

BAJAJ ELECTRICALS LIMITED

Corporate Identification Number (CIN) : L31500MH1938PLC009887

Registered Office : 45/47, Veer Nariman Road, Mumbai 400 001. Tel. : 022-22043841 / 3780 Fax: 022-22851279

Email: legal@bajajelectricals.com / Website: www.bajajelectricals.com

NOTICE OF POSTAL BALLOT

Pursuant to Section 110 of the Companies Act, 2013

Dear Members,

NOTICE is hereby given that, pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act") read together with Rule 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, the resolutions appended below are proposed to be passed by way of Postal Ballot (including Electronic Voting).

The proposed Resolutions and Explanatory Statement pertaining to the said resolutions setting out all material facts concerning each resolution and the reasons thereto is annexed hereto for your consideration. The Postal Ballot Form for voting by you as shareholder of the Company is also enclosed. The Company has appointed Shri Anant B. Khamankar of Anant B. Khamankar & Co., Practicing Company Secretaries, as Scrutinizer for conducting this Postal Ballot voting process in a fair and transparent manner.

Please read carefully the instructions printed in the postal ballot form and return the form duly completed and signed in the attached self-addressed, business reply envelope, so as to reach the Scrutinizer before the closing of working hours (17:00 hrs.) on Saturday, 10th January, 2015. Please note that any postal ballot form(s) received after the said date will be strictly treated as if no reply has been received from the Member. No other form or photocopy thereof is permitted.

In compliance with Clause 35B of the Listing Agreement and the provisions of Section 110 of the Act read with the Rules, the Company is pleased to provide Electronic Voting ("e-voting") facility as an alternate, to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility to its Members. It may be noted that e-voting is optional. In case a Member has voted through e-voting facility, he/she is not required to send the physical Postal Ballot Form. In case a Member votes through e-voting facility as well as sends his/her vote through physical vote, the vote cast through e-voting shall only be considered and the voting through physical Postal Ballot shall not be considered by the Scrutinizer.

The e-voting facility is available at the link www.evotingindia.com. Please refer the instructions for e-voting given after the Proposed Resolutions for the process and the manner in which e-voting is to be carried out.

The Scrutinizer will submit his report to the Chairman or any other Director of the Company after the completion of the scrutiny of the postal ballots (including e-voting). The result of the Postal Ballot would be announced by a Director or the Vice President - Legal & Company Secretary of the Company on Tuesday, 13th January, 2015 at the Registered Office of the Company. The said results would be displayed at the notice board of the Registered Office of the Company, intimated to the Stock Exchanges where the Company's shares are listed, published in the newspaper and displayed on the Company's website viz. www.bajajelectricals.com.

Place: Mumbai
Date: November 13, 2014

By Order of the Board
For Bajaj Electricals Limited
Sd/-
Mangesh Patil
Vice President - Legal & Company Secretary

PROPOSED RESOLUTIONS

Resolution No.1: Approval for re-appointment of Shri Shekhar Bajaj as the Managing Director of the Company and remuneration payable to him

To consider and, if thought fit, to pass through postal ballot, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Shri Shekhar Bajaj (DIN:00089358), as the Managing Director of the Company for a period of 5 (five) years with effect from 1 November 2014 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice of this Postal Ballot, with liberty and power to the Board of Directors (hereinafter referred to as ‘the Board’ which expression shall also include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER that notwithstanding anything hereinabove stated, in the event of Company having no profits or its profits are inadequate in any financial year during the tenure of the appointment, then the remuneration of the Managing Director shall be governed by the Section II of Part II of the Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment(s) thereof, for the time being in force) or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.”

“RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

Resolution No.2: Ratification of the remuneration payable to the Cost Auditor for the financial year ended 31 March 2015

To consider and, if thought fit, to pass through postal ballot, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Members hereby approve the remuneration of Rs.1,03,000/- plus service tax and out-of-pocket expenses payable to M/s. R. Nanabhoj & Co., Cost Accountants, who are appointed by the Board of Directors of the Company to conduct audit of the cost records maintained by the Company for the Financial Year 2014-15.”

“RESOLVED FURTHER that the Board of Directors of the Company and/or Shri Mangesh Patil, Vice President - Legal & Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

1. The Explanatory Statement and reasons for the proposed Ordinary Resolutions pursuant to Section 102 of the Act setting out material facts are appended to the Notice.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners, received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on 5th December, 2014.

3. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on 5th December, 2014.
4. Resolutions passed by the members through Postal Ballot are deemed to have been passed effectively at a general meeting of the members. The Ordinary Resolution shall be declared as passed if the number of votes cast in favour of the Resolution are more than the number of votes cast against the Resolution.
5. In compliance with provisions of Section 108 of the Companies Act read with the Rules and Clause 35B of the Equity Listing Agreement, the Company is pleased to offer e-voting facility for its members to enable them to cast their votes electronically. Members have option to vote either through e-voting or through the physical Postal Ballot Form. If a member has opted for e-voting, then he/she should not vote by physical Postal Ballot also and vice-versa. However, in case members cast their vote both via physical Postal Ballot and e-voting, then voting through e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid. For this purpose, the Company has signed an agreement with the Central Depository Services (India) Limited (“CDSL”) for facilitating e-voting.

A. The instructions for e-voting are as under:

- (i) Open your web browser and log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on “Shareholders” tab.
- (iii) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company) and Image Verification Code as displayed and then Click on “Login”.
- (iv) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below:

a) Now, fill up the following details in the appropriate boxes:

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digit of the sequence number in the PAN field. • In case the sequence number is less than 8 digit enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. For example, If your name is Ramesh Kumar with sequence number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in DD/MM/YYYY format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the Member ID/Folio Number in the Dividend Bank Details field as mentioned in instruction (iv).

b) After entering these details appropriately, click on “SUBMIT” tab.

c) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- d) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on Electronic Voting Sequence Number (EVSN) - 141203004 for BAJAJ ELECTRICALS LIMITED. This will take you to the voting page.
- (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES / NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
- (vii) If you wish to view the entire Resolutions, click on the "Resolutions File Link".
- (viii) After selecting the resolution you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xi) If Demat account holder has forgotten the changed password then enter the User ID, Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xii) Note for Non-Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- B. Members are requested to register their e-mail id with Registrar and Transfer Agent (RTA), being Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai 400 078 Tel.No.: 022-25946970 Fax No.: 022-25946969 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.com.
- C. The voting period commences on Friday, 12th December, 2014 at 10:00 a.m. and ends at 5:00 p.m. on Saturday, 10th January, 2015. The e-voting module will be disabled by CDSL for voting thereafter.
- D. Voting can be exercised only by the shareholder or his/her duly constituted attorney or in case of bodies corporate, the duly authorized person.
- E. Shareholders holding shares either in physical form or in dematerialized form may cast their vote electronically.

EXPLANATORY STATEMENT

Explanatory Statement for Resolutions Nos. 1 & 2 pursuant to Section 102 of the Companies Act, 2013 (hereinafter referred to as the “Act”):

Item No.1

The Shareholders at their Extra Ordinary General Meeting held on 18 November 2009 had approved the re-appointment and terms thereof of Shri Shekhar Bajaj as the Managing Director of the Company, for a period of 5 (five) years with effect from November 1, 2009 which term was valid till October 31, 2014.

The Board of Directors of the Company at its meeting held on 13 November 2014 have, subject to the shareholders’ approval, re-appointed Shri Shekhar Bajaj as the Managing Director of the Company for a further period of 5 (five) years from 1 November 2014 with the increased remuneration. Further, the re-appointment and remuneration of Shri Shekhar Bajaj, has been approved by the Nomination & Remuneration Committee at its meeting held on 13 November 2014.

The terms and conditions of reappointment of Shri Shekhar Bajaj, are in conformity with Section 196 read with Schedule V to the Companies Act, 2013.

Pursuant to Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013, including Schedule V, the re-appointment of Shri Shekhar Bajaj as the Managing Director of the Company is now being placed before the Members through postal ballot for their approval by way of an Ordinary Resolution.

The following additional information as required by Schedule V to the Companies Act, 2013 is given below.

I. General Information :

- (1) Nature of Industry: The Company is engaged in marketing of various consumer household and industrial goods including electric lamps and bulbs, lighting fittings and domestic appliances like fans, air-coolers, pressure cooker, ovens, toasters, heaters, geysers, mixer grinders and parts thereof; pumps and parts thereof; water purifier, water filters, etc. The Company is also manufacturing and/or marketing electric fans and industrial items like highmasts, transmission line towers, etc.
- (2) Date or expected date of commencement of commercial production: Not applicable, since the Company was incorporated on 14 July 1938 under Indian Companies Act, 1913 and has already commenced its operations vide Certificate of Commencement of Business dated 12 September 1938.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable
- (4) Financial performance based on given indicators as per audited financial results for the year ended 31 March 2014:

Particulars	Rupees in Crore	
	F.Y. ended 31.03.2014	F.Y. ended 31.03.2013
Turnover and Other Income	4,079.98	3,419.37
Net Profit/(Loss) as per Profit & Loss Account	(5.31)	51.21
Profit as computed under section 197 of the Companies Act, 2013 (Corresponding to section 309 of the Companies Act, 1956)	46.85	72.49
Net Worth	709.59	728.64

- (5) Foreign Investments of collaborators, if any: Nil

II. Information about the appointee :

(1) Background details : Shri Shekhar Bajaj, aged 66 years (DOB: 08.06.1948), is a Bachelor of Science from Pune University and MBA from New York University, USA. He has substantial experience in the management of Companies. He was the President of Electric Lamp & Component Manufacturers' Association of India (ELCOMA), Associated Chambers of Commerce & Industry of India, Indian Merchants' Chamber, Council for Fair Business Practices, Indian Fan Manufacturers Association, etc. He has been a Director in Bajaj Auto Limited and several other Companies and was also on the Board of IDBI Bank Ltd. He was first appointed as the Managing Director of the Company on 1 November 1984 and thereafter was re-appointed in 1989, 1994, 2000, 2005 and 2009 for a term of five years each.

(2) Past remuneration : Salary of Rs.7,00,000/- (Rupees Seven lacs only) per month and other perquisites, allowances and commission as may be applicable.

(3) Recognition or awards : Nil

(4) Job profile, his suitability and key achievements : Shri Shekhar Bajaj has over 35 years of varied and rich work experience in a wide range of functions with emphasis on Marketing and Sales. He has been closely associated with a number of start-up businesses as well as important business turnaround projects.

He was assigned and vested with onerous responsibility of managing and conducting the business affairs of the Company at a crucial time when the Company was passing through critical phase of operation. Shri Shekhar Bajaj managed the Company with great skill and ability and set the company on revival path. An overall improvement of the Company, as reflected in the financials, is ample testimony of his thoughtful planning and relentless efforts put in by him.

(5) Remuneration Proposed :

A. **Term:** Period of 5 (five) years w.e.f. 1 November 2014 to 31 October 2019.

B. **Remuneration:**

- a) **Salary:** Rs.12,50,000/- per month in the Scale of Rs.12,50,000 - 1,00,000 - 20,00,000. Accelerated increments may be decided by the Nomination and Remuneration Committee and/or the Board of Directors, based on merit and taking into account the Company's performance for the year.
- b) **Commission:** Commission at the rate of 2% (two per cent) of the net profits of the Company for each financial year, payable after adoption of the annual accounts for that financial year by the Shareholders.
- c) **Perquisites:** In addition to salary and commission as above said, the following perquisites will be paid and/or provided. Valuation of all perquisites shall be done in accordance with the provisions of the Income Tax Act, 1961 and rules made thereunder. In the absence of any such rule, perquisites shall be evaluated at actual cost.
 - (i) **Housing:** Furnished residential accommodation, the cost of which shall be at actuals.
 - (ii) **Medical Reimbursement:** Reimbursement of medical expenses actually incurred for self and family members subject to a ceiling of one month's Salary in a year or three months' Salary over a period of three years.
 - (iii) **Leave Travel Concession:** Leave travel concession for self and family members once in a year incurred in accordance with the rules specified by the Company.
 - (iv) **Personal Accident Insurance:** Personal Accident Insurance policy in accordance with the scheme applicable to senior employees of the Company.

- (v) **Contribution to Provident Fund and Superannuation Fund:** The contribution towards Provident Fund and Pension/Superannuation Fund as per the rules of the Company, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (at present, this is limited to 12% and 15% respectively of the basic salary under the Income-tax Act).
- (vi) **Gratuity:** Gratuity as per the rules of the Company.
- (vii) **Car and Telephone:** Provision of car(s) for use for Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.
- (viii) **Entertainment Expenses:** The Managing Director will be entitled to reimbursement of entertainment expenses incurred in the course of business of the Company.
- (ix) **Leave:** The Managing Director shall also be entitled to leave on full pay and allowances as per the rules of the Company.
- (x) **Club Membership:** Membership of two clubs, the admission and annual membership fee whereof shall be borne by the Company.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of the appointee, his responsibilities, the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointee(s) in other companies in the industry.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Shri Shekhar Bajaj is a member of the Promoter family, which controls the management of the Company. He holds 48,40,535 (4.81%) equity shares in the Company (excluding 6,79,200 equity shares held as trustee of BEL Employees Welfare Fund, 19,36,800 equity shares held on account of Bajaj Trading Co. and 2,40,600 equity shares held on account of Ramkrishna Bajaj HUF).

III. Other Information:

(1) Reasons of loss or inadequate profits:

The drop in profit in the FY 2013-14 was the result of various factors including the challenging business environment. Further, the infrastructure sector saw a low-key investment, mainly due to environmental clearances and land acquisition issues. The other major challenges faced by the Company include weakening of rupee, right-of-way issues, commodity price fluctuations, high interest rates, cost & time overrun in some of the turnkey projects and low margins in power sector projects. Even the margins in both lighting and consumer durable business have come down.

(2) Steps taken or proposed to be taken for improvement:

The management has taken several measures to ensure better management of working capital, monitoring of project performance on continuous basis and completion of projects as per schedule to avoid cost and time over run.

(3) Expected increase in productivity and profits in measurable terms:

Though, CFL turnover is de-growing with pressures on margins, the Lighting segment is expected to grow by 5% and would result in marginal improvement in profitability as compared to half yearly EBIT margins of 2.3% considering the growth in the Luminaires turnover. Also the margins of Consumer Durables segment are down for the year as compared to the previous year mainly on account of increase in marketing and advertisement expenses, however, this segment is expected to grow at 12% and the resultant EBIT margins would improve the profitability marginally as compared to current half yearly EBIT margins of 6.4%.

The Engineering & Projects Division (E&P), which has shown suboptimal performance in the recent past due to time and cost overruns on the long tenure projects, which projects are in the final stages of financial closure, is coming back on the normal track and is expected to achieve a turnover of Rs. 1,500 crore with a little margin in the current financial year. Further, with the current order book of Rs.3,200 crore having decent margins and satisfactory progress of all other running projects, the Company is expected to be back on the profitable track.

The Board recommends the Ordinary Resolution set out at Item No.1 of the Notice for the approval of the Members.

Shri Shekhar Bajaj, Shri Madhur Bajaj and Shri Anant Bajaj are deemed to be concerned or interested in this Resolution.

Item No.2

M/s. R. Nanabhoy & Co., Cost Accountants were appointed as the Cost Auditors of the Company to conduct cost audit in respect of the Company's manufacture of Electric Fans at Chakan Unit, GLS Lamps at Kosi Unit and Wind Energy generation at Wind Farm Unit for the financial year 2013-14.

In connection with the Cost Audit for the year ending 31 March 2015, M/s. R. Nanabhoy & Co., Cost Accountants have conveyed their willingness to act as cost auditor of the Company; confirmed that they are independent and their appointment, if made, would be within the limits provided in Section 141(3)(g) or any other applicable provisions of the Companies Act, 2013, for the year ending 31 March 2015.

Accordingly, on the recommendation of the Audit committee, the Board of Directors, in its meeting held on 29 May 2014 has approved the re-appointment of M/s. R. Nanabhoy & Co., Cost Accountants as Cost Auditors of the Company for conducting the cost audit of Company's manufacture of Electric Fans at Chakan Unit, GLS Lamps at Kosi Unit and Wind Energy generation at Wind Farm Unit for the financial year ending 31 March 2015, at a remuneration of Rs.1,03,000/- (Rupees One Lakh Three Thousand only) per annum plus applicable taxes and out-of-pocket expenses.

In terms of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors is required to be ratified by the shareholders.

In view of the above, the consent of the members of the Company is sought for passing an Ordinary Resolution as set out in Item No.2 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2015.

The Board recommends the Ordinary Resolution set out at Item No.2 of the Notice for the approval of the Members.

None of the Directors/Key Managerial Personnel of the Company/its relatives are, in any way, concerned or interested, in the resolution set out at Item No.2 of the Notice.

Place: Mumbai
Date: November 13, 2014

By Order of the Board
For Bajaj Electricals Limited
Sd/-
Mangesh Patil
Vice President - Legal & Company Secretary