's strategy and requirements.

4.3. The Committee shall have the discretion to decide whether such qualification, experience and expertise of the person is sufficient for him or her to effectively discharge duties of the concerned position.

4.4. The person to be appointed as Director, KMP or in the senior management, should possess impeccable reputation for integrity, efficiency, expertise and insight in sectors or areas relevant to the Company's industry or otherwise demonstrate relevant qualities.

4.5. In case of a Director, such person's personal and professional standing must be such that it helps him or her to best complement the other Board members thereby contributing effectively towards Company's growth.

4.6. The Committee shall consider the potential candidates on merit alone.

4.7. In case of a Director, such person must also fulfil the minimum and/or maximum age criteria as applicable under the provisions of the Act and SEBI LODR Regulations and take necessary approvals from the shareholders in this regard in case of directors above the maximum age criteria as well as comply with other requirements of law at the time.

4.8. In case of an Independent Director, he or she should meet the requirements of the Act and SEBI LODR Regulations concerning independence of directors.



## 5. APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

5.1. The Committee shall ensure that the size and composition of the Board satisfies the applicable law including provisions of the Act and SEBI LODR Regulations.

5.2. The Committee shall identify persons who are qualified to become directors, KMPs and who may be appointed in the senior management with regard to the attributes as specified under clause 4 of this Policy and such other qualifications or attributes as the Committee or board may deem necessary from time to time.

Explanation – For the purpose of this clause, “appointed in the senior management” means:

- (i) induction/appointment of persons/officers/personnel of the Company as members of the core management team of the Company as on date called as the ‘Core Management Committee’; and
- (ii) appointment of person/officer/personnel as the company secretary or chief financial officer of the Company.

5.3. The Committee while considering a person for appointment as director, shall verify that the said person has not been debarred or disqualified from being appointed as directors of companies by the Securities and Exchange Board of India (“SEBI”) and/or Ministry of Corporate Affairs or any other statutory authority.

5.4. The Committee shall then recommend the identified candidates to the Board for final selection and appointment.

5.5. In case of directors, the Committee shall ensure that the number of directorships held by each director in other companies is below the specified limit under the Act and SEBI LODR Regulations and amendments made from time to time.

5.6. The Committee shall also ensure that any person appointed as independent director does not have any material pecuniary relationship with the Company, its holding, subsidiary or associate company, or company's promoters or directors, except receiving remuneration as a director or having transaction not exceeding 10% of his total income or such amount as prescribed, during the current financial year or two immediately preceding financial years and also satisfies other criteria for determining independence as specified under the Act, SEBI LODR Regulations and amendments made from time to time.

5.7. A whole-time KMP of the Company shall not hold office at the same time in more than one Company except in its subsidiary company. However, a whole-time KMP can be appointed as a director in any company subject to the provisions of the Act and/or SEBI LODR Regulations and in accordance with the policy of the Company.

5.8. The Committee shall review the performance of the Board from time to time.

5.9. The Board shall ensure and satisfy itself that plans are in place for orderly succession of the board of directors and senior management.

5.10. The Committee may recommend removal of any director or KMP to the Board with reasons in writing explaining the breach of company policy or any disqualifications or other such criteria for removal in line with the provisions of the Act and/or SEBI LODR Regulations or for other reasons.

5.11. The Board will have the discretion to retain the whole-time directors, KMP and senior management personnel in the same position/remuneration or otherwise, even after attaining the retirement age, if they deem fit for the benefit of the Company.

## 6. TERMS OF APPOINTMENT

### 6.1. Managing Director / Whole – Time Director / Executive Director / Non-executive Director

6.1.1. The Board shall appoint or re-appoint any person as a managing director, whole-time director, executive director or manager for a term not exceeding five years (5 years) at a time subject to approval by the members at the next general meeting.

6.1.2. Not less than two-thirds of the total number of directors (excluding independent directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation and be appointed by the Company in general meeting; and at every annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office as per the provisions of the Act.

6.1.3. The directors retiring by rotation at every annual general meeting shall be those who have been longest in the office since last appointment; the retiring director amongst directors appointed on the same day shall be determined by a lot.

6.1.4. At the annual general meeting at which a director retires by rotation, the Company may fill up the vacancy either by appointing the retiring director or some other person as may be deemed fit.

### 6.2. Independent Director

6.2.1. The term of appointment of an Independent Director shall be up to five (5) years but he or she shall be eligible

for re-appointment on passing of a special resolution by the Company and disclosure of such appointment shall be made in the Board's Report.

6.2.2. No independent director shall hold office for more than two consecutive terms but shall become eligible for appointment after expiration of three years (3 years) cool off period, provided that he or she shall not be appointed or associated with the Company in any other capacity, either directly or indirectly during such period.

### 6.3. KMP and senior management

6.3.1. The term of appointment and subsequent retirement of KMPs and senior management shall be as per the provisions of the law including the Act, SEBI LODR Regulations, and prevailing policy of the Company.

## 7. CRITERIA FOR RECOMMENDATION OF REMUNERATION

### 7.1. Executive Directors / Whole- Time Directors / Managing Directors

7.1.1. The remuneration to the Managing Director and other Executive directors shall be broadly divided into fixed and variable components. The fixed components shall comprise of monthly salary, allowances, perquisites, amenities and other retirement benefits. The variable component shall comprise of performance based annual commission and/or incentives. The performance criteria are individual performance based on annual targets, Company's performance and recent compensation trends in the industry.

7.1.2. Subject to provisions of the Act and SEBI LODR Regulations, the remuneration payable shall be approved by the Board of Directors at the time of appointment subject to approval by shareholders of the Company.

7.1.3. The overall remuneration payable to all the directors of the Company including managing director and whole-time directors in respect of any financial year shall not exceed 11% of the net profits of the Company.

7.1.4. Remuneration payable to any one managing director; or whole-time director or manager shall not exceed 5% of the net profits of the Company and if there is more than one such director, the remuneration shall not exceed 10% of the net profits of all such directors and manager taken together.

7.1.5. Payment of remuneration in excess of the above statutory limits shall be done by recording of clear reason and justification and obtaining approval of shareholders through special resolution as per the

provisions of the Act, SEBI LODR Regulations and amendments made thereto from time to time.

7.1.6. The fees and compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting if –

- i. The annual remuneration payable to such executive director exceeds rupees five crore (5 crore) or 2.5 percent (2.5%) of the net profits of the Company, whichever is higher; or
- ii. Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent (5%) of the net profits of the Company.

Such approval shall be valid only till the expiry of the term of such director.

7.1.7. In any financial year, if the Company has no profits or its profits are inadequate, the remuneration payable to its directors, including Managing Director and/or other Executive Director(s), shall be governed by the provisions of Schedule V to the Act subject to the approval of the shareholders of the Company.

### 7.2. Independent Directors / Non-executive Directors

7.2.1. The remuneration to Non-Executive Directors shall consist of sitting fees for attending Board/ Committee meetings, commission and other reimbursements.

7.2.2. Non-Executive Directors shall be paid commission upto an aggregate amount not exceeding 1 % of the net profits of the Company for the year. The payment of commission shall be based on their attendance at the board and the committee meetings as member.

7.2.3. All the Non-executive Directors shall be paid commission on uniform basis.

7.2.4. The Independent directors shall not be entitled to any stock options under the stock option scheme of the Company.

7.2.5. The Company shall undertake Directors and Officers insurance ('D and O insurance') for all their independent directors of such quantum and for such risks as may be determined by the board of directors.

### 7.3. KMP, Senior Management and other employees

7.3.1. In respect KMPs, senior management and other employees the remuneration shall be payable based on the person's performance, Company's performance, targets achieved, industry benchmark and compensation trends in the industry.



7.3.2. The remuneration shall consist of monthly salary, bonus, perquisites, KPI and other retirement benefits as per the prevailing policy of the Company.

7.3.3. The Committee shall recommend to the Board and finalise the salary and other perks remuneration in whatever form payable to the senior management.

#### 7.4. Employee Stock Options

As permissible under the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 (as re-enacted), the eligible permanent employees and directors (other than promoter directors and independent directors) of the Company shall be eligible for Stock Options pursuant to Employee Stock Option Scheme of the Company.

#### 7.5. Other common criteria

The Committee shall also consider the following criteria with regards to recommendation of remuneration:

7.5.1. the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate potential candidates of the quality required to run the Company successfully;

7.5.2. relationship of remuneration to performance shall be clear and able to meet appropriate performance benchmarks;

7.5.3. in line with best governance practices and legal requirements;

7.5.4. remuneration to directors, KMPs and senior management shall involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and

7.5.5. ensure high quality of work.

#### 8. CRITERIA FOR EVALUATION OF PERFORMANCE OF DIRECTORS

8.1. The evaluation process for performance of the Board, its Committees and directors shall be carried out as per the provisions of the Act and the SEBI LODR Regulations.

8.2. The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out by the Board and also review its implementation and compliance.

8.3. Each director shall be provided with a questionnaire to be filed up, providing feedback on the overall functioning of the Board and its committees.

8.4. The questionnaire shall cover various parameters such as composition structure with independent directors and woman director with relevant skills, experience, knowledge and diversity, understanding of members on their respective roles and responsibilities, discharge of key functions & other responsibilities under the law, etc.

8.5. The directors shall also be asked to provide their suggestions for areas of improvements to ensure higher degree of engagement with the management.

8.6. The Independent Directors shall have a meeting at least once in a year to review the performance and evaluation of the non-independent directors and the entire Board as a whole including the Chairman.

8.7. The evaluation of individual directors shall be carried out considering factors such as their attendance & participation, approach to board & senior management especially for risk management & meeting competition challenges, maintaining confidentiality and other related factors as may be deemed necessary in this exercise.

8.8. The evaluation of independent directors shall be done by the entire board of directors (excluding the directors being evaluated) with respect to –

8.8.1. performance of the directors; and

8.8.2. fulfillment of the independence criteria as per the provisions of the Act and SEBI LODR Regulations and their independence from the management.

#### 9. BOARD DIVERSITY

9.1. Board diversity is an important aspect that makes use of differences in the skills, regional and industrial experience, background, gender and other distinctions to gain competitive advantage in the market.

9.2. Board diversity shall be such that it ensures that the Board is comprised of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company.

9.3. The Committee shall periodically review the size and composition of the Board to ensure its structure in terms of different perspectives, skills and expertise in the board room.

9.4. The Committee shall strive to maintain a proper balance in terms of diversity in gender, thought, experience, knowledge and perspective when recommending persons for appointment to the Board.

#### 10. DISCLOSURE REQUIREMENTS

10.1. The Company shall disclose in its Corporate Governance Report, a chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following:

10.1.1. The list of core skills/ expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board; and

10.1.2. The names of directors who have such skills/ expertise/ competence.

10.2. The Company shall also disclose in its Corporate Governance Report a confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI LODR Regulations and are independent of the management.

10.3. The Corporate Governance Report shall also include detailed reasons for the resignation of any independent director who resigns before the expiry of his or her tenure along with a confirmation by such director that there are no other material reasons other than those provided.

10.4. This policy shall be uploaded on the website of the Company i.e. [www.bajajelectricals.com](http://www.bajajelectricals.com).

10.5. The salient features of this policy and any changes made therein in brief along with a weblink to the policy shall be provided in the Board's Report.

#### 11. LIMITATION AND AMENDMENT

11.1. In the event of any conflict between the provisions of this policy and the Act or SEBI LODR Regulations or any other statutory requirements, rules, regulations, enactments, the provisions of such Act or SEBI LODR Regulations or any other statutory requirements, rules, regulations, enactments, the provisions shall prevail over this policy.

11.2. Any subsequent amendment/modification in SEBI LODR Regulations, Act and/ or applicable laws in this regard shall automatically apply to this policy.

sd/-

**Shekhar Bajaj**

Mumbai, February 4, 2021

Chairman & Managing Director

# Annexure F

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 & Rule 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**BAJAJ ELECTRICALS LIMITED**  
45/47, Veer Nariman Road, Mumbai – 400001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BAJAJ ELECTRICALS LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted / proposed to delist its equity shares from any stock exchange during the financial year under review;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018– Not applicable as the Company has not bought back / proposed to buy back its securities during the financial year under review; and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### OTHER APPLICABLE LAWS:

- i. The Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder;
- ii. Boilers Act, 1923 & Rules made thereunder;
- iii. Environment Protection Act, 1986;
- iv. The Water (Prevention & Control of Pollution) Act, 1974 read with water (Prevention & Control of Pollution) Rules, 2011;

#### CORPORATE OVERVIEW

- v. The Legal Metrology Act, 2009 read with the Legal Metrology (Packaged Commodity) Rules, 2011;
- vi. The Indian Copyright Act, 1957;
- vii. The Patents Act, 1970;
- viii. The Trade Marks Act, 1999;
- ix. The Contract Labour (Regulations and Abolition) Act, 1970 & its Central Rules / concerned State Rules;
- x. Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules/ Scheme thereunder;
- xi. Employers Liability Act, 1938;
- xii. Equal Remuneration Act, 1976;
- xiii. Employees State Insurance Act, 1948 and Rules made thereunder;
- xiv. The Minimum Wages Act, 1948 & its Central Rules / concerned State Rules/ Notification of Minimum Wages applicable to various class of industries /Trade;
- xv. The Payment of Wages Act, 1936 & its Central Rules / concerned State Rules, if any;
- xvi. The Payment of Bonus Act, 1965 & its Central Rules / concerned State Rules, if any;
- xvii. The Payment of Gratuity Act, 1972 & its Central Rules / concerned State Rules, if any;
- xviii. The Maternity Benefit Act, 1961 & its Rules;
- xix. The Industrial Employment (Standing Orders) Act, 1946 & its Rules;
- xx. The Apprentices Act, 1961 & its Rules;
- xxi. The Workmen's Compensation Act, 1923;
- xxii. The Industrial Disputes Act, 1947;
- xxiii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- xxiv. The Information Technology Act, 2000;
- xxv. The Competition Act, 2002;
- xxvi. The Goods and Services Tax, 2017;
- xxvii. The Customs Act, 1972;
- xxviii. The Income Tax Act, 1961 and
- xxix. The Central Excise Act, 1944.

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and

#### STATUTORY REPORTS

mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the Composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes book.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

#### We further report that during the audit period:

1. The Company during the financial year 2021-2022 has allotted 3,37,495 (Three Lakh Thirty-Seven Thousand Four Hundred and Ninety-Five) equity shares of ₹ 2 each fully paid up, on the following dates, to the employees of the Company on their exercise of stock options granted to them under the Company's ESOP 2011 / ESOP 2015 Schemes and vested in their favour:
  - a) On June 10, 2021 – 1,01,640 equity shares;
  - b) On September 03, 2021 – 1,02,700 equity shares;
  - c) On December 13, 2021 – 72,870 equity shares;
  - d) On March 17, 2022 – 60,285 equity shares;
2. As per the Shareholders Agreement (SHA) dated February 22, 2007 executed by and between Bajaj Electricals Limited ("the Company"), Starlite Lighting Limited ("SLL") and its promoters:
  - i. The Company received a letter of Intent dated January 2, 2021 from the promoters of SLL, expressing their intention to relinquish and transfer in entirety their controlling interest and management rights in SLL.



## Annexure to Secretarial Auditors' Report

ii. The Company invested Rs. 45,00,00,000 (Rupees Forty-Five Crore Only) into the paid-up equity capital of SLL towards subscription of 4,50,00,000 (Four Crore Fifty Lakh) equity shares at the issue price of Rs. 10 each.

shares of the face value of Rs. 100 at an option price of Rs. 679.05. Further the total equity shareholding of the Company in Nirlep Appliances Private Limited was increased from 79.85 % to 99.63 %.

3. The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT, Mumbai"), on February 21, 2022 has directed the Company to convene a meeting of the equity shareholders of the Company on Tuesday, May 31, 2022 at 11:00 am Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) for consideration and approval of the Scheme of Merger by Absorption of Starlite Lighting Limited ("Transferor Company") with the Company and their respective Shareholders ("Scheme") under Sections 230 to 232 (read with other applicable provisions) of the Companies Act, 2013, and rules framed thereunder as approved by the Board in its meeting held on May 25, 2021.

5. The Company in its board meeting held on February 8, 2022 approved draft scheme of Arrangement between Bajaj Electricals Limited ("Demerged Company") and Bajel Projects Limited ("Resulting Company") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

### For Anant B Khamankar & Co.

sd/-

**Anant Khamankar**

FCS No. – 3198

CP No. – 1860

UDIN: F003198D000314421

Date: May 13, 2022

Place: Mumbai

4. As per Share Purchase and Shareholders Agreement (SPSA) executed on June 15, 2018 by and between the Company, Nirlep Appliances Private Limited and its Shareholders, the Company acquired an additional 1,47,061 (19.78 %) equity

To,

The Members,

**Bajaj Electricals Limited**

45/47, Veer Nariman Road,

Mumbai – 400 001.

Our Secretarial Audit Report for the Financial Year ended March 31, 2022, of even date is to be read along with this letter.

### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to the secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

### For Anant B Khamankar & Co.

sd/-

**Anant Khamankar**

FCS No. – 3198

CP No. – 1860

Date: May 13, 2022

Place: Mumbai

# Annexure G

## Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

### A. Conservation of Energy

(i) The steps taken or impact on conservation of energy:

#### A. At Ranjangaon Unit:

- Unity power factor maintained throughout FY 2021-22 at RU1 and RU2;
- 39 Timer Control Circuits installed in Hydraulic Power Pack in shop floors at RU1 and RU2;
- Variable Frequency Drive (VFD) installed in Electric Overhead Traveling (EOT) cranes in HM shop at RU1;
- 48 Astronomical Timers provided to shop lights at RU1, and 126 Astronomical Timers provided to shop lights at RU2;
- 'Air blower with LPG/Propane Firing' in place of 'Compressed Air & LPG/Propane Firing' in vertical furnace at Old TLT Shop - Furnace 1;
- Interlock of Cooling Tower with Machine Hydraulic Pack of EP1, EP2 and Ficep CNC;
- VFD installed to Scrubber Motor 60 HP and timer introduced for reducing frequency when production is off;
- Installed Sequential Timer to water pump which will start and stop the pump every hour and therefore pump motor will run for 50% of the existing running time;
- Interlock of Cooling Tower with Machine Hydraulic Pack of EP1, EP2 and Ficep CNC;
- Installed Motion Sensor to Kettle Burner Area for 10 (ten) lamps;

#### B. At Chakan Unit:

- Motion detector sensor for light switching in office toilets, office entrance gangway, compressor room, DG room, store mezzanine floor, BSR entrance;
- Astronomical Timers provided to shop floor overhead lights;
- Astronomical Timers provided to streetlights;
- Compressor motor VFD panel installed in Fan and LED divisions;
- Power factor correction add smaller capacitor steps in APFC;
- Interlock in assembly line belt conveyor overhead batten lights on/off when conveyor is off.

(ii) The steps taken by the Company for utilising alternate sources of energy:

- At Ranjangaon Unit, 297 KWP rooftop solar panels are installed at RU2 (installed) and RU1 (in progress), with a capital investment of ₹ 117.83 lakh.
- At Chakan Unit, 625424 KWH solar energy generated through 605 KWP rooftop solar panels.

(iii) The capital investment on energy conservation equipments:

- A capital investment of ₹ 250 lakh on solar panel at Ranjangaon Unit;
- A capital investment of ₹ 1.40 lakh on scrubber VFD at Ranjangaon Unit;
- A capital investment of ₹ 5 lakh on modification in vertical furnace at Ranjangaon Unit.
- At Chakan Unit, compressor motor VFD panel installed in fan division at a capital investment of ₹ 2.78 lakh and in LED division at a capital investment of ₹ 2.61 lakh.
- A capital investment of ₹ 0.56 lakh on installation of Motion Detector Sensor at Chakan Unit.



- A capital investment of ₹ 0.29 lakh on installation of Astrological Timer for the shop floor overhead lights at Chakan Unit.
- A capital investment of ₹ 0.24 lakh on installation of Astrological Timer for the streetlights at Chakan Unit.
- A capital investment of ₹ 0.36 lakh on power factor correction (by adding smaller capacitor steps) in APFC at Chakan Unit.

(iv) Total energy consumption and energy consumption per unit of production:

- Total energy consumption at Ranjangaon Units was 26,27,810 KWH and average unit per ton of production was at 106.13 KWH/MT.
- Total energy consumption at Chakan Unit was 6,33,215 KWH and average power unit per set for fan was 0.14 units and for LED was 0.42 units.

(v) Impact of the energy conservation measures for reduction of energy consumption and consequent impact on the cost of production of goods:

- Obtained Unity Power Factor thereby received incentives for Ranjangaon Unit.
- Power Cost Per Unit Set (Fan) at 1.3 Rs./unit for Chakan Unit;
- Power Cost Per Unit Set (LED) at 3.85 Rs./unit for Chakan Unit.

### B. Technology Absorption

#### (i) The efforts made towards technology absorption:

- Upgradation of Pole Closing Machine at RU1;
- Modification of Pole Closing and Welding SPM at RU2 from SAW welding to MIG welding of Delta Make;
- Motor and gearbox upgradation of Pole Straightening Machine at RU1;
- Powder coating line overhead conveyor gear box pulley changed to increase the speed of overhead conveyor in paint shop at Chakan Unit;
- In pretreatment shop, a modification made in the existing kage and increased the capacity to 33% at Chakan Unit;
- 600MM Model Blade Painting Jigs are modified to increase productivity at 100% in paint shop at Chakan Unit;
- VFD installed in assembly and packing line to control conveyor motor speed at Chakan Unit.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Improvement in productivity.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not applicable.

(iv) The expenditure incurred on Research and Development (R&D):

(Amount: ₹ in lakh)	
Particulars	Amount
(a) Capital	173.65
(b) Recurring	2,966.10
(c) Total	3,139.75
(d) Total R&D expenditure as a percentage of turnover (in %)	0.66



### C. Foreign Exchange Earnings and Outgo

The foreign exchange earned in terms of actual inflows and the foreign exchange outgo in terms of actual outflows during the year.

(Amount: ₹ in lakh)	
Particulars	Amount
Earned (Export)	8,651.63
Used (Import)	45,166.88

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

**Shekhar Bajaj**  
Chairman & Managing Director  
DIN: 00089358

**Anuj Poddar**  
Executive Director  
DIN: 01908009

**E C Prasad**  
Chief Financial Officer  
Mumbai, May 17, 2022

**Ajay Nagle**  
Head of Department - Legal (and Company Secretary)  
ICSI Membership No. A9855

# Annexure H

Information Pursuant to the Provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars	Particulars			
	Name of the Director	Category	Ratio to median Remuneration	
1. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Shekhar Bajaj	Executive Director	86.47 : 1	
	Anuj Poddar		61.58 : 1	
	Madhur Bajaj	Non-Executive Director	1.57 : 1	
	Rajiv Bajaj		0.79 : 1	
	Pooja Bajaj		1.87 : 1	
	Harsh Vardhan Goenka	Independent Director	1.72 : 1	
	Shailesh Haribhakti		3.29 : 1	
	Dr. Rajendra Prasad Singh		3.39 : 1	
	Dr. Indu Shahani		3.78 : 1	
	Munish Khetrapal		1.77 : 1	
	Siddharth Mehta*		0.98 : 1	
	2. Percentage increase/(decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Name of the Director, Chief Executive Officer or Company Secretary</b>		<b>Percentage increase / (decrease) in remuneration</b>
		Shekhar Bajaj		(11.71)
Anuj Poddar		42.63		
Madhur Bajaj		33.33		
Rajiv Bajaj		(20.00)		
Pooja Bajaj		31.03		
Harsh Vardhan Goenka		40.00		
Shailesh Haribhakti		36.73		
Dr. Rajendra Prasad Singh		30.19		
Dr. Indu Shahani		30.51		
Munish Khetrapal		44.00		
Siddharth Mehta*		(63.64)		
E C Prasad (CFO)**		49.91		
Ajay Nagle (CS)		(0.45)		
Anant Purandare (CFO)**		103.75		
3. Percentage increase in the median remuneration of employees in the financial year			21.76	
4. Number of permanent employees on the rolls of Company			2,272	

Particulars	Particulars
5. Average percentile increase/(decrease) already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration of Managerial Personnel – 4.92% Average increase in remuneration of employees other than the Managerial Personnel – 22.23% The Managerial Personnel compensation is linked to Profit Before Tax and linked to the performance of the Company.
6. Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.

\* Mr. Siddharth Mehta, whose first term was due to expire on May 29, 2021, had conveyed his desire not to seek re-appointment for the second term, owing to his professional commitments. Accordingly, Mr. Siddharth Mehta's tenure as an Independent Director of the Company came to an end on May 29, 2021.

\*\* The Board of Directors of the Company, at its meeting held on May 25, 2021, has: (a) Taken on record the retirement of Mr. Anant Purandare, President & Chief Financial Officer and Key Managerial Personnel of the Company, with effect from the close of business hours on June 30, 2021, upon his attaining the age of superannuation; and (b) Considered and approved the appointment of Mr. E C Prasad, then Vice President – Finance and Finance Controller of the Company, as the new Chief Financial Officer and Key Managerial Personnel of the Company with effect from the start of business hours on July 1, 2021.

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

**Shekhar Bajaj**

Chairman & Managing Director  
DIN: 00089358

**Anuj Poddar**

Executive Director  
DIN: 01908009

**E C Prasad**

Chief Financial Officer  
Mumbai, May 17, 2022

**Ajay Nagle**

Head of Department - Legal (and Company Secretary)  
ICSI Membership No. A9855