Anant Khamankar
B.Com. LL.B. F.C.S.

ANANT B KHAMANKAR & CO.
COMPANY SECRETARIES
HANDHOLDING ENTREPRENEURS. WORLDWIDE.
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FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 & RULE 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

To,
The Members,
Bajaj Electricals Limited
45/47, Veer Nariman Road,
Mumbai – 400001,
Maharashtra, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bajaj Electricals Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted / proposed to delist its equity shares from any stock exchange during the financial year under review;

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable as the Company has not bought back / proposed to buy back its securities during the financial year under review;and

   i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

OTHER APPLICABLE LAWS:

i. The Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder;

ii. Boilers Act, 1923 & Rules made thereunder;

iii. Environment Protection Act,1986;

iv. The Water (Prevention & Control of Pollution) Act, 1974 read with water (Prevention & Control of Pollution) Rules, 2011;

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v. The Legal Metrology Act, 2009 read with the Legal Metrology (Packaged Commodity) Rules, 2011;

vi. The Copyright Act, 1957;

vii. The Patents Act, 1970;

viii. The Trade Marks Act, 1999;

ix. The Contract Labour (Regulations and Abolition) Act, 1970 & its Central Rules / concerned State Rules;

x. Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Rules/ Scheme thereunder;

xi. Employers Liability Act, 1938;

xii. The Equal Remuneration Act, 1976;

xiii. Employees State Insurance Act, 1948 and Rules made thereunder;

xiv. The Minimum Wages Act, 1948 & its Central Rules / concerned State Rules/ Notification of Minimum Wages applicable to various class of industries /Trade;

xv. The Payment of Wages Act, 1936 & its Central Rules / concerned State Rules, if any;

xvi. The Payment of Bonus Act, 1965 & its Central Rules / concerned State Rules, if any;

xvii. The Payment of Gratuity Act, 1972 & its Central Rules / concerned State Rules, if any;

xviii. The Maternity Benefit Act, 1961 & its Rules;

xix. The Industrial Employment (Standing Orders) Act, 1946 & its Rules;

xx. The Apprentices Act, 1961 & its Rules;

xxi. The Workmen's Compensation Act, 1923;

xxii. The Industrial Disputes Act, 1947;

xxiii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

xxiv. The Information Technology Act, 2000;

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xxv. The Competition Act, 2002;

xxvi. The Goods and Services Tax, 2017;

xxvii. The Customs Act, 1962;

xxviii. The Income Tax Act, 1961 and

xxix. The Central Excise Act, 1944.

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes book, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. The Company during the financial year 2019-2020 has allotted 80,150 (Eighty Thousand One Hundred and Fifty) equity shares of ₹ 2 each fully paid up, on the following dates, to the employees of the Company on their exercise of stock options granted to them under the Company's ESOP Schemes and vested in their favour:

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a) On June 11, 2019 – 36,350 equity shares;
b) On September 17, 2019 – 20,500 equity shares;
c) On December 2, 2019 – 12,675 equity shares;
d) On January 23, 2020 – 10,625 equity shares;

2. The Board of Directors of the Company in its meeting held on August 7, 2019 have given their approval to borrow funds by way of short term loans/ inter corporate deposits from the promoter group which includes Jamnalal Sons Private Limited, Bachhraj & Co. Private Limited, Bachhraj & Factories Private Limited and Bachhraj Sevashram Private Limited upto a limit of Rs. 500 Crore (Rupees Five Hundred Crore Only) for a period of 6 months at the rate of 12% interest per annum.

3. A Corporate guarantee of Rs. 25 Crore (Rupees Twenty-Five Crore Only) has been issued in favour of Tata Capital Financial Services Limited on behalf of Starlite Lighting Limited, a joint venture of the Company. The said guarantee has been given for availing bill discounting facility from Tata Capital Financial Services Limited. The same was approved by the Board of Directors in its meeting held on November 6, 2019.

4. The Board of Directors of the Company in its meeting held on January 6, 2020 constituted Rights Issue Committee for issue of equity shares by way of fast track rights issue. The Rights Issue Committee in its meeting held on March 13, 2020 have allotted 1,12,87,956 (One Crore Twelve Lakhs Eighty-Seven Thousand Nine Hundred and Fifty Six) Equity shares of Rs. 2/- (Rupees Two Only) each at Rs. 310/- (Rupees Three Hundred and Ten Only) per equity share including premium of Rs. 308/- (Rupees Three Hundred and Eight Only) per share on rights basis.

FOR ANANT B KHAMANKAR & CO.

ANANT B. KHAMANKAR & CO. F.C.S. 3198 C.P. No.1860 COMPANY SECRETARIES

ANANT KHAMANKAR
FCS No. – 3198
CP No. – 1860

UDIN: F003198B000336278

DATE : 11TH JUNE, 2020
PLACE : MUMBAI

Annexure to Secretarial Auditors' Report

To,
The Members,
Bajaj Electricals Limited
45/47, Veer Nariman Road,
Mumbai – 400 001.

Our Secretarial Audit Report for the Financial Year ended March 31, 2020, of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to the secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

FOR ANANT B KHAMANKAR & CO.

ANANT B. KHAMANKAR & CO. F.C.S. 3198 C.P. No.1860 COMPANY SECRETARIES

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FCS No. – 3198
CP No. – 1860

DATE : 11TH JUNE, 2020
PLACE : MUMBAI