



Bajaj Electricals Limited

Inspiring Trust

PRESS RELEASE

December 9, 2021

BAJAJ ELECTRICALS' BOARD APPROVES REVIEW OF ITS CORPORATE STRUCTURE TO UNLOCK GROWTH AND VALUE CREATION FOR ALL BUSINESS SEGMENTS

Bajaj Electricals Limited ("the Company") is currently engaged in (i) Consumer Product segment ('CP') (which includes appliances, fan and consumer lighting products) and (ii) Engineering Procurement and Construction segment ('EPC') (which includes Power Transmission and Power Distribution and Illumination Projects). Considering the varied nature and potential opportunities of each of the business segments and the need for a focused approach to unlock these opportunities, the Board of Directors of the Company has decided that the Company should undertake a comprehensive review of the existing corporate structure. This will encompass an evaluation of full range of options and alternatives (including demerger(s), subsidarisation(s), strategic partnerships etc.).

Accordingly, the Board of Directors has authorised the BEL Management to evaluate and recommend such options and alternatives, and subject to such detailed evaluation, consider housing the Power Transmission and Power Distribution business verticals as a standalone / independent legal entity.

The strategic objectives outlined by the Board of Directors for undertaking such an exercise are as follows:

- Streamlining of the Business Structure to enhance market positions and deliver long term growth
- Attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities
- Tailored capital structure and capital allocation policies based on business-specific dynamics
- Sharper, well defined corporate positioning coupled with value unlocking for all stakeholders
- Distinct investment profiles to attract deeper and broader investor bases
- Accelerating sustainability initiatives and expediting ESG practices

The Company intends to appoint various advisors / consultants to assist the Board in evaluating the options. It is anticipated that the Board and advisors will complete their evaluation and consider the way forward as soon as practically possible.

Appropriate announcements and public disclosures in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations and other applicable laws will be made as and when required.

Mr. Shekhar Bajaj, Chairman & Managing Director, said *"Over the past couple of years, the Power Transmission and Power Distribution business verticals, have sharpened their operational focus, ensuring project closures, increased cash flows, reduction in receivables and repayment of most of the debt, whilst simultaneously focusing on health and safety and ESG in general. We believe the time is now ripe to build further on this and review our structures to enable unconstrained business growth for each business segment. We will continue to leverage our legacy and our strengths in our people, project management, operations and manufacturing, to better serve our customers and all stakeholders."*

Mr. Anuj Poddar, Executive Director, commented, *"This is yet another critical step as part of the transformation journey of Bajaj Electricals Limited that we have been on. This will allow us to create independent, industry leading and competitive entities— each of them with sharp organisational focus, appropriate capital allocation and required agility to drive long-term value creation for customers, employees and investors. I am confident that this will help each of the business segments to bootstrap and unleash growth in an unconstrained manner."*

About Bajaj Electricals Limited:

Bajaj Electricals Limited, (BEL), a globally renowned and trusted company, with a turnover of ₹4,585 crores (FY 20-21), is a part of India's leading business conglomerate "Bajaj Group". With a business portfolio that spans across Consumer Products (appliances, fans, lighting) and EPC (illumination, power transmission and power distribution), BEL also has a strong presence in premium home appliance and cookware segments with brands like Morphy Richards and Nirlap. BEL has an expansive network of 20+ branch offices, 550+ distributors and more than 200,000+ retail outlets across India, combined with over 500+

consumer care centres, fortifying its dominant presence in the consumer products sector. The EPC segment of BEL includes EHV transmission line projects, EHV substations, monopoles for transmission and distribution, electrification projects, high mast and street lighting, sports lighting, industrial and commercial lighting, specialised illumination projects on turnkey basis and other solutions. BEL has always lived up to its ethos of putting the consumer first and meeting its core brand value of "Inspiring Trust".

For more details, please visit: www.bajajelectricals.com/

Disclaimer

This press release contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “seeks”, “should”, or “will”. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The factors which may affect the results contemplated by the forward looking statements could include, among others, future changes or developments in (i) the Group’s business, (ii) the Group’s regulatory and competitive environment, and (iii) political, economic, legal and social conditions in India or the jurisdictions in which our Group operates. These uncertainties may cause our actual future results to be materially different that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.