

L-1/940/MGP

October 10, 2016

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001

: Code No. 500031

National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051

: Symbol. BAJAJELEC

Dear Sirs,

**Sub: Closure of GLS bulbs & Tube lights manufacturing unit located at Kosi, Mathura, U.P.**

**Ref.: Meeting of Board of Directors held on 10 October 2016**

**[Meeting commencement time – 03:00 p.m.; Meeting conclusion time - 05:10 p.m.]**

We have to inform you that the Board of Directors (“Board”) of the Company, at its meeting held today, has, inter-alia, reviewed the performance/operations of Company’s GLS bulbs and Tube lights manufacturing unit located at Kosi, Mathura, Uttar Pradesh (“Kosi Unit”/“Unit”).

The performance of the said Kosi Unit during FYs 2015-16 & 2014-15 is as under:

	<b>FY 2015-16</b>	<b>FY 2014-15</b>
Total Units of GLS manufactured	323.0 lakhs	230.4 lakhs
Total Units of FTL manufactured	52.9 lakhs	8.6 lakhs
Total Revenue	Rs.47.84 crore	Rs.24.31 crore
Total Revenue as % to total turnover	1.04%	0.57%
Net Income/(Loss)	(Rs.1.67 crore)	(Rs.1.10 crore)
Contribution to Net Worth	(Rs.1.09 crore)	(Rs.0.69 crore)
Contribution to Net Worth (as %)	(0.15%)	(0.10%)

This Unit originally belonged to a sick company registered with BIFR and was purchased by the Company in an open bid invited by IDBI Bank, the Operating Agency for BIFR, in the year 2012-13. The Company had put in substantial efforts to improve the operations, however, the same are not yielding the desired results and there is not even a remote chance of improvement therein on account of the following various factors:

1. Energy saving LED based lighting products having a very long life have gained popularity in a very short time and the prices of LED products gained major market share, resulting in demand for GLS bulbs coming down continuously;
2. GLS bulbs are being phased out;
3. Underutilization of manufacturing capacity across the industry, so is with Kosi Unit;

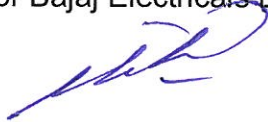


4. Higher cost of production of FTLs in comparison with competitors and the market of the same is also falling;
5. Non-availability of and difficulty in retention of skilled manpower because of losses made by Unit;
6. Implementation of E-Waste (Management) Rules, 2016, requires technology up-gradation and calls for major investment in order to comply with stricter norms.

In consideration of above, the Board has decided to close the unit with effect from 13 October, 2016.

Thanking you,

Yours faithfully,  
For Bajaj Electricals Limited



Mangesh Patil  
EVP – Legal & Taxation and Company Secretary

