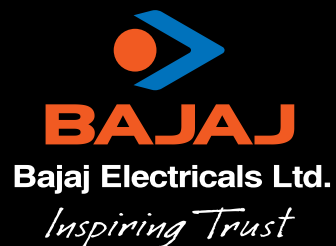


79th Annual Report
2017 - 18



WE ILLUMINATE NATIONS
SMART **INDOORS** & CONNECTED **OUTDOORS**

CORPORATE INFORMATION

Board of Directors

Shekhar Bajaj, *Chairman & Managing Director*

Anant Bajaj, *Managing Director*

Harsh Vardhan Goenka

Ashok Jalan

Madhur Bajaj

Dr. (Smt.) Indu Shahani

Dr. Rajendra Prasad Singh

Anuj Poddar

Siddharth Mehta

Company Secretary

Mangesh Patil

Auditors

S R B C & Co. LLP, *Chartered Accountants*

Secretarial Auditor

Anant B. Khamankar & Co.,

Practicing Company Secretaries

Cost Auditor

R. Nanabhoy & Co., *Cost Accountants*

Bankers

State Bank of India, Bank of India,

Union Bank of India, Yes Bank Ltd.,

IDBI Bank Ltd., HDFC Bank Ltd.,

ICICI Bank Ltd., IndusInd Bank Ltd.

Debenture Trustee

Axis Trustee Services Ltd.

Chakan Unit

Sharad Sontakke, *Dy. General Manager (Works)*

Ranjangaon Unit

Anil Gupta, *General Manager – Operations, RU*

Registered Office

45/47, Veer Nariman Road,

Mumbai - 400 001

CIN: L31500MH1938PLC009887

Corporate Office

001, 502, 701 & 801, Rustomjee Aspiree,

Off Eastern Express Highway,

Bhanu Shankar Yagnik Marg, Sion (E), Mumbai - 400 022

Factories

Chakan Unit, Ranjangaon Unit & Wind Farm Unit

Branches

Ahmedabad, Bengaluru, Bhubaneshwar, Chandigarh, Chennai,

Kochi, Delhi, Guwahati, Hyderabad, Indore, Jaipur, Kolkata, Lucknow,

Mumbai, Nagpur, Noida, Patna, Puducherry, Pune, Raipur

Depots

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

Central Warehouses

Banur, Daman, Mumbai & Vapi

Regional Distribution Centres

Bengaluru, Delhi & Kolkata

Overseas Representative / Liaison Offices

China, Dubai & Zambia

Annual General Meeting

On Thursday, 9th August, 2018 at 12.00 noon at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400 021, Maharashtra.

Members are requested to bring their copy of the Annual Report to the meeting.

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WE ILLUMINATE **NATIONS**

SMART **INDOORS** & CONNECTED **OUTDOORS**

The last few decades have witnessed a rapid acceleration of globalisation, mainly due to a growth in international trade and an increase in the use of smart technology. This has led to growing urbanisation and digitalisation, particularly in developing countries.

To fulfil the demands arising out of accelerated globalisation and its effects, Bajaj Electricals Limited has expanded its horizons, through a host of smart indoor and connected outdoor solutions. These solutions are catalysts driving change within urban communities. Furthermore, Bajaj Electricals aims to provide technically advanced IoT-enabled smart solutions to consumers, to help create sustainable living spaces for them.

Bajaj Electricals' mission is to offer next-level complete digital solutions such as Smart Poles, Human-centric Lighting, Sports Lighting, Architectural Lighting, Solar Lighting and Horticulture Lighting, as well as solutions for Healthcare Industries. We are creating Smart Buildings with our IBMS solutions. And with our holistic solutions, we are creating Smart Cities for better energy efficiency. We strive to provide a one-stop solution to our customers, with the help of a complete on-ground support system as well as digital platforms like cloud-based connectivity and wireless solutions. This will enhance productivity and make it easier to create sustainable and smart infrastructure.

The diverse range of solutions we are aiming to provide, demonstrates our ambition to reach out to, enrich and illuminate millions of lives, cities and nations across the world.



CHAIRMAN'S MESSAGE



“

In this challenging business environment, our strong brand connect, the launch of new products, service delivery models and continuous expansion of our distribution network enabled us to deliver a strong performance ”



Dear Fellow Shareholders,

It gives me great pleasure to share with you an update on the performance of your Company for FY 2017-18. It was a transformative year in the Indian calendar with the introduction of the Goods and Services Tax (GST), arguably the biggest tax reform since Independence and awaited since more than a decade. GST has created a single national market and will benefit both consumers as well as the industry including the Consumer Goods sector. We are particularly happy to share that your Company worked closely with its partners along its entire supply chain to transition its operations to the new tax regime efficiently.

The implementation of GST disrupted demand in our industry, attributable to the initial adjustments made by the traders towards the new tax regime. Our performance was also affected due to destocking by traders in the month of June and the second quarter. Though the sales in the subsequent quarters have picked up, it will take some time for the benefits of GST to get realised. Personally, I am enthused by the way GST is leading to the formalisation of the economy and I am of the view that it will be beneficial for the organised trade and industry and will bring better fiscal discipline.

In this challenging business environment, our strong brand connect, the launch of new products, service delivery models and continuous expansion of our distribution network enabled us to deliver a strong performance. Total revenue from operations for FY 2017-18 was ₹ 4,716.39 crores, with comparable revenue growth of 9.73%. This is especially commendable as revenue growth in the first half of the financial year, was down by 1%, with GST transition impacting sales in the second quarter. In the second half of the financial year we had a growth of 17.93%. Profit before exceptional items and tax for the year, grew impressively

by 51.05% from ₹ 168.04 crores to ₹ 253.83 crores.

With a large young, tech-savvy, aspirational population whose discretionary income is rising by the day, India's consumer story is one of the world's most compelling. The Company has set up a new R&D centre to provide innovative and high-tech products to meet these evolving expectations. The Company has also enhanced its digital capabilities to strengthen social media connect and leverage the potential of digital to understand the pulse of the consumers and take informed decisions. For us, consumer needs and requirements are and will always be at the epicentre of all our endeavours, and I take confidence from the continued support provided by all our stakeholders to address them as we move forward.

Our depth of capabilities and breadth of offerings has received a major fillip with our proposal to acquire 100% stake in Nirlep Appliances Pvt. Ltd. Nirlep is a well-known brand in the manufacture of non-stick cookware in India. The proposed acquisition will give the Company exclusive access to Nirlep brand with its goodwill, state-of-the-art manufacturing facility, people, distribution network and product portfolio which not only complements our existing offerings but is also a perfect synergic blend.

The macroeconomic scenario of the country remains positive. Consolidation of reforms, strong FDI inflows and supportive tailwinds from global growth and exports are expected to spur growth. Inflation is in check, though there is some risk on input price due to global movement in commodity price and monetary tightening in some major economies, resulting in currency and interest rate movement. The healthy growth projections for the year and the favourable outlook are likely to have a positive impact on consumer demand. Additionally, infrastructure development

in areas such as power transmission and rural electrification remains a top priority of the Government, and this is expected to provide us new vistas of opportunities in our EPC business. We are already part of Government initiatives on electrification of villages across India and participants in improvement of life of BPL families. In EPC space, we have a very healthy order book and can expect a very high growth because of better execution of projects.

The Company continues to uphold its commitment towards environmental protection and sustainability. Anti-tobacco campaigns and tree plantation drives were among the initiatives conducted to create a positive social impact. We have taken an ambitious plan to plant over 1,00,000 trees this year. The Company has also been actively supporting CSR activities to train rural and urban youth in skill development to enhance their employability and entrepreneurial abilities. These initiatives would not have been possible without the unstinted commitment of our people, partnering NGO's, the management and our Board of Directors. I take this opportunity to thank them all.

I would like to thank our entire team at Bajaj Electricals for their great work and dedication throughout the year. I would also like to express my gratitude to you and all the stakeholders for the trust and faith that you have reposed in us. As we move into another exciting year, we continue to seek your support. We remain steadfast to our consumer-focused philosophy to accelerate our momentum and deliver success for all our stakeholders while balancing our responsibility to society and the communities at large.

Yours sincerely,

Shekhar Bajaj

Chairman & Managing Director



NEW LAUNCHES

Bajaj Appliances



Bajaj Cool.iNXT
Air Cooler



Calenta Mechanical
Water Heater



New Majesty Instant
Water Heater



Shakti PC Deluxe
Water Heater



Majesty RHX 3 New
Room Heater



2016 MTBX
Microwave Oven



JX4 Neo
Juicer Mixer Grinder



Twister DLX
Mixer Grinder



FX 1000
Food Processor

Bajaj Lighting



LED Batten 28W Tubelight



LED Batten 20W Plastic



LED Tubelight 20W

Bajaj Luminaires



Dazzle



Dominto Dyna



Edge



Amaze

Bajaj Fans



Leatrim Max 250x250



Regal Gold NXG



Ark HS

morphy richards Global Range

Prism Range



Kettle

Redefine Range



Kettle

Total Control Range



Hand Mixer



Table
Blender



Hand
Blender



Toaster



Toaster



Stand Mixer

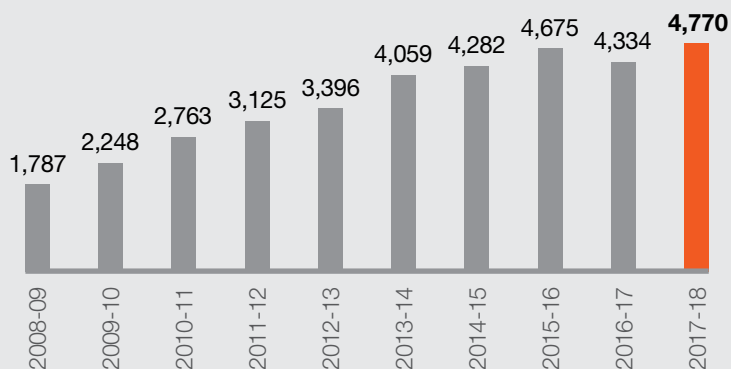
FINANCIAL HIGHLIGHTS

10-Year Financial Performance

Gross Revenue

(₹ in Crore)

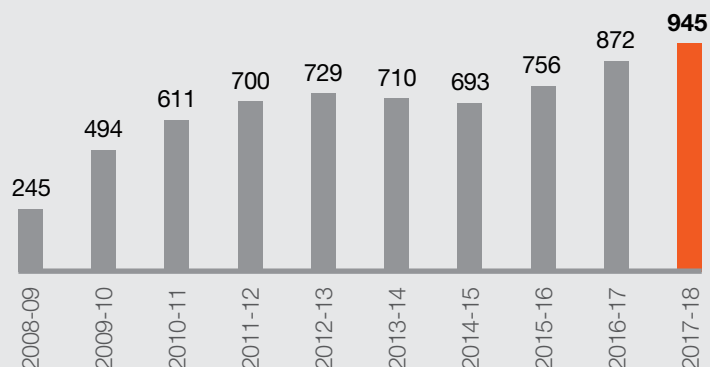
4,770



Networth

(₹ in Crore)

945

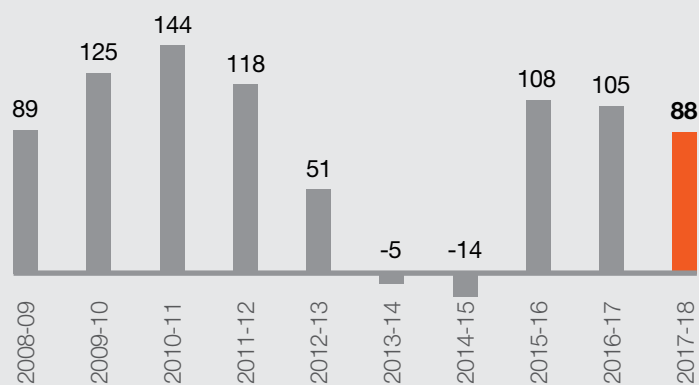


Basic EPS

(₹)*

8.2

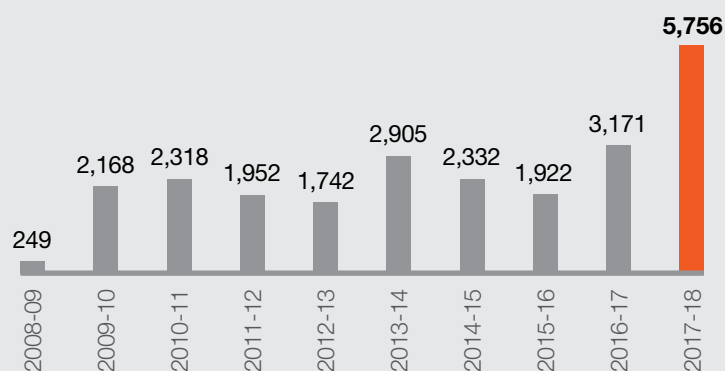




Profit After Tax

(₹ in Crore)

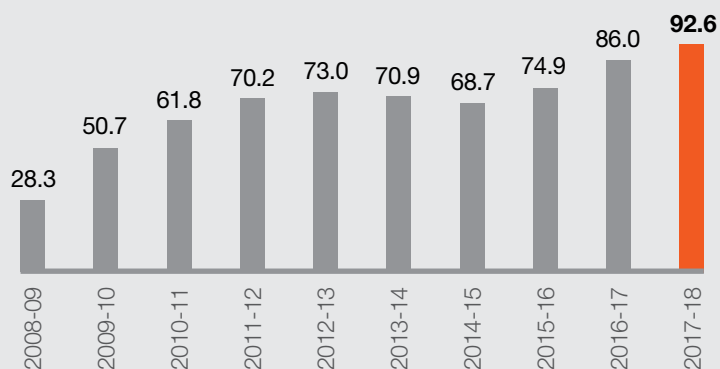
88



Market Capitalisation

(₹ in Crore)

5,756



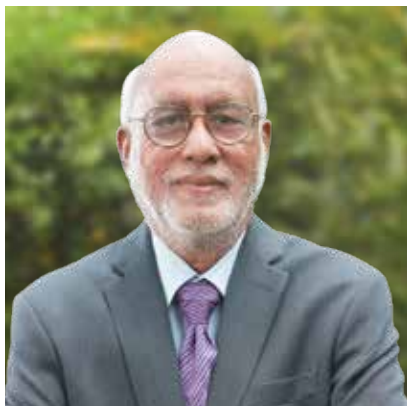
Book Value Per Share

(₹)*

92.6

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

BOARD OF DIRECTORS



Shekhar Bajaj
Chairman & Managing Director



Anant Bajaj
Managing Director



Harsh Vardhan Goenka
Independent Director



Ashok Jalan
Independent Director



Madhur Bajaj
Non-Executive Director



Dr. (Smt.) Indu Shahani
Independent Director