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SETTING
OUR
SIGHTS
ON
NEW
HORIZONS ...

62nd ANNUAL REPORT

2000 - 01

*D*ear Shareholder,

One financial year has just ended while another has begun to unfold. As we continue our business, there is a need to make the transition with a greater purpose and a sense of direction. Competition has intensified and various promotional programmes have mushroomed in cash, kind and credit. MNCs and foreign goods are beginning to have a significant impact on the domestic market. Interest rates and import duties are on the decline. In a nutshell, a new business order is on the anvil. Your company is confident of realigning its priorities to the changing needs of the market.

In retrospect

Looking back, the year gone by was indeed a tough one. The overall economic slowdown and loss of IIP (Index of Industrial Production) is an ample testimony to the same. The country witnessed one of the worst natural disasters in Gujarat. Stock markets have been generally bearish. The industry scenario is no different. Many Brown goods majors have posted a de-growth. The Fan industry continues to reel under pressure while the Lighting industry has shown marginal improvement. Despite all these odds, we have successfully posted a sales growth of 12.5% for the year with a modest improvement in profit as well. The highlight of the year has been the successful commissioning of our Rs.45 crore Highmasts and Galvanising Plant at Ranjangaon, near Pune.

Mission Excel

Profitable growth in the new fiscal is a critical priority. The company has therefore created a dedicated cross-functional team under a project called 'Mission Excel'. This team is working on top-line growth through distribution expansion besides profit improvement. A comprehensive strategy for business consolidation and growth is being worked out. Also being addressed are HR and organisational structure related issues. Value engineering initiatives have been identified for the Luminaires division and the Chakan unit along with cost reduction opportunities in sourced items. Overhead expenditure elements are also being looked into critically.

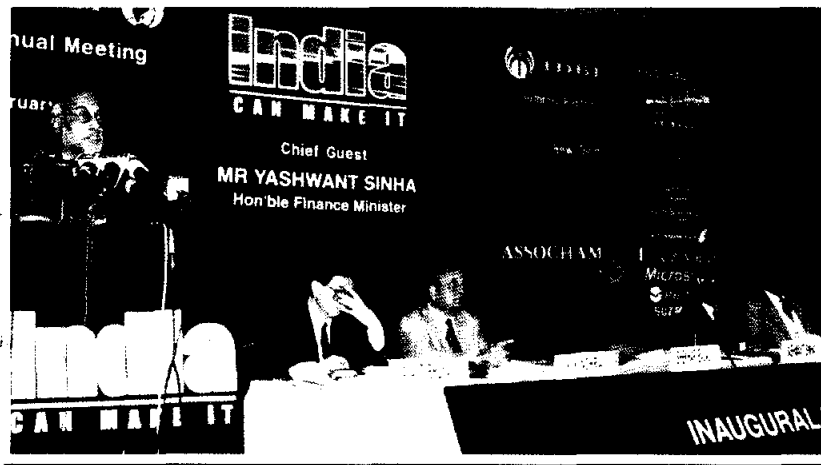
New horizons

Many new products are slated to be introduced this year, notably from the Appliances division such as gas stoves, hair dryers and food processors. The Fans division shall bring out new models of Ceiling, TPW and Exhaust fans. The Lighting division will extend the rollout of Bajaj Ecolux CFL Energy Saving Lamps. The Luminaires division is expanding its product range and demand generation efforts. Apart from 'Mission Excel', the company is setting its eyes on new horizons - be it solar energy or windmills with a 1 MW unit capacity. Our Ranjangaon plant will be offering world-class fabrication and galvanising facilities to users of telecom towers, transmission towers, lattice towers, highmasts and tapered poles. While multiple competencies need to be augmented for this purpose, the basic underlying theme, perhaps, is one of consolidating the existing business and setting sights on newer horizons. We look towards the future with optimism and confidence.



Shekhar Bajaj
Chairman & Managing Director

EVENTS OF THE YEAR



Mr. Shekhar Bajaj, the outgoing President of ASSOCHAM addressing the distinguished audience at its Annual General Meeting in presence of Honourable Union Finance Minister Mr. Yashwant Sinha.

Mr. R. P. Singh, CMD, Power Grid Corporation of India Ltd. (PGCIL) inaugurating the state-of-the-art Highmast Unit at Ranjangaon, Maharashtra.

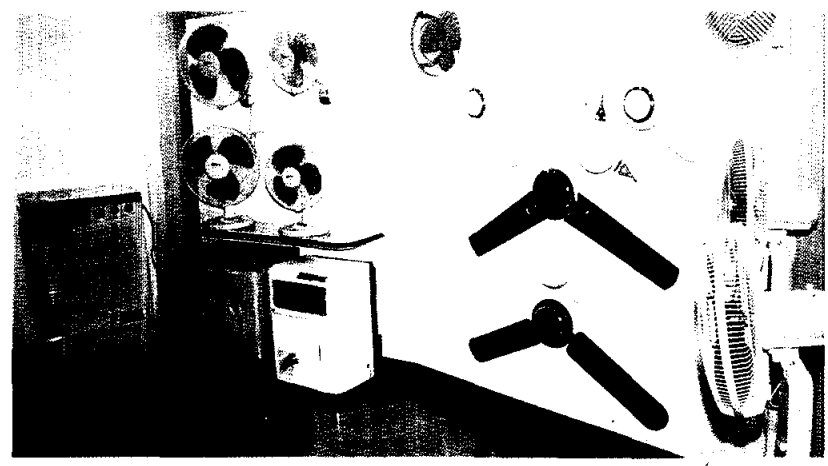
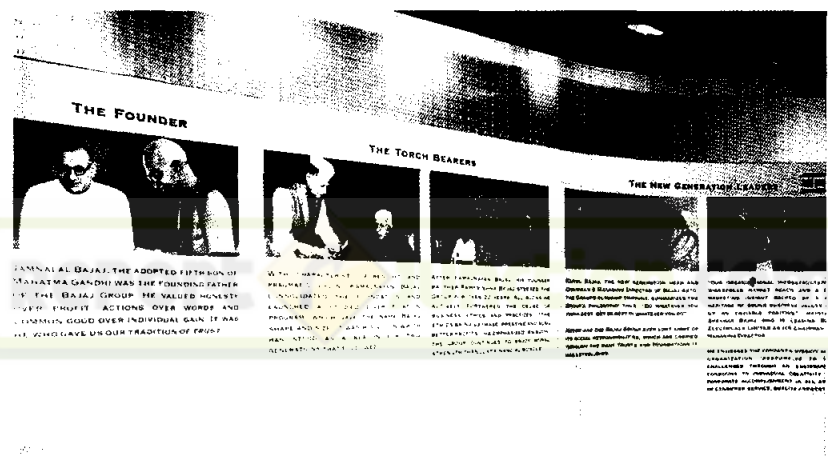
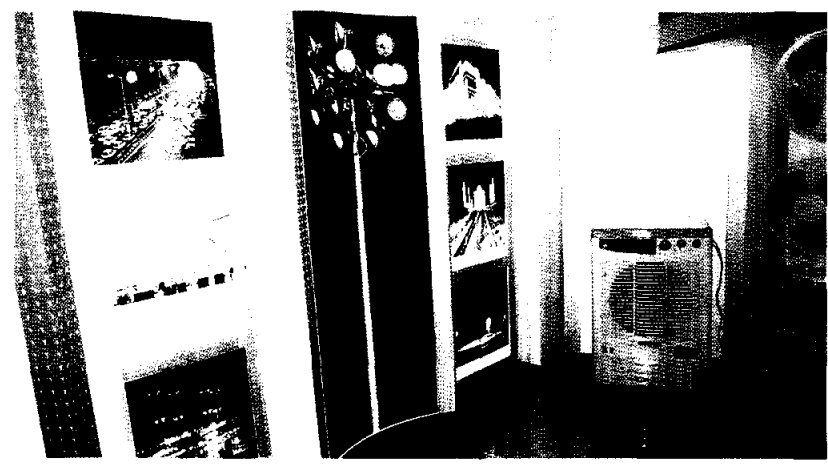


TIDEL PARK, Chennai, the prestigious new Millennium IT Park illuminated by Bajaj Electricals Ltd.



EVENTS OF THE YEAR

The recently inaugurated exclusive Bajaj Electricals (BEL) showroom at Bajaj Bhawan, Mumbai showcases the entire range of BEL products.



bajaj electricals limited

Board of Directors

Shekhar Bajaj, Chairman & Managing Director
 Harsh Vardhan Goenka
 A.K. Jalan
 Ajit Gulabchand
 M.R. Pai
 V.B. Haribhakti
 Madhur Bajaj
 Dakshesh B. Dhruv
 S.C. Batra

Adviser

R.P. Nevatia

Secretary

Bharat Thakkar

Auditors

Dalal & Shah, Chartered Accountants

Bankers

State Bank of Bikaner & Jaipur
 Bank of Rajasthan Limited
 Bank of India

Registered Office

45-47, Veer Nariman Road, Mumbai 400 023.

Factories

Matchwel Unit : Off Nagar Road, Pune 411 014.
 Chakan Unit : Mahalunge, Chakan Talegaon Road,
 Khed, Pune 410 501.
 Wind Farm : Village Vankusawade, Tal.: Patan,
 Dist.: Satara, Maharashtra, 415 206
 Ranjangaon Unit : Village Dhoksanghvi, Taluka Shirur,
 Ranjangaon, Dist.: Pune,
 Maharashtra 412 210.

Branches

Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai,
 Cochin, Coimbatore, Delhi, Guwahati, Hyderabad, Indore,
 Jaipur, Kolkata, Lucknow, Mumbai, Noida, Patna, Pune, Raipur &
 Wardha.

Depots

Daman, Faridabad, Jabalpur, Jalandhar, Ranchi & Roorkee.

Management

Shekhar Bajaj, Chairman & Managing Director
 R. Ramakrishnan, President
 L.K. Mehta, Vice President (Engineering Projects Division)
 Harsh Mittal, Vice President (Lighting)
 T. Pradeep Kumar, Vice President (Corporate Planning)
 P.S. Tandon, Vice President (Appliances)
 Purnendu Chaudhuri, Vice President (Operations)
 R.J. Shah, Vice President (Fans)
 S.G. Gunjekar, Vice President (Finance)
 S. Ramprasad, Vice President (South)
 G.P. Satsangi, Vice President (North)
 G.C. Thakur, Sr. General Manager (Human Resources &
 Administration)
 Dipak Karnik, Sr. General Manager (Service)
 H.V. Dalvi, Sr. General Manager (Luminaires)
 T.C. Pemmaiah, Sr. General Manager (East)
 A.S. Radhakrishna, Sr. General Manager (West)

Matchwel and Chakan Units

A.N. Bhide, General Manager (Works)

Ranjangaon Unit

S.C. Bhargava, Sr. General Manager (Projects)

A request

The practice of distributing the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing. You are, therefore, requested to bring your copy of the Annual Report to the Meeting.

bajaj electricals limited

Registered Office : 45-47, Veer Nariman Road, Mumbai 400 023.

NOTICE

NOTICE is hereby given that Sixtysecond Annual General Meeting of the Shareholders of Bajaj Electricals Limited will be held at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021 on Monday, the 30th day of July, 2001 at 4.30 P.M. to transact the following business:

1. To consider and adopt the Directors' Report, the Auditors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2001.
2. To declare dividend.
3. To appoint a Director in place of Shri M.R.Pai, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Madhur Bajaj, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Dakshesh B.Dhruv, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be altered in the following manner:-

- (i) A new Article being Article No.26A be inserted after the existing Article 26:

26A Dematerialisation of Securities

Definitions:

- (i) For the purpose of this Article, unless the context otherwise requires,

Beneficial Owner: "Beneficial Owner" means a person whose name is recorded as such with a depository;

SEBI: "SEBI" means the Securities and Exchange Board of India;

Bye-laws: "Bye-laws" means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

Depositories Act: "Depositories Act" means the Depositories Act, 1996 (22 of 1996) including any statutory modification or re-enactment thereof for the time being in force;

Depository: "Depository" means a company formed and registered under the Companies Act, 1956 (1 of 1956) and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).

Record: "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by regulations made by the SEBI;

Regulations: "Regulations" mean the regulations made by the SEBI;

Security: "Security" means such security as may be specified by the SEBI.

Dematerialisation of securities:

- (ii) Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options to receive security certificates or hold securities with a depository:

- (iii) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.

Where a person opts to hold a security with a depository, the Company shall intimate details of such security to the depository, and on receipt of such information the depository shall enter in its record the name of the allottee as the beneficial owner of that security.

Securities in depositories to be in fungible form:

- (iv) All securities held by a depository shall be dematerialised and shall be in a fungible form.

Nothing contained in Sections 153, 187C and 372A of the Companies Act, 1956 (the Act) shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners:

- (v) (a) Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- (c) Every person holding any share capital of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the securities held by a depository.

Depository to furnish information:

- (vi) Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

Option to opt out in respect of any security:

- (vii) If a beneficial owner seeks to opt out of a depository in respect of any security, the beneficial owner shall inform the depository accordingly.

The depository shall on receipt of intimation as above make appropriate entries in its records and shall inform the Company.

The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee, as the case may be.

Sections 83 and 108 of the Act not to apply:

- (viii) Notwithstanding anything to the contrary contained in the Articles -

- (a) Section 83 of the Companies Act, 1956 shall not apply to the shares held with a depository.
- (b) Nothing contained in Section 108 of the Act or the Articles shall apply to a transfer of securities effected by a transferor and a transferee both of whom are entered as beneficial owners in the records of a depository.

Register and Index of beneficial owners:

- (ix) The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of the Companies Act, 1956.

Service of Documents:

- (x) Notwithstanding anything in the Act or the Articles to the contrary, where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Allotment of Securities dealt with in a Depository:

- (xi) Notwithstanding anything in the Act or the Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive number of securities held in a depository:

- (xii) Nothing contained in the Act or the Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- (ii) A new Article being Article No.71A be inserted after the existing Article No. 71:

71A Nomination

Notwithstanding anything stated in Articles 69, 70 and 71, a holder or joint holders of shares or debentures, may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956 (the Act), in the manner prescribed thereunder, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of such holder/s. Any nomination so made shall be dealt with by the Company in accordance with the provisions of Section 109B of the Act.

- (iii) A new Article being Article No.108A be inserted after the existing Article No.108:

108A Passing of a Resolution by Postal Ballot

Notwithstanding anything contained in the Articles, the Company do adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and/or any other method as may be provided under Section 192A of the Companies Act, 1956 (the Act) and/or as may be prescribed by the Central Government in this behalf in respect of :—

- (i) any business that can be transacted by the Company in general meeting; and
- (ii) particularly, any resolution relating to any business as the Central Government, may by notification, declare to be conducted only by postal ballot.

The Company shall comply with the procedure for such postal ballot and/or any other method prescribed by the Act and/or Central Government in this regard."

- 8. To consider and, if thought fit, to pass with or without any modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) of the Companies Act, 1956 to mortgaging, hypothecating and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company, present and future in respect of and/or the whole of the undertaking of the Company situated at Village Vankusawade in Maharashtra for generation of electricity by use of wind turbines (Wind Farm), to or in favour of Indian Renewable Energy Development Agency Ltd. (IREDA) to secure a loan of Rs.928 lacs (Rupees Nine hundred and twenty eight lacs only) granted by them to part finance the cost of setting up of the said Wind Farm and interest, compound/additional interest, cost, charges, expenses and all other moneys payable by the Company in respect of the said loan granted by IREDA."

"FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to finalise with IREDA legal documents for creating mortgage and/or charges as aforesaid and to do all such acts, deeds, matters and things as may be necessary or expedient for giving effect to this resolution."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 25th day of July, 2001 to Monday, the 30th day of July, 2001, both days inclusive.
3. Payment of dividend, if sanctioned, will be made on or after Friday, the 10th day of August, 2001 to the Shareholders whose names stand on the Register of Members as on Monday, the 30th day of July, 2001.
4. Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividend upto the financial year 1994-95 has been transferred to the General Revenue Account of the Central Government. Shareholders, who have not encashed the dividend warrants upto the said year, are requested to claim the same from the Registrar of Companies, Maharashtra, Mumbai.
5. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed.

By Order of the Board of Directors
For Bajaj Electricals Limited

Mumbai, June 12, 2001.

Bharat Thakkar
Secretary

