November 16, 2019

To,
BSE Limited
National Stock Exchange of India Limited

Dear Sir / Madam,

Sub.: Company Statement on downgrades in the credit rating

We refer to our letter no. L-1/2239/MGP dated November 15, 2019, informing downgrades in the Company's credit rating, and would like to inform that:

1. The Company has taken a strategic call by adopting a more risk-calibrated approach for the EPC segment and the thrust is on:
   - completion of running projects;
   - bidding only for those projects which have better margins, good payment terms and do not require high working capital; and
   - optimising the mix of EPC business from Power Distribution (PD) to a greater share from Transmission Line Towers (TLT) and Illumination – as they meet the above criteria.

2. The core focus of the Company is to drive strong cash collections and balance sheet improvement as is evidenced from the following:

   - The Company had a positive cash flow from operations of Rs 294 crore for the half year ended September 30, 2019 (versus a negative cash flow from operations of Rs 470 crore for the half year ended September 30, 2018).

   - The position of debt & interest-bearing-advances has shown visible improvement (decrease):

		(Rs in crore on standalone basis)	
Particulars	**O/S on Mar 2019**	**Repayment H1**	**O/S on Sep 2019**
Debt	1,578	129	1,449
Advances	357	224	133
Total	**1,935**	**353**	**1,582**

   - The Company expects to continue to generate positive cash flow from operations for second half (H2) of FY20 and hence is on a clear path to continue reduction in debt.

3. The Company enjoys full support from the Promoter Group and hence will be able to not only meet all its debt obligations but also able to cover any gaps/mis-matches in the cashflow. Further, the Company has in place shareholder's approval for raising funds by way of issue of equity shares, or any other equity linked instruments or securities, for an aggregate amount of upto Rs 600 crore.

You are requested to put this on the notice board for the information of the investors and general public.

Thanking you.

Yours faithfully,
For Bajaj Electricals Limited

MANGESH GUNWANT PATIL
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Date: 2019.11.16 12:23:14 +05'30'

Mangesh Patil
EVP-Legal and Company Secretary