

# Report on Corporate Governance

“ Business should be pursued with a view to benefit the poor, not just to become a millionaire or billionaire. ”

- Jamnalal Bajaj

The ethical values is the foundation of Company's governance philosophy which over the past 78 years of the Company's existence has become a part of its culture. We feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business. We strongly believe that in business, there is something more important than just top line and bottom line and hence, each of us needs to strive towards producing our very best in all we do so that, we not only fulfill the needs of each and every consumer, but also far exceed their expectations. This is what has set us apart and this may be the very reason that we have been able to enjoy a very special relationship with our consumers. After all, when you strive, with every sinew to be the best you can be, it will show.

Corporate Governance is about commitment to values and ethical business conduct. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation.

The Board of Directors (the "Board") is responsible for and committed to sound principles of corporate governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of all the stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

This Report on compliance with the principles of corporate governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") is given below:

## BOARD

The Board is entrusted with the ultimate responsibility of the management, general affairs, direction and

performance of the Company and has been vested with the requisite powers, authorities and duties. The Board reviews and approves management's strategic business plan & business objectives and monitors the Company's strategic direction. The Executive Committee of the Company is headed by the Chairman & Managing Director and has some of the business/functional heads as its members, which look after the management of the day-to-day affairs of the Company.

In keeping with the commitment of the management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of Executive and Independent Directors to maintain the independence of the Board and to separate the Board functions of governance and management.

## Board Diversity

In compliance with the provisions of Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee of the Board has devised a Policy on Board Diversity ("Policy") with the objective to ensure that the Board is comprised of adequate number of members with diverse experience, knowledge, skills, perspective, background, gender, age and culture, such that it best serves the governance and strategic needs of the Company and the said Policy is approved by the Board. The Company has over the years been fortunate to have eminent persons from diverse fields as directors on its Board and therefore, the composition of the Board meets with the above objective.

Under the said Policy, the Nomination and Remuneration Committee while recommending appointment of directors shall keep in view that: i) the persons being recommended are persons of eminence in areas such as profession, business, industry, finance, law, administration, research, etc., and bring with them experience/skills which add value to the performance of the Board with greater diversity; and ii) the recommendations shall be purely on merit and no discrimination shall be made based on race, colour, religion or gender.

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

### **Composition of the Board**

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and also with the provisions of the Companies Act, 2013 (the "Act"). The Chairperson of the Board is an Executive Director and more than half of the Board comprises of Independent Directors.

As on March 31, 2018, the Board comprised of nine Directors. Shri Shekhar Bajaj is the Executive Chairman & Managing Director of the Company. Shri Anant Bajaj is the Joint Managing Director. Shri Madhur Bajaj is a Non-Executive Non-Independent Directors of the Company. Shri Harsh Vardhan Goenka, Shri Ashok Jalan, Dr. Rajendra Prasad Singh, Dr. (Smt.) Indu Shahani, Shri Anuj Poddar and Shri Siddharth Mehta are the Independent Directors of the Company.

During the year under review, Shri Vishnubhai Haribhakti, Independent Director and Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, has stepped down from the directorship of the Company w.e.f. August 4, 2017 due to his advancing age. The Board places on record its appreciation of the contribution made by Shri Vishnubhai Haribhakti as Director of the Company.

The Independent Directors are from diverse fields and bring to the Company a wide range of experience, knowledge and judgement as they draw on their varied proficiencies in general corporate management, finance, law, media, corporate strategy and other allied fields which enable them to contribute effectively to the Company in their capacity as the Directors, while participating in its decision-making process. The terms and conditions of appointment of Independent Directors have been uploaded on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

Shri Shekhar Bajaj, Chairman & Managing Director, Shri Anant Bajaj, Joint Managing Director and Shri Madhur Bajaj, Director, as belonging from the same family, are related to each other. Shri Shekhar Bajaj is a father of Shri Anant Bajaj and an elder brother of Shri Madhur Bajaj. Consequently, Shri Anant Bajaj is son of Shri Shekhar Bajaj and nephew of Shri Madhur Bajaj; and Shri Madhur Bajaj is a younger brother of Shri Shekhar Bajaj and an uncle of Shri Anant Bajaj. None of the other Directors of the Company are inter-se related to each other.

Shri Shekhar Bajaj and Shri Anant Bajaj are also the Non-Executive Directors in Hind Lamps Limited, an associate, and Starlite Lighting Limited, a joint venture, of the Company. Apart from the above, and apart from the reimbursement of expenses incurred in discharge of their duties and the remuneration that the Non-Executive Directors, the Chairman & Managing Director and the Joint Managing Director would be entitled to under the Act, none of the Directors have any other pecuniary relationships with the Company, its associate or joint venture or their Promoters, Directors, which in their judgement would affect their independence.

### **Appointment and Tenure**

The Directors of the Company are appointed by Members at the general meetings. All Directors, except the Chairman & Managing Director and Independent Directors of the Company, retire at the Annual General Meeting (AGM) by rotation and, if eligible, offer themselves for re-election. The Chairman & Managing Director and the Joint Managing Director of the Company are appointed for a term of five years as per the requirement of the statute. As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and Listing Regulations.
- The Independent Directors will serve a maximum of two terms of five years each.
- The Company would not have any upper age limit of retirement for Independent Directors from the Board and their appointment and tenure will be governed by the provisions of the Act.

### **Promotion and Re-designation of Shri Anant Bajaj**

With the objective of furthering its strategic goals, the Board of the Company at its meeting held on May 23, 2018 has, on the recommendation of the Nomination & Remuneration Committee, approved the promotion and re-designation of Shri Anant Bajaj, as the Managing Director of the Company, with effect starting from June 1, 2018, for the remainder of his five years term from February 1, 2016 ending on January 31, 2021 and revision in his remuneration, subject to the approval of the shareholders at the AGM.

Members' attention is drawn to a Resolution proposing the promotion and re-designation of Shri Anant Bajaj,

Joint Managing Directors as the Managing Director of the Company which is included at Item No.7 of the Notice of AGM.

### Board Independence

Our definition of 'Independence' of Directors is derived from Regulation 16 of the Listing Regulations and Section 149(6) of the Act. Based on the confirmations/disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than Shri Madhur Bajaj are Independent.

### Board Meetings and Attendance

Five Board Meetings were held during FY 2017-18, on: May 29, 2017, August 3, 2017, November 9, 2017, February 8, 2018 and March 29, 2018. The gap between two meetings did not exceed 120 days. These Meetings were well attended including attendance of the Independent Directors. The Seventy-eighth AGM (78th AGM) of the Company was held on August 3, 2017. The then Chairperson of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders' Relationship Committee was present at the 78th AGM.

**Table 1: Attendance record of Directors at Board Meetings and last AGM**

Directors	Number of Board Meetings		Attendance at the 78th AGM
	Held	Attended	
Shekhar Bajaj	5	5	Yes
Anant Bajaj	5	5	Yes
Madhur Bajaj	5	5	Yes
Harsh Vardhan Goenka	5	4	No
Ashok Jalan	5	5	Yes
Dr. Rajendra Prasad Singh	5	5	Yes
Dr. (Smt.) Indu Shahani	5	4	Yes
Anuj Poddar	5	5	Yes
Siddharth Mehta	5	4	Yes
Vishnubhai Haribhakti*	5	2	Yes

\* Resigned from directorship w.e.f. August 4, 2017.

### Details of other directorship(s) and committee membership(s) held:

The number of Directorships and Committee positions held by the Directors in the companies at the end of the year under review, are given below. None of the Directors on the Board is a member of more than 10 Committees and/or chairperson of more than 5 Committees across all the companies in which they are Directors. Further, none of the Directors on the Board is an Independent Director in more than seven listed companies. In addition, none of the Whole-Time Director(s) of the Company and a Director(s) who is/are the whole-time director in other listed company, is/are independent director(s) in more than three listed companies.

**Table 2: No. of Directorship(s) and Committee Membership(s) held as on March 31, 2018**

Directors	Category of Directors	As on March 31, 2018**			
		Indian Listed Companies#	Total Directorship(s)#	Committee Membership(s)^	Committee Chairmanship(s)^
Shekhar Bajaj	Promoter; Non-Independent; Executive	3	7	1	-
Anant Bajaj	Promoter; Non-Independent; Executive	1	3	-	-
Madhur Bajaj	Promoter; Non-Independent; Non-Executive	6	6	-	-
Harsh Vardhan Goenka	Independent; Non-Executive	5	7	-	-

Directors	Category of Directors	As on March 31, 2018**			
		Indian Listed Companies#	Total Directorship(s)#	Committee Membership(s)^	Committee Chairmanship(s)^
Ashok Jalan	Independent; Non-Executive	1	5	1	1
Dr. Rajendra Prasad Singh	Independent; Non-Executive	2	6	3	-
Dr. (Smt.) Indu Shahani	Independent; Non-Executive	5	5	7	-
Anuj Poddar	Independent; Non-Executive	1	1	-	1
Siddharth Mehta	Independent; Non-Executive	2	2	-	-
Vishnubhai Haribhakti*	Independent; Non-Executive	Not applicable			

\* Resigned from directorship w.e.f. August 4, 2017.

\*\* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Act.

^ Committees considered are Audit Committee and Stakeholders Relationship Committee, including that of in the Company.

# Excludes Alternate Directorships but includes Additional Directorships and Directorships in the Company.

## Board Procedure

A detailed agenda, setting out the business to be transacted at the meeting supported by detailed notes are sent to each Director at least seven days before the date of the Board and Committee Meetings except for the Unpublished Price Sensitive Information which are circulated separately or placed at the Meetings of the Board and the Committees. To provide web-based solution, a soft copy of the said agenda is also uploaded on the Board Portal which acts as a document repository. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents of the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. To enable the Board to discharge its responsibilities effectively, the Board was appraised at every meeting of the overall performance of the Company. A detailed report on the operations of the Company and quarterly compliance report are also presented at the Board Meetings.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the annual audited financial statements, declaration/recommendation of dividend, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance and reviews such other items which require Board's attention viz. quarterly and annual business performance of the Company, the annual report and accounts for

adoption by the Members, progress of various functions and businesses of the Company, foreign exchange exposure and steps taken by the management to minimise the risks of adverse exchange rate movement, Board Remuneration Policy and individual remuneration packages of Directors, appointing Directors on the Board and members of Management Committee, the Corporate Social Responsibility Policy of the Company and monitoring implementation thereof, the details of risk evaluation and internal controls, monitoring and reviewing board evaluation framework. It directs and guides the activities of the management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations.

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the agenda and convening of the Board and Committees meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises/assures the Board on compliance and governance principles and ensures appropriate recording of minutes of the meetings. The draft minutes of the proceedings of the meetings of the Board/Committees are circulated amongst the members of the Board and Committees. Comments and suggestions, if any, received from the members of the Board and Committees are incorporated in the minutes, in consultation with the Chairperson of

the Board/Committees. The minutes are confirmed by the members of the Board/Committees at the next Board/Committees meeting.

#### **Shares and Convertible Instruments, if any, held by Directors**

Information on shares held by directors in the Company as on March 31, 2018 is provided in the Annexure to the Directors' Report in 'Form MGT-9'. The Company has not issued any convertible instrument to its Directors.

#### **Directors seeking Re-Appointment/Appointment**

Shri Anant Bajaj, Joint Managing Director, being longest in the office, retires by rotation at the forthcoming Seventy-Ninth AGM (79th AGM) and being eligible, has offered himself for re-appointment. In pursuance of Regulation 36 of the Listing Regulations, brief resume of Shri Anant Bajaj is annexed to the Notice of the said 79th AGM.

#### **Separate Meeting of Independent Directors**

The Company's Independent Directors meet at least once every year without the presence of Executive Directors or management personnel. Such meetings are conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. Further, the Independent Directors also reviews the performance of the Non-Independent Directors, Chairperson (after taking into account the views of Executive and Non-Executive Directors) and the Board as a whole, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. During the year under review, one meeting of Independent Directors held on March 29, 2018 was attended by all the Independent Directors.

#### **Familiarisation Programmes for Independent Directors**

Regulation 25(7) of the Listing Regulations requires a Company to familiarise its Independent Directors through various programmes about the Company, including the nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of Independent Directors and any other relevant information.

In terms of above, the Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The details of familiarisation programmes imparted to the Independent Directors are posted on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

#### **Performance Evaluation of the Board**

The Act and Listing Regulations stipulate the performance evaluation of the Directors including Chairperson, Board and its Committees. Considering the said provisions, the Company has devised the process and the criteria for the performance evaluation which had been recommended by Nomination & Remuneration Committee. The Nomination & Remuneration Committee of the Board evaluated the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairperson of the Company was also carried out by the Independent Directors taking into account the views of the Executive Directors and Non-Executive Directors. Evaluation of Independent Directors was also carried out by the Board, excluding the Director being evaluated. A structured questionnaire was prepared and circulated amongst the Directors, covering various aspects of the evaluation such as adequacy of the size and composition of the Board and Committees thereof with regard to skill, experience, independence, diversity, attendance and adequacy of time given by the Directors to discharge their duties, preparedness on the issues to be discussed, meaningful and constructive contributions, inputs in the meetings, Corporate Governance practices, etc. The criteria for performance evaluation are placed on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com). The Directors expressed their satisfaction with the evaluation process.

#### **Orderly succession to Board and Senior Management**

The Board of the Company satisfied itself that the plans are in place for orderly succession for appointments to the Board and to the Senior Management.

### **BOARD COMMITTEES**

#### **Audit Committee**

The Company set up its independent Audit Committee way back in 1998. Since then, the Company has been reviewing and making appropriate changes in the composition and working of the Committee from time to time to bring about greater effectiveness and to comply with various requirements under the Act and SEBI Regulations.

During the year under review, Shri Vishnubhai Haribhakti, Independent Director and Chairperson of the Audit Committee stepped down from the directorship of the Company w.e.f. August 4, 2017 due to his advancing age. In view of his resignation from the Board and consequential cessation of membership of the Audit



Committee, the Board of the Company, in its meeting held on August 3, 2017, re-constituted the Audit Committee by inducting Shri Anuj Poddar, a Chartered Accountant by education, as a member of the Committee. The members of the re-constituted Audit Committee, in its meeting held on November 9, 2017, elected Shri Anuj Poddar as the Chairperson of the Committee.

As on March 31, 2018, the Audit Committee comprised of 3 Directors: Shri Anuj Poddar as the Chairperson and Shri Ashok Jalan and Dr. (Smt.) Indu Shahani as its members. All members of the Audit Committee are independent, non-executive directors and possess the requisite qualification for appointment on the Committee and have sound knowledge of finance, accounting practices and internal controls. The Audit Committee's composition meets with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. The Company Secretary acts as the convener to the Audit Committee.

The terms of reference of the Audit Committee are extensive and as stated below, go beyond what is mandated in Regulation 18 of the Listing Regulations and Section 177 of the Act.

**Role & Responsibilities of Committee:**

- a) Hold discussions with the Auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems;
- b) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- c) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditor and their terms of appointment;
- d) Reviewing with the management the quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on –
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
  - Any changes in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on exercise of judgement by management.
- e) Monitoring the end use of funds raised through public offers and related matters;
- f) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- g) Approval or any subsequent modification of transactions of the Company with related parties;
- h) Scrutiny of inter-corporate loans and investments;
- i) Valuation of undertakings or assets of the Company, wherever it is necessary;
- j) Reviewing with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;
- k) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- l) Discussion with internal auditors on any significant findings and follow up thereon;
- m) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- n) Discussion with the statutory auditors before the audit commences on the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- o) Reviewing of Company's financial controls and risk management systems;
- p) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- q) Review the functioning of the whistle blower mechanism;

- r) Approval of appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
- s) Carrying out any other function as may be required by the Board.

**The Audit Committee mandatorily reviews the following information:**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

During FY 2017-18, the Committee met five time i.e. on: May 29, 2017, August 3, 2017, November 9, 2017, February 8, 2018 and March 29, 2018 and the gap between two meetings did not exceed 120 days.

**Table 3: Attendance of members of the Committee at the meetings held during FY 2017-18**

Directors	No. of Committee Meetings	
	Held	Attended
Shri Anuj Poddar*	5	3
Shri Ashok Jalan	5	5
Dr. (Smt.) Indu Shahani	5	4
Shri Vishnubhai Haribhakti**	5	2

\* Inducted as a member of the Audit Committee w.e.f. August 3, 2017.

\*\* Resigned from directorship/membership of the Company/Audit Committee w.e.f. August 4, 2017.

The meetings were scheduled well in advance. In addition to the members of the Audit Committee, these meetings were attended by other Directors as invitees, the heads of finance, internal audit and the statutory auditors of the Company and those executives who were considered necessary for providing inputs to the Committee.

Shri Vishnubhai Haribhakti, ex-Chairperson of the Audit Committee was present at the 78th AGM of the Company to answer shareholders' queries.

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is governed by a Charter. During the year under review, Shri Vishnubhai Haribhakti, Independent Director and Chairperson of the Nomination and Remuneration Committee stepped down from the directorship of the Company w.e.f. August 4, 2017 due to his advancing age. In view of his consequential cessation of membership of the Nomination and Remuneration Committee, the Board of the Company, in its meeting held on August 3, 2017, reconstituted the Nomination and Remuneration Committee by inducting Shri Anuj Poddar, as a member of the Committee. The members of the re-constituted Nomination and Remuneration Committee, in its meeting held on February 8, 2018, elected Shri Anuj Poddar as the Chairperson of the Committee.

As on March 31, 2018, the Nomination and Remuneration Committee consisted of Shri Anuj Poddar as the Chairperson and Shri Ashok Jalan and Dr. (Smt.) Indu Shahani as its members. All the members of the Committee are Independent Directors.

The terms of reference of the Committee are as under:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
2. To carry out evaluation of every director's performance;
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
4. While formulating the policy, to ensure that –
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
5. To take into account financial position of the Company, trend in the industry, appointees qualifications, experience, past performance, past remuneration,

etc., and bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders;

6. To lay down/formulate the evaluation criteria for performance evaluation of independent directors and the Board;
7. To devise a policy on Board diversity;
8. To undertake specific duties as may be prescribed by the Board from time to time;
9. To engage/retain advisors, at the expense of the Company, to assist in connection with its functions, if necessary; and
10. To determine the quantum of stock options to be granted to the employees under Company's Employee Stock Option Plan (ESOP); determine eligibility for grant of stock option; decide the procedure for making a fair and reasonable adjustment in case of corporate actions; procedure and terms for the grant, vest and exercise of stock option; procedure for cashless exercise of stock options, etc.

During FY 2017-18, the Committee met three times i.e. on: August 3, 2017, February 8, 2018 and March 29, 2018.

**Table 4: Attendance of members of the Committee at the meetings held during FY 2017-18**

Directors	No. of Committee Meetings	
	Held	Attended
Shri Anuj Poddar*	3	2
Shri Ashok Jalan	3	3
Dr. (Smt.) Indu Shahani	3	3
Shri Vishnubhai Haribhakti**	3	1

\* Inducted as a member of the Nomination and Remuneration Committee w.e.f. August 3, 2017.

\*\* Resigned from directorship/membership of the Company/ Nomination and Remuneration Committee w.e.f. August 4, 2017.

Shri Vishnubhai Haribhakti, ex-Chairperson of the Nomination and Remuneration Committee was present at the 78th AGM of the Company to answer shareholders' queries.

#### Stakeholders' Relationship Committee

During the year under review, Shri Vishnubhai Haribhakti, Independent Director and Chairperson of the Stakeholders' Relationship Committee conveyed his decision to step down from the directorship of the Company w.e.f. August 4, 2017 due to his advancing age. In view of his resignation from the Board and consequential cessation of membership of the Stakeholders' Relationship Committee, the Board of the Company, in its meeting

held on August 3, 2017, reconstituted the Stakeholders' Relationship Committee by inducting Shri Ashok Jalan as a member of the Committee. The members of the re-constituted Stakeholders' Relationship Committee, in its meeting held on March 29, 2018, elected Shri Ashok Jalan as the Chairperson of the Committee.

As on March 31, 2018, the Stakeholders' Relationship Committee comprises of Shri Ashok Jalan as its Chairperson and Dr. (Smt.) Indu Shahani as its member, both Independent Directors. Shri Mangesh Patil, Company Secretary has been designated as Compliance Officer of the Company.

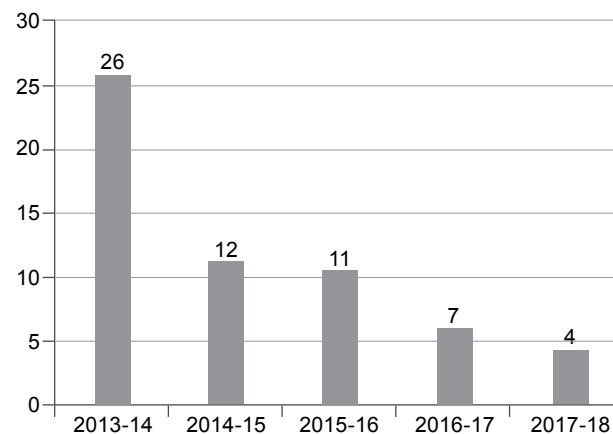
The Committee meets as and when require, to inter-alia, deal with matters relating to its terms of reference which include addressing the shareholders' and investors' complaints, if any, with respect to transfer and transmission of shares, non-receipt of annual report, non-receipt of declared dividend, payment of unclaimed dividends, to facilitate better security holders services and relations, etc. At every meeting of the Board, the Compliance Officer provides to the Directors, status as to the shareholders' grievances, which is taken on record by the Board.

During FY 2017-18, the Committee met once on March 29, 2018 and both the members of the Committee attended the said meeting.

**Table 5: Complaints received, attended & resolved during FY 2017-18**

Investors Complaints	No. of complaints
Pending at the beginning of the year	Nil
Received during the year	4
Disposed of during the year	4
Remaining unresolved at the end of the year	Nil

Trend of shares related complaints during last 5 years:





Shri Vishnubhai Haribhakti, ex-Chairperson of the Stakeholders' Relationship Committee was present at the 78th AGM of the Company to answer shareholders' queries.

### Corporate Social Responsibility (CSR) Committee

The Company has always been mindful of its obligations towards the communities it impacts and has been pursuing various CSR activities long before it became mandatory by law. As required under the Act, a formal Committee of the Board was constituted in March, 2014 to oversee and give directions to the Company's CSR activities.

The CSR Committee of the Company comprises of Shri Shekhar Bajaj as its Chairperson and Shri Anant Bajaj and Dr. (Smt.) Indu Shahani as its members.

The Committee's responsibilities with regard to CSR matters include:

- a) formulation and recommendation to the Board CSR policy and programmes;
- b) oversee and implement CSR projects or programmes or activities;
- c) review of annual budgets with respect to CSR programmes;
- d) work with the management to establish and develop the Company's strategic framework and objectives with respect to CSR matters;
- e) receive reports from management on the Company's CSR programmes, including significant sustainable development and community relations;
- f) receive reports from the management on current and emerging issues and trends in the field of CSR, including a discussion on the potential impact thereof on the Company;
- g) receive reports from the management on the Company's CSR performance to assess the effectiveness of the CSR programmes;
- h) review the findings and recommendations from the auditors or by regulatory agencies or consultants concerning the Company's CSR matters; and
- i) review the Company's disclosure of CSR matters in the Board's Report.

During FY 2017-18, the Committee met once on March 29, 2018 and it was attended by all the members.

The CSR Policy statement and the CSR Report forms part of the Board's Report to the Members of the Company.

### Committee for Allotment of Shares under ESOPs

The Committee for allotment of shares under ESOPs has been constituted as per the requirement of relevant regulations to expedite the process of allotment and issue of shares to the eligible employees of the Company under the ESOPs of the Company. The Share Allotment Committee comprises of three Directors viz. Shri Shekhar Bajaj as its Chairperson and Shri Anant Bajaj and Shri Ashok Jalan as its members. The Company Secretary acts as the convenor of the Committee.

During FY 2017-18, the Committee met five times i.e. on: June 29, 2017, August 11, 2017, October 16, 2017, December 8, 2017 and February 8, 2018 and these meetings were attended by all the members of the Committee.

### Finance Committee

The Company has Finance Committee comprising of three Directors viz. Shri Shekhar Bajaj as its Chairperson and Shri Anant Bajaj and Shri Ashok Jalan as its members. The Company Secretary acts as the convenor of the Committee.

The Committee, inter-alia, looks into the matters related to the borrowings of the Company, if any, to be made in the form of fund and non-fund based limits for the business and working capital requirements of the Company, review of the Company's insurance program, issues authority to or withdraws the authority given to the officers of the Company to open / operate / close bank accounts, besides the other powers granted to it by the Board from time to time.

During FY 2017-18, the Committee met once on January 30, 2018 to deliberate on various matters referred above and all the members attended the said meeting of the Committee.

### INFORMATION TO DIRECTORS

The Board has complete access to the information within the Company, which inter alia, includes items as mentioned under para 'Board Procedure' above. Presentations are made regularly to the Board and its Committees, where Directors get an opportunity to interact with senior managers. Presentations, inter alia, cover business strategies, management structure, HR policy, management development and succession planning, quarterly and annual results, budgets, treasury policy, review of internal audit reports, risk management framework, operations of joint venture and associates, etc.

Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when senior company personnel are asked to make presentations about performance of their Business Unit / function, to the Board. Such interactions also happen when these Directors meet senior management in informal gatherings.

## REMUNERATION TO DIRECTORS / REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration Policy, providing (a) criteria for determining qualifications, positive attributes and independence of directors; and (b) a policy on remuneration for directors, key managerial personnel and other employees. The Remuneration Policy is placed on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

### a) Non-Executive Directors' remuneration

Non-Executive Directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee corporate governance framework of the Company.

The remuneration of the Non-Executive Directors is determined within the limits prescribed under Section

179 read with the Rules framed thereunder and Schedule V to the Act and Listing Regulations. The Non-Executive Directors of the Company receive remuneration by way of sitting fees for attending the Board and Committees meetings and Commission as detailed below:

- (i) Sitting fees of ₹ 1,00,000/- for each meeting of the Board and Audit Committee, and ₹ 50,000/- for each meeting of other Committees attended by the Director, as approved by the Board within the overall limits prescribed under the Act;
- (ii) Pursuant to the approval of the Members in Seventy-fifth AGM held on July 31, 2014, payment of commission on an annual basis, of ₹ 1,00,000/- for each meeting of the Board and Audit Committee attended by the Director, subject to the ceiling of 1% of the net profit of the Company prescribed under the Act;
- (iii) Reimbursement of traveling and other related expenses incurred by the Non-Executive Directors for attending the Board and Committee meetings;
- (iv) The Independent Directors of the Company are not entitled to participate in the ESOPs of the Company.

The service contract, notice period and severance fees are not applicable to Non-Executive Directors.

**Table 6: Details of remuneration paid to Non-Executive Directors during the year by way of sitting fees and commission**  
(Amount in ₹)

Name of Director	Sitting Fees (Gross)	Commission (Gross)**	Total
Madhur Bajaj	5,00,000	6,00,000	11,00,000
Harsh Vardhan Goenka	4,50,000	4,00,000	8,50,000
Ashok Jalan	15,50,000	11,00,000	26,50,000
Dr. Rajendra Prasad Singh	5,50,000	6,00,000	11,50,000
Dr. (Smt.) Indu Shahani	11,00,000	6,00,000	17,00,000
Anuj Poddar	9,50,000	5,00,000	14,50,000
Siddharth Mehta	4,50,000	6,00,000	10,50,000
Vishnubhai Haribhakti*	4,50,000	11,00,000	15,50,000

\* Resigned from directorship w.e.f. August 4, 2017.

\*\* Commission relates to FY 2016-17 which was paid during the financial year under review. Commission for FY 2017-18 has been provided as payable to NEDs in the accounts for the year ended March 31, 2018, based on the number of meetings of the Board and Audit Committee attended by them.

**b) Executive Directors' remuneration**

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Executive Directors. Salaries paid to Executive Directors namely Shri Shekhar Bajaj, Chairman & Managing Director and Shri Anant Bajaj, Joint Managing Director of the Company are within the range approved by the Shareholders. The Commission paid/payable to the Chairman & Managing Director and Joint Managing Director is calculated at the rate of 2% and 1%, respectively, with reference to the net profits of the Company in a particular financial year and is determined by the Board at the end of the financial year, subject to the overall ceilings stipulated in Section 197 of the Act.

Executive Directors are entitled to superannuation benefits payable in the form of an annuity from an approved life insurance company, which forms part of the perquisites allowed to them. The terms of Managing Director and Joint Managing Director do not exceed five years.

The Company has no stock option plans for the promoter executive directors/non-executive directors

and hence, it does not form part of the remuneration package payable to them.

During FY 2017-18, the Company did not advance any loans to any of the directors.

Details of remuneration paid/payable to directors during FY 2017-18 are provided in the Annexure to the Directors' Report in 'Form MGT-9'.

**c) Remuneration Policy for the Key Managerial Personnel and other employees**

Remuneration of Key Managerial Personnel and other employees largely consists of basic salary, perquisites, allowances and performance incentives. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him/her, his/her annual performance, etc. The performance pay policy links the performance pay of each officer to his/her individual, business unit and overall Company's performance on parameters aligned to the Company's objectives.

**CODE OF BUSINESS CONDUCT & ETHICS**

The Board has laid down Code of Business Conduct & Ethics ("Code"), which is applicable to the Members of the Board and to all employees. The Code has been posted on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com). All Board Members and Senior Management personnel of the Company have affirmed compliance with the Code. A declaration signed by Chairman & Managing Director and CEO on the same is given below:

To the Members of Bajaj Electricals Limited

Sub: Compliance with Code of Business Conduct & Ethics

I, Shekhar Bajaj, Chairman & Managing Director and CEO of Bajaj Electricals Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Business Conduct & Ethics for the year ended March 31, 2018.

Mumbai  
May 23, 2018

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

**CEO AND CFO CERTIFICATION**

Certificate issued by Shri Shekhar Bajaj, Chairman & Managing Director and CEO and Shri Anant Purandare, President & Chief Financial Officer of the Company, for the financial year under review, was placed before the Board at its meeting held on May 23, 2018, in terms of

Regulation 17(8) of the Listing Regulations and the said certificate is contained in this Annual Report. The Chairman & Managing Director and CEO and Chief Financial Officer also gave quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

## COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Company's Auditors, Messrs S R B C & Co. LLP confirming compliance with conditions of Corporate Governance as stipulated under Clause E of Schedule V of the Listing Regulations, is attached to this Report.

## SUBSIDIARIES

The Company has no subsidiary as on March 31, 2018. Also, the Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the Company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year.

However, as an abundant precaution, on the recommendations of the Audit Committee, the Board in its meeting held on July 31, 2014 adopted a Policy for Determining 'Material' Subsidiaries and its approval/reporting mechanism ("Policy"). The said Policy has been displayed on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

## RELATED PARTY TRANSACTIONS

During FY 2017-18, there were no materially significant transactions entered into between the Company and its Promoters, Directors or the management, holding company, subsidiaries or relatives that may have potential conflict with the interests of the Company at large. Further, details of related party transactions form part of notes to the standalone accounts of the Annual Report.

The Policy on materiality of and dealing with the related party transactions as approved by the Audit Committee and the Board is available on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

## DISCLOSURE OF MATERIAL TRANSACTIONS

Under the provisions of the Listing Regulations, senior management personnel are required to make periodical disclosures to the Board relating to all material financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. In light of these provisions, the Senior Management of the Company have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

## DETAILS OF NON-COMPLIANCE RELATING TO CAPITAL MARKETS

The Company has complied with all the requirements of regulatory authorities with respect to capital markets. There were no instances of non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets during the year under review.

## CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

The Company has adopted a comprehensive Code of Conduct for prevention of insider trading for its Directors & designated persons. The Code lays down guidelines, through which it advises the designated persons or Directors on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations. In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and adopted 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons'. The said Codes are posted on Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com) and are being adhered to with effect from May 15, 2015.

## DIVIDEND DISTRIBUTION POLICY

The Company has adopted Dividend Distribution Policy in terms of the requirements of the Listing Regulations and the same is annexed with this Annual Report and is also available on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

## PROCEEDS FROM PUBLIC ISSUES

During the year under review, the Company has not raised any proceeds from public issue, right issue or preferential issue.

## UNCLAIMED SHARES

The Company does not have any unclaimed shares lying with it from any public issue. However certain shares resulting out of the bonus shares issued by the Company are unclaimed by the shareholders. As required under Regulation 39(4) of the Listing Regulations, the reminders are being sent by the Company to the shareholders to claim these shares and is in a process of depositing these shares in the Suspense Account.

**Table 7:** Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, the details of the shares in the Suspense Account are as follows:

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
Nil	Nil	Nil	Nil	Nil

All corporate benefits on such shares viz. bonus shares, etc. shall be transferred in accordance with the provisions of Section 124(6) of the Act read with IEPF Rules. The eligible shareholders are requested to note the same and take action for claiming the shares from the said account upon giving necessary documents.

#### UNCLAIMED DIVIDENDS

Unclaimed dividends up to 1994-95 have been transferred to the general revenue account of the Central Government. Those who have not encashed their dividend warrants for the period prior to and including 1994-95 are requested to claim the same from Registrar of Companies, Maharashtra, Mumbai.

As per the erstwhile Section 205-C of the Companies Act, 1956, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called the Investor Education and Protection Fund ("Fund/IEPF") set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the years 1995-96 to 2008-09 were transferred by the Company to the said Fund in the respective years 2003 to 2016.

The Ministry of Corporate Affairs (MCA) notified September 7, 2016 as the commencement date for Section 124 and few sub-sections of Section 125 of the Act and also notified the new Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules, 2016"), outlining the detailed procedure for implementation regarding the Fund and Authority under the Companies Act, 2013. Accordingly, the unpaid/unclaimed dividend for the year 2009-10 was transferred to the Fund in September 2017.

As previously provided under the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 and now under the

IEPF Rules, 2016, the Company filed the necessary particulars of all the unclaimed amounts through e-form IEPF-2 with MCA on October 31, 2017 for the financial year ended March 31, 2017 and the details of unpaid and unclaimed dividends for the financial years 2009-10 to 2016-17 were uploaded on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

Unpaid/unclaimed dividend for the financial year 2010-11 shall become due for transfer to the Fund in August 2018. Members are requested to verify their records and send their claim, if any, for the financial year 2010-11, before the amount becomes due for transfer to the Fund. Communication has been sent to the members, who have not yet claimed dividend for the financial year 2010-11, requesting them to claim the same as well as unpaid dividends, if any, for the subsequent years.

#### TRANSFER OF SHARES TO IEPF

As informed in the previous year, under Section 124(6) of the Act, as amended, there has been a further provision that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF.

Accordingly, in due compliance of the provisions of Rule 6(3) of the IEPF Rules, 2016, the Company sent individual letters through Speed Post to such shareholders, whose dividend for a consecutive period of seven years had remained unpaid / unclaimed, requesting them to claim the amount of unpaid / unclaimed dividend.

Further, as mandated by the Rules aforesaid, Public Notices were also released in the newspapers on December 3, 2016, May 6, 2017 and June 26, 2017 and the particulars of shares liable to be transferred to IEPF Suspense Account, were made available on the website of the Company viz. [www.bajajelectricals.com](http://www.bajajelectricals.com).

MCA vide its notification dated February 28, 2017 amended the IEPF Rules, 2016 called as the Investor



Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017 (IEPF Amendment Rules, 2017), prescribing certain modified procedure for the activities under the IEPF Rules, 2016. Further, after a series of other changes, MCA by circular dated October 13, 2017, fixed a fresh due date for transfer of shares whose dividend has remained unpaid or unclaimed for seven consecutive years or more as on October 31, 2017.

In view of the same, during the year under review, the Company transferred 225680 equity shares of ₹2 each in respect of 195 shareholders to the Demat Account of the IEPF Authority held with NSDL and filed necessary e-Form IEPF-4 with MCA on December 18, 2017. Details of

such shareholders, whose shares are transferred to IEPF and their unpaid dividends for the subsequent years are available to the concerned shareholders on the website of the Company: [www.bajajelectricals.com](http://www.bajajelectricals.com).

As provided under these Rules, the shareholder shall be allowed to claim such unpaid dividends and shares transferred to the funds by following the required procedure under the said IEPF Rules, 2016 and IEPF Amendment Rules, 2017, which are available on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com).

Shareholders are requested to get in touch with the Company Secretary and Compliance Officer for further details on the subject at [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com).

**Table 8: Details of unclaimed dividends as on March 31, 2018 are as under:**

FY	Dividend Type	Amount of Dividend (₹)	Dividend Unclaimed (₹)	Unclaimed (₹)	Due date for transfer to IEPF
2010-11	Final	27,88,02,930.00	13,67,326.80	0.49	August 27, 2018
2011-12	Final	27,90,75,454.00	11,97,025.20	0.43	August 25, 2019
2012-13	Final	19,95,10,662.00	8,33,804.00	0.42	September 5, 2020
2013-14	Final	15,04,09,971.00	8,84,665.50	0.59	August 30, 2021
2014-15	Final	15,12,20,994.00	9,77,457.00	0.65	September 5, 2022
2015-16	Interim	28,26,57,132.80	18,55,576.80	0.66	April 9, 2023
2016-17	Final	28,39,49,892.80	17,75,096.40	0.63	September 2, 2024

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report has been attached as a separate chapter and forms part of this Annual Report.

## FOREIGN CURRENCY EXPOSURE AND ITS HEDGING

The Company has following foreign exchange exposure in its books:

- Liability towards imports for purchases of goods and services.
- Liability towards foreign currency loans such as buyers credit, foreign currency term loans, etc.
- Liability towards royalty payable for use of 'morphy richards' brand.
- Forex exposure in terms of receivables against its exports made to various countries.

The Company has EEFC account with the bank to reduce the impact of foreign exchange exposure to a certain extent. For other liabilities and loans, the Company takes forward cover, either in part or in full, to hedge the liability as and when it considers appropriate to do so.

## RISK MANAGEMENT FRAMEWORK

Please refer to Para 'Risk Management' of the Directors' Report which forms part of this Annual Report.

## DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM, WHISTLE BLOWER POLICY, ETC.

Please refer to Para 'Whistle Blower Policy & Vigil Mechanism' of the Directors' Report which forms part of this Annual Report.

## COMMODITY PRICE RISK

The Company deals in the lighting products, small consumer durables appliances and fans which it largely procures from other vendors, while a small quantity of ceiling fans are produced in-house. The terms of payment with vendors are on cost plus basis. The Company is also into EPC segment, wherein it undertakes turnkey contracts for transmission line towers, high masts and poles, street lighting, etc. This exposes the Company to commodity price risk for products such as copper, aluminium, plastic, steel, zinc, etc.

Presently, the Company does not hedge its exposure to commodity price risks.

## DISCLOSURES

### i. Accounting treatment

In the preparation of financial statements, the Company has not followed a treatment different from that prescribed in the Accounting Standards.

### ii. Audit qualifications

The Company always endeavors to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year under review.

### iii. Report on corporate governance

This section, read together with the information given in the Directors' Report, Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on corporate governance during FY 2017-18.

### iv. Compliance of discretionary requirements specified under Regulation 27 of the Listing Regulations

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

As regards the discretionary requirements, there is no modified audit opinion in the Company's financial statements. The Company continues to adopt best practices to ensure that its financial statements remained with unmodified audit opinion. Further, the Internal Auditors do report to the Audit Committee of the Board of the Company.

## MEANS OF COMMUNICATION

i. **Quarterly results:** Quarterly results of the Company are submitted to stock exchanges and are displayed on the Company's website: [www.bajajelectricals.com](http://www.bajajelectricals.com) and extract thereof published in the newspapers namely 'Free Press Journal' and 'Navshakti'. The official press release is also issued.

ii. **Annual audited financial results:** The Company publishes the annual audited financial results within the stipulated period of sixty days from the close of the financial year as required under the Listing Regulations and hence, the unaudited financial results for the last quarter of the financial year are not published. The annual financial results are also communicated to the stock exchanges where the Company's shares are listed and displayed on the Company's website; whereas extracts thereof are published in the newspapers.

iii. **News releases, presentations, etc.:** Official news releases and media releases are sent to the stock exchanges.

iv. **Presentation to institutional investors / analysts:** Detailed presentations are made to institutional investors and financial analysts, on the unaudited quarterly financial results as well as the annual audited financial results of the Company.

v. **Electronic communication to promote green initiatives:** Sections 20 & 129 of the Act read with the Companies (Accounts) Rules, 2014 permit companies to service delivery of documents electronically on the registered members'/ shareholders' email addresses.

The Company, during the year under review, sent documents, such as notice calling the general meeting, audited financial statements, directors' report, auditors' report, etc. in electronic form at the email addresses provided by the shareholders and made available by them to the Company through the depositories. Shareholders desiring to receive the said documents in physical form continued to get the same in physical form, upon request.

vi. **Website:** The Company's website [www.bajajelectricals.com](http://www.bajajelectricals.com) contains a separate dedicated section 'Investor Relations' where shareholders information is available.

Amongst others, the Company also uploads the information, statements and reports on its website as specified by SEBI under Regulations 30, 46 and 62 of the Listing Regulations.

vii. **Annual Report:** Annual Report containing, inter-alia, audited annual accounts, directors' report, auditors' report and other information is circulated to members and others entitled thereto.

viii. **Reminder to investors:** Reminders for unclaimed dividend are sent to the shareholders as per records every year.

ix. **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web based application designed by the National Stock Exchange of India Limited (NSE) for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are filed electronically on NEAPS.

- x. **BSE Corporate Compliance & Listing Centre (the “Listing Centre”)**: The Listing Centre is a web based application designed by BSE Limited (BSE) for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are filed electronically on the Listing Centre.
- xi. **SEBI Complaints Redress System (SCORES)**: The investor complaints are processed in a centralised web based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of action taken reports by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

## GENERAL SHAREHOLDER INFORMATION

### (a) Company Information

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L31500MH1938PLC009887.

### (b) Information on General Body Meetings

i. 79th AGM:

Day, date, time and venue	Thursday, the August 9, 2018 at 12.00 noon at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021
Last date for receipt of proxy forms	Tuesday, the August 7, 2018 (before 12.00 noon at the Registered Office of the Company)
Book closure dates	Saturday, August 4, 2018 to Thursday, August 9, 2018 (both days inclusive)

ii. Previous three AGMs:

AGM	FY	Day, Date & Time of AGM	Venue of Meeting
76th AGM	2014-15	Thursday, August 6, 2015 at 12.30 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021
77th AGM	2015-16	Thursday, August 4, 2016 at 11.00 a.m.	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai 400 020
78th AGM	2016-17	Thursday, August 3, 2017 at 11.30 a.m.	

iii. Details of Extraordinary General Meeting (EGM)/ Court Conveyed Meetings held during past three years and Special Resolutions passed:

No EGM/Court or Tribunal Conveyed Meeting was held during past three years.

No special resolution was passed at 76th & 77th AGM.

At 78th AGM, the approval of the shareholders was obtained by way of special resolution for issue of Redeemable Non-Convertible Debentures on private placement basis.

iv. Details of special resolution(s) passed through postal ballot during the year:

During the year under review, no Special Resolution requiring a Postal Ballot was passed. Further, none of the business proposed to be transacted in the 79th AGM require passing a special resolution through postal ballot.

(c) **Financial calendar:** Financial Year – 1 April to 31 March.

The tentative dates of Board Meetings for consideration of financial results for FY 2018-19 are as follows:

Q1 Results	2nd week of August 2018
Q2 and Half Yearly Results	1st week of November 2018
Q3 Results	2nd week of February 2019
Q4 and Annual Results	Last week of May 2019

The Board Meetings for approval of financial results during the year ended March 31, 2018 were held on the following dates:

Q1 Results	August 3, 2017
Q2 and Half Yearly Results	November 9, 2017
Q3 Results	February 8, 2018
Q4 and Annual Results	May 23, 2018

**(d) Dividend, Dividend payment date & mode of payment****i. Dividend:**

The Board of the Company has proposed a dividend of ₹3.50 per equity share (175 per cent) for FY 2017-18, subject to approval by the shareholders at the 79th AGM. Dividend paid in the previous year was ₹2.80 per equity share (140 per cent).

**ii. Dividend payment date:**

Dividend on equity shares, if declared at the 79th AGM, will be credited/dispensed within 30 days from August 9, 2018:-

- a) to all those beneficial owners holding shares in electronic form, as per the ownership data made available to the Company by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as of the close of business hours on Friday, August 3, 2018; and
- b) to all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/Registrar & Share Transfer Agents on or before the close of business hours on Friday, August 3, 2018.

**iii. Mode of Payment:**

As per the Listing Regulations, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Where dividend payments are made through electronic mode, intimations regarding such remittance would be sent separately to the members. Where the dividend cannot be paid through electronic mode, the same will be paid by warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on the warrants.

For enabling the payment of dividend through electronic mode, members holding shares in physical form are requested to furnish, updated particulars of their bank account, to the share transfer agent of the Company i.e., Link Intime India Private Limited ("Share Transfer Agent") along with a photocopy of a 'cancelled' cheque of the bank account and self-attested copy of PAN card.

Beneficial owners holding shares in electronic form are requested to furnish their bank account details to their respective depository participants and make sure that such changes are recorded by them correctly. The request for updation of particulars of bank account should be signed as per the specimen signature registered with Share Transfer Agent/depository participants, as the case may be.

**(e) Listing on stock exchanges & stock code**

Shares of the Company are currently listed on the following stock exchanges:

Name	Address	Stock Code
BSE	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	500031
NSE	Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051	BAJAJELEC

The ISIN Number allotted to the Company's equity shares of face value of ₹2 each under the depository (NSDL and CDSL) system is INE193E01025.

For FY 2018-19, the Company has paid annual listing fees to both the stock exchanges and annual custody/issuer fees to both the depositories.

**(f) Share Transfer system**

Share transfers received by the Share Transfer Agent/Company are registered within 15 days from the date of receipt, provided the documents are complete in all respects and the shares under transfer are not under any dispute.

**(g) Reconciliation of Share Capital Audit**

As required by SEBI, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The auditors' certificate in regard to the same is submitted to BSE and NSE and is also placed before the Board.

**(h) Secretarial Audit as per the Act**

Pursuant to the provisions of Section 204(1) of the Act, Messrs Anant B. Khamankar & Co., Company Secretaries, conducts the secretarial audit of the compliance of applicable statutory provisions and the adherence of good corporate practices by the Company.

**(i) Market Price Data**
**Table 9: Monthly high and low prices and trading volumes of the Company's equity shares at BSE and NSE during FY 2017-18:**

Month	BSE			NSE		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
Apr 2017	387.85	312.80	2118332	387.40	312.00	11803193
May 2017	363.75	296.65	1132054	363.70	297.40	5859850
Jun 2017	367.00	321.00	1321617	367.00	321.10	4119918
Jul 2017	353.75	320.10	1248307	354.00	319.65	3086692
Aug 2017	353.85	294.50	687003	353.90	295.20	4037905
Sep 2017	411.45	339.05	1422685	411.60	337.35	8331279
Oct 2017	428.85	351.70	1194737	428.45	352.50	8523354
Nov 2017	500.80	361.45	1395678	501.50	361.40	10027932
Dec 2017	503.75	442.10	3205623	503.80	442.25	9076524
Jan 2018	584.80	477.00	1097159	584.70	476.20	10013290
Feb 2018	556.55	403.00	1248263	556.65	400.00	10574273
Mar 2018	634.35	514.25	3952590	634.40	513.00	13039917

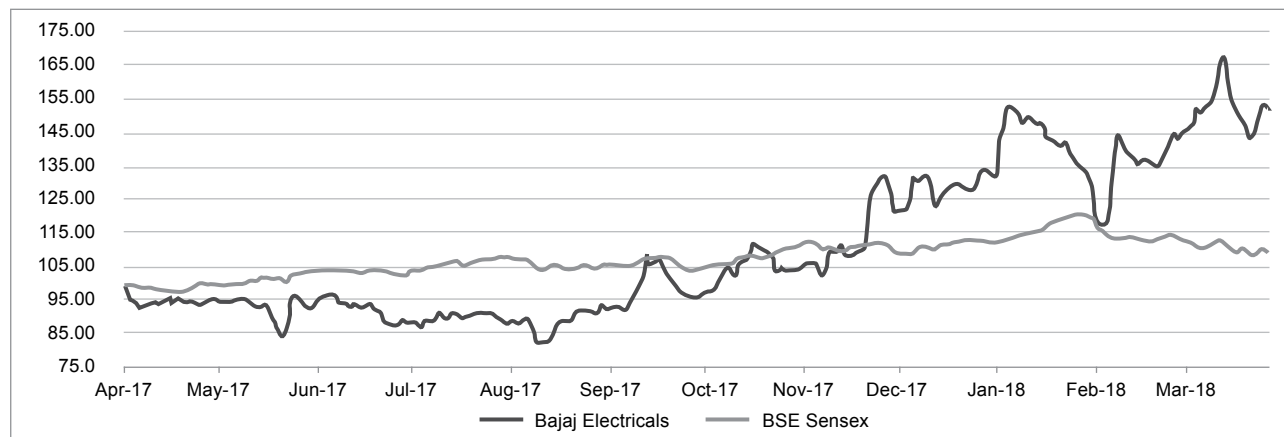
(Source: BSE and NSE Websites)

**Table 10: Performance in comparison to BSE Sensex, NSE Nifty and BSE 500 Index:**

Month	Company's Closing Price on NSE on the last trading day of month (₹)	BSE Sensex at the Close of last trading day of the month (₹)	NSE Nifty at the Close of last trading day of the month (₹)	BSE 500 Index at the Close of last trading day of the month (₹)
Apr 2017	351.80	29,918.40	9,304.05	12,979.20
May 2017	342.05	31,145.80	9,621.25	13,199.20
Jun 2017	326.75	30,921.61	9,520.90	13,178.50
Jul 2017	327.70	32,514.94	10,077.10	13,897.20
Aug 2017	348.10	31,730.49	9,917.90	13,762.10
Sep 2017	353.05	31,283.72	9,788.60	13,610.70
Oct 2017	388.00	33,213.13	10,335.30	14,485.60
Nov 2017	467.00	33,149.35	10,226.55	14,493.60
Dec 2017	497.70	34,056.83	10,530.70	15,002.70
Jan 2018	488.10	35,965.02	11,027.70	15,347.20
Feb 2018	527.55	34,184.04	10,492.85	14,670.50
Mar 2018	564.10	32,968.68	10,113.70	14,125.50

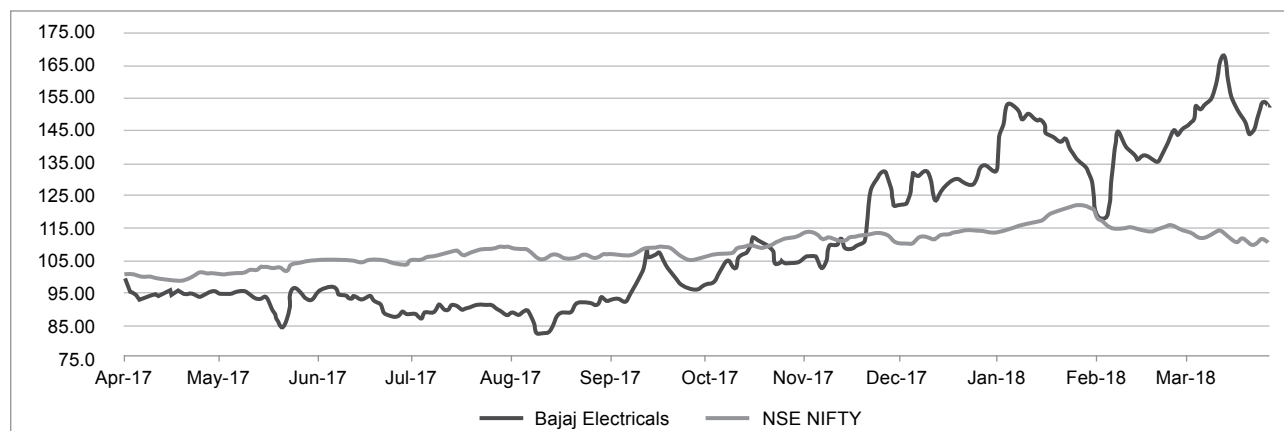


### The Company's Share Price Performance versus BSE Sensex:



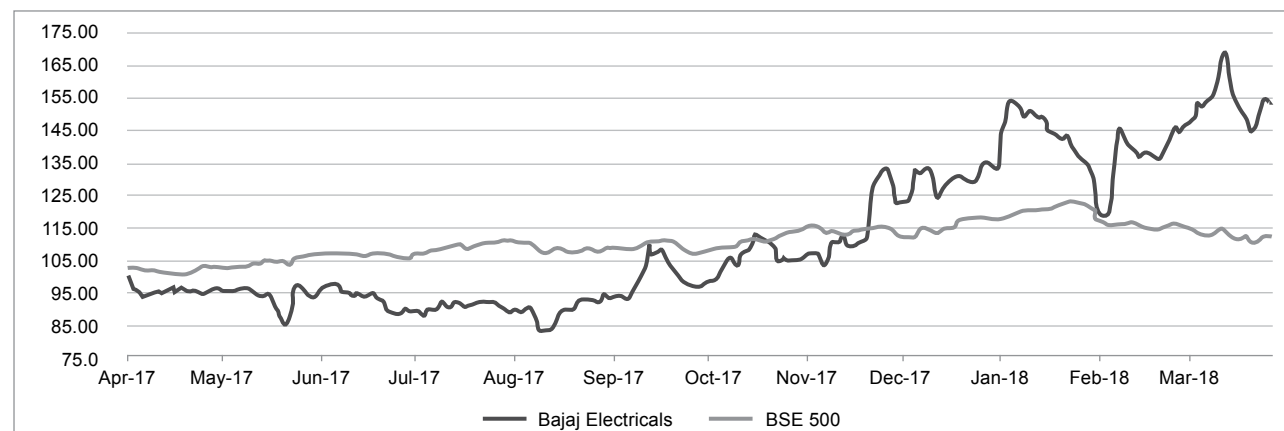
Note: Share price of the Company and BSE Sensex have been indexed to 100 on April 1, 2017.

### The Company's Share Price Performance versus NSE Nifty:



Note: Share price of the Company and NSE Nifty have been indexed to 100 on April 1, 2017.

### The Company's Share Price Performance versus BSE 500:



Note: Share price of the Company and BSE 500 have been indexed to 100 on April 1, 2017.

(j) Distribution of shareholding

**Table 11: Distribution of shareholding across categories:**

Categories	March 31, 2018		March 31, 2017	
	No. of shares	% of total capital	No. of shares	% of total capital
Promoters	64218485	62.94	64218485	63.40
Individuals (including HUF)	15074132	14.77	16129769	15.93
Foreign Institutional Investors	9919647	9.72	7646921	7.55
Mutual Funds	5476013	5.37	6829057	6.74
Indian Bodies Corporates	3814257	3.74	3099246	3.06
Trusts	1896718	1.86	1895505	1.87
NRIs and OCBs	952943	0.93	980582	0.97
Central Govt.	225680	0.22	-	-
Clearing Members	185307	0.18	385641	0.38
Alternate Investment Funds	180000	0.18	-	-
Nationalised and other banks and Financial Institutions	51719	0.05	62370	0.06
Foreign Nationals	42600	0.04	42600	0.04
<b>Total</b>	<b>102037501</b>	<b>100.00</b>	<b>101290176</b>	<b>100.00</b>

**Table 12: Distribution of shareholding according to size category as on March 31, 2018:**

Categories	No. of folios	% to total shareholders	No. of shares	% to total shares
1 to 500	27497	88.47	2335012	2.29
501 to 1000	1365	4.39	1066801	1.05
1001 to 2000	829	2.67	1254427	1.23
2001 to 3000	398	1.28	1015484	1.00
3001 to 4000	211	0.68	759638	0.74
4001 to 5000	139	0.45	647782	0.63
5001 to 10000	272	0.87	1998945	1.96
10001 and above	370	1.19	92959412	91.10
<b>Total</b>	<b>31081</b>	<b>100.00</b>	<b>102037501</b>	<b>100.00</b>

(k) Dematerialisation of shares and liquidity

As on March 31, 2018, 99953845 (97.96%) equity shares of the Company were held in dematerialised form, compared to 98923975 (97.86%) equity shares as on March 31, 2017. Shares held in physical and electronic mode as on March 31, 2018 are given in Table 13 herein below.

**Table 13: Shares held in physical and electronic mode:**

	Position as on March 31, 2018		Position as on March 31, 2017		Net change during FY 2017-18	
	No. of shares	% of total shareholding	No. of shares	% of total shareholding	No. of shares	% of total shareholding
<b>Physical (A)</b>	<b>2083656</b>	<b>2.04</b>	<b>2366201</b>	<b>2.34</b>	<b>(282545)</b>	<b>(0.30)</b>
<b>Demat (B)</b>	<b>99953845</b>	<b>97.96</b>	<b>98923975</b>	<b>97.86</b>	<b>1029870</b>	<b>0.10</b>
NSDL	97124680	95.19	96069742	94.84	1054938	0.35
CDSL	2829165	2.77	2854233	2.82	(25068)	(0.05)
<b>Total (A) + (B)</b>	<b>102037501</b>	<b>100.00</b>	<b>101290176</b>	<b>100.00</b>	<b>747325</b>	<b>-</b>

(l) **Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:** Not Applicable

**(m) Address for Correspondence**

All Shareholders' correspondence should be forwarded to Link Intime India Private Limited, the Registrar & Share Transfer Agents of the Company or to the Legal & Secretarial Department of the Company at the following addresses:

Link Intime India Private Limited C101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 Tel.No.: 022-4918 6000 Fax No.: 022-4918 6060 E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.com">www.linkintime.com</a>	Mangesh Patil, Compliance Officer Legal & Secretarial Department Bajaj Electricals Limited 45/47, Veer Nariman Road, Mumbai 400 001 Tel.No.: 022-6110 7800 / 6149 7000 E-mail: <a href="mailto:legal@bajajelectricals.com">legal@bajajelectricals.com</a> Website: <a href="http://www.bajajelectricals.com">www.bajajelectricals.com</a>
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(n) **Investor Grievances:** The Company has designated an e-mail id viz. [legal@bajajelectricals.com](mailto:legal@bajajelectricals.com) to enable investors to register their complaints, if any. The Company strives to reply to the complaints within a period of 3 working days.

(o) **Listing of Debt Securities:** Please refer to Para 'Non-Convertible Debentures' Report which forms part of this Annual Report.

(p) **Debenture Trustee:** Axis Trustee Services Limited  
2nd Floor 'E', Axis House, Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg, Worli, Mumbai – 400 025  
Tel. No.: 022-2425 5215/5216, Fax: 022-2425 4200  
Email: [debenturetrustee@axistrustee.com](mailto:debenturetrustee@axistrustee.com)  
Website: [www.axistrustee.com](http://www.axistrustee.com)

**(q) Factories/Plants Location:**

Chakan Unit	Ranjangaon Unit	Wind Farm
Village Mahalunge, Chakan, Chakan Talegaon Road, Tal: Khed, Dist: Pune, Maharashtra – 410 501	MIDC – Ranjangaon Village : Dhoksanghavi Tal: Shirur, Dist: Pune Maharashtra – 412 210	Village Vankusawade Tal: Patan Dist: Satara Maharashtra – 415 206