

BAJAJ ELECTRICALS LIMITED

Minutes of the 72nd Annual General Meeting of Bajaj Electricals Limited held at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021, on Thursday, the 28th day of July, 2011, at 11.30 A.M.

PRESENT:

Shri Shekhar Bajaj	-	Chairman & Managing Director
Shri H.V. Goenka	-	Director
Shri A.K. Jalan	-	Director
Shri V.B. Haribhakti	-	Director
Shri Madhur Bajaj	-	Director
Shri Anant Bajaj	-	Executive Director
Dr. (Smt) Indu Shahani	-	Director
Shri R. Ramakrishnan	-	Executive Director
Shri B.H. Antia	-	Solicitor - Mulla & Mulla
Shri Mangesh Patil	-	Company Secretary

MEMBERS PRESENT :

In Person	: 84 Members
In Proxy	: 33 Proxies representing 65,819,022 (66.10%) Equity Shares
In Representation	: 4

Shri Shekhar Bajaj, Chairman & Managing Director of the Company occupied the Chair and upon requisite quorum being present, called the meeting to order.

Chairman welcomed all the members to the 72nd Annual General Meeting of the Company and thereafter introduced the Directors, Solicitor, Company Secretary and the Business Unit Heads to the members present.

Chairman declared that the Register of Directors' Shareholding, Register of Proxies and original copy of Annual Accounts are laid on the table for inspection of the Shareholders.

At the request of the Shareholders, Notice convening the Meeting was taken as read.

Shri Mangesh Patil, Company Secretary read the Auditors' Report.

Thereafter, the Chairman delivered his preliminary remarks as under:

"GENERAL ECONOMIC SCENARIO

The year 2010-11 was marked by a fairly tough financial environment due to slowdown in some of the major economies of the world. The economic activities in many developed countries remained sluggish, due to sovereign debt turmoil.



In contrast, emerging and developing market economies performed comparatively well by registering the growth of 7.3 per cent.

India's economy continued on its high growth trajectory, by registering GDP growth at 8.6 per cent in 2010-11. Tight liquidity conditions continued to drive average borrowing rates throughout the year 2010. Inflation continued to remain a major concern for the policy makers. However, the good news is that since last fortnight, the monsoon has set-in almost in all parts of the country raising hopes of good agricultural output. The good monsoon is expected to accelerate fall in prices of essential commodities and bring down the rising inflation.

Highlights of the Company's Performance during 2010-11

It gives me great pleasure to share with you that in 2010-11, we successfully executed our strategy "Transform 2010" to move ahead in various areas of operations with robust growth in turnover, improved profitability and continued focus on key operating parameters.

- Net sales/income from operations grew by 23% to Rs.2,741 crore.
- Profit before Tax increased by 9.1% to Rs.218.9 crore
- Net profit grew by 22.8% to Rs.143.8 crore

The earnings per share for the shareholders were at Rs.14.63 as compared to Rs.13.01 in 2009-10.

To achieve organizational and operating efficiencies along side achieving improvements in processes and controls, the Company has initiated several measures cutting across manufacturing, supply chain, quality and other domains. This is in addition to setting up a common IT architecture, across its various locations and businesses.

The first quarter of this year saw the Company closing at a higher Net Sales/Income from Operations of Rs.544.07 crore, which is 12.48% more than that of first quarter of the previous year. Lighting and Consumer Durables have growth in their top lines and improvement in profit margin, but the performance of E & P has been substantially impacted. As a result, the Profit before Tax (PBT) is down by 49.74% at Rs.17.09 crore as compared to Rs.34.0 crore for the first quarter of the previous year and the Profit after Tax (PAT) is down by 50.07% at Rs.11.09 crore as compared to Rs.22.51 crores for the first quarter of the previous year. This was as a result of price pressures, a challenging product mix, hardening of metal prices and closure of number of old projects entailing additional expenses. However, appropriate corrective measures have been taken, which will show results in the coming quarters. The company is cautiously optimistic about its prospects for 2011-12 with potential growth opportunities and better economic environment. The Company is gearing up to meet existing and new competitors setting up operations in India. The Company expects pressures on pricing and mix in a more competitive business environment in the current year. Continued focus will be on cost controls and productivity improvements to maintain our market leadership position.

Dividend

I have the pleasure in informing you that, your Directors were unanimous in recommending dividend of 140% (Rs.2.80 per share of Rs.2 each) for the financial year 2010-11 against 120%



(Rs.2.40 per share of Rs.2 each) in the previous year and I hope that you all are happy with this announcement.

HR Policies

The Company has introduced several new employee welfare measures besides enhancing the monetary ceiling under select existing schemes. The Industrial Relations in the Company have been cordial and harmonious, fostering a healthy work environment.

Training and Development

The Company places high importance on the potentialities of human capital and hence has designed a progressive system of training and development. It emphasizes on developing individual potential of employees and harnessing their skills on continuous basis to meet the requirement of rapidly growing and complex business models. Investment in employees training and development has enabled the Company to improve the preparedness of the employees to handle new challenges. During the year, 2010-11, 28 programmes were conducted by the Training Centre, which were attended by 1,209 participants.

Awards & Accolades

During the year, the Company received 14 national and international Awards, including prestigious Cannes 2010 Silver Lion Award for advertisement, brand leadership and continuous innovation and Readers' Digest Gold Award for the "Most Trusted Brand" in the Lighting Category.

Corporate Social Responsibility (CSR)

As a part of its corporate social responsibility, the Bajaj Group including your company continues to play a meaningful role in wide number of areas relating to education, rural development, and social upliftment.

Your Company, as a socially responsible corporate citizen, has been closely associated and working with "Paryavaran Mitra - Friends of Environment" an NGO actively involved in numerous initiatives of environment protection. It has also determined to make its employees, their extended families and other channel partners to give up the habit of tobacco consumption in any form.

I take this opportunity to thank all my colleagues on the Board for their valuable support and guidance. I thank all our shareholders for the confidence and faith they have reposed in us. I thank all our customers, business partners, vendors and other business associates for their continued co-operation and support. I also place on record my appreciation of the dedicated and committed efforts put in by Team Bajaj for taking this organization to greater heights of achievement and glory."

Thereafter, the Chairman moved the following Resolution for adoption of Accounts :



RESOLUTION NO.1: ORDINARY RESOLUTION

"RESOLVED that the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011 and the Directors' Report and Auditors' Report thereon be and are hereby approved and adopted."

The Chairman then invited comments on the Report and Annual Accounts of the Company:

Mr.R.V.Chari, Mr.A.F.Lala, Mrs.Shobana Mehta, Mrs.Homa Pourdehi, Mr.Kirti Shah and Mr.Aspi Bhesania, the shareholders of the Company, praised the management for the splendid performance during the financial year 2010-11 and for recommending dividend at 140%. The Shareholders also complimented the Company for the contents of the Annual Report and the various awards that it won for its advertisements.

Thereafter, Chairman thanked the shareholders for their compliments and replied to their queries as under:-

1. The Company, being a socially responsible citizen, continues to support and closely associate 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.

The Company had appealed its tobacco consuming employees to give up their bad habit for the sake of their own and the society's health, which appeal received overwhelming responses from the employees, as out of 153 employees consuming tobacco in various forms, 130 employees have been successful in quitting their habit for good. The Company is providing medical and other support to others, who are still not able to give up their habit but are keen in doing so. Also, in order to become 100% tobacco free, the Company has taken a conscious decision not to employ new people with habit of consuming tobacco in any form.

Fortunately, the Company does not have any employee who is addicted to drugs and therefore has not really taken any steps in that direction. However, it is aware that the drug addiction is indeed a major social problem, not just for the substantial minority of illicit drug users but also considering its impact on the nation at large, especially on the youth. The Company would definitely consider directing its efforts to fight against this envious poison routing in our society.

2. The Company is one of the leading private sector employers in India with the total employee strength of over 1,300 employees.
3. The Market Capitalisation of the Company at the end of Financial Year 2010-11 was Rs. 2418.73 Crore. In financial year 2013-14, the Company will step into its 75th year of incorporation and the Management of the Company is all set and focused to celebrate this historical event with its stakeholders with a higher market capitalisation of over Rs.5000 crore.



4. M/s.Aneja Associates, Chartered Accountants, are the internal auditors of the Company. As the internal auditors of the Company, they have been adding value by improving systems and procedures.
5. The Annual Capital Expenditure of the Company for the financial year 2010-11 was Rs.63.19 crores as compared to Rs.17.07 crore for the financial year 2009-10. The Company has budgeted for capital expenditure of Rs.59.58 crore for the financial year 2011-12.
6. For Financial year 2010-11, turnover of the Company i.e. Net sales/ income from operations grew by 23% to Rs.2741 crore as compared to Rs.2229 crore for financial year 2009-10.
7. The Company will consider giving important contact details including website address on the first page and key financial highlights for last 10 years on the second page of the Annual Report.
8. The Company has a good reserves position, which the management is leveraging to reduce debts. The Company will consider issue of Bonus shares at an appropriate time.
9. The printing cost of the Annual Report is Rs.29.80 per copy.
10. The soft copy of the Annual Report in pdf form can be emailed to the shareholders who would like to opt out of the hard bound paper format in the larger interest of the environment protection and to support the green initiatives undertaken by the Ministry of Corporate Affairs.
11. The management would consider shareholders' request to arrange for the shareholders' factory visit at an appropriate time.
12. The Company has stopped issuing Discount coupons to the shareholders for last three years. However, the management will reconsider its decision and if thought fit, will issue the discount coupons to the shareholders.

Mr.A.F.Lala seconded the Resolution.

The Chairman put the resolution to vote on a show of hands and declared the same as carried unanimously.

RESOLUTION NO.2 : ORDINARY RESOLUTION

Declaration of Dividend on Equity Shares:

"RESOLVED that dividend @ 140% (Rs.2.80 per share) on 99,572,475 Equity Shares of Rs.2/- each as recommended by the Board of Directors be and is hereby declared and paid on the said Equity Shares to all those Shareholders whose names appear in the Register of Members as on 28th July, 2011 and to those whose names are furnished by NSDL & CDSL, as beneficial owners, for the year ended 31st March, 2011."

Proposed by : Mr.R.V.Chari
Seconded by : Mr.Mahesh G.Jain



The Chairman put the resolution to vote on a show of hands and declared the same as carried unanimously.

RESOLUTION NO.3 : ORDINARY RESOLUTION

Re-appointment of Director retiring by rotation - Shri H.V.Goenka

"RESOLVED that Shri H.V.Goenka, who retires by rotation as Director, be and is hereby re-appointed as a Director of the Company."

Proposed by : Mrs.Shobhana Mehta
Seconded by : Mr.Kirti Shah

The Chairman put the resolution to vote on a show of hands and declared the same as carried unanimously.

RESOLUTION NO.4 : ORDINARY RESOLUTION

Re-appointment of Director retiring by rotation - Shri V.B.Haribhakti

"RESOLVED that Shri V.B.Haribhakti, who retires by rotation as Director, be and is hereby re-appointed as a Director of the Company."

Proposed by : Mr.Aspi Bhesania
Seconded by : Mr.A.F.Lala

The Chairman put the resolution to vote on a show of hands and declared the same as carried unanimously.

RESOLUTION NO.5 : ORDINARY RESOLUTION

Re-appointment of Auditors - M/s.Dalal & Shah, Chartered Accountants

"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."

Proposed by : Mrs.Homa Pouredahi
Seconded by : Mrs.Shakuntaladevi K.Mahajan

The Chairman put the resolution to vote on a show of hands and declared the same as carried unanimously.



RESOLUTION NO.6 : ORDINARY RESOLUTION

Payment Commission/Remuneration to Non-Executive Directors

"RESOLVED that pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, provisions of the Listing Agreement with the Stock Exchanges, and subject to such approvals as may be necessary, a sum not exceeding 1% of the net profits of the Company per annum, computed in the manner prescribed in Section 309(5) of the Companies Act, 1956, for each of the five financial years commencing from 1st April, 2011, be paid and distributed amongst the Non-Executive Directors of the Company or some or any of them, in such amounts or proportions and in such manner as may be decided by the Board of Directors."

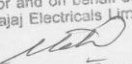
Proposed by : Mrs.Shobana Mehta
Seconded by : Mrs.Homa Pouredehi

The Chairman put the resolution to vote on a show of hands and declared the same as carried unanimously.

There being no other business, the Chairman declared the proceedings to be closed.

The meeting ended with a vote of thanks proposed by Mrs.Shobana Mehta to the Chair.

Date : 8th August, 2011
Place : Mumbai

For and on behalf of
Bajaj Electricals Limited

Company Secretary

CHAIRMAN

