



BAJAJ

Bajaj Electricals Ltd.

Inspiring Trust

**74th Annual Report
2012 - 2013**

CHAIRMAN'S MESSAGE



Bajaj Electricals Ltd.
Inspiring Trust

Dear Shareholders,

The financial year 2012-13 was beset with external challenges such as weak monsoons, drought in some parts of the country, rising inflation, sharp currency fluctuations and slowdown in the infrastructure industry due to standstill in Government policy reforms. All these coupled with decline in the sales of engineering & projects segment, unprecedented increase in the site closure expenses, write offs and margin pressures has adversely impacted the performance of your Company.

However, it is important to note that despite various challenges, your Company has been able to achieve a steady growth in consumer facing businesses by continuous improvements in products & processes, widening of the product range, sustained investments in marketing and brand building, distribution, supply chain and by driving operational efficiencies across all its functions.

At the Company level, the net sales / income from operations grew by 9.3% to Rs. 3,387.57 crore, but the net profit (including exceptional income) has de-grown by 56.6% to Rs. 51.21 crore from Rs. 117.88 crore.

The Company has taken necessary corrective actions to monitor the projects performance closely to ensure their completion as per schedule so as to avoid cost and time overrun and also to consolidate the Company's performance during the year 2013-14.

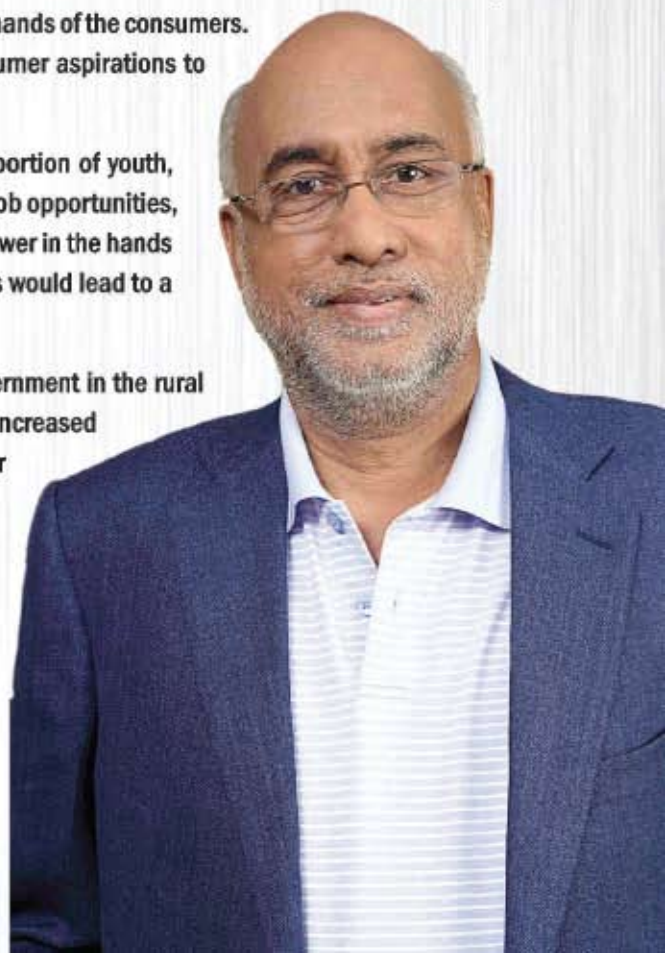
India is one of the largest and fastest growing consumer markets in the world. The Indian economy has been growing at a healthy pace with overall GDP growth expected to improve to 5.9% in FY 2013-14 from 5.0% in FY 2012-13. This is leading to a steady increase in per capita incomes and disposable income in the hands of the consumers.

This has, in turn, resulted in a surge in consumerism and pushed consumer aspirations to newer heights.

Today, the Indian demographics are characterized by a fairly large proportion of youth, greater incidence of nuclear families, increasing education levels, rising job opportunities, multiple working members in each family, increasing decision making power in the hands of younger people and changing lifestyles and spending patterns. All this would lead to a complete transformation of the Indian consumer over the next few years.

With the growth of service sector and the investments made by the government in the rural economy, there has been a significant increase in rural income levels. The increased awareness and mobility aided by communications boom and better education facilities is driving changes in consumption habits. The rural consumer now has access to a wider range of products and services and is becoming more discerning regarding consumption options and choices.

Understanding of requirements and psyche of the rural consumers and designing strategies to provide goods and services matching their requirements, would be the key to building brands and expanding presence in rural India.



Connecting with the consumers, keeping track of changes in consumption trends, spotting significant opportunities and growth drivers and remaining agile and responsive to market trends would be the key to growing consumer businesses and capturing some of these opportunities. The fast growth in the consumer sector is also likely to attract more competition, both internal and from overseas, which would necessitate a strong and resilient competitive positioning and continued investment in brands and new products.

I take pride in the fact that your Company has been responsive to change in the market dynamics to appropriately build strategies and reap maximum benefit of the emerging opportunities.

In addition to steady growth in its existing brands and businesses, your Company has also been looking at possible acquisitions which offer synergistic growth and expansion opportunities for the Company.

This is a special year as your Company completes 75 years on 14th July, 2013. By the blessings of enduring relationships with all the stakeholders they serve, the Company has become a part of the day-to-day life of millions of households. The Company has worked out a detailed plan for the 75th year to make it one of the most memorable and profitable years for the Company.

We firmly believe that sustainability has to be at the heart of our business model and it will help us drive faster growth and reduce costs. We see this as a source of competitive advantage for the business now and in the years ahead. Therefore, we are taking several initiatives to make sustainability a key part of our operational strategy. We are working in close association with the NGO, Paryavaran Mitra to look at reducing usage of paper, introducing energy efficient products, reducing use of non bio-degradable products, taking initiatives to use recyclable materials for packaging and anti-tobacco drive to kick off the tobacco dragon for a better tomorrow.

We have always believed that our growth was intrinsically linked with the growth of our people. We encourage diversity and a performance driven organisational culture in which people are encouraged to give their best and feel proud to be part of a successful and a caring organisation.

I would like to thank each and every one of our employees whose commitments and efforts helped the Company achieve reasonable growth in 2012-13 despite tough conditions.

I am grateful to the Board of Directors for their unwavering support and guidance. I also take this opportunity to express my gratitude to all our stakeholders, who have reposed their trust in us and extended their constant support. I am confident that the hard work of our team and the support of the entire stakeholder community will help the Company to overcome these difficult times and reach greater heights.

Best Wishes,

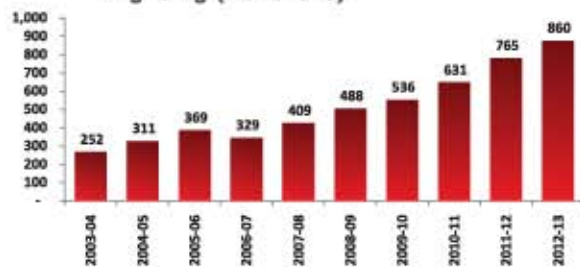


Shekhar Bajaj
Chairman & Managing Director

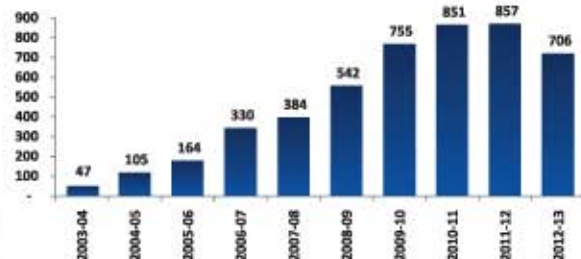


10 Year Financial Performance

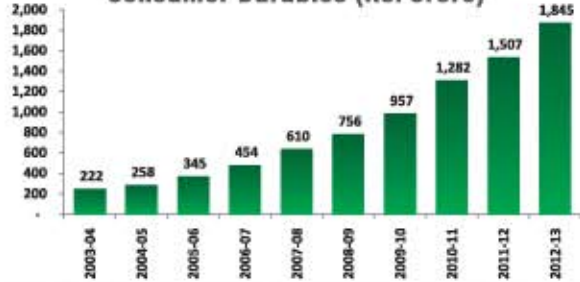
Lighting (Rs. Crore)



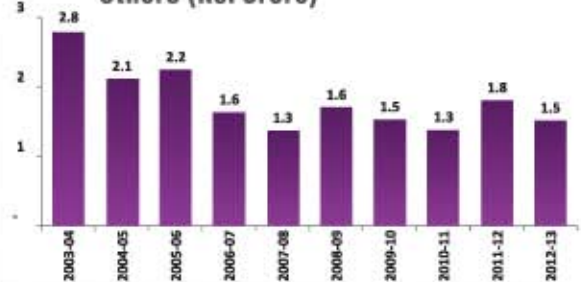
Engineering & Projects (Rs. Crore)



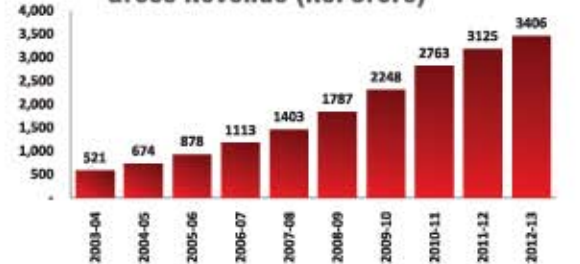
Consumer Durables (Rs. Crore)



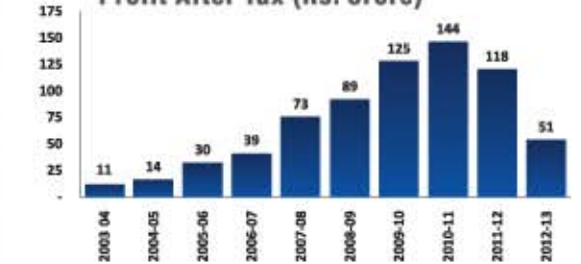
Others (Rs. Crore)



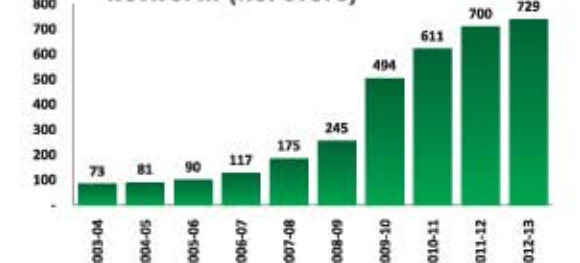
Gross Revenue (Rs. Crore)



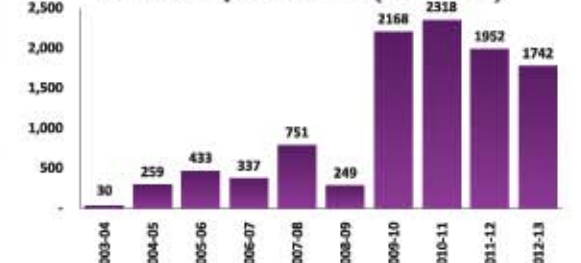
Profit After Tax (Rs. Crore)



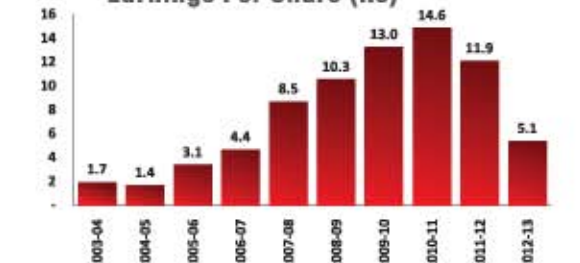
Networth (Rs. Crore)



Market Capitalisation (Rs. Crore)



Earnings Per Share (Rs.)*



Book Value Per Share (Rs.)*



*Adjusted for bonus shares issued in FY 2007-08 in the ratio of 1:1 and for sub-division of shares from Rs 10 each to Rs. 2 each made in FY 2009-10

Board of Directors

Shekhar Bajaj, Chairman & Managing Director
Harsh Vardhan Goenka
Ashok Jalan
Ajit Gulabchand
V.B.Haribhakti
Madhur Bajaj
Anant Bajaj, Joint Managing Director
Dr.(Mrs.) Indu Shahani
Dr.R.P.Singh

Corporate Management Team

Shekhar Bajaj, Chairman & Managing Director
Anant Bajaj, Joint Managing Director
L.K.Mehta, Executive Director – Business to Business (Not on Board)
P.S.Tandon, Executive Director – Business to Consumer (Not on Board)
A.S.Radhakrishna, Executive President – Fans BU
C.G.S.Mani, Executive President - Lighting BU
Atul Sharma, President – Human Resources & Administration
Pratap Gharge, President & CIO
Rakesh Ashok Markhedkar, President – Engineering & Projects BU
R.Sundararajan, President – Luminaires BU
Vivek Sharma, President – Morphy Richards BU
Aloke Kumar Dube, Executive Vice President – Special Projects
Siddhartha Kanodia, Executive Vice President – Corporate Services
Sandeep Sharma, Executive Vice President – Export & Import
Atul Pathak, Vice President – Branch Sales Support
Anant Purandare, Vice President & CFO
Mangesh Patil, Vice President – Legal & Company Secretary

Company Secretary

Mangesh Patil

Auditors

Dalal & Shah, Chartered Accountants

Cost Auditors

R.Nanabhoy & Co., Cost Accountants

Bankers

State Bank of Bikaner and Jaipur
Bank of India
Union Bank of India
State Bank of India
Yes Bank Ltd.
IDBI Bank Ltd.

Registered Office

45-47, Veer Nariman Road, Mumbai 400 001.

Factories

Chakan Unit : Mahalunge, Chakan Talegaon Road,
Khed, Pune 410 501.
Wind Farm : Village Vankusawade, Tal.:Satara,
District-Patan, Maharashtra
Ranjangaon Unit : Village Dhoksanghvi, Taluka Shirur,
Ranjangaon, District-Pune
Maharashtra 412 210
Kosi Unit : 109 KM Stone, NH 2, Dautana, Chhata – 281 403
District-Mathura, U.P.

Branches

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

Depots

Coimbatore, Dehradun, Goa, Kundli, Parwanoo, Ranchi & Zirakhpur

Central Warehouse

Banur, Chennai, Daman & Mumbai

Chakan Unit

B.M.Mane, General Manager (Works)

Ranjangaon Unit

Jayant K.Deshmukh, Vice President – Operations, RU

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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, printing and in the interest of environment protection. Shareholders are therefore requested to bring their copies of the Annual Report to the meeting.

Registered Office: 45-47, Veer Nariman Road, Mumbai 400 001.

NOTICE

NOTICE is hereby given that the 74th Annual General Meeting of the Members of Bajaj Electricals Limited will be held on Tuesday, 6th August, 2013 at 11.30 A.M. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021, to transact the following business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2013 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2013.
3. To elect and appoint a Director in place of Shri Ashok Jalan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To elect and appoint a Director in place of Dr.R.P.Singh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that Messrs. Dalal & Shah, Chartered Accountants, Mumbai, having Registration No.102021W issued by the Institute of Chartered Accountants of India (ICAI), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors or Committee thereof in addition to reimbursement of service tax, as applicable, actual traveling and out-of-pocket expenses incurred by them.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this report. Proxies submitted on behalf of limited companies, societies etc., must be supported by an appropriate resolution /authority, as applicable.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 31st day of July, 2013 to 6th day of August, 2013 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
3. Members/Proxies are requested to bring their copies of Annual Report together with the duly filled in attendance slip to the Meeting, which is enclosed with the Annual Report. For the convenience of Members and for proper conduct of the meeting, entry to the meeting venue will be regulated by attendance slip. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Pursuant to the provisions of clause 47(f) of the Listing Agreement, the Company has designated dedicated e-mail id legal@bajajelectricals.com exclusively for registering grievance and complaints of the Shareholders. All the Shareholders are requested to lodge all their complaints and grievances etc., if any, at the said e-mail id.
6. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is given below:-

Details of Directors seeking Re-appointment in the forthcoming Annual General Meeting:

Name of Director	Shri Ashok Jalan	Dr.R.P.Singh
Date of Birth	26.08.1943	17.07.1948
Date of Appointment	18.01.1989	28.05.2009
Brief Resume & Functional Expertise	Aged about 69 years, B.A. (Hons) from Kolkata University, a member of the Board since 1989, Industrialist with over 50 years of experience in managing textile enterprises.	Aged about 64 years, Post Graduate in Mechanical Engineering from BHU, Ex. Chairman & MD of Power Grid Corporation of India Ltd. In his career of more than 37 years, he has served TISCO, NTPC and POWERGRID. He has been conferred with many awards notably SCOPE Award for Excellence & outstanding contribution to the Public Sector Management, Degree of Doctor of Science (Honoris Causa) by BHU, Power Delivery Product Champion Award by Electric Power Research Institute (EPRI) USA and Green Award by World Bank. Dr.Singh is associated with bodies like CIGRE – Paris; CIGRE – India; World Energy Council – USA; Indian National Academy of Engineering (INAE).
Appointment/ Reappointment	Re-appointment on retirement by rotation	Re-appointment on retirement by rotation
No. of Shares held in the Company	Nil	Nil
List of Directorship held in other Companies	1. Asiatic Textile Co. Ltd. 2. Dupont Sportswear Ltd. 3. The Elphinstone Spg. & Wvg. Mills Co. Ltd. 4. Webrands.Com Ltd. 5. Dupont Exports Pvt.Ltd. 6. BHP Paper and Boards Pvt.Ltd.	1. Power Transmission & Distribution Independent Company
List of Committee Membership in other Companies	Nil	Nil

7. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956 and the Certificate from Auditors of the Company certifying that the Employees Stock Option Scheme 2007 & 2011 are being implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, will be available for inspection at the Annual General Meeting.
8. The Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance by issuing circulars allowing paperless compliances by Companies through electronic mode. Further, in line with circular issued by the Securities and Exchange Board of India (SEBI) and consequent changes in the listing agreement, Companies can send Annual Report in electronic mode to Members who have registered their e-mail addresses for the purpose. Members who have not registered their e-mail address with the Company can now register the same by submitting duly filled in 'E-Communication Registration Form' attached at the end of this Report (also made available on the Companies website www.bajajelectricals.com) to M/s.Link Intime India Private Limited, the Registrar & Share Transfer Agents or to the Legal & Secretarial Department at the Registered Office of the Company. Members can use postage prepaid envelope enclosed with this Report for sending duly filled-in form to the Company. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form, upon request.
9. Members are requested to share their valuable feedback by filing 'Shareholders Satisfaction Survey' given at the end of this Report and send it back in the postage prepaid envelop enclosed with this Annual Report. This will help us to improve Shareholder Service Standards of the Company.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s.Link Intime India Private Limited, the Registrar & Share Transfer Agents or to the Legal & Secretarial Department at the Registered Office of the Company.
11. Members desiring any information pertaining to the accounts are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the Annual General Meeting.

By Order of the Board of Directors
For Bajaj Electricals Limited

Mangesh Patil
Vice President – Legal & Company Secretary

Mumbai, May 27, 2013

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 74th Annual Report and the audited accounts for the financial year ended 31st March, 2013.

Financial Performance:

Rs. in crore

Particulars	FY 2012-13	FY 2011-12
Revenue from Operations & Other Income (Gross)	3429.71	3144.26
Gross Profit before Finance Cost & Depreciation	127.68	251.51
Less : Finance Cost	68.98	63.04
Less : Depreciation	14.45	12.52
Profit before Exceptional Items & Taxes	44.25	175.95
Add: Profit on sale of Investments	24.72	-
Profit before Taxes	68.97	175.95
Less : Provision for Taxation	17.76	58.07
Profit after Tax	51.21	117.88
Add : Balance in Profit & Loss Account	28.69	43.47
Balance available for appropriation	79.90	161.35
Less : Appropriations :		
(i) Dividend paid on exercise of Stock Options including dividend distribution tax	0.01	0.24
(ii) Proposed Dividend on Equity Shares	19.95	27.90
(iii) Tax on Dividend	3.39	4.52
(iv) Transferred to General Reserve	25.00	100.00
Closing Balance	31.55	28.69

Results of Operations:

FY 2012-13 was a challenging year for the Company, due to slow down in the industry and infrastructure facing businesses. The profitability of the Company was badly impacted due to lower margins, abnormal increase in site expenses on account of closure of overrun sites and de-growth in E&P BU turnover by 17.3% over the corresponding previous period. Further, on the basis of the financial closures of some old projects, the Company had to make provision for write off of certain old outstanding amounts. This is a onetime hit and is not likely to recur in future as the management has taken appropriate measures to monitor the projects performance on a continuous basis and take timely corrective actions to ensure the completion of projects as per schedule to avoid cost and time over-run.

The highlights of the performance are as under :

- Gross Revenue from operations increased by 9.1% to Rs.3429.71 crore.

- PBDIT decreased by 49.2% to Rs.127.68 crore.
- PBT decreased by 60.8% to Rs.68.97 crore.
- Net Profit decreased by 56.5% to Rs.51.21 crore.

Increase in number of shares

The increase in number of shares is due to the issue of 1,15,002 equity shares of Rs.2 each to the employees upon their exercise of stock options. These shares were included, on weighted average basis, for the computation of EPS.

Dividend

The Directors of your Company are pleased to recommend a dividend of Rs.2 per equity share (Previous year Rs.2.80 per share) for the financial year ended 31st March, 2013, subject to the approval of the shareholders. The dividend will be paid to the members whose names appear in the Register of Members as on 6th August, 2013; in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

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

Employees Stock Option Scheme

The Company implemented the Employees Stock Option Scheme ("Scheme") in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines') as a measure to reward and motivate employees as also to attract and retain the talent. The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2013 are provided in Annexure I to this Report. Details of the shares issued under ESOP, as also the disclosures in compliance with Clause 12 of SEBI Guidelines are set out in the Annexure to this Report.

During the year under review, 5,25,000 Stock Options were granted on 25th October, 2012 and 1,10,000 Stock Options were granted on 6th February, 2013 under Growth Plan to the eligible employees at the prices of Rs.224.65 and Rs.183.15 per Stock Option respectively, being the closing equity prices of the Company on the National Stock Exchange of India Ltd where the trading volume was high.

The issuance of equity shares pursuant to exercise of Stock Options granted under Growth Plan does not affect the profit and loss account of the Company, as the exercise is made at the market price prevailing as on the date of the grant plus taxes as applicable.

The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders. The Certificate would be placed at the Annual General Meeting for the inspection of members.

Depository System

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2013, 97.43% of the Company's total paid-up capital representing 97,196,445 shares was in dematerialised form. In view of the numerous advantages offered by the Depository Systems, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the Depositories.

Risk and Internal Controls Adequacy

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

Your Company has an elaborate process for Risk Management. The Company's Risk Management Policy is backed by strong internal control systems. The risk management framework consists of policies and procedures designed to provide reasonable assurance that objectives are met by integrating management control into the daily operations, by ensuring compliance with legal requirements and by safeguarding the integrity of the Company's financial reporting and its related disclosures. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed with both Management Committee and Audit Committee. Some of the risks relate to competitive intensity and cost volatility.

Corporate Governance

Your Company is committed to achieving the highest standards of Corporate Governance. Accordingly, your Board functions as trustees of the shareholders and seeks to ensure that the long term economic value for its shareholders is achieved while balancing the interest of all the stakeholders.

A separate section on Corporate Governance standards followed by your Company, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is enclosed as an Annexure to this report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

Management Discussion and Analysis Report

A Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

Environment, Health & Safety

Your Company understands the importance of responsible Environment, Health and Safety (EHS) management in it

growth, profitability and long term sustainability. Your Company is committed to meeting the highest standards of corporate citizenship by protecting the health and safety of its employees and others working at its facilities, by safeguarding the environment, and by creating long lasting positive impact on the communities where it does business.

Your Company's one of the highest priorities is to provide a safe and healthy workplace. The Company also expects all its employees to take individual responsibility for their health and safety and to exhibit and encourage safe work behaviours. The Company has implemented several company-wide processes at its work places, including improved awareness and communication programmes, safety audits, periodic health check-ups for its employees as well as accident prevention and investigation programs, to further improve its track record. Safety procedures related to hazardous processes are also regularly reviewed, monitored and strengthened. Further, PUC checks of Company and employee owned vehicle, organized training sessions on First Aid and emergency preparedness are also conducted at regular intervals. Special attention is being given to safety standards and awareness at project sites through regular training, induction, tool box talk, workshops, etc. for the safety of workforce. A "Safety Cell" has been created to address the management concern on safety and well being of workmen.

Other initiatives include waste segregation and recycling of waste including cardboard and plastics, review and monitoring of the energy, paper & water consumption, etc.

The Company has achieved ISO 14001 Environmental Standards and Management Certification and OHSAS 18001 Certification for Occupational Health & Safety Assessment Systems. The Company periodically conducts surveillance audits of both ISO 14001 and OHSAS 18001, to ensure continued conformity with these standards.

Corporate Social Initiatives

A sense of responsibility towards society and environment is demonstrated through our culture of trust and caring. The sound business practices adopted by the Company are in sync with its value system. In keeping with the Company's commitment towards contribution to community welfare, the Company and its employees continue to support and closely associated with "Paryavaran Mitra" (Friends of Environment) a non-government organization (NGO) and involved in numerous activities like tree plantation, cleanliness drive, tobacco free environment and creation of social awareness, training & dissemination of information concerning Paryavaran (Environment) and Pollution and host of other activities for the cause of environment protection at Company's various locations. Employee volunteers and spouses of employees are important drivers of our social initiatives. The 'green' thinking needs continuous motivation. The Company on its part is doing its bit by making green thinking a part of its business agenda to reduce its carbon footprint, energy & water conservation, waste reduction and product innovation. The Company is helping enlist more green champions through regular communications in the form of e-mails, posters and banners that are disseminated across the Company and organizing various events outside the Company to propagate the cause of environment protection.

Subsidiaries

The Company has no subsidiary as on 31st March, 2013.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Ashok Jalan and Dr.R.P.Singh retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Auditors

M/s. Dalal & Shah, Chartered Accountants, who are the statutory auditors of the Company, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment, subject to the approval of the Members.

The Company has received a certificate from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

Members are requested to consider their re-appointment on a remuneration to be decided by the Board or Committee thereof for the ensuing financial year i.e. 2013-14.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Cost Auditors

The Company has appointed M/s.R. Nanabhoy & Co., Cost Accountants, ICWA Membership No.1337, to audit the cost accounts related to Fans manufacturing and Wind Energy generation, and for conducting Compliance Audit in relation to manufacturing of High Masts, Transmission Line Towers etc carried out at Ranjangaon Units, for the financial year 2012-13.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure to this Report.

Particulars of Employees

In terms of the provision of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Mangesh Patil

V.P. - Legal & Company Secretary

Mumbai, May 27, 2013

Anant Bajaj

Jt. Managing Director

Shekhar Bajaj

Chairman & Managing Director

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards read with requirements set out under Schedule VI of the Companies Act, 1956, have been followed and that no material departures have been made from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provision of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 26, 2012 (date of last Annual General Meeting) on the website of the Company (www.bajajelectricals.com), as also on the Ministry of Corporate Affairs website.

Industrial Relations

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

Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, customers, investors, business associates, vendors, regulatory and government authorities and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation to all the executives, staff and workers of the Company for their sincere personal efforts as well as their collective dedication and contribution to the Company's performance.

For and on behalf of the Board of Directors