



Electricals

July 29, 2024

To,

BSE Limited

:

Code No. 500031

Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street Mumbai 400 001.

National Stock Exchange of India Limited

:

BAJAJELEC - Series: EQ

Listing Department
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051.

Dear Sir/Madam,

Sub: Transcript of the Investors' Meet of Bajaj Electricals Limited ("Company")

Further to our letters dated July 17, 2024, and July 23, 2024, we wish to inform you that the Transcript of the Investors' Meet, which was held on Monday, July 22, 2024, at 4:00 P.M. (IST) to discuss the recent management announcement at the Company, is attached herewith.

We request you to take the above on record.

Thanking you

Yours faithfully,
For Bajaj Electricals Limited

Prashant Dalvi
Chief Compliance Officer and Company Secretary

Encl. as above



“Bajaj Electricals Limited Business Update Call”

July 22, 2024



MANAGEMENT: **MR. SHEKHAR BAJAJ – CHAIRMAN, BAJAJ ELECTRICALS LIMITED**
MR. ANUJ PODDAR – MD & CEO, BAJAJ ELECTRICALS LIMITED
MR. E.C. PRASAD – CFO, BAJAJ ELECTRICALS LIMITED

MODERATOR: **MR. ANIRUDDHA JOSHI – ICICI SECURITIES**



*Bajaj Electricals Limited
July 22, 2024*

Moderator: Ladies and gentlemen good day and welcome to Bajaj Electrical Business Update Call hosted by ICICI Securities.

I now hand the conference over to Mr. Aniruddha Joshi from ICICI Securities. Thank you and over to you sir.

Aniruddha Joshi: Thanks Aditya. On behalf of ICICI Securities, we welcome you all to Business Update Conference Call of Bajaj Electricals.

We have with us today Senior Management represented by Mr. Shekhar Bajaj – Chairman, Mr. Anuj Poddar – MD & CEO and Mr. E.C. Prasad – CFO.

Please note, this is 30 minutes Conference Call and as the Company is in silent period there will be no question-and-answer session. Now I handover the call to the management for their comments. Thanks, and over to you sir.

Shekhar Bajaj: Good evening. I am Shekhar Bajaj. Welcome to all of you. BEL is built on a strong foundation of strategy and leadership.

I want to assure you that our Company is driven by a robust and well-defined strategy and not by any single individual. This strategy has been crafted and executed by a team of seasoned professionals on our board and top management. Our collective vision and strategy have guided our decisions and actions, ensuring we remain on the path to sustainable growth and success. Alongside my 44 years of leadership, we have Rajiv Bajaj representing the next generation of our family, our Board and team of distinguished Independent Directors, who are pivotal in steering our future direction. Change is an inevitable part of any dynamic organization and as long as our strategy is in place these changes are managed seamlessly. As I mentioned for the past 44 years, I have had the privilege of leading this organization. 5 years ago, following the untimely demise of my son Anant, we faced the challenging task of onboarding Anuj Poddar without the opportunity for a proper handover. Despite these challenges Anuj stepped up remarkably and has been a dynamic leader and the face of the Company. Anuj has been involved with the board and myself in making key decisions and crafting strategies. We commend his achievements which includes making our Company debt-free, executing major projects and leading the demerger of our EPC business.

I want to take a moment to reflect on the challenges we faced, 5 years ago when he took over. At that time our Company was burdened with over 2,000 crores in debt, and we had numerous pending EPC orders. It was a period of uncertainty and significant pressure. However, we have turned the tide through strategic planning and relentless effort, with support from our board and senior leadership team. As of March 2022, we are proud to say that BEL is debt-free, and we



*Bajaj Electricals Limited
July 22, 2024*

continue to be so. Additionally in September '23, we successfully demerged our EPC business creating Bajel Projects Limited, which means BEL is now purely a consumer Company.

Our achievements are a testament to the resilience and commitment of our board. Our strong leadership team and indeed every single employee works towards our Company's goal. They reflect our ability to adapt, adopt innovate and overcome obstacles. I wish to assure everyone that the Company will continue to remain professionally managed. We are committed to finding a perfect leader for the role of Managing Director for Bajaj Electricals Limited, someone who will continue to implement the organization's robust strategy as Anuj did.

I would like to make it clear to all our investors and stakeholders that the strategies that we have set for ourselves and our focus on R&D and brand investment and other initiatives will continue on the same trajectory. Until we fill the gap, I will take complete charge and the leadership will report to me. Pooja Bajaj: Executive Director will solely focus on developing the CSR work.

Coming to our two businesses; for the consumer product business, I'm happy to let you know that on August 1st, Vishal Chadha will join us as our COO and Head of Consumer Product Business. Vishal brings nearly three decades of experience from leading organizations like Britannia, Nokia and the latest Kohler. An alumnus of IIM Lucknow, Vishal's diverse experience in FMCG, consumer devices, e-commerce will significantly benefit our organization bringing fresh perspective and new energy to our operations. Vishal Chadha will be appropriately guided over the next 2 months by Anuj to ensure continuity and stability in the consumer business. This transition period will allow Vishal to immerse himself in our operations, understand our culture and align with our strategic objectives. I along with the board, including Rajiv Bajaj will be there to offer him support and guidance.

As far as our lighting solution business is concerned, it already has been ably run by Rajesh Naik. Rajesh is the veteran in the industry and has been leading the lighting solution business for us for nearly 5 years. He has done a remarkable job during this period to grow the business and drive significant margin expansion. I'm confident of continued growth of the business under the leadership of Rajesh.

Finally, I want to appreciate Anuj's contribution. We are grateful for his dedication and hard work. While we are sad to see him go, we wish him continued success in his future endeavors. His resignation marks the beginning of a new chapter for BEL and we are confident that our strong strategy and leadership will continue to drive us forward towards a prosperous future and greater heights. Thank you all for the support and trust in Bajaj Electricals. Thank you.

Anuj Poddar:

Thank you chairman. This is Anuj Poddar. I will add to the comments from my side. Good evening to all of you, the dear investors and analysts on this call.



*Bajaj Electricals Limited
July 22, 2024*

While this decision has been made professionally on professional terms, I do want to add that on a personal note you all know how passionate and attached I have been to Bajaj Electricals and to all the stakeholders and therefore it has been an immensely tough decision for me to make from a personal perspective. I want to upfront address a couple of points which whether in terms of queries or speculations that I have heard and I want to make that very clear.

Firstly, I am not joining competition. I am not joining any player in the same industry.

Secondly there has been absolutely no internal trigger or any other conflict of any sort or any disagreements of any sort, either with the promoters or with the board within the Company in any form or manner. I want to make that extremely clear because I was asked this question and taking the chance to put that out in the public record.

And I also want to put it out there because coincidentally there have been two back-to-back exits earlier with CP Head – Ravi Negi and now by myself. That is purely coincidental. There is absolutely nothing else to that. My professional decision is triggered by an external opportunity. This to be honest don't come every day.

On a personal note, if I may add I am 50 years of age. To me at this point of time for purely professional reasons seems to have been the right choice to make. Having considered all factors, it is a significantly different challenge and an ability to create impact at a very different scale. So, this purely because of that.

Having said that I want to make a few points from a Bajaj electricals perspective. At Bajaj Electricals we have crossed many significant milestones. The chairman enumerated some of them. We have really solved for many deep structural problems that we faced a few years ago. There were many initiatives that we have undertaken. These are long lead initiatives. There is a lot of hard work that has gone into this. A lot of heavy lifting has been done behind these. While I recognize that there is always some more work to be done and there are some operational issues that are currently WIP and the process of being solved for or improvised upon. These to my mind are much simpler and they can be done and achieved in a much shorter timeframe. I do believe that on the trajectory that we are on, with a lot of the heavy lifting having been done and we are on the job of solving some of the current operational tactical issues, we will see the benefits and upside fairly soon. Today you will acknowledge that Bajaj Electricals is fundamentally stronger and much more stable compared to what it was 5 to 6 years ago. That said therefore also the task here on is more linear, it is more controllable. And I'm very sure that with the plan that the board has in place, we can get an equally strong if not even more capable leader than myself to take this journey forward.



*Bajaj Electricals Limited
July 22, 2024*

I want to put on record my sincere and complete appreciation and thank you to the chairman for his trust and support that I have always received, as well as that forming of the board our team all our partners and most importantly all of you our investors who have proposed faith in me and our team and in all the steps that we have been taking till date. I continue to be available to the Company right till end September. I will serve out my notice period. Till that date you have my commitment that I will work to my fullest capacity. There will be no letdown on that front.

In terms of the two businesses, the chairman has already spoken about, we already have very strong leadership for the lighting solutions business under Rajesh Naik. It is if I may say so almost on autopilot. It is following a good and strong trajectory. Also, for the consumer products business, we made sure that we have onboarded, selected our new leader there, Vishal Chadha before my exit announcement. He will be coming on board on the 1st August, and I have got a two month overlap during which period I will groom him and lend him all support to take over the consumer products business.

The other fact that you must know Vishal has changed industries a few times in the past. He is an extremely quick learner; quick adapter and we are very confident on his ability to pick up and run very fast into this new role and into this new industry. The entire strategy as the chairman mentioned remains intact. It is locked and loaded. All our business operations and execution plans will continue in the same direction on the same trajectory. Our products and brand and investments behind that is locked and loaded. There is no scope or no intent to revisit that. There are many aspects that are in the process of being ramped up by digital transformation that should get completed by end of this calendar year. Our contribution for new products that we have been rolling out has been increasing year-on-year. We will continue to see significant increase in contribution in weightage, offer new products in terms of total revenue contribution that should cross the majority mark by next calendar year.

While you get to see the financial results every quarter, what you don't get to see is the various internal metrics that we have been focusing on. And when I say we, we meaning management, the promoters, the board have been privy to this and these are all pointing a very healthy positive direction. Be it our brand health scores, be it our quality metrics, be it our contribution from portfolio premiumization, all of these are healthy, positive, lead indicators which will translate to financial benefits in the coming year. A particular growth that we are witnessing on Murphy Richards, on the new brand that we have launched Nex, on some of our faster moving channels etc., these are all boding well for the future. Over the next few quarters and by the coming year all of this should start reflecting better numbers and margins for us as a Company.

If I speak particularly with consumer lighting segment which is also something that we have been focusing on, this year we have been working on a go to market strategy for that. We have done that, rolled it out over select pilot markets. We will soon be rolling out more efforts on the



*Bajaj Electricals Limited
July 22, 2024*

consumer lighting GTM on a pan India basis and therefore we shall also see benefits on the consumer lighting business in the coming quarters.

Most important to me always has been the organization culture, the team and the talent that we built. This again, I would put in the bucket of long lead items. We significantly moved the needle on that. We are a much better organization culture workplace talent pool today and this is something that is now here to stay. So, overall I remain extremely confident about the future trajectory of Bajaj Electricals and our business, and my best wishes are and will always remain with the Company and all stakeholders. Thank you very much. With this I'd like to hand it over to our CFO.

E.C. Prasad:

Thank you Anuj. Thank you, Chairman. Good evening, everyone and thanks for attending this call at a very short notice. I understand that there are a lot of apprehensions about the turn of events that has happened lately. I would like to assure each one of you that Anuj is leaving behind a strong legacy. He has created a strong team of professionals under him, each one of whom can deliver results on a given day. Apart from the role that I play as a CFO, the strategy function also reports into me and I'm happy to share that the finance function almost today works on autopilot. So, most of the time I spend with the strategy department and I on my part would continue to focus on all the strategic initiatives of the organization like GTM of lighting and CP, VAVE initiatives, investments in R&D, premiumization, logistics transformation, digital transformation and cost optimization and profit improvement. And these are the priorities for us going forward.

We will also continue to invest strong in our brand to strengthen our brand architecture. Our balance sheet continues to be very strong, with a very healthy liquidity and a strong cash flow which is also a strong reflection of the future potential this business has. We have a very strong and cohesive team of professionals who will continue to work under the guidance of our Chairman till the Managing Director position is filled up. I will continue to monitor the business and this financial health along with the two business heads, Rajesh Naik and Vishal Chadha. With this before I close, I would want to urge each one of you to stay confident in the potential of our Company to deliver results over a longer period of time. Thank you very much.

Moderator:

Thank you. I now end the conference over to Mr. Aniruddha Joshi for closing comments.

Aniruddha Joshi:

Thanks, Aditya. I thank the management of Bajaj Electricals for choosing ICICI Securities to host the business update call. Now I hand it over back to the management for the closing comments that they may have. Thanks, and over to you sir.



*Bajaj Electricals Limited
July 22, 2024*

Shekhar Bajaj:

Thank you everyone for attending this call. There is nothing more to add. As you know it is the silent period. So, whatever we have to say we have already said. But thank you very much for attending.

Moderator:

Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.