

29<sup>th</sup> Annual Report 2021-22

BAJAJ HEALTHCARE LIMITED



**Delivering Solutions.  
Building a Sustainable  
Tomorrow.**



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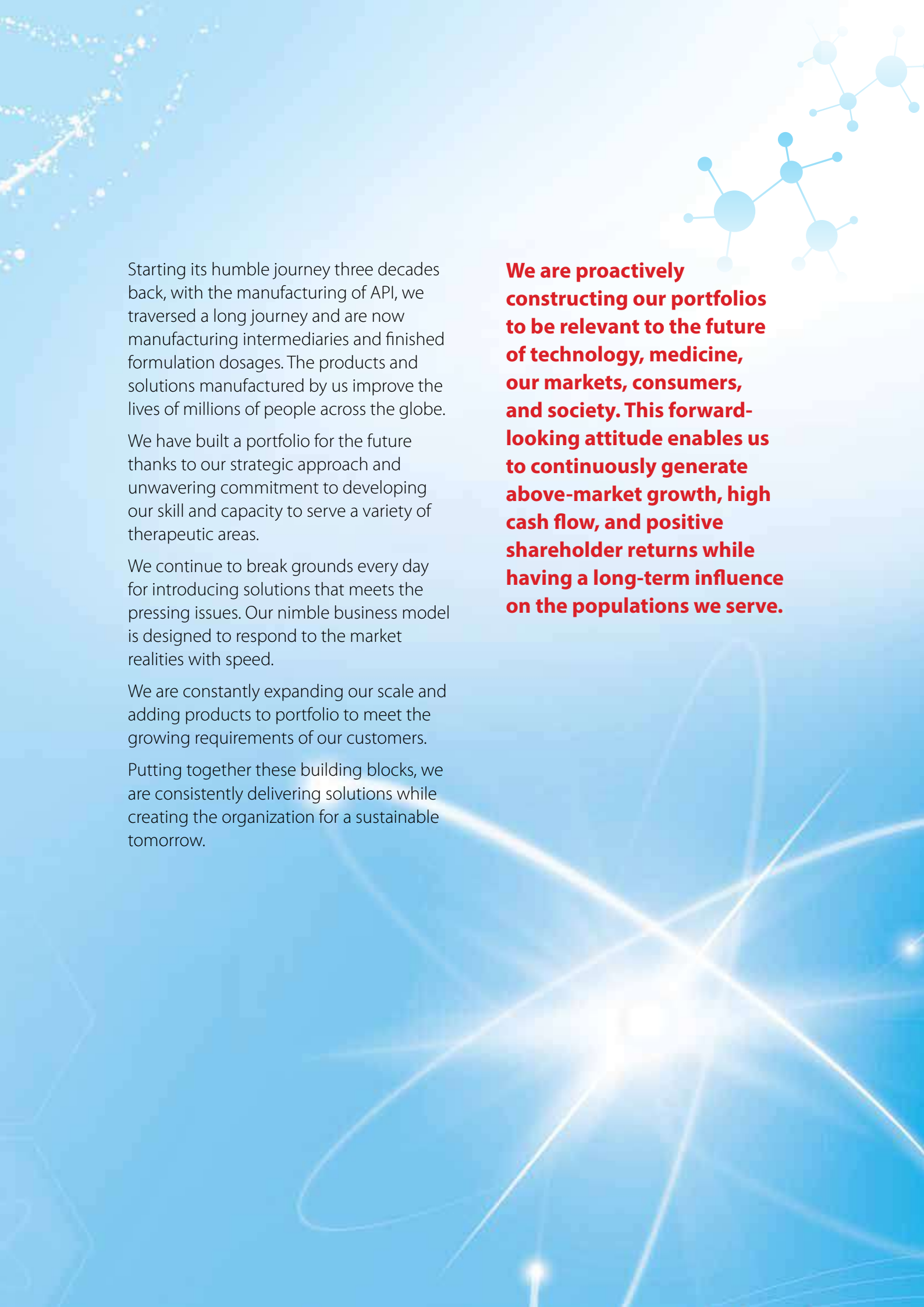
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### Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.



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please visit [www.bajajhealth.com](http://www.bajajhealth.com)



Starting its humble journey three decades back, with the manufacturing of API, we traversed a long journey and are now manufacturing intermediaries and finished formulation dosages. The products and solutions manufactured by us improve the lives of millions of people across the globe.

We have built a portfolio for the future thanks to our strategic approach and unwavering commitment to developing our skill and capacity to serve a variety of therapeutic areas.

We continue to break grounds every day for introducing solutions that meets the pressing issues. Our nimble business model is designed to respond to the market realities with speed.

We are constantly expanding our scale and adding products to portfolio to meet the growing requirements of our customers.

Putting together these building blocks, we are consistently delivering solutions while creating the organization for a sustainable tomorrow.

**We are proactively constructing our portfolios to be relevant to the future of technology, medicine, our markets, consumers, and society. This forward-looking attitude enables us to continuously generate above-market growth, high cash flow, and positive shareholder returns while having a long-term influence on the populations we serve.**

## Our Story in Numbers

### LEGACY

Nearly **3** decades of  
manufacturing expertise

### REPUTATION

**LARGEST**

World's largest manufacturer of  
Chlorhexidine base

**LARGEST**

India's largest manufacturer of  
Ascorbic Acids

**Crisil BBB+**

Long-term debt rating

**CRISIL A3+**

Short-term credit rating

### PRODUCTION CAPACITY

**9**

Manufacturing units

**94**

MT per month  
Intermediates

**200+**

Finished dosage formulations  
manufacturing approval

**730**

MT per month API  
manufacturing  
capacity

**92**

million pieces per month  
Formulations

**100+**

Products manufactured across  
the three product categories  
i.e. API, Intermediates and  
Formulations

### FOOTPRINT

**60+**

Number of countries  
where BHL has product  
presence

**575+**

Client portfolio

### HUMAN CAPITAL

**1,600+**

Dedicated workforce



# Making a difference to the lives of million

**Over the last three decades of existence, Bajaj Healthcare Limited (“BHL”) has emerged as one of India’s fast growing pharmaceutical. With its razor-sharp focus on quality, the Company has emerged as one of the preferred partners for its customers across the globe.**

Our six state-of-the-art API, one formulation and two intermediates’ units meet the persistent needs of our customers both in the advanced as well as emerging markets. Further, we have earned the trust of our customers owing to our pervasive product portfolio and cost competitiveness. With a strong research and development team at the core, the Company has been innovating consistently in line with the growing requirements of its customers.



## VISION

- Our vision is to be a leading pharmaceutical company in India and to become a significant global player by providing high-quality and affordable products.
- Commitment to continuous improvement and innovation.
- To develop an environment friendly system.
- Contributing towards better healthcare through innovation.
- To reach ₹15,000 million of revenue by 2025 and export outreach to cross 100+ countries.



## MISSION

- Innovation and excellence with customer satisfaction. Our mission at BHL is to become a global leader in manufacturing of APIs and Pharmaceuticals with high standards of quality and technical services.
- Our mission is to provide cost-effective products with reliable quality and delivery within a short span of time.
- To achieve excellence in our products and services and to build long term relationships with our customers.

## This is how we created value in FY22

**₹6,799 million**  
Revenue from operations

**₹1,185 million**  
EBITDA

**17.43**  
EBITDA Margin (%)

**₹897 million**  
Profit before tax (PBT)

**₹714 million**  
Profit after tax (PAT)

**10.48**  
PAT Margin (%)

## Our core strengths



### Established market positioning

With close to three decades of experience of our promoters in the bulk drugs industry, the Company has a longstanding relationship with customers and suppliers.



### Presence

Our growing presence in 60+ countries reflects the growing trust of our customers and speaks volumes about our quality and delivery commitments



### Growing through acquisitions

The company has acquired 3 API manufacturing units, 1 engineering unit at MIDC Tarapur Maharashtra and an industrial plot at Dahej, Gujarat from the financial institution under the SARFAESI Act, 2002, in October 2020. These additional capacities along with higher demand and realizations for the existing key products are expected to support revenue growth and profitability over the medium term.



### Quality

With multiple quality certifications across our manufacturing plants including ISO 9001:2015, HACCP certification, Star-Kosher and OK Kosher certification, GMP certification, Halal Certificate, FSSAI License, FSSC 22000 among others, we ensure utmost care in manufacturing our products.



### Research and development

Our DSIR accredited research and development unit focuses on new product development, enhancing product quality and driving process efficiency. The team continuously monitors products going off-patent and focuses on developing them internally.



### Solid fundamentals

Despite the debt funded growth, the Company has been able to maintain robust financial position owing to accruals and robust debt repayment. With an interest coverage of 9.44 times and debt-equity of 0.78 times, the Company is positioned attractively.

## Expanding product portfolio

Across the years, the Company has made investments in capacities and undertook acquisitions to transform itself into a specialty company, focused on development, manufacturing and supply of active pharmaceutical ingredients (APIs), intermediates, and finished dosage formulations.

### Active pharmaceutical ingredients (APIs)

We focus on efficiently manufacturing high-quality and high value APIs in key therapeutic categories.

### Intermediates

We focus on manufacturing intermediates which form a key input component for its API and FDF manufacturing, thereby ensuring a steady demand for our products.

### Finished dosage formulations (FDFs)

We focus on manufacturing tablets, capsules and powders which find application in key therapeutic segments.

## Product categories

### APIs

Ascorbic Acid, CH Base and its Derivatives, Citicoline Sodium, Carbamazepine, Theobromine, Ferrous Ascorbate, Doxofylline, Oxcarbazepine, Choline Bitartrate and its derivatives, Octenidine Dihydrochloride, Vildagliptin, Ticagrelor, Diosmin, Hesperidin etc.

### FDFs

Cellin 500, Septran DS Tablet, Vitajaj C tables 500mg, Ticajaj 90 tablets, Ecojaj 75mg & 150mg, Deferajaj 400mg & 500mg, Vildajaj 50mg, Vildajaj M 50/500 etc.

### New launches

Inositol Nicotinate & Magnesium L-Threonate

### New APIs from acquired units

Artemether

Lumefantrine

Nimesulide

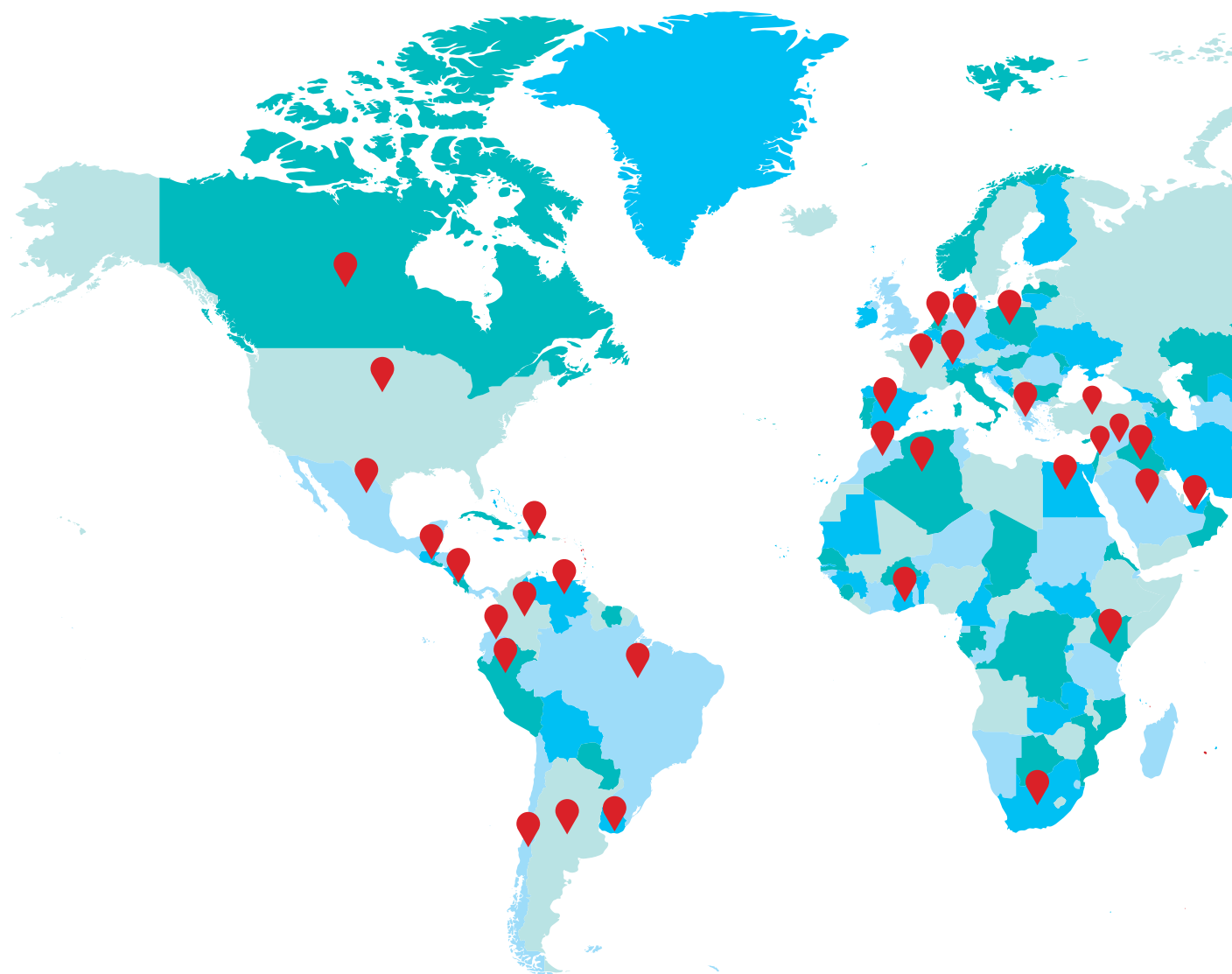
Albendazole



## Our Presence

# Reaching key markets globally

We are continuously expanding our footprint across the globe to meet the growing demand of our customers on one hand and de-risk from geographic concentration on the other hand.



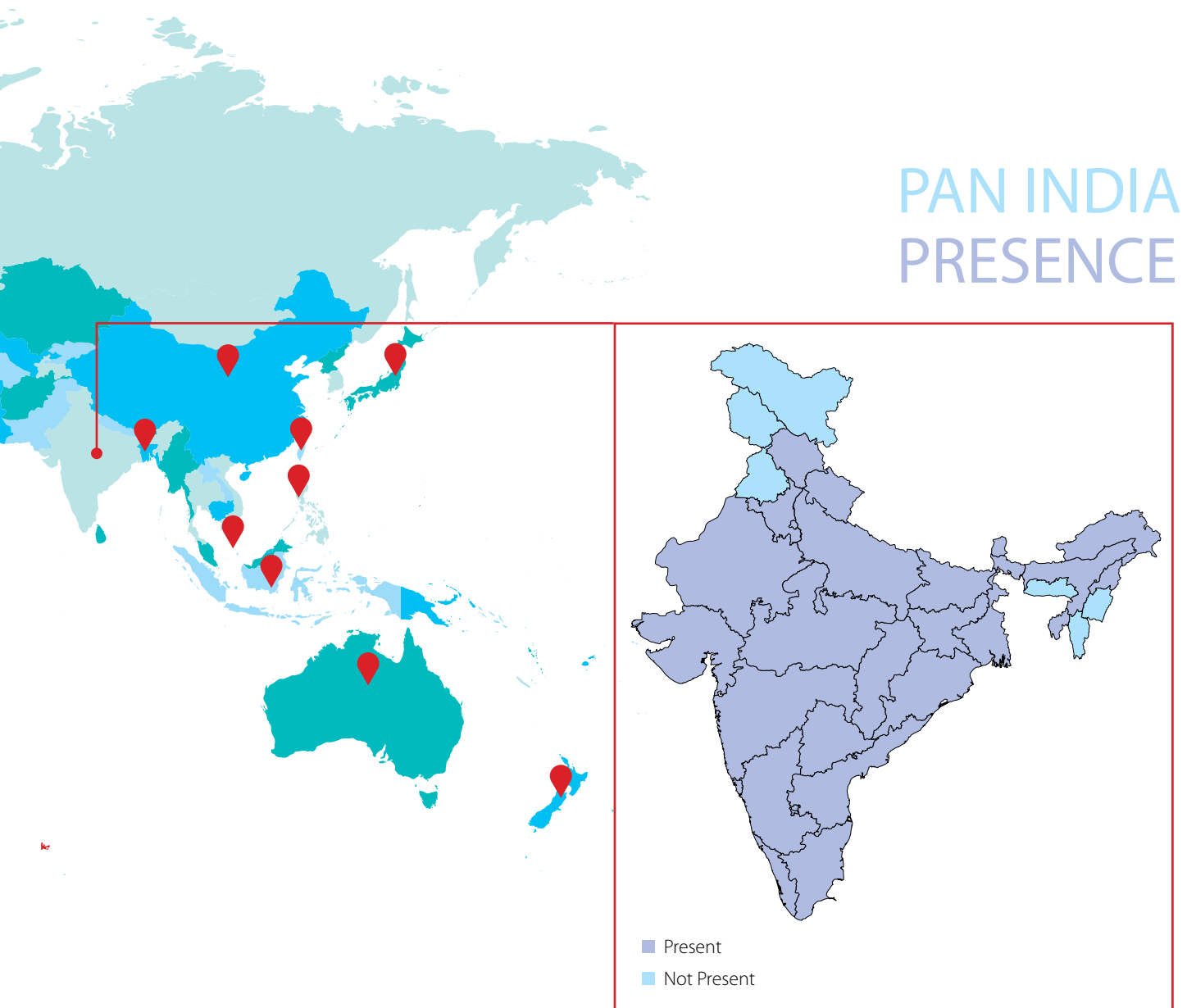
## Countries of presence

- South Africa
- United States
- Germany
- China
- Mexico
- Australia
- New Zealand
- Algeria
- Costa Rica
- Jordan
- Spain
- Canada
- Turkey
- Morocco
- France
- Japan
- Colombia
- Malaysia
- United Arab Emirates
- Egypt
- Taiwan R.O.C
- Argentina
- Indonesia
- El Salvador
- Saudi Arabia
- Belgium
- Ecuador
- Dominican Republic
- Brazil
- Kenya
- Netherlands
- Guatemala
- Chile
- Ghana
- Singapore
- Peru
- Bangladesh
- Uruguay
- Poland
- Greece
- Switzerland



## Focusing on the international markets that matter

Globally, there is a growing demand for generic and improved products for several reasons. At BHL, while India continues to be a major market where we have a solid presence, we are also deepening and exploring growth potential in key international markets. Our presence in these markets provides us opportunity to tap domestic demand as well as cater to the export opportunity.



## Our Journey of Excellence

**We embarked on our journey of excellence, with big aspirations and small steps.**

We gradually strengthened our balance sheet and established a robust business model, which allowed us to climb the ladder of success. Over the last three decades, we have learned and grown to emerge as one of India's leading integrated pharmaceutical manufacturing companies with a growing global presence.

▼ **1993**

BHL started its journey with the commencement of its first API manufacturing unit at Tarapur

**Humble Beginning**

▼ **2006**

Strengthened our manufacturing capabilities with the acquisition of an API manufacturing unit at Savli, Gujarat

▼ **2008**

Strengthened our portfolio with the commencement of formulation operations at its Manjusar plant, Gujarat

▼ **2014**

- Expanded portfolio with the acquisition of intermediates manufacturing facility at Boisar, Maharashtra.
- Strengthened our API manufacturing capabilities with the acquisition of another API manufacturing unit at Panoli, Gujarat

▼ **2016**

Grew our reputation by getting listed on the stock exchange on BSE-SME platform

▼ **2019**

Further bolstered our reputation by migrating from BSE-SME Platform to BSE main board

**Strengthening our position in the domestic and international markets**

▲ **2022**

- Got listed on NSE.
- Commenced commercial production at our N-92 and T-30 units at MIDC, Tarapur, Maharashtra (acquired under SARFAESI Act, 2002)

**Positioning ourselves to drive growth**

▲ **2021**

Continued to build on our manufacturing capabilities by acquiring 3 API manufacturing units, 1 engineering unit at MIDC Tarapur Maharashtra and an industrial plot at Dahej, Gujarat from the financial institution under the SARFAESI Act, 2002

▲ **2020**

Grew our presence in the intermediate segment through the acquisition of 1 Manufacturing facilities of Vet Pharma Limited at MIDC, Tarapur, Maharashtra

## Values that drive us



### Commit to Deliver

We are all-in, fully committing to our business strategies, decisions, results and empowering our people, while acting with integrity and stepping up to challenges without waiting to be asked



### Grow Together

We operate as one diverse team, with an open mind and positive intent, to set each other up for success and achieve common goals across the matrix



### Drive operational excellence

Strengthening our research focused culture and optimal resource use while enhancing efficiency and making smart technological investments



### Commit to Excellence

We have the highest standards, value learning and are committed to be the best at what we do



### Grow our business

Committing to core business segments while investing in R&D, growth opportunities, and ongoing customer relationships



### Enhance trust

Improving our understanding of the client requirements and proactively partnering with clients and communities, driving sustainability solutions, and meeting the changing needs of our clients



### Be Agile

We find a way to deliver on our commitments by moving quickly to address opportunities and are resilient to storms and setbacks



### Sustain our financial health

Reducing and managing our debt, growing EBITDA, maximising product value, optimising processes and strategically growing our core assets via targeted acquisitions



### Good Governance

We are disciplined in sharing information and knowledge, raising issues early, and creating the space for respectful debate where everyone is heard



# Our priorities for a sustainable tomorrow

## Immediate priorities

### Target

#### Stabilise the business

### Measures

#### Stabilise operations

- Build a portfolio that helps us grow along with the changing needs of our customers
- Stabilise the operations of our recently acquired business entities
- Delivering on short-term cash conservation targets and reducing debt burden by negotiating better rates with the banks
- Driving efficient and safe production practices, liquidity management and cost discipline
- Enhancing cash flows from our core and non-core business by enhancing our portfolio and driving value growth

## Mid-term priorities: 3 - 5 years focus

### Target

#### Build a sustainable future

### Measures

#### Build a resilient Company that is sustainably profitable

- Enhance our RoCE by reviewing our portfolio, focusing on cost optimisations, margin improvements, reduction in overheads and undertaking technological advancements
- Expand our global presence with a greater focus on product quality
- Enhance the proportion of FDFs to sustain growth and grow customer count
- Ensuring prudent balance sheet management through a disciplined capital allocation framework and prudent working capital management
- Strengthen stakeholder relationships through enhanced communication engagements
- Enhance product offtake by building dedicated market strategy and by enhancing our brand value
- Develop innovative sourcing strategy with a focus on optimising raw material cost



**Long-term priorities:  
5 - 10 years focus****Target****Shift in portfolio  
strategy****Measures****Drive sustainability through transformation**

- With a focus on R&D, we aim to deliver products and solutions of the highest quality to our customers and people around the globe
- Continue introducing improved and more effective APIs and formulation products
- Transform our revenue mix by optimising our portfolio with a greater focus on high value products
- Build cost efficiency by transforming our manufacturing practices with the adoption of latest technology
- Invest in green capabilities to reduce our carbon footprint



## Creating a foundation for sustainable growth

Our business environment is changing drastically. Due to the complexity of care and mounting financial strain on the healthcare system, we are facing new difficulties. At the same time, significant developments in the sector and the products going off-patent are creating new opportunities. We have created our strategic priorities to drive sustainable growth.

Our purpose of growing a safer and healthier future for everyone helps us to deliver sustainable value to all of our stakeholders. This mindset is inherent in our business model and how we operate. The positive impact that we make through our products and services has been at the core of our approach to sustainability for decades.

### Our strategies

Focus to launch 3-4 new products, through reverse engineering in APIs by FY2023.

#### We launched 6 new molecules in 2021-22 reinforcing our portfolio

To focus on increasing global footprints for APIs like, Vildagliptin, Sitagliptin, Deferasirox, Chlorhexidine Gluconate, Fosfomycin, Theobromine & Octenidine Hydrochloride.

To increase the share of formulation business by adding more Finished Dosage formulations (FDF) & increasing the number of customers.

Growing geographical foot print in international market from 60+ countries to 100 countries over the next few years

#### We have added more than 10+ new countries in our portfolio in the past three years

To set up a greenfield project on an industrial plot at Dahej, Gujarat to further fortify our manufacturing capabilities

Focus to strengthen the board, by appointing reputed corporate professionals

#### We inducted 7 new professionals in senior and middle management positions in 2021-22

To minimize concentration risk of raw material procurement through China

#### We are constantly developing alternative sourcing destinations as a de-risking strategy

To rationalize raw material inventory holding period, by implementation of effective inventory management policies





## Chairman's message

Manufacturing is one of our core focus areas and investment in fortifying our manufacturing capacity will enable us to continuously grow our portfolio and would enable us to evolve as a global name to reckon with.●●



### Dear Shareholders,

As I write this letter to you, I hope that the pandemic is finally getting over and everyone in your family is safe and healthy. With more than 63% of the world and close to 70% of the country's population fully vaccinated, we are positioned in a much more comfortable situation to face the further impact of the pandemic.

The year started with a challenging note with the emergence of a much deadlier variant, Delta wreaking havoc and causing tremendous loss of lives. There was further the challenge of the third wave driven by the Omicron, which was more contagious, however less lethal, and impacted for a very short duration. Though the restriction eased, there was localised restrictions owing to the onset of the newer variants impacting the pace of recovery.



### Economy in a recovery mode

After the de-growth of 2020-21, the economic resumption and a low base led to a much stronger growth. The favourable government policies, along with the accommodative stance of the RBI helped the country's economy come back on track. However, there were disruptions in the second half of the year owing to increasing crude and commodity prices leading to an inflationary environment. Further, the war between Russia and Ukraine towards the end of the year further aggravated the price of crude oil and other commodities. Growing cases of COVID-19 in China following that government's zero tolerance policy, supply chain was severely disrupted during the year. Notwithstanding these challenges, the Indian economy reported a growth of 8.7% and emerged as the fastest-growing economies in the world during the year under review.

The government introduced a production-linked incentive scheme, including for the pharmaceutical sector, to make India an alternative manufacturing destination and reduce demand for other exporting countries. We strongly believe that this will up a new growth phase for the country, going forward.

### Our performance

The external challenges during the year impacted our performance. Though we reported an increase in income from operation from ₹6,570 million in 2020-21 to ₹6,799 million, our EBITDA and PAT reported a decline by 13% and 14% respectively, owing to the increase on cost of raw materials, driving our operating cost.

In terms of operational performance, a number of things happened during the year:

The unit at Panoli, Bharuch, had an unfortunate incident of fire. However,

we have restored the unit and started commercial operations from May 11, 2022. The Panoli unit now has upgraded capacity of almost 2x of its previous installed capacity, not only in terms of the API but also its required intermediate as well. Equipped with the latest technology and increased efficiencies, the company will now also produce the intermediate required for the product at the Panoli plant itself, which was previously being sourced from a separate unit under BHL's management. Its capacities will be utilized for the production of Citicoline Sodium, having higher realizations. It helps in reducing memory loss due to aging, improves vision in people with glaucoma, and also helps with recovery in stroke patients.

During the fourth quarter of the year, we commenced the production of Magnesium L-Threonate, which is a nutritional supplement used in treatment of Alzheimer's disease, Attention disorder, Bipolar disorder, Parkinson's disease.

We are in process of commencing operations in our third unit acquired under the SARFAESI Act, 2002, located at Tarapur, for API manufacturing. Additionally, we would like to report that the Unit at Plot No N-92 & T-30, MIDC, Tarapur, Maharashtra which commenced operations in the month of September, 2021 and January, 2022 respectively, in FY 21-22, is now fully operational & stabilized; and has achieved a turnover of ₹96.52 million during FY 21-22.

We had supply problems in the third and fourth quarters of the year under review, similar to our competitors, as a result of production and supply chain disruptions in China, mostly caused by the Winter Olympics and subsequent waves of Covid-19. We took pre-emptive action and chose to keep higher levels of inventory

**The Panoli unit now has upgraded capacity of almost 2x of its previous installed capacity, not only in terms of the API but also its required intermediate as well.**

as a result of the return of COVID-related lockdowns in China in the final quarter of FY22. This was done to ensure effective, uninterrupted operations and the delivery of supplies to the plants.

We have improved continuity in the orders for supply of formulations to hospitals registered under Employee State Insurance Corporation (ESIC) on a PAN India basis. Thus, with the mobilization of additional production capabilities from the acquired units and increased orders from the ESIC hospitals, we expect to have a robust performance in the segment in the coming years.

As per our roadmap, the three plants acquired were supposed to be operational in the last year. Out of these 2 plants located at Tarapur commenced their operations in the month of September 21 & January 2022. A delay in receipt of relevant statutory approvals to commence production at these acquired plants also contributed to the accumulation of inventories. The third plant, also located at Tarapur, is expected to commence production by the end of Q4 FY23.

Despite the challenges, we continue to strengthen our exports presence during the year. Presently, we have a presence in more than 60+ international markets, contributing to 24.78% of the Company's total revenues.

### **Growing on our strategic priorities**

We are relentlessly working towards strengthening our market position. We are working on research and development and reverse engineering of off-patent molecules, growing geographical footprint, focus on high-yielding molecules and enhance the level of governance standards in the organisation. We are further envisaging the setup of a new manufacturing unit in Dahej to further accelerate our growth agenda.

We are also working on building a base for alternate suppliers for our key raw materials to reduce dependence on single location sourcing.

### **An enabling organisation for our people**

We must thank our people for their relentless dedication towards achieving the organisational goals despite the challenges. Their unwavering commitment has led us to achieve this performance. We are committed to create a work culture that fosters equality and diversity while providing them with ample growth opportunities to progress in their careers.

In a year when our people continued to adapt and stepped up to keep our business operational, our strong culture enabled us to be resilient, perform at our best and provided us with the opportunity to explore new ways of working together both internally and with our partners and customers.

### **Setting our agenda**

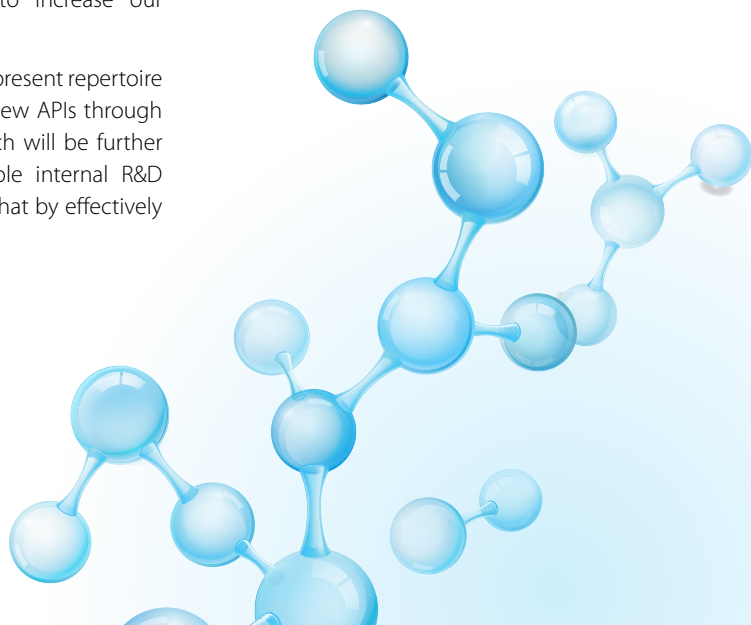
In FY 23, we expect the restoration of original conditions with the easing of supply from China and the full-scale commencement of the acquired assets. This will lead to normalizing of a longer working capital cycle through efficiency in cash management for FY23.

Backed by a strong In-house product registration team and normalization of conditions in the export registration departments, we plan to increase our exports.

We intend to expand our present repertoire by adding three to four new APIs through reverse engineering, which will be further supported by our capable internal R&D team. We are convinced that by effectively

# 24.78%

Despite the challenges, we continue to strengthen our exports presence during the year. Presently, we have a presence in more than 60 countries, contributing to 24.78% of the Company's total revenues.



managing and expanding our business with a responsible mix of debt and equity, we can achieve a healthy growth in our ROCEs. We are confident that our execution capabilities are in line with the business strategies, allowing us to surpass our projections for revenue and profits.

When it comes to Environmental Sustainability, we have continued to boost our commitment to reducing our dependence on fossil fuels and reduce our environmental impact. During the year, we undertook several key initiatives which would likely to help us reduce our carbon footprint. We have been continually upgrading our processes and, as such, we have continuously adopted new technologies to boost our yield and reduce our usage of natural resources. In the long-term, these forward-looking investments are expected to not only cut down on our operating costs but also deliver more sustainable products to our consumers.

Investment in the business over the last five years, which has seen us deliver on our strategy and generate significant value to our shareholders, has laid the foundation for growth in 2021-22 and beyond, as well as highlighting numerous new opportunities. To ensure we can take full advantage of these opportunities and remove constraints to growth, we undertook an in-depth review of our strategy and devised our investment plans to grow sustainably.

Manufacturing is one of our core focus areas and investment in fortifying our manufacturing capacity will enable us to continuously grow our portfolio and would enable us to evolve as a global name to reckon with. Our investments will also see

us increase our capacity for innovation and new product development, improve our infrastructure and enable us to meet the demands of a global business and enhance our digital platform and capabilities, improving our customers' experience.

Thoughtful partnerships and acquisitions can accelerate this trend and we are confident that these organic and inorganic investments will drive further growth and value for shareholders over the coming years.

### Creating a sustainable growth foundation

We strongly believe that our business model is aligned with the aim of creating sustainable value for all our stakeholders. We consider that keeping our financial engine well-oiled is pivotal for driving overall stakeholder prosperity. We are working towards strengthening our returns in a responsible manner. We ensure that we conduct our business in a most responsible and ethical manner. We are strengthening our team with the induction of professionals drawn from the industry towards this goal.

Today we stand at a juncture where have been successful in earning the trust of customers and stakeholders through the integrity of our promise, the quality of our products, and the insightful differentiation that delivers 100% value in every product we manufacture. We aim to retain the trust and transform our strategy for the future.

### Note to stakeholder

Today, we have an extensive product portfolio, a high-quality and research

focused approach, and flexible manufacturing facilities, all of which contribute to the good market positions we hold. We are now looking to build on this, with a focus on increasingly complex and specialised products, and capitalising on the growth opportunities that best benefit our customers and all our stakeholders. By executing on R&D, establishing strong partnerships, expanding our high-value portfolio and building our FDF business, we will further diversify and transform our business in order to achieve the next phase of growth.

Before I conclude, I must thank our business associates, suppliers, investors and customers for their relentless support. It is your support that helped us come this far. We strongly believe that an exciting future is on the way and together we are poised to create significant value for ourselves in the coming years.

Stay Safe. Stay Healthy.

**Mr. Sajankumar R. Bajaj**

Chairman & Managing Director

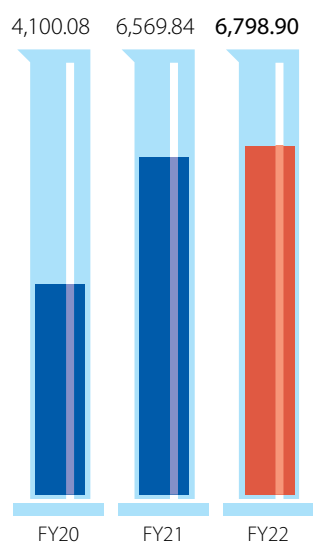
# Growing with confidence

Key performance highlights

## Profitability indicators

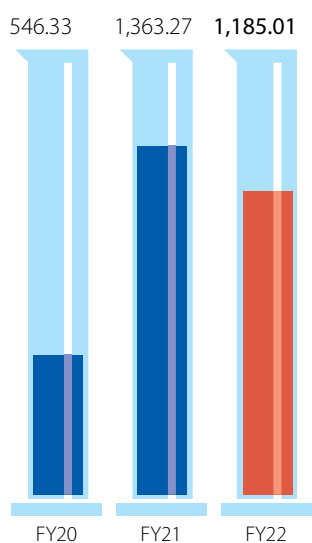
### Revenue from operations

(₹ in million)



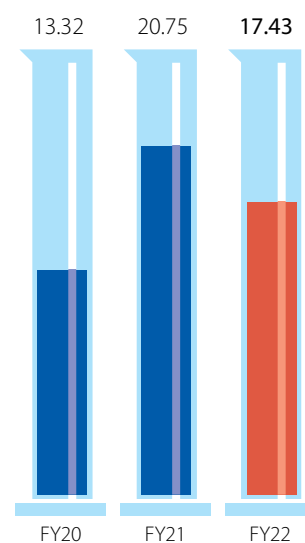
### EBITDA

(₹ in million)



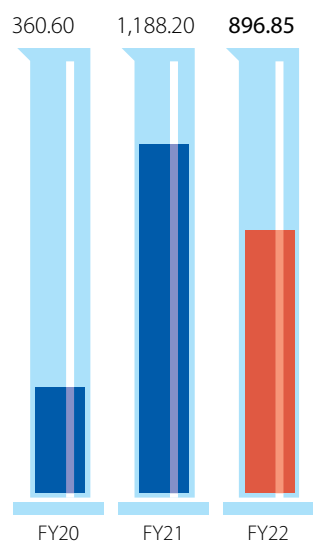
### EBITDA Margin

(in %)



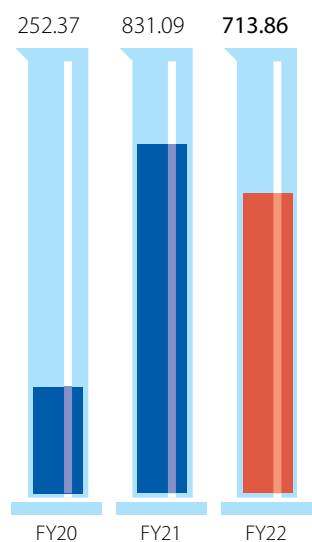
### PBT

(₹ in million)



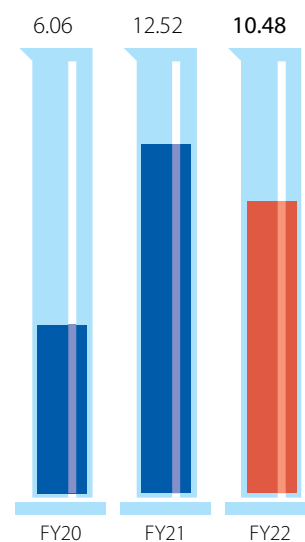
### PAT

(₹ in million)



### PAT Margin

(₹ in million)

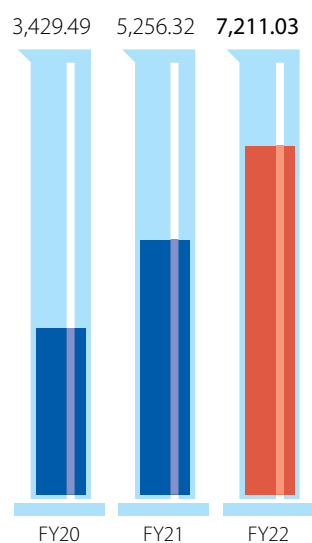




## Balance Sheet indicators

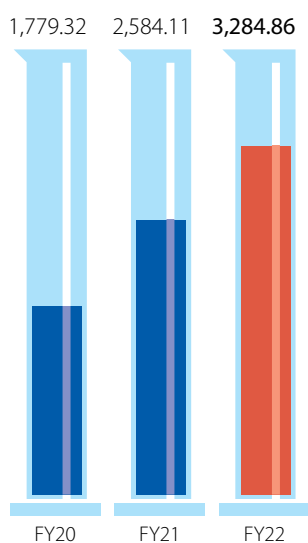
### Total assets

(₹ in million)



### Shareholder's fund

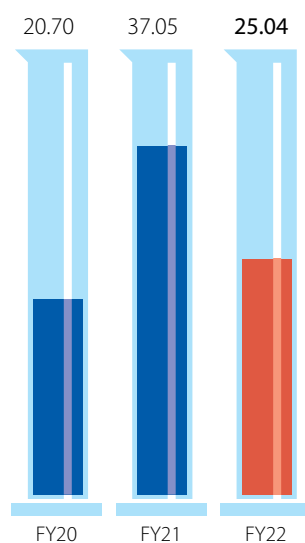
(₹ in million)



### Return on Capital Employed

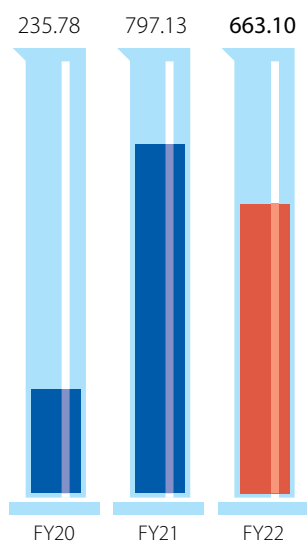
(in %)

times



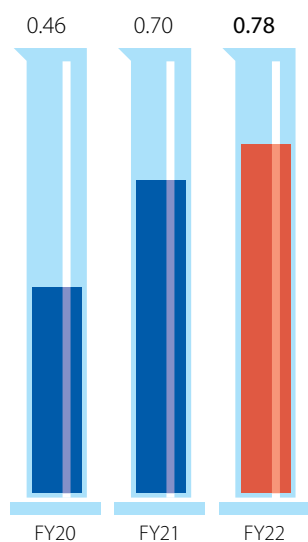
### Long-term borrowings

(₹ in million)



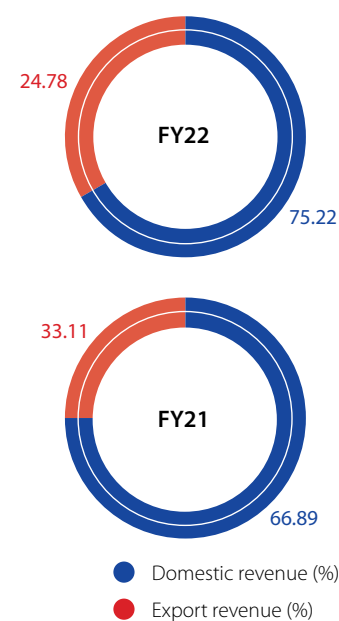
### Debt-equity ratio

(x)



### Domestic revenue, Export revenue

(%)



## Our business model

**Our diversified business model allows us to respond to the many opportunities and risks we face, while delivering value for our stakeholders**

Our business model is based on our long-term vision of providing high-quality and high value APIs, Intermediates and Finished Dosage Formulations (FDFs) across key therapeutic areas with the help of our skilled people. With customer-centricity at the core of our business, our operations are centered on our core values, which guide and enable us to leverage our pillars of growth in creating sustained value.

### Resources we deploy



### What we do



#### Financial

Investment in R&D, manufacturing facilities, partnerships and strategic acquisitions enables us to expand our product portfolio, technical and operational capabilities.



#### Intellectual capital and knowledge base

Our competitive edge is our research and innovation focus. We use our long-standing industry experience and capabilities across our product segments to create sustainable solutions and help bring better healthcare products within the reach of masses.



#### Relationships

Strong relationships with regulators and health authorities across all our markets, and successful collaborations with industry partners, enable us to achieve our growth objectives.



#### People

We have a highly skilled, diverse and effective workforce. Through continuous investment in the development of our people and by hiring new talent, we secure our future.



#### Natural resources

We focus on the judicious use of natural resources and adopting efficient practices and processes to minimise our carbon footprint.



#### Capabilities

We have extensive commercial, R&D, manufacturing and distribution capabilities across our product segments focused on quality and efficiency.



We conduct diverse operations across different product segments, they are aligned with our purpose – to make quality medicines accessible to the masses.

### Key enablers of our business process



#### Research & development

It helps us develop new products by taking input from clients. Further, quality enhancement of the existing product line is also done through R&D.



#### Quality management

It helps us ensure the desired product quality at input and output level.



#### Information Technology (IT)

It helps us accumulate and disseminate information in real-time across the organisation.



#### Human Resources

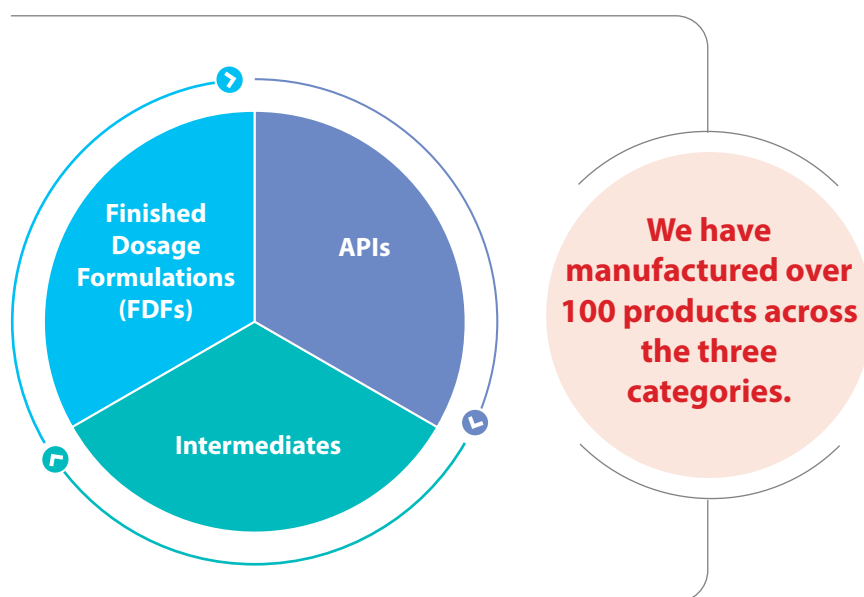
Utilising the expertise and experience of our people, we have collaborated as a team with a growth mindset to help us achieve our mission.



## Output



## Outcomes

**Economic**

**Revenue:** ₹6,798.90 million (18.36% CAGR growth over the last three years)

**EBIDTA:** ₹1,185.01 million (29.45% CAGR growth over the last three years)

**PAT:** ₹713.86 million (41.43% CAGR growth over the last three years)

**EPS:** ₹25.87 (41.42% CAGR growth over the last three years)

**Customers**

We focus on building a pipeline of products to meet the evolving needs of patients and healthcare professionals through investments in internal R&D, partnerships and strategic acquisitions.

**Social**

- Created direct and indirect employment
- Improved employee competence through regular training
- Enhanced customer loyalty and strengthened relationship
- Bolstered trust and reputation amongst our domestic and international clients

**Environmental**

- More efficient processes enable us to use fewer natural resources, reduce our carbon footprint and reuse natural resources.
- Greater use of technologies and improved processes enabled the production of customers' products with efficient use of raw materials and improved flexibility in the manufacturing process.

**Values we create****For patients**

We provide our customers across our markets with high-quality healthcare products at competitive price. We offer a broad and differentiated portfolio of products

**For stakeholders**

Achieve sustainable financial growth for delivering consistent, profitable and responsible growth for our investors

**For society and economy**

Enabling thousands of people, including our people, vendors, and business partners, to grow from the opportunities provided by growing with us

**For mother nature**

Emphasised on minimising our carbon footprint, offering quality employment opportunities and better health outcomes

## Our growth enablers



### Manufacturing

Our six API manufacturing units, two intermediates manufacturing and one FDFs manufacturing units reflects the scale of our operations. We continuously upgrade our technology and invest in cutting-edge equipment to stay ahead in the curve and remain competitive.

### Recent additions to our capacities

| Particulars   | APIs                | Intermediaries     | Formulations              |
|---|---------------------|--------------------|---------------------------|
| Existing capacity   | 615 MT/month        | 94 MT/month        | 92 mn pieces/month        |
| Additional Capacity: Manufacturing facilities acquired of Nutraplus India Ltd. under SARFAESI Act, 2002 | 111 MT/month        | -                  | -                         |
| Incremental capacity of the Panoli Plant, Bharuch after reopening                                       | 4 MT/month          | -                  | -                         |
| <b>Total</b>  | <b>730 MT/month</b> | <b>94 MT/month</b> | <b>92 mn pieces/month</b> |

Note: Incremental Capacity of Panoli Unit w.e.f. May 11, 2022.

**₹724.70 million**

Developmental capex spent in FY 2021-22

### Key highlights of 2021-22

We successfully reinstated commercial production of Citicoline Sodium, at our Panoli plant and are now ready to commence operations at almost 2x of its previous at installed capacities, not only in terms of the API but also its required intermediate as well. Equipped the plant with the latest technology to help enhance our efficiencies.

This will enable us to produce the Intermediate required for the product at the Panoli plant itself, which was previously being sourced from a different facility under BHL's management

During the year, the Company had acquired stressed assets, which comprised of three manufacturing units and one engineering unit at MIDC, Tarapur and having installed capacity of 111 MT per month. BHL has commenced commercial production at Tarapur, for Nimesulide API, used for relief from pain and prevention of fever. FDA Maharashtra (India), has granted permission to manufacture and sell the "Nimesulide API" in the domestic as well as overseas market.

During the year, BHL launched a Nutraceutical named Magnesium L-Threonate. This is a nutritional supplement used to normalize magnesium level in the body, helps to improve memory, muscle and nerve function and also aids in brain development by reversing the brain aging. Additionally, it is used to control, prevent and normalize the symptoms associated with Alzheimer's disease, attention disorder, bipolar disorder, and Parkinson's disease, among others.





## Quality

Bajaj Healthcare understands that consistent quality is key to maintain its recall among its customers. The Company has dedicated quality control units across plants to stringently monitor quality control parameters.

### Certifications and quality accreditations

#### API - Savli Unit, Gujarat

- ISO 9001:2015 certified for its management system for Manufacture and Supply of Bulk Drugs, Drug Intermediates, Fine Chemicals and Specialty Chemicals
- HACCP certification since 2012, issued by TUV NORD CERT GmbH, Germany, for manufacturing of various food products
- Star-Kosher and OK Kosher certification for exporting 34 products
- GMP certification issued by the state FDA for the manufacture of Bulk Drugs/APIs.
- Certificate from CDSCO for exporting products into European Union (EU) Countries
- Accredited with EU- GMP Certification from Croatia
- Certificate of Suitability (CEP) for the product- Chlorhexidine Gluconate 20% Solution from EDQM authority
- MFDS (KFDA) Certificate for the product- Theobromine
- Halal Certificate
- FSSAI License from FDA, Gujarat.
- FSSC 22000 from TUV NORD CERT GmbH, Germany
- WHO-GMP Certificate from FDA, Gujarat
- TFDA Certificate (Taiwan) for Chlorhexidine Digluconate Solution
- MFDS (KFDA) Certificate for product -Doxofylline

#### API – Tarapur unit, Maharashtra

- ISO 9001:2015 certified for the Manufacture and Supply of Bulk Drugs, Intermediates, Fine Chemicals and Specialty Chemicals
- GMP certification by the state FDA for manufacturing of Bulk Drugs and APIs

#### API - Panoli Unit, Gujarat

- ISO 9001:2015 certified for its management system for Manufacture and Supply of Bulk Drugs, Intermediates, Fine and Specialty Chemicals
- WHO-GMP certification issued by the state FDA for manufacturing of Bulk Drugs and APIs
- Halal & Kosher (Star K and OK Kosher) Certificates

#### Formulations Unit, Vadodara, Gujarat

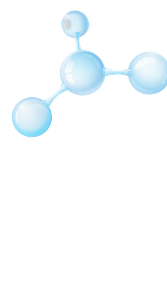
- ISO 9001:2015 certified for its Quality Management Systems
- WHO – GMP certification for the manufacturing of capsules, Oral Powder and Tablets
- FSSAI from FDA, Gujarat
- Certificate of product registration from FDA, Philippines for Hydroxychloroquine sulphate





## Research and development

The Company has invested in creating a robust research and development team. It is responsible for spotting the right opportunities in the off-patent space, reverse engineering for developing manufacturing capabilities, and product and process efficiencies. The R&D centre is accredited by Department of Scientific & Industrial research, Ministry of Science and Technology, GOI. The team comprises PhD & Post Graduates with relevant experience in API's/Bulk drug industry.



### Key focus areas

Monitor off patented products & their demand analysis

Team of experts to work on reverse engineering on off patented products

Pharmaceutical reformulations

Identification, quantification & characterization of APIs and Excipient

Various analytical methods are applied such as HPLC, FTIR, TLC etc.

Submit the dossiers of bioequivalence to the original products to appropriate authority

Product approval from the appropriate authority

### IMPACT

**6 new products introduced in FY22**

**Spent ₹32.28 million on research and development**



## People

People are the key assets for Bajaj Healthcare and pivotal for achieving the Company's growth strategies. The Company carefully nurtures its people's capital to drive the best out of them and drive organizational growth.

### Key focus areas

#### Training and development

The Company focuses on building the core competency of its team. As a result, the Company conducts various training initiatives. During the year, the Company undertook several man hours of training sessions for its people

#### Employee engagement

The Company believes that employee engagement is key to create a highly motivated team. The Company, during the year, undertook several engagement initiatives, both online and offline for the employees.

#### Diversity and inclusion

The Company promotes a work culture, free of discrimination. During the year, over 5% of its employees were female. However, at our corporate office, nearly 40% of the employees are female.



# 1,600+

People strength

# ₹411.09 million

Spent on employee expenses

## Spreading Smiles

With an experience of working with communities for over 25 years, BHL has consistently focused on scaling integrated development efforts for the communities where it operates. It believes that everyone, regardless of who and where they are, deserves an equitable access to opportunities and a fair chance to a better quality of life.

Over the years, we have responded to society's changing needs in alignment with the Company's vision of sustainable development for all – be it sustainable livelihoods, health and nutrition, and education for all or addressing environmental concerns – with an enhanced focus on the empowerment of women. At BHL we believe in sharing success with the larger communities and societies are both a responsibility and an opportunity to make a difference to the lives of people.



### Our focus areas

Investment in community development programmes

Focus on sustainability

Empowering communities by creating employment and self-employment opportunities

Help the larger community fight against natural calamities

Upliftment of underprivileged sections of the society

Reducing the environment impact of our operations

Help to create a healthy community



## Board of Directors

### Mr. Sajankumar R. Bajaj

Chairman & Managing Director

- Self-Driven, dedicated and hard-working leader with over 30+ years of industry experience
- Bachelor's degree in Commerce with business expertise in the field of Finance, Marketing and Material Procurement
- Visionary with an aim to make BHL a well recognized Indian MNC in the pharmaceuticals and healthcare industry

### Mr. Anil C. Jain

Joint Managing Director

- Pharma industry expert, having excellent domain knowledge in the field of "Pharmacy" backed by a Diploma in Pharmacy
- Associated with the company for more than 25+ years
- Expertise in Production Planning, Marketing, and Plant Management
- A meticulous planner, known for his customer strong relationships

### Mr. Dhananjay S. Hatle

Whole Time Director

- Leads the sales and marketing of BHL's products in Domestic Markets
- Motivational leader, associated with the company for more than 2 decades
- Industry Veteran; provides a competitive edge to BHL in the field of Marketing

### Ms. Namrata S. Bajaj

Whole Time Director

- Bachelors in business administration from the Indian Institution of Planning and Management, Mumbai
- She is associated with the company for more than 10+ years
- Leads the sales and marketing of the formulation division

### Mr. Rupesh H. Nikam

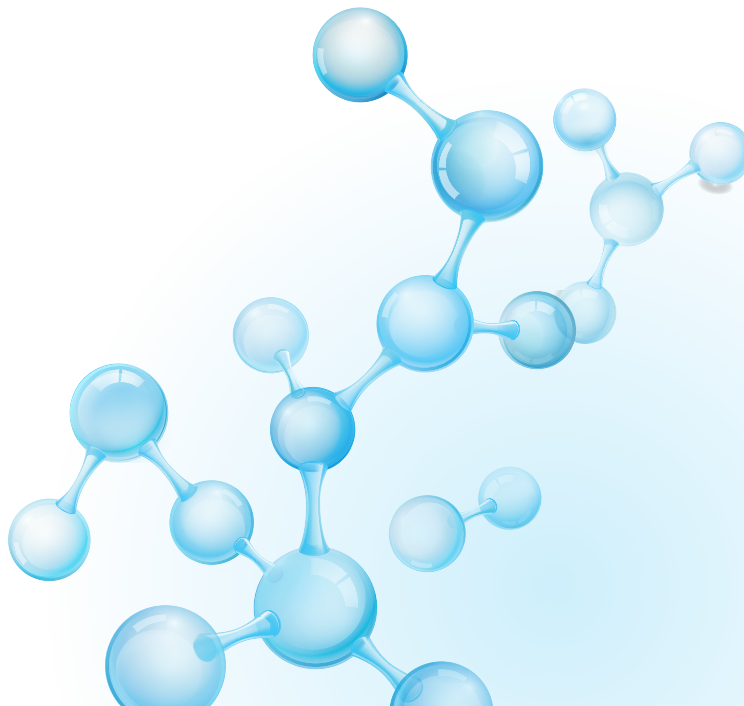
Whole Time Director

- Leading the finance function of the company with his financial prowess and industry expertise
- Chartered Accountant with 15+ years of experience in Accounts, Finance & costing domain
- Associated with the company since 2007, and subsequently became a director in November, 2014

### Mr. Pakshal A. Jain

Whole Time Director

- Latest Addition to the BHL family, a domain expert in marketing and leadership
- Bachelors in Marketing & Entrepreneurship from Indian School of Management Entrepreneurship, Mumbai (ISME)
- Keen interest in developing API & Contract Manufacturing





## Corporate Information

### Board of Directors

**Mr. Sajankumar R. Bajaj**  
Chairman & Managing Director

**Mr. Anil C. Jain**  
Managing Director

**Ms. Namrata S. Bajaj**  
Whole Time Director

**Mr. Dhananjay S. Hatle**  
Whole Time Director

**Mr. Rupesh H. Nikam**  
Whole Time Director & Chief  
Financial Officer

**Mr. Pakshal A. Jain**  
Whole Time Director

**Mr. Hemant R. Karnik**  
Independent Director

**Mr. Ram B. Banarse**  
Independent Director

**Mr. Avinash K. Dalal**  
Independent Director

**Mr. Loukik D. Tipnis**  
Independent Director

**Mr. Luke B. Fernandez**  
Independent Director

**Mrs. Kejal N. Shah**  
Independent Director

### Company Secretary

Mr. Aakashkumar Keshari

### Statutory Auditors

**Chaturvedi & Agrawal**  
Chartered Accountants  
724, Ecstasy, City of Joy, JSD Road,  
Near Station, Mulund (West),  
Mumbai- 400 080.

### Chief Financial Officer

**Mr. Rupesh H. Nikam**

### Registered Office:

602-606, Bhoomi Velocity Infotech Park,  
Plot No.B-39, B-39a, B-39 A/1,  
Road No.23 Wagle Industrial Estate,  
Thane (West), Thane - 400 604.  
CIN L99999MH1993PLC072892  
E-mail Id: investors@bajajhealth.com  
Website: www.bajajhealth.com

### Registrar & Transfer Agent

Link Intime India Private Limited  
C-101, 24\*7 Park, L B S Marg,  
Vikhroli West, Mumbai-400083.  
E-mail Id: rent.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in

### Bankers



Saraswat Bank



Standard Chartered Bank



Citi Bank



SVC Bank



# Management discussion and analysis

## GLOBAL ECONOMY OVERVIEW

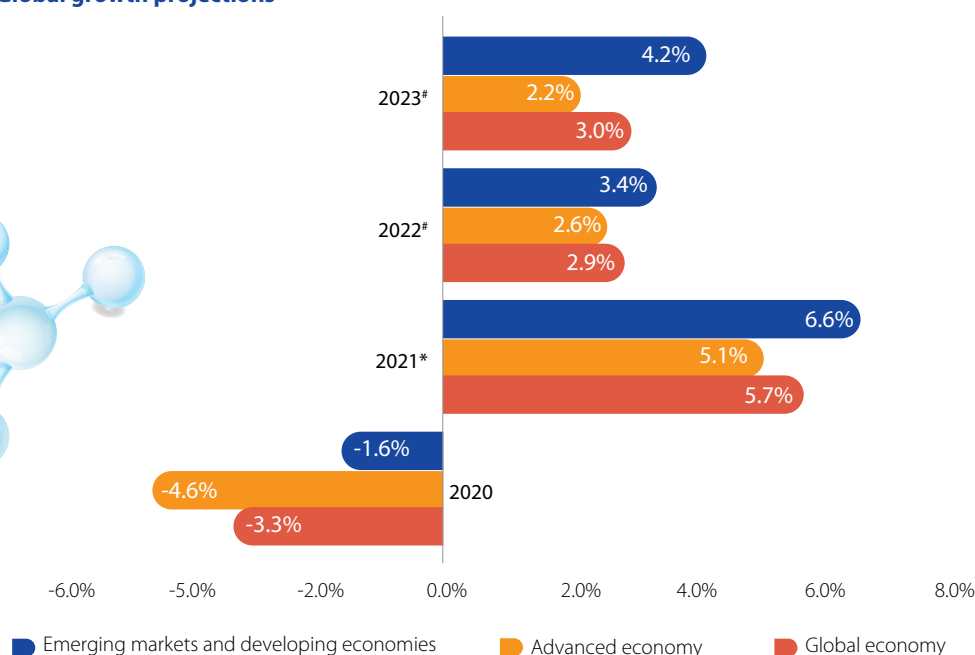
The overarching theme that dominated the calendar year 2021 was economic resurgence. Post the catastrophic humanitarian crisis owing to the pandemic, the world, in unison, worked toward a brighter tomorrow. Economic progress assumed center stage as nations across the globe offered fiscal stimulus to fuel economic growth and activity. Besides, the unwavering thrust on vaccination also helped in taming the invisible enemy.

Despite the efforts, the global economy continued its battle against the Covid as the new Omicron variant of the COVID-19 virus continued to spread rapidly across countries. Battling the effects of COVID-19 across economies, the global economy entered the year 2022 in a much weaker position with the reimposition of mobility restrictions by the affected countries and it led to slowing down of the economic recovery.

Further complications were brought in by the geopolitical tension between Ukraine and Russia, as it continued to roil the financial markets, mainly because of the uncertainty surrounding the outcome of the war. Russia's invasion of Ukraine has not only precipitated a humanitarian catastrophe – with thousands of civilians killed and millions more displaced – but also resulted in a deep regional slowdown and substantial negative global spill overs. These spill overs have magnified the pre-existing strains from the pandemic, such as bottlenecks in global supply chains and significant increases in the price of many commodities. Additionally, a steep rise in the oil prices following the war breakout has negatively affected the oil dependent economies.

Dragged down by major issues such as high COVID-19 infection rates, above-target inflation, supply chain risks and the recent war outbreak, the global economy growth is expected to slump from 5.7% in 2021 to 2.9% in 2022 — significantly lower than the 4.1% growth anticipated in January, 2022. This is the sharpest deceleration following an initial recovery from global recession in over 80 years. It is expected to hover around 3% over 2023-24, as the war in Ukraine disrupts activity, investment, and trade in the near term, pent-up demand fades, and fiscal and monetary policy accommodation is withdrawn amidst high inflation. Because of the damage from the pandemic and the war, the level of per capita income in developing economies in 2022 is likely to be nearly 5% below its pre-pandemic trend.

### Global growth projections

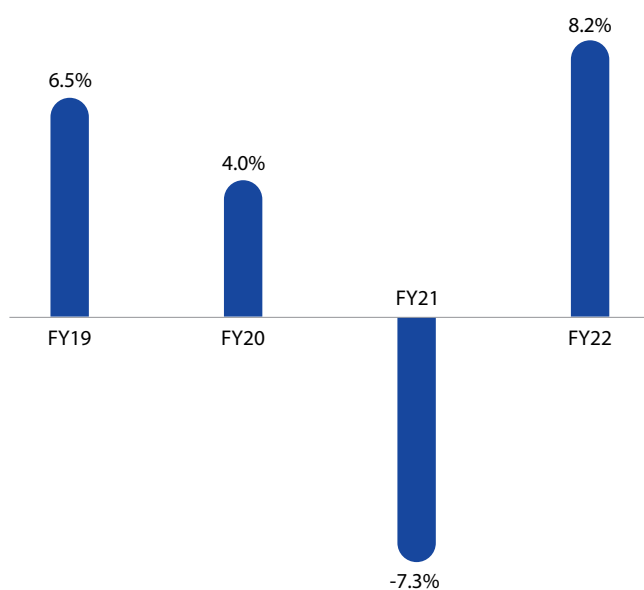


[Source: World Bank Group, World Economic Prospects, June 2022] [Note: \*Estimated | #Projected]

## INDIAN ECONOMY OVERVIEW

The last couple of years have been difficult for the world on account of the regular COVID-19 waves and India was no exception. Plagued by repeated Covid waves, supply chain disruptions and, more recently, inflation has created challenging times for the Indian policy makers. However, with a proactive government at the helm, the policy makers undertook key decisive measures and introduced a bouquet of safety-nets to cushion the impact on vulnerable sections of society and the business sector. Further, the government showcased consistent agility through different economic development measures, such as a significant increase in capital expenditure on infrastructure to build back medium-term demand as well as aggressively implemented supply side measures to prepare the economy for a sustained long-term expansion. Backed by these positive measures, according to the government's advanced estimates, the Indian economy is expected to witness real GDP growth of 8.7% in FY22 after contracting by 6.6% in 2020-21 implies that overall economic activity has recovered past the pre-pandemic levels.

### Indian GDP growth (% annual growth)



(Source: <https://www.republicworld.com/india-news/economy/imf-pegs-indias-2022-gdp-growth-at-8-dot-2-percent-us-at-3-dot-7-percent-china-at-4-dot-4-percent-and-russia-at-8-dot-5-percent-articleshow.html>)

One of the key factors which helped in India's sustained recovery was the limited impact of the 'Second wave' of the COVID-19 pandemic. This was largely owing to the timely interventions and relief measures announced by the government and regulators, such as the extension of Emergency Credit Line Guarantee Scheme in Q1 FY22 to the impacted industries, the creation of employment and building healthcare infrastructure. The three sectors which led the growth of the economy were agriculture and allied services, industry and services sector. The three sectors grew by 3.9%, 11.8% and 8.2% respectively in FY22.

The growth of the Indian economy was supported by private final consumption expenditure which grew by 1.8%, Gross Fixed Capital Formation (GFCF) growth by 5.1% and by the government, which

has introduced incentives and reforms to improve the business climate. As per the government, the final consumption expenditure stood at 4.8% on a year-on-year basis in Q4 of FY 2021-22.

The RBI's State of the economy bulletin, the recovery of the Indian economy is indicated by factors such as activity in contact-intensive services is gaining traction, and consumer confidence is inching up to its highest level since the outbreak of the pandemic. An uptick in economic activity in April 2022 is evident in high frequency indicators. With the tapering down of infections, mobility indicators have improved while labour participation is picking up across urban and rural constituents.

In terms of Foreign Direct Investment (FDI), the economy witnessed record FDI investment worth USD 84 billion from many foreign countries, such as Singapore, US and Mauritius, among others. Given this, it shows the confidence of other nations in India and the fact that the Indian economy is poised to grow at a faster rate than other economy. Rising corporate revenue and profit and the growing bank credit, coupled with ample liquidity in the system, will support this growth.

Favourable Government schemes (such as the PM Gati Shakti initiative to improve India's logistics infrastructure) coupled with an increased financial and technical support to states to expand capital investment is expected to boost infrastructure spending and spur economic growth.

### Outlook

Steady deployment of vaccination programs across economies and relaxation of pandemic-related lockdowns in many countries helped boost demand. This has led to the global economy surge by 5.5% to 5.9% in 2021, its strongest post-recession pace in 80 years. However, the resurgence of COVID-19 waves driven by the rapid spread of the Omicron variant and Russia's invasion of Ukraine carries enormous risks for a world economy that's yet to fully recover from the pandemic shock. The pandemic has left the global economy with two key points of vulnerability — high inflation and jittery financial markets. Aftershocks from the war could easily worsen both.

Further, according to the economists in most countries, excess demand is driven mostly by constrained supply, not strong demand, resulting in the dominance of cost-push inflation. This is a type of inflation which is not being welcomed as it squeezes profit margins, erodes real household income and tends to self-correct when demand is weak. Thus, the global growth outlook therefore remains susceptible to lingering pandemic, persistent labour market challenges, ongoing supply chain disruptions, rising inflation and the outcome of the Russia-Ukraine war. As an ongoing economic impact of the war, rising crude oil prices are likely to have a significant toll on the oil-importing nations. Further, the recently imposed sanctions on Russia are expected to have a substantial impact on the global economy and financial markets, with significant spillovers to other countries.

Driven by strong exports, thanks to the global economic recovery, and growing domestic private investment as businesses ramped up production to meet festive demand, the Indian economy maintained its rebound momentum in FY22. However, the ongoing hostilities between Russia and Ukraine can have a severe negative

impact on the Indian economy, as rising crude prices can pose stiff challenges in the form of higher current account deficit, higher inflation, and lower growth. The additional fuel cost borne by the government is likely to result in lower excise revenues and higher minimum support prices.

Therefore, households are likely to pay higher retail prices for petroleum products and most of the household items, as companies are likely to pass on higher fuel costs to the retail consumers. This could have a serious negative impact on the consumer demand and private consumption, accounting for nearly 55% of GDP, remains weak amid rising levels of household debt, while retail prices have soared since the coronavirus outbreak began in early 2020.

### GLOBAL PHARMACEUTICAL INDUSTRY

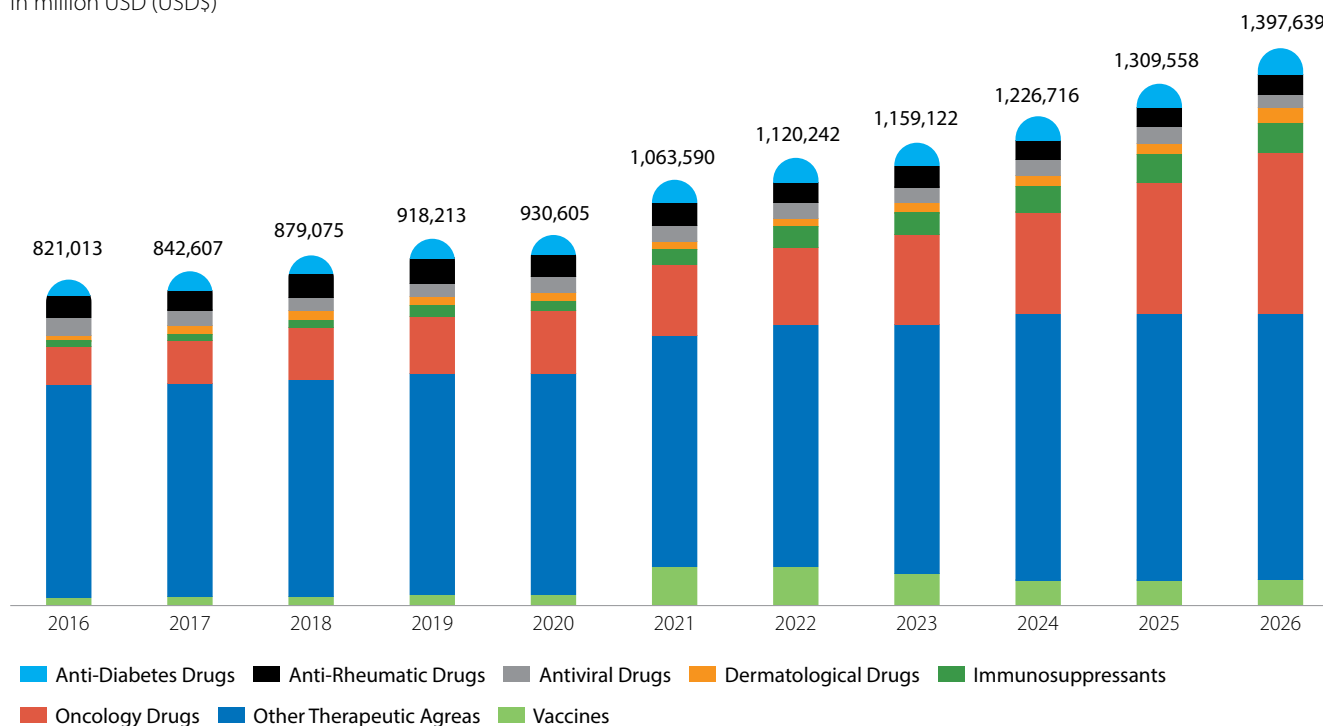
The global pharmaceutical industry is witnessing dynamic trends following the coronavirus pandemic and is adapting to new challenges and opportunities as the industry step into 2022. Against the backdrop of the COVID-19 pandemic, the global pharmaceutical industry entered 2022 in good shape, less vilified, more central to government policy, and with less budget pressure than in recent years. Backed by these positives, the global pharma and biotech companies would continue to innovate not just in the field of therapeutics and vaccines, but also in terms of the science to develop them.

As the industry is amidst a transformation phase, the year 2022 is expected to see the global pharma industry and its constituent pharma companies reorient themselves to stay agile and resilient regarding disruption bred by the fluctuating market demands and diverse customer needs. Key long-term trends that will drive the global industry in the years ahead are a move toward adopting emerging technologies such as AI (Artificial Intelligence), ML (Machine Learning) and NLP (Natural Language Processing) to discover drugs and meet rising client expectations, adapting to new and reorienting existing scientific techniques to find new therapeutic approaches, and decentralising clinical trials. Further, pharmaceutical manufacturing is also expected to get more progressive with new technologies than other areas of the pharmaceutical industry. Robotic technology and artificial intelligence are likely to aid in reducing manufacturing floor downtime and product waste. Contract development and manufacturing organizations (CDMOs) are also a key trend that is likely to dominate in the coming years.

In 2022, the pharma industry witnessed a rebound in the global medicine spending excluding the COVID-19 related medications and vaccines. During 2021 the global pharma witnessed a rise in medicine usage in pharmerging countries, would continue to fluctuate as seen since the start of the pandemic. But in developed countries, the industry expects regular medicine usage to stabilize and return to the pre-pandemic level.

### Global pharma industry growth (in terms of revenue and in USD)

In million USD (USD\$)



(Source: <https://www.statista.com/outlook/hmo/pharmaceuticals/worldwide#revenue>)

As the latest report 'Global use of medicines 2022' published by IQVIA, the global medicine market – using invoice price levels – is expected to grow at 3-6% CAGR through 2026 to reach ~\$ 1.8 trillion in total market size from its current value of US\$1.4 trillion. The key driver for this growth will be technological advances and is expected to come from developed countries, despite their lower rates of growth. Spending across major Pharmerging markets is expected to grow 5-8% CAGR through 2026, with China slowing to 2.5-5.5%, offsetting higher growth in other large markets – Brazil, India, and Russia – and smaller Pharmerging markets, which are growing at a rate of 6.5-9.5% over the same period. During the last 10 years, the relative spending of countries has shifted; generally, pharmerging countries have risen while slower growing, developed markets dipped.

### Global Invoice Spending and Growth

| Invoice spending and growth | 2021 spending<br>(in USD billion) | 2017-2021<br>CAGR | 2026 spending<br>(in USD billion) | 2022-2026<br>CAGR |
|-----------------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
| Developed                   | 1,345                             | 4.9%              | 1,635 – 1,665                     | 2.5% – 5.5%       |
| Pharmerging                 | 354                               | 7.8%              | 470 – 500                         | 5 – 8%            |
| Rest of the World           | 19                                | 0.1%              | 21 – 25                           | 2.5% – 5.5%       |
| Global                      | 1,424                             | 5.1%              | 1,750 – 1,780                     | 3 – 6%            |

(Source: <https://www.iqvia.com/-/media/iqvia/pdfs/library/publications/the-global-use-of-medicines-2022.pdf>)

As per IQVIA, USA's share in global invoice spending is projected to increase to USD 685-715 billion in 2026 from USD 580.4 billion in 2021. This will be at a CAGR of 2.5 – 5.5% as compared with 4.9% CAGR in the previous 5 years.

### Growing importance of pharmerging markets

Amongst the pharmerging nation, China is expected to be the largest growth driver and would be driven by a shift in the types of products used, with spending being driven by new medicines to a greater degree. By 2026, China's pharma industry is expected to exceed \$205 billion, an increase of over \$35 billion in the next five years. Over the next five years, the government policies to update the national reimbursement drug list (NRDL) annually is contributing to a greater share of new original medicines being reimbursed, resulting in higher levels of spending, though these are generally subject to lower negotiated net prices. In parallel, the government introduced volume-based procurement policies with tenders for off-patent and generic drugs to control the spend in off-patent categories.

Brazil, India and Russia are the next three largest pharmerging markets and they are all expected to grow by over 7.5% CAGR through 2026. Saudi Arabia, Philippines and Indonesia had significant impacts on spending in 2020 from the pandemic but have rebounded in 2021, with compounded annual growth projected through 2026 to continue steadily in low- to mid-single digits.

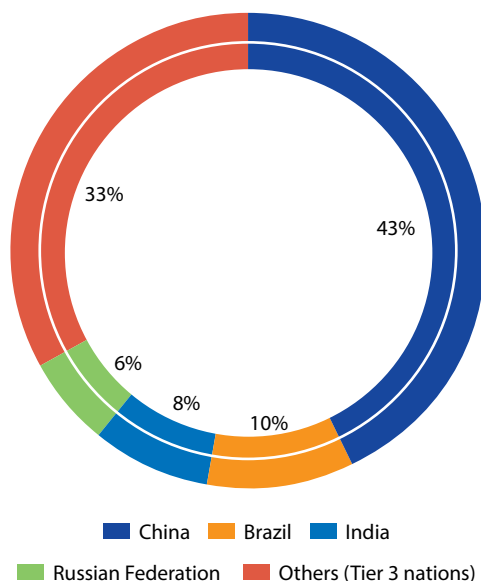
Brazil has the sixth largest generics industry worldwide, and the biggest in Latin America. In 2022 pharmaceuticals value added output is expected to level off, but is forecast to grow 4.5% in 2023. Brazil's pharmaceutical production relies heavily on commodities imported from China and India (more than 90%).

### Invoice Spending and Growth in the Pharmerging Markets

| Invoice spending and growth | 2021 spending<br>(in USD billion) | 2017-2021<br>CAGR | 2026 spending<br>(in USD billion) | 2022-2026<br>CAGR |
|-----------------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
| China                       | 170                               | 6.1%              | 190 – 220                         | 2.5% – 5.5%       |
| Brazil                      | 32                                | 11.7%             | 47-51                             | 7.5% – 10.5%      |
| India                       | 25                                | 11.1%             | 37-41                             | 8% – 11%          |
| Russian Federation          | 19                                | 11.4%             | 27-31                             | 7.5% – 10.5%      |
| Others (Tier3)              | 109                               | 8.3%              | 151-171                           | 6.5% – 9.5%       |
| Total Pharmerging           | 354                               | 7.8%              | 470-500                           | 5% – 8%           |

(Source: <https://www.iqvia.com/-/media/iqvia/pdfs/library/publications/the-global-use-of-medicines-2022.pdf>)

### Estimated share of invoice spending by pharmerging countries by 2026 (in %)



(Source: <https://www.iqvia.com/-/media/iqvia/pdfs/library/publications/the-global-use-of-medicines-2022.pdf>)

### Key growth drivers of the global pharma industry

- COVID-19 vaccine production is likely to remain high in the coming years, as a large share of the global population has not yet been vaccinated. Any emergence of new virus variants would require additional rounds of booster vaccinations.
- An ageing population in many developed markets will create an increasing demand for over-the counter (OTC) medicines, generics and brand name pharmaceutical products. In particular, demand for chronic disease medicines will grow in the mid- and long-term.
- Pharmaceuticals demand in emerging markets is set to increase because of improvements in healthcare systems and growing disposable household incomes. Generics and OTC drug producers will be the first to benefit from this development.
- Pharmaceutical producers and biotech businesses generally enjoy good access to external financing from banks and investors, which helps sustain high R&D expenditures.

### Opportunities for Over the Counter (OTC) Drugs Market

OTC or over-the-counter drugs are pharmaceutical products that are perceived to be safe to buy without the requirement of a prescription from a medical professional. These products are available in hospital pharmacies and medical stores without any prescription. OTC medicines are used to treat some common symptoms, which include common cold, body pain, allergy and flu, heartburn, acne, and other basic health problems.

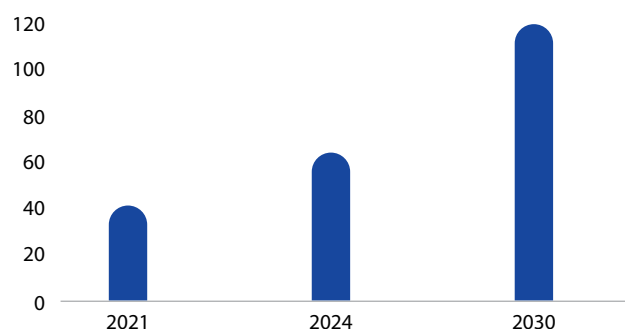
Significant increase in manufacturing leading to rise in the number of new product launches are expected to spur the demand for over-the-counter products. Expansion of product availability in the market with a shift from Rx to OTC drugs, resulting into its accessibility to a broader patient population, are expected to enhance the industry growth. As OTC products save treatment cost significantly, it rises the affordability of all patient classes. These medicines are also cost-effective options for millions of people without insurance coverage. In addition, over-the-counter products eliminate the cost associated with physician visits. Considering the overall shift from Rx to OTC and reduced treatment cost, the market is likely to witness booming demand over the coming years.

Backed by these positives, the OTC drugs market size was valued at \$ 152 billion in 2020 and is expected to grow at a CAGR of over 5.1% to reach \$ 209 billion in 2027.

### Indian pharma industry

The third largest pharmaceutical industry in the world in terms of volume and the 11th largest in terms of spending, the Indian pharmaceutical industry is valued at around ~\$ 50 billion according to the Ministry of Commerce & Industry, Government of India and is likely to reach \$ 130 billion by 2030, growing at a CAGR of 12.3%. By showing strength and commitment despite the disruptions caused by the pandemic, the industry not only exhibited its ability to provide adequate medicines but contributed significantly to other areas like sanitation, preventive healthcare and quarantine facilities. In terms of revenue, the industry witnessed a strong 13.9% y-o-y growth till January 2022 because of a strong growth in acute therapies such as anti-infectives, respiratory and pain/analgesics aided by the low base impact, while chronic therapies reported slower growth. The Indian pharma industry is estimated to have directly and indirectly provide employment to over 2.7 million people, in high-skill areas like R&D and manufacturing.

### Growing domestic pharmaceutical market of India (US\$ billion)



(Source: [https://www.ibef.org/download/1650607741\\_Pharmaceuticals-March\\_2022.pdf](https://www.ibef.org/download/1650607741_Pharmaceuticals-March_2022.pdf))

With Indian pharmaceutical companies leading in APIs as well as formulations, the Indian pharmaceutical industry is highly export-oriented industry, being one of the leading suppliers of generic drugs to the US. India's API industry is ranked the third largest in the world, and the country contributes ~57% of APIs to the pre-qualified list of the WHO. Globally, India is the largest provider of generic medicines, commanding 20% share in the global supply by volume, and the leading vaccine manufacturer. India supplies over 50% of Africa's requirement for generics, ~40% of generic demand in the US and ~25% of all medicines in the UK. India also accounts for ~60% of the global vaccine demand and is a leading supplier of DPT, BCG and Measles vaccines. Amongst all the vaccines sourced by WHO ~70% are sourced from India.

With the highest number of US-FDA-compliant pharma plants besides USA, the Indian pharma industry is backed by a strong network of manufacturing facilities and a highly skilled resource pool. India is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities offering over 60,000 generic brands across 60 therapeutic categories. Thanks to the strong growth of the Indian pharmaceutical industry in the recent years, today, it generates trade surplus worth ₹11 billion every year and is amongst the top five sectors contributing to the reduction of India's trade deficit.

While generic drugs still account for about 70% of output, the pandemic has spurred Indian drug producers to substantially increase their R&D spending and also on enhancing capabilities to increase local production of Active Pharmaceutical Ingredients (APIs) in order to reduce their reliance on Chinese deliveries. The government has announced various large-scale incentive

schemes such as tax exemptions, the production linked incentive (PLI) schemes, medical device and bulk drug parks, to boost local API production, biopharmaceutical, complex generics, patented drugs, and various medical devices, which is expected to propel India's status as the global pharmaceutical manufacturing hub. India's pharma industry today imports several KSMs, intermediates and APIs. Over the last few years, India's dependent on China has increased substantially and today 68% of India's API import in terms of value is from China. China is also the single largest supplier of many medicines listed on the National List of Essential Medicines (NLEM) required to treat diseases such as cardiovascular diseases, diabetes and tuberculosis. India is also largely dependent on China for antibiotic APIs manufactured by the fermentation route such as Penicillin, Cephalosporins and Macrolides.

Over dependence on China has showcased a number of issues for the Indian pharma industry in the recent years, such as any disruption in China's bulk drugs market bears direct impact on the industry. When the COVID-19 outbreak ensued, multiple sectors in India faced a raw material supply shortage, including the Indian pharma industry. Further, with factories in China hit by lockdown, India was stretched to the limit to maintain a continuous supply of APIs. Prices of commonly used APIs shot up significantly due to increased wages and other costs in China, as well as the pandemic, environmental issues, pollution, safety and regulatory concerns.

In terms of export, the Indian pharma industry recorded another year of exceptional performance as it recorded the Pharma Sector's best export performance ever. Building on the outstanding performance in the previous FY21, Indian pharma exports in FY22 stood at ₹1,83,422 crores, an increase of 103% since 2013-14.

## Evolving trends in the Indian pharma industry



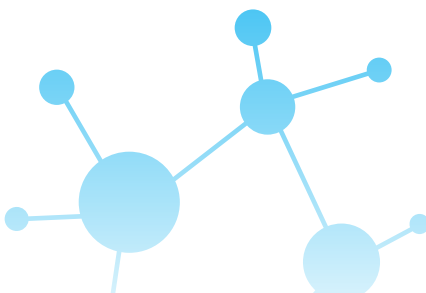
**Innovation and R&D:** The industry needs to focus on innovation to move up the value chain. The Indian pharma industry requires a strong innovation pipeline with new product launches and molecular entities every year. To achieve the same, the industry is now entering the complex generics and specialised drugs market. The idea should be to enhance pharma's significance in new drug development, biologics and innovations and on increasing capabilities in usage of technology, biological sciences and cell and gene therapy, with the core focus on patient needs.



**Digital transformation:** Digital transformation is vital for enhanced patient care, greater transparency, cost-effectiveness, improved production and drug development. The latest technologies such as artificial intelligence (AI), AR/VR, machine learning (ML) and additive manufacturing are helping pharma companies to improve the R&D process, conducting clinical tests in less time and adding innovation to the products as well as improving compliance and efficiencies in manufacturing.



**Nurturing collaborations:** During the course of the pandemic, cohesive collaborations between academia, government, and industry proved to be the key to promoting research initiatives. Integrated efforts, regular feedback, sharing and constant dialogue between industry leaders and government authorities proved crucial during the pandemic and the same needs to continue in the future.





## Company Overview and key facts

With a focus to emerge as a globally renowned player in the manufacturing of innovative pharmaceutical products, the Company is one of the fastest-growing mid-cap pharmaceutical companies in India. Known for its process innovation and unparalleled efficiencies, BHL today is one of India's reputed bulk manufacturers of active pharmaceutical ingredients (APIs), intermediates, and formulations.

Backed by 9 state-of-the-art manufacturing facilities, strong R&D capabilities and innovative portfolio, BHL today markets its product to more than 60 countries spread across the globe. Backed by these positives, the Company is today one of the preferred suppliers for some of the world's leading pharma branded and generics companies and exports today account for more 24% of the Company's revenue.

Starting as a bulk manufacturer, the Company shifted its focus over the years into value-based product with a differentiated

product portfolio. In line with this strategy, the Company regularly invested in its research and development (R&D) capabilities and has evolved as a major player in the manufacturing and supply of amino acids, nutritional supplements, and active pharmaceutical ingredients (API).

Today, all the manufacturing units of the Company are accredited with accreditations such as EU-GMP Certificate from Agency of Medicinal Products and Medical Devices, Croatia, Certificate of Suitability (CEP), KFDA Certificate, ISO 9001:2015 Certificate, WHO-GMP Certificate, GMP Certificate, FSSAI License, FSSC 22000, and HACCP Certificate, among others. The certifications have helped the Company gain competitive advantage in some of highly regulated pharma markets of the world. In order to strengthen our position in the international markets, the company has invested in the development of generic products with varied complexities, with a thrust towards accelerated product launch.

## Invoice Spending and Growth in the Pharmerging Markets

| Invoice spending and growth         | Number of facilities | Installed capacity |
|-------------------------------------|----------------------|--------------------|
| API & Intermediates                 | 8                    | 824 MT/ p.m.       |
| Finished dosage formulations (FDFs) | 1                    | 92 MN / pcs / p.m. |

## Our key differentiators



Integrity and Ethical  
mind set



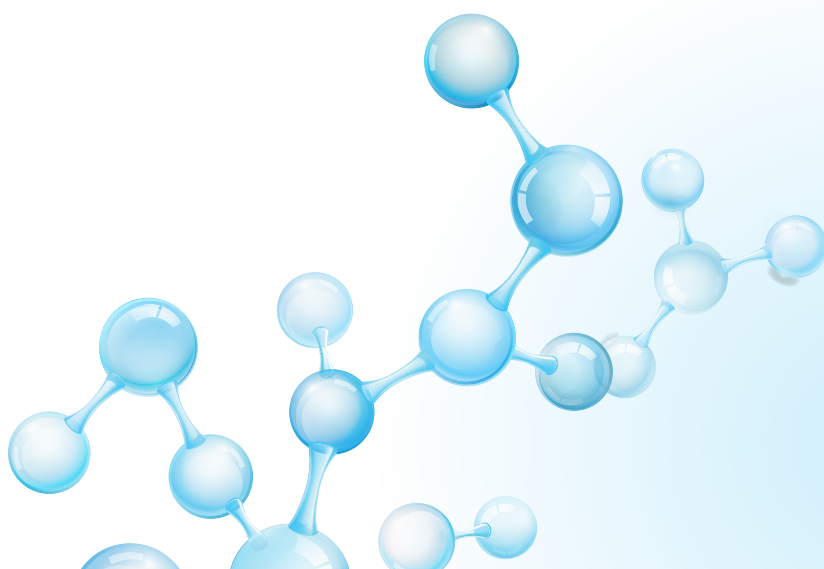
ESG focus on being  
sustainable and  
predictable as part of our  
orbit changing growth  
aspirations for  
a sustainable future



Ensuring health  
and safety at the  
workplace



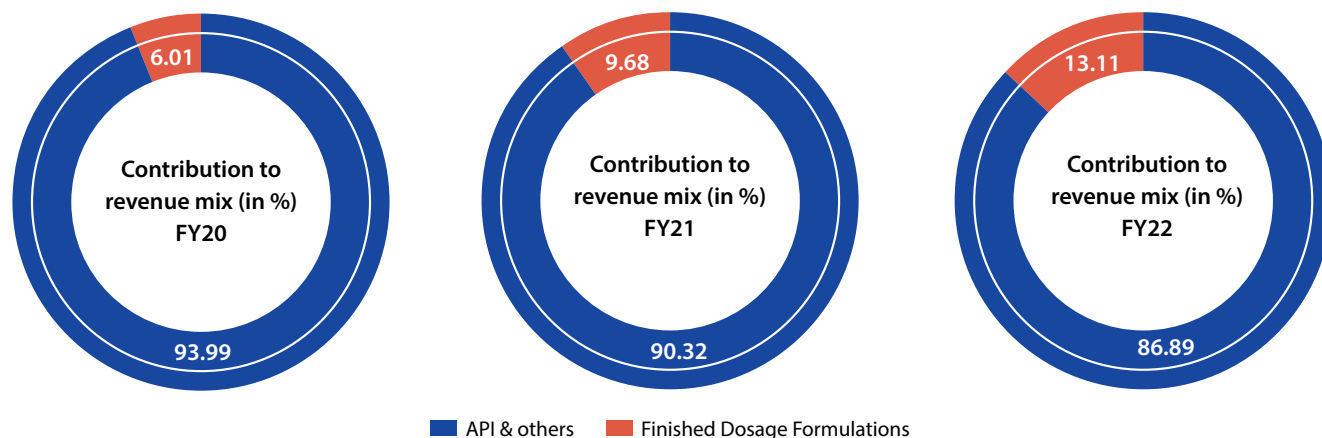
Process innovation  
and manufacturing  
excellence



## BUSINESS SEGMENT OVERVIEW

### Key Business Segments

#### Revenue mix



### Segment I

#### Active Pharmaceutical Ingredients (APIs)

BHL has emerged as one of the leading API manufacturers in India. The Company has six API manufacturing facilities spread across India and is accredited by international regulatory agencies. Contributing more than 90% to the overall revenue mix, API manufacturing forms the core business of the Company. Additionally, more of BHL's APIs are being used for captive consumption in the downstream processes. The API vertical will continue to be critical to the Company's success since it is the starting point for the Company's FDI vertical. BHL is one of the leading manufacturers of Neutraceuticals in the domestic market – Ascorbic Acid IP, Sodium Ascorbate, and Ferrous Ascorbate.

With a strong in-house product registration team for the export of APIs, the Company has a strong international presence in over 50 countries with an aggregate API manufacturing capacity of 730 MT per month. Over the years, the Company adopted several R&D enhancing measures, like setting up a new in-house R&D center, undertaking extensive training, and strategic acquisitions, to extend its product offerings in the API space.

#### Talking Points, FY22

- Introduced 6 new molecules during the year
- Played a key role in the nation's fight against covid by developing off-patented API "Posaconazole API" used in the treatment of Mucormycosis
- BHL's continued to deliver high margins while maintaining a robust order book

### Outlook for FY23

We intend to continue to grow this segment, mainly driven by the addition of new capacities through acquired assets and the introduction of reverse engineering APIs launched in the last financial year.

We plan to launch 3 - 4 new products, through reverse engineering in APIs by FY2023. We intend to emphasize on increasing our global footprints for APIs like Vildagliptin, Sitagliptin, Deferasirox, Chlorhexidine Gluconate, Fosfomycin, Theobromine, and Octenidine Hydrochloride.

### Segment II

#### Finished Dosage Formulations (FDFs)

Backed by a state-of-the-art formulation manufacturing facility complied with USFDA, TGA(Australia), MHRA (UK), the Company entered into the formulations business in 2008 and represents the highest end of the value chain. The Company entered this business in 2008 with an installed capacity of 92 million pieces per month. Today, FDF accounts for 13% of the Company's revenues. BHL's FDF facility in Vadodara, Gujarat, comprises automated processes, robust infrastructure and superior quality systems that efficiently produce FDFs. BHL offers multiple FDF forms comprising tablets, caplets, capsules and oral powders in bulk.

#### Talking Points, FY22

Increased revenues by 40.06% from ₹636.19 million in FY21 to ₹891.08 million in FY22

Received approval for many new products during the year

### Outlook for FY23

The management of BHL expects to grow the revenue contribution by the segment to more than 20% over the next couple of years, mainly driven by the addition of new formulations, business from existing clients, and the addition of a few new clients.

### Segment III

#### Intermediates

One of the few manufacturers of specialty intermediates like Calcium Phosphoryl Choline Chloride (CPCC) & Chlorhexidine (CH Base), BHL's intermediate manufacturing capacity today stands at 94 MT per annum. This has given the company a sustainable competitive edge in terms of economies of scale and cost advantages. Presently, the intermediates business supports its API manufacturing and is consumed in-house only.

### Talking Points, FY22

Developed a number of new intermediates which helped our downstream operations, in terms of the development of FDFs.

### Outlook for FY23

As the majority of the intermediates are being used for captive consumption, we intend to enhance our efficiency to be more cost-effective.

### RESEARCH AND DEVELOPMENT

Our R&D strength is manifested by the fact that the Company has evolved from a bulk manufacturer and supplier of APIs and FDFs to a value-based player in the API and FDF segment. We have made this possible through our dedicated research and development investments and initiatives. Through research initiatives, we have transformed science and technology into improved pharmaceutical products and manufacturing processes. This not only helped us move the pharmaceutical value chain, but also helped establish a powerful brand name in the domestic as well as international markets. We have strong capabilities across process research, development, and engineering. Our competencies in the areas of creating intellectual property assets by developing non-infringing, novel, cost-effective and environmentally friendly processes for APIs and finding easier solutions to complex chemistry challenges give us an edge in driving value-added innovation.

BHL's innovation infrastructure consists of one state-of-the-art research facility at Gujarat, Vadodara. Recognised by Department of Scientific & Industrial Department (DSIR), the research centres are equipped with the latest instruments and equipment. A team of qualified and dedicated research scientists are driving innovation at the facility, enabling us to bring products and processes which are differentiated, economical and environment-friendly.

### OPERATIONAL EXCELLENCE

As a part of our strategy, the Company periodically undertook various measures which helped BHL enhance its manufacturing and operational capabilities. This was in line with Company's strategy to build capability and culture of continuous improvement by involvement employees across functions and levels.

Further, our leadership team also undertook periodical company visits with the plant heads to learn and understand the different issues faced and the measures which could be adopted to help mitigate the same. Thanks to these initiatives, the Company has achieved capacity enhancement, cost reduction and yield improvement, resulting in annualized financial benefits. Additionally, the initiatives helped the Company build its leadership capabilities such as problem solving, communication, influencing, and strategic thinking.

### QUALITY AND COMPLIANCE

Quality is of utmost importance at BHL. Continuous focus on top-notch product quality has helped the Company meet stringent international standards and ensuring the safety of our people has enabled us to create a happy workplace. We have been able to achieve this by implementing the best quality systems, creating a right quality culture and continuous training of employees. With a vision to make our product quality a key differentiator, the Company regularly invested in various digitalisation programs of the key quality systems.

Over the years, we have made significant progress in our aggressive plans for expanding our quality function, including investments in the laboratories and newer analytical capabilities and technologies. We have sustainably expanded our quality control capabilities through regular additional investments in infrastructure, skilled workforce and additional laboratory instrumentation.

### ENTERPRISE RISK MANAGEMENT

As a major player in the pharmaceutical industry with global scale operations, the Company is exposed to a wide range of risks. Risk management at BHL is implemented using a systematic structure-based approach. The risk management and prevention frameworks ring-fence the Company's operational capabilities by leveraging a portfolio of best-in-class products that serve a wide range of end users.

The Company persists in focusing on developing integrated leadership and succession planning processes, as well as evaluating solutions to strengthen institutional efficiency. As a result, risk management has always been an integral aspect of our operations. Efficient internal control systems, the risk management framework, and strategies that have been implemented to aid the functions and responsibilities of various business segments of risk management. Such functions also serve as a sound foundation for independent supervision, internal audit reporting, and the corporate management community.

BHL has put in place appropriate mechanisms to monitor and manage inherent business risks constructively. At the organisational level, a transparent and impartial internal audit position carries out risk-focused audits across all product categories, with points identified and consistently reiterated. As a result, the professional and experienced team efficiently addresses the complexities of raw material costs, commodity risks, and currency fluctuations. Management has implemented suitable regulations and is working to minimise the negative effect of these uncertainties on its operational activities..

## MANAGING RISK AT BHL

In a rapidly changing business environment with dynamic customer requirements, business risks are constantly evolving. As a result, there is significant variation in the emerging risks landscape across businesses. We, at Bajaj Healthcare Limited, continuously monitor the internal and external environment to identify potential, emerging risks and their impact on our business. The risk mitigation measures of the Company are placed before the Senior Management periodically for review and their alignment with sectoral dynamics and evolving trends.

| Risk                         | Impact   | Mitigation measures   |
|------------------------------|--|---|
| <b>Economic risk</b>         | Any slowdown in the economy can have a trickle-down impact on industries.  | Despite the pandemic, the Indian economy is one of the fastest growing economies in the world and is expected to grow at above 7% in FY23.  |
| <b>Geographical risk</b>     | The Company's revenue generation potential can be impacted if the company is overdependent on one country or a few geographies, this could further hamper growth in the event of a localised slowdown.   | The Company has a growing international presence and is present in over 62 countries spread across the globe, including two of the biggest pharma market in the world, i.e. the USA and the UK.   |
| <b>Competition risk</b>      | The pharmaceutical sector is dynamic and the growing demand for affordable healthcare continues to attract more players to the industry. As a result, inadequate competitive strategies may deteriorate the Company's value proposition, which can result in reduced brand value and loss of customers and patients. | With nearly 30 years of industry experience, the Company has developed a vigorous business model that lends it a competitive edge over its peers. To leverage industry, the Company has periodically built on its different capabilities to gain competitive market advantages.                                     |
| <b>Regulatory risk</b>       | Changes in the regulatory environment might lead to operational disruption.  | All manufacturing units of the company are in 100% conformance with the guidelines issued by the different regulatory bodies across the world. Further, all the products manufactured by BHL are passed through extensive R&D checks and stringent quality control tests, as per international norms and standards. |
| <b>Foreign exchange risk</b> | With exposure to global markets, the Company faces the currency fluctuation risk as a portion of the revenues are earned in foreign currency. Exchange rate fluctuations may impact profitability of the Company.  | The Company adopted appropriate hedging strategy to cushion against the impact of foreign exchange rate fluctuations.   |

## HUMAN CAPITAL

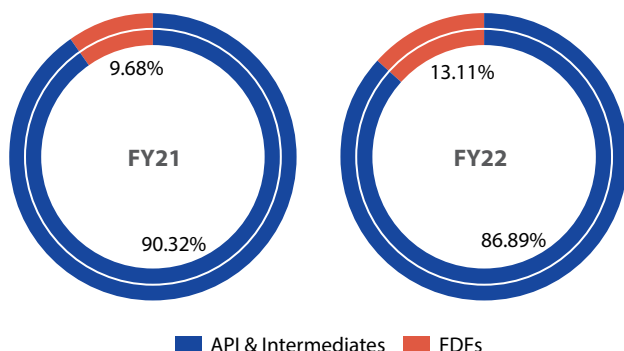
Our people have played a major role in shaping BHL into what it is today and would continue to do so. Their talent and dedication are the cornerstone of our success. Their proactive ownership and exceptional teamwork in an unprecedented year enabled us to deliver on our commitments. While our people ensured, we not only reinforce the trust reposed by our customers but also helped achieve our organisational goals in a challenging business environment. As a Company we deeply value our people's contribution and focus on protecting their trust while ensuring that they remained healthy. Thanks to the persistent efforts of our people, we have been able to provide lifesaving drugs to people in one of the most challenging

environments. We are totally committed to providing a safe, secure and healthy work environment for our people. We continuously strived to exceed the industry as well as our internal benchmarks in workforce productivity and performance. The professional objectives for employees and teams across levels are directly linked with the organization's objectives and philosophy.

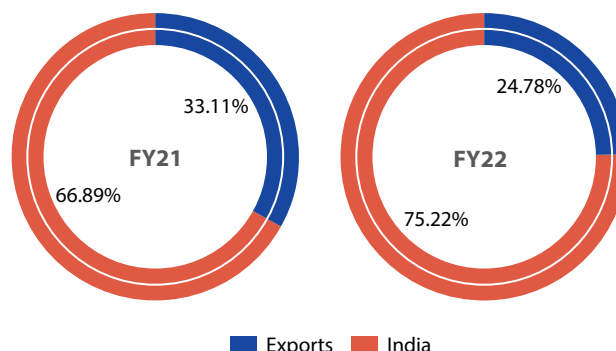
The Company's HR culture is rooted in its ability to subvert age-old norms in a bid to enhance competitiveness. The Company always takes proactive decisions which are in alignment with the professional and personal goals of employees, thereby achieving an ideal work-life balance and enhancing pride of association. BHL's employee count stood at more than 1600 as of March 31, 2022

## FINANCIAL OVERVIEW

## Revenue by products



## Revenue by geography



## Key highlights FY22

(₹ in lakhs)

| Particulars             | FY22      | FY21      | %       |
|-------------------------|-----------|-----------|---------|
| Revenue from operations | 67,988.98 | 65,698.38 | 3.49%   |
| EBIDTA                  | 11,850.09 | 13,632.73 | 13.08%  |
| PBT                     | 8,968.46  | 11,881.97 | -24.52% |
| PAT                     | 7,138.59  | 8,310.89  | -14.11% |
| EPS                     | 25.87     | 30.11     |         |

## Analysis of the profit and loss statement

**Revenues:** Revenues from operations reported a 3.49% growth from ₹65,698.38 lakhs in 2020-21 to reach ₹67,988.98 lakhs in 2021-22. Other income of the Company accounted for only 0.21% share of the Company's revenue pie, reflecting the Company's dependence on its core business operations.

**Expenses:** Total expenses of the Company increased by 8.54% from ₹54,507.67 lakhs in 2020-21 to ₹59,164.93 lakhs in FY22. Raw material and direct costs (72.96% of the Company's revenue from operations) increased 6.88% from ₹46,412.67 lakhs in FY21 to ₹49,605.30 lakhs in FY22. Employee expenses, accounting for 6.05% share of revenues, increased by ₹656.0 lakhs (18.99%) from ₹3,454.87 lakhs in FY21 to ₹4,110.87 lakhs in FY22.

**Profitability:** Company's EBITDA stood at ₹11,850.09 lakhs in FY22 compared to ₹13,632.73 lakhs in FY21. Net profit for the year stood at ₹7,138.59 lakhs compared to ₹8,310.89 lakhs in the previous year. PAT declined by 14.11% during the year. Operating profit margin for the year stood at 17.43% compared to 20.75% in the previous year, whereas net profit margin stood at 10.48% in FY22 as against 12.52% in FY21.

## Analysis of the Balance Sheet

## Sources of funds

The net worth of the Company increased by 27.12% from ₹25,841.05 lakhs as on March 31, 2021 to ₹32,848.55 lakhs as on March 31, 2022 owing to increase in reserves and surplus.

The Company's equity share capital in FY22 comprised of 2,75,98,400 equity shares of ₹5/- each after sub-division of each equity shares of Rs. 10/- each into two equity shares of ₹5/- each as on September 28, 2021 (Ex-Record date), compared to 1,37,99,200 equity shares of ₹10/- each in FY21. The capital employed by the Company stood at ₹39,903.04 lakhs as of March 31, 2022 as compared to ₹34,305.83 lakhs as on March 31, 2021. Long-term debt of the Company decreased by 16.81% to ₹6,631.00 lakhs as on March 31, 2022 owing to key strategic acquisitions during the year. The long-term debt-equity ratio of the Company stood at 0.20x in 2021-22 compared to 0.31x in 2020-21. Finance cost increased by 52.17% from ₹829.60 lakhs in FY21 to ₹1,262.38 lakhs in FY22 primarily on account of increasing long-term debt. Interest coverage ratio in 2021-22 stood at 9.44x compared to 21.07x in the previous year.

## Applications of funds

Fixed assets (gross) of the Company increased by 22% from ₹32,925.50 lakhs as on March 31, 2021 to ₹40,172.52 lakhs as on March 31, 2022. Depreciation and amortisation marginally increased by 9.38% from ₹1,612.42 lakhs in 2020-21 to ₹1,763.66 lakhs in 2021-22.

## Working capital management

Current assets of the Company increased by 54.18% from ₹25,833.31 lakhs as of 31st March 2021 to ₹39,831.04 lakhs as of 31st March 2022. The current and quick ratios of the Company stood at 1.24x and 1.11x respectively in 2021-22 compared to 1.41x and 1.15x, respectively in 2020-21. Trade receivables as of March 31, 2022 stood at ₹1,8451.18 lakhs, representing 76 days of sales compared to 55 days of the previous year. The entire receivables are considered good and secure. Cash and cash equivalents amounted to ₹197.50 lakhs as on 31st March, 2022. The EBITDA margin for the FY22 stood at 17.43% as compared to 20.75% in FY2021.

| Particular                  | -     | FY-22 | FY-21 | Variance | Remarks                       |
|-----------------------------|-------|-------|-------|----------|-------------------------------|
| Debtors' turnover ratio     | Times | 4.80  | 6.66  | -27.93   | Increase in trade receivable. |
| Interest coverage ratio     | Times | 9.44  | 21.07 | -55.21   | Increase in finance cost.     |
| Inventory Turnover Ratio    | Times | 3.87  | 6.81  | -43.14   | Increase in Inventory.        |
| Debt Service Coverage Ratio | %     | 5.11  | 9.05  | -43.48   | Reduction in Profits          |
| Return on Equity            | %     | 21.75 | 32.08 | -32.19   | Decrease in Margins           |
| Inventory Turnover Ratio    | Times | 3.87  | 6.81  | -43.14%  | Increase in Inventory         |
| Return on Capital Employed  | %     | 25.64 | 37.05 | -30.81%  | Decrease in Margins           |
| Current ratio               | Times | 1.24  | 1.41  | -12.60   | -                             |
| Debt equity ratio           | Times | 0.78  | 0.70  | 11.65    | -                             |
| Operating profit margin (%) | %     | 17.43 | 20.75 | -16.00   | -                             |
| Net profit margin (%)       | %     | 10.48 | 12.52 | -16.30   | -                             |
| Return on Networth          | %     | 21.73 | 32.16 | -32.43   | Reduction in profit           |

### Internal Control Systems and Adequacy

A robust internal control mechanism is a prerequisite to ensure that an organization functions ethically, complies with all legal and regulatory requirements, and observes the generally accepted principles of good corporate governance. It extends the overall corporate risk management framework, as well as is an integral part of the accounting and financial reporting process.

BHL's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The control mechanism provides for well-documented policies/guidelines, authorisations and approval procedures to ensure the orderly and efficient conduct of its business. This includes adherence to Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, ensuring the accuracy and completeness of the accounting records and the timely preparation and presentation of reliable financial information. The

Company believes that its experienced and qualified employees play a key role in fostering an environment in which controls, assurance, accountability and ethical behaviour are accorded high importance.

### Cautionary Statements

The Management of BHL has prepared and is responsible for the financial statements that appear in this report. These statements conform to the accounting principles accepted in India and include amounts based on informed judgments and estimates. BHL's projections, estimates, and expectations described in this report should be interpreted as 'forward-looking statements' that can be impacted by various internal and external risks. Risks associated with market, strategy, technology, operations and stakeholders can significantly affect the business and the actual results may differ substantially or materially from those expressed or implied.





# Directors' Report

**To,  
The Members  
Bajaj Healthcare Limited**

Your Directors have pleasure in presenting their 29th Board Report together with the Audited Financial Statements for the financial year ended 31st March, 2022.

## FINANCIAL PERFORMANCE OF THE COMPANY:

(₹ in Lakhs)

|  | Year Ended<br>31st March, 2022 | Year Ended<br>31st March, 2021 |
|--|--------------------------------|--------------------------------|
| Gross Income                               | 68,133.39                      | 66,389.64                      |
| Profit before Interest, Depreciation & Tax | 11,994.50                      | 14,323.98                      |
| Finance Charges                            | 1,262.38                       | 829.60                         |
| Provision for Depreciation                 | 1,763.66                       | 1,612.41                       |
| Profit before Tax                          | 8,968.46                       | 11,881.97                      |
| Less: Current Tax /Deferred Tax            | 1,829.87                       | 3,571.07                       |
| Net Profit after Tax                       | 7,138.59                       | 8,310.89                       |
| Surplus carried to Balance Sheet           | 7,138.59                       | 8,310.89                       |
| Earnings Per Share                         | 25.87                          | 30.11                          |

The Company's Gross Revenue for the year increased to ₹68,133.39 lakhs as compared to last year's ₹66,389.64 Lakhs increased by 02.63% over the previous year, which includes the Domestic Turnover of ₹51,139.08 Lakhs as compared to last year's Domestic Turnover was ₹43,945.85 Lakhs, and the Export Turnover of ₹16,849.90 Lakhs as compared to last year's export turnover of ₹21,752.53 Lakhs.

The net profit after tax during the year amounted to ₹7,138.59 Lakhs as compared to net Profit of ₹8,310.89 Lakhs in the previous year.

### DIVIDEND:

The Board of Directors at their meeting held on 17th May, 2022, has recommended payment of ₹1.50 (One Rupee Fifty Paise only) (30%) as Final dividend per equity share of the face value of ₹5/- (Rupees five only) each, for the financial year ended 31st March, 2022. The payment of Final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is available on the Company's website at <https://www.bajajhealth.com/wp-content/uploads/2022/07/Dividend-Distribution-Policy.pdf>.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final and special dividend after deduction of tax at source.

### DEPOSITS:

The Company has not accepted any deposit from public during the year under review and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

### CHANGE IN NATURE OF BUSINESS:

There are no changes in the nature of business of the Company.

### ANNUAL RETURN:

The Annual Return as required under sub-section (3) of Section 92 read with clause (a) sub-section (3) of Section 134 of the Companies Act, 2013 ('the Act') in Form MGT-7 is available on the website of the Company at <http://www.bajajhealth.com/stock-exchange-intimation-2022-23>.

### TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013:

The Company has not transferred any amount to General Reserves for the financial year 2021-2022.

### TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

Pursuant to the provisions of Section 124 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the declared dividends, which remains unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to unpaid/unclaimed dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF). Details of unpaid/unclaimed dividend is a part of Report on Corporate Governance that forms part of this Annual Report.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:**

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year to which the financial statement relates and the date of the report.

## **INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY:**

The Company has no Subsidiary, Joint venture or Associate Company.

## **SHARE CAPITAL:**

### **Sub Division/Split of Equity Shares:**

During the year, the proposal of sub-division of Company's one (1) equity share of face value of ₹10/- each into Two (2) equity shares of face value of ₹5/- each were approved by the shareholders of the Company vide Postal Ballot on 17th September, 2021 and consequent amendment in the existing Capital Clause V of the Memorandum of Association (MOA) of the Company was made.

After the requisite approvals of the exchange i.e BSE and depositories, NSDL and CDSL the new ISIN i.e. INE411U01027 has been allotted to the Company. The effect of change in face value of the share was reflected on the share price at the Stock Exchanges where the Company is listed at the time of stock split with effect from 28th September, 2021 (i.e. ex-record date).

Subsequently after sub-division of equity shares, the authorised share capital of the Company stood at ₹14,00,00,000/- consisting of 2,80,00,000 equity shares of ₹5/- each and paid-up share capital of the Company was ₹13,79,92,000/- consisting of 2,75,98,400 equity shares of ₹5/- each as on 31st March, 2022.

### **Buy Back of Securities/ Sweat Equity/ Employees Stock Option Plan**

During the year under review, the Company has not bought back any of its securities nor issued any Sweat Equity Shares nor provided any Stock Option Scheme to the employees.

The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company.

## **LISTING OF COMPANY'S EQUITY SHARES ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND SUBSEQUENT ADMISSION FOR TRADING**

After receipt of the In-principal Approval of National Stock exchange of India Limited, the equity shares of the Company were also listed on National Stock exchange from the trading hours of Thursday, November 25, 2021 and under the designated symbol "BAJAJHCARE".

Now, the Company's equity share were actively traded on BSE Limited and National Stock Exchange of India Limited and were not suspended during the year under review.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board has an optimum combination of Executive and Non-Executive Independent Directors and is headed by an Executive Chairman, Mr. Sajankumar R. Bajaj. The Board of the Company is diverse in terms of qualification, competence, skills and expertise which enables it to ensure long term value creation for all the stakeholders. None of the Directors of the Company have resigned during the year under review.

### **Change in Composition**

#### **Director retires by rotation:**

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Ms. Namrata Bajaj (DIN: 05327071), an Executive Director is retiring by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers herself for re-appointment. The Board recommends her re-appointment.

#### **Key Managerial Personnel:**

As on 31st March, 2022, Mr. Sajankumar Bajaj, Chairman & Managing Director; Mr. Rupesh Nikam, Whole-time Director & Chief Financial Officer and Mr. Aakashkumar Kesari, Company Secretary & Compliance Officer, are the Key Managerial Personnel of the Company.

#### **Independent Director(s):**

The Company has, inter alia, received the following declarations from all the Independent Directors confirming that:

- they meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedule and Rules issued thereunder, and the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and
- they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company.

In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified under the Act and Listing Regulations and are independent of the management.

#### **Number of Meetings of the Board:**

During the year, 7 (Seven) Board Meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Act. The details of meetings of the Board are provided in the Report on Corporate Governance that forms part of this Annual Report.

#### **Performance evaluation of the Board:**

The formal annual evaluation has been done by the Board of its own performance and that of its Committees and Individual Directors on the basis of evaluation criteria specified in the Nomination and Remuneration policy of the Company.

The performance evaluation of the Chairman, non-independent Directors and Board as a whole was also carried out by the Independent Directors at their separate meeting held as on 28th January, 2022 inter alia to:

- i. To evaluate the performance of non-independent directors and the Board as a whole;
- ii. To evaluate performance of the Chairman and Managing Director of the Company; and
- iii. To evaluate the quality, quantity and timelines of flow of information between the executive management and the Board.

The suggestions made at the meeting of the Independent Directors were communicated to the Board Chairman and the Executive Director for taking appropriate steps. All Independent Directors were present at the meeting. The Directors expressed their satisfaction with the evaluation process.

#### Committees of the Board

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted a set of Committees in accordance with the requirements of the Act and Listing Regulations. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The statutorily mandated Committees constituted under the provisions of the Act and Listing Regulations are Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee and Risk Management Committee. The Composition of Audit Committee of the Company are Mr. Luke Fernandez as Chairman and Mr. Hemant Karnik & Mr. Rupesh Nikam as member.

A detailed note on the composition of the Committees, terms of reference and other such details of these Committees are provided in the Report of Corporate Governance forming part of this Annual Report. During the year under review, the Board has accepted all the recommendation of Audit Committee and also of all other Committees of the Board.

#### FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS:

All Independent Directors are familiarized with the operations and functioning of the Company. The details of the training and familiarisation program are provided in the Corporate Governance Report and is also available on the website of the Company at <http://www.bajajhealth.com/policies/>.

#### NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of Listing Regulations and on recommendation of the Nomination and Remuneration Committee, the Board of Directors has adopted a policy on Criteria for Selection and Appointment of Directors, Senior Management Personnel and their remuneration. Nomination and Remuneration policy is applicable to all Directors, Key Managerial Personnel (KMP), Senior Management team and other employees of the Company. The Nomination and Remuneration Policy of the Company has been uploaded on the

Company's website at <http://www.bajajhealth.com/wp-content/uploads/2020/05/REMUNERATION-POLICY.pdf>

#### VIGIL MECHANISM / WHISTLE BLOWER POLICY:

As per the provisions of Section 177(9) and (10) of the Act, the Company has adopted a Whistle Blower Policy for establishing vigil mechanism for the Employees and Directors to report to the Audit Committee Chairman, genuine concerns, unethical behavior and irregularities, if any noticed by them, in the Company which can adversely affects Company's operations. The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported by Employees/ Directors till date. The said policy is available on the Company's website <http://www.bajajhealth.com/policies/>

#### INSIDER TRADING CODE

The Company has adopted a 'Code of Conduct to regulate, monitor and report trading by designated persons in Listed or Proposed to be Listed Securities' ("the Code") in accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations). This Code is displayed on the Company's website. The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed Company.

The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

#### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

The Business Responsibility and Sustainability Report of the Company for the year ended 31st March, 2022, forms part of the Annual Report and marked as Annexure a and is also made available on the website of the Company at [www.bajajhealth.com](http://www.bajajhealth.com).

#### RISK MANAGEMENT:

Risk management is integral to your Company's strategy and for the achievement of our long-term goals. Our success as an organization depends on our ability to identify and leverage the opportunities while managing the risks.

The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and ensuring that the risks are brought within acceptable limits. Mitigation plans to significant risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership.

The COVID-19 pandemic this year has posed several unprecedented challenges in the form of uncertain lockdowns, unlock phases, health hazards and supply chain disruptions across the globe. These have added a new dimension to the term volatile, uncertain, complex and ambiguous.

These changes and challenges have brought a mix of opportunities and uncertainties impacting the Company's objectives. Risk Management, which aims at managing the impact of these

uncertainties, is an integral part of the Company's strategy setting process. The Company regularly identifies uncertainties and after assessing them, devises short-term and long-term actions to mitigate any risk which could materially impact your Company's long-term goals. This process of identifying and assessing the risks is a two-way process. Inputs are taken, both bottom up and top down while finalizing the risk treatment plans.

The Risk Management Policy of the Company is available on the website of the Company at <http://www.bajajhealth.com/policies/>.

Our approach to risk management is designed to provide reasonable assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to Company's Senior Management including, where appropriate, the Chairman & Managing Director, the Chief Financial Officer, the Audit Committee and the Board.

Mitigation plans to significant risks are well integrated with functional and business plans and are reviewed on a regular basis by the Senior Managements.

## **STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

Adequate internal control system commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal Control systems comprising of policies and procedure are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

The Company has adequate Internal Financial Controls System over financial reporting which ensures that all transactions are authorised, recorded, and reported correctly in a timely manner. The Company's Internal Financial Controls over financial reporting provides reasonable assurance over the integrity of financial statements of the Company.

## **AUDITORS AND THEIR REPORT**

### **Statutory Auditors:**

M/s. Chaturvedi & Agrawal, Chartered Accountants (Firm Registration No.101717W) were appointed as Statutory Auditors of the Company at the 27th Annual General Meeting till conclusion of 32nd Annual General Meeting

M/s. Chaturvedi & Agrawal have confirmed their eligibility and qualification required under Section 139,141 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification (s) or re-enactment (s) thereof for the time being in force).

The Auditor's report for the financial year ended 31st March, 2022, on financial statements of the Company forms a part of this Annual Report. The Auditor's Report for the financial year ended 31st March, 2022 does not contain any qualification, reservation or adverse remark.

There was no revision of financial statements and Board's Report of the Company during the year under review.

### **Cost Auditors:**

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records are maintained by the Company in respect of its Drugs & Pharmaceuticals business and are required to be audited by a Cost Accountant in practice. M/s V. J. Talati & Co. Cost Accountant, have carried out the cost audit for applicable products during the financial year 2021-22.

The Board of Directors of the Company, on the recommendation made by the Audit Committee, have appointed M/s V. J. Talati & Co. Cost Accountant, as the Cost Auditors of the Company to conduct the audit of cost records of products for the financial year 2022-23.

The Company has received consent from M/s V. J. Talati & Co. Cost Accountant, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2022-23.

The remuneration proposed to be paid to the Cost Auditors, subject to ratification by the members of the Company at the ensuing 29th AGM, would not exceed ₹3.25 lakhs (Rupees Three lakh Twenty Five Thousand Only) excluding taxes and out-of-pocket expenses, if any for the financial year 2022-23.

The Cost Audit Report for the financial year 2020-21 does not contain any qualification, reservation, or adverse remark.

### **Internal Auditors:**

The Board of Directors of the Company have appointed M/s. Paresh Rakesh & Associates, Chartered Accountants (FRN 119728W) as Internal Auditors of the Company for the financial Year 2022-23.

The Internal Auditor submits their reports to the Audit Committee on periodic basis. Based on the report of Internal Audit, the management undertakes corrective action in their respective areas and thereby strengthens the controls.

### **Secretarial Auditor:**

The Board of Directors of the Company, on the recommendation made by the Audit Committee, have appointed Mr. Haresh Sanghvi, Practicing Company Secretary (M No. 2259/CoP: 3675), as the Secretarial Auditor to conduct an audit of the secretarial records for the financial year 2022-23. The Company has received consent from Haresh Sanghvi to act as the secretarial auditor for conducting audit of the secretarial records for the financial year ending 31st March, 2023.

The Secretarial Audit Report for the financial year ended 31st March, 2022, issued by Mr. Haresh Sanghvi is enclosed with this report and marked as **Annexure –I**.

The Secretarial Compliance Report for the financial year ended 31st March, 2022, issued by Mr. Haresh Sanghvi, in relation to compliance of all applicable SEBI Regulations/circulars/guidelines issued thereunder, pursuant to requirement of Regulation 24A of the Listing Regulations, is enclosed with this report and marked as **Annexure-II**. The Secretarial Compliance Report has been voluntarily disclosed as part of Annual Report as good disclosure practice.

The Secretarial Audit Report and Secretarial Compliance Report does not contain any qualification, reservation or adverse remark.

### Reporting of fraud by Auditors

There was no instance of fraud during the year under review, which required the Statutory Auditors, Internal Auditor, Cost Auditor or/ and the Secretarial Auditor to report to the Audit Committee and/or the Board under Section 143(12) of Act and Rules framed thereunder.

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

### GENERAL DISCLOSURES:

#### Related Party Transactions:

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the IND-AS has been made in the notes to the Financial Statements.

#### Particulars of Loans, Guarantee and Investments:

Details of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31st March, 2022, have been disclosed in the Financial Statements of the Company.

#### Cash Flow Analysis:

The cash flow statement for the year ended 31st March, 2022 is annexed with the financial statements.

#### Particulars of Employees:

Information required in accordance with Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of the Board's Report for the year ended 31st March, 2022 is annexed and marked as **Annexure III** to Board's Report. Further, the information pertaining to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, pertaining to the names and other particulars of employees is available for inspection at the Registered office of the Company during business hours and pursuant to the second proviso to Section 136(1) of the Act, the Report and the accounts are being sent to the members excluding this. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary/ Compliance Officer either at the Registered Office address or by email to investors@bajajhealth.com.

### Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various practices and always endeavors to provide an environment that is free from discrimination. All employees are treated with dignity with a view

to maintain a work environment free of sexual harassment whether physical, verbal or psychological. The Company has in place, policy on Prevention, Prohibition and Redressal of Sexual Harassment for women at workplace in accordance with the requirements of Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been setup as per the statutory requirements, to redress complaints regarding sexual harassment.

During the year 2021-22, ICC did not receive complaints of sexual harassment from any employees.

### Significant and Material Orders passed by the Regulators or Courts or Tribunals:

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis for the year under review is provided as separate section forming part of this Annual Report.

### CORPORATE GOVERNANCE

Report on Corporate Governance and Certificate of the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations, are provided in a separate section forming part of this Annual Report.

### DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act, in the preparation of annual accounts for the year ended on 31st March, 2022 and confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## CORPORATE SOCIAL RESPONSIBILITY

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects in the area of rural development and education. These projects are in accordance with Schedule VII of the Act and the Company's CSR policy. The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed and marked as **Annexure –IV** which forms an integral part of this Report.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are as follows:

### I. Conservation of Energy:

Steps taken on Energy Conservation –

Many steps towards energy conservation has taken & implemented successfully.

- Commissioned low pressure steam turbine. This works on back pressure of steam boiler & generates electrical power of 100 KW/HR.
- Installed Solar Panels of capacity of 700 KW in vacant land of factory premises.
- To prevent heat loss replaced old insulation of reactors and cold well of brine storage tank.
- Installed softener plant capacity of 10 M3/HR to improve cooling water quality and efficient running of chilling plant. This prevents scaling & ensure better heat transfer & saves energy.
- Installed DM plant to improve boiler feed water quality and run efficiently. This saves scaling in tubes & enhances life of boiler tubes.
- Replaced the condenser of Brine Plant 2 by higher capacity to run machine efficiently.
- Replaced steam trap by float type. This controls live steam wastage & helps improving steam savings.
- Technology Absorption:
  - Cooling tower blades replaced by new designed FRP Pumps.
  - For distillation column, old structured packing replaced with new one.
  - Mercury vapour lamps replaced by LED Lamps.

### III. Research & Development:

- R&D Laboratory of Bajaj Healthcare Limited is already approved by DSIR (Department of Scientific and Industrial Research), India.
- We added efficient fume-hoods, sophisticated equipment and facilities for carrying out synthetic research and scale-up activities to develop new process technology for APIs under safe conditions.

- R&D works on different generic molecules are under process. Some of products have been commercialised at plant scale using environment friendly routes.
- R & D focus on developing novel non-infringing routes of syntheses for highly recommended "active pharmaceutical ingredients, Nutraceuticals & related substances through commercially viable and environment friendly processes.
- The company's R&D strength is in creating intellectual property assets by developing non-infringing, novel, cost effective and environmentally friendly processes for APIs and finding easier solutions to complex chemistry challenges.
- With the regular progression in the business, our company intends to emphasise on further expansion of R&D facilities for development of technologically advanced, asymmetric active pharmaceutical ingredients.
- To achieve highest level of challenges of R&D activities, Bajaj Healthcare Limited has developed a talented pool of scientists including organic/analytical chemists provide support to our R&D through documentation and validation of test results as per ICH guidelines and assist the regulatory affairs to prepare high quality technical packages and drug master files.
- The Company has obtained approval for In-house R & D Facility from the Department of Scientific and Industrial Research (DSIR) vide letter No. TU/IV-RD/4031/2019 dated 01st May, 2019 for the purpose of section 35(2AB) of the Income Tax Act, 1961 valid till 31st March 2022 subject to the condition underline therein and renewed subsequently thereof.

### Details of expenditure in R&D are as follows:

(₹ in Lakhs)

| Nature of Expenditure                  | 2021-22 | 2020-21 |
|--|---------|---------|
| Revenue Expenditure:                   |         |         |
| Salary Expenses of R&D Personnel       | 149.82  | 89.78   |
| R & D Chemical Purchase                | 20.50   | 328.64  |
| Stores & Spares & Consumables in R & D | 35.45   | -       |
| Travelling & Other Exp.                | 23.06   | 0.98    |
| Common Utilities Expenses              | 32.62   | 33.82   |
| Capital Expenditure:                   |         |         |
| Laboratory Equipment                   | 61.37   | 3.53    |
| TOTAL                                  | 322.82  | 456.74  |

### IV. Foreign Exchange Earning and Outgo:

#### Earnings:

Foreign Currency inflow amounting to ₹16,851.80/- Lakhs

#### Outgo:

Foreign Currency outgo amounting to ₹20,604.13/- Lakhs

## ENVIRONMENT AND POLLUTION CONTROL:

The Company is well aware of its responsibility towards a better and clean environment. Our efforts in environment management go well beyond mere compliance with statutory requirements. The Company has always maintained harmony with nature by adopting eco-friendly technologies and upgrading the same from time to time incidental to its growth programs.



**STATUTORY COMPLIANCES**

The Company has complied with all the statutory requirements. A declaration regarding compliance of the provisions of the various statutes is also made by the Chief Financial Officer at each Board Meeting. The Company ensures compliance of the ROC, SEBI Regulations and various statutory authorities.

**CORPORATE ACTION:**

The Company has not failed to implement any corporate action during the year under review.

**THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC, 2016) DURING THE YEAR ALONG WITH STATUS AT THE END OF THE FINANCIAL YEAR**

The Company has not made any application nor any proceeding is pending against the company under IBC, 2016.

**THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS ALONG WITH REASONS THEREOF**

Since the Company has not entered into any One Time Settlement with Banks or Financial Institutions, the above statement is not applicable to us.

**ACKNOWLEDGEMENTS:**

Your Directors express their gratitude to various Central and State Government Departments, Organizations and Agencies for their continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks, and other business associates for the excellent support received from them during the year. The Board also wishes to express its gratitude and record its sincere appreciation for the commitment and dedicated efforts put in by all the employees around the year.

The Directors express their special thanks to Mr. Sajankumar Bajaj, Chairman & Managing Director for his untiring efforts for the progress of the Company.

**For and on behalf of the Board of Directors of Bajaj Healthcare Limited**

Sd/-

**Sajankumar Bajaj**

Chairman and Managing Director

DIN: 00225950

Date: 17/05/2022

Place: Thane.

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

The Members,

**BAJAJ HEALTHCARE LIMITED**

602-606, Bhoomi Velocity Infotech Park,  
Plot No. B-39, B-39A, B-39 A/1, Rd No.23,  
Wagle Ind. Estate, Thane West 400604

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BAJAJ HEALTHCARE LIMITED** (hereinafter called the "Company") for the audit period covering the financial year ended on 31st March, 2022. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022, generally 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022, according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
    - (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015
2. There were no actions/ events in pursuance of following Regulations of SEBI requiring compliance thereof by the Company during the period under review:
  - (i) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (ii) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (iii) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (iv) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (v) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
  - (vi) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
3. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investments, External Commercial Borrowings were not attracted during the year under review;
4. Based on the information provided and review of the Compliances Report of Managing Director taken on record by the Board of the Company and also relying on the representation made by the Company and its Officers, in my opinion adequate system and process exists in the Company to monitor and ensure compliances with the provisions of general and other industry and sector specific Laws and Regulations applicable to the Company, as identified and confirmed by the management of the company and listed in Annexure -A to this report.

5. I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above and there are no material non-compliances that have come to my knowledge except filing e-Form CRA- 4-Cost Audit Report for the Financial Year ended 31st March 2021 with delay after payment of additional fees.

**I further report that** compliances of finance and tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory Auditors and other designated professionals.

**I further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review. 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.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent 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.
3. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I 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.

**I further report that** during the audit period under report, no event/action occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**HARESH SANGHVI**  
**Practicing Company Secretary**  
**FCS 2259/COP No. 3675**  
**UDIN: F002259D000290228**

**Date: 16th May, 2022**

**Place: Mumbai**

Note: This report is to be read with my letter of even date which is annexed as **ANNEXURE-B** and forms an integral part of this report.

**List of applicable laws to the Company**

- a) The following laws and regulations, as amended from time to time, are applicable specifically to the Company given its business:
- i. The Drugs & Cosmetics Act, 1940;
  - ii. The Drugs (Control), Act, 1950;
  - iii. The Narcotics Drugs and Psychotropic Substances Act, 1985;
  - iv. The Pharmacy Act, 1948;
  - v. The Drugs and Magic remedies (Objectionable Advertisements) Act, 1954;
  - vi. The Poisons Act, 1919;
  - vii. The Petroleum Act, 1934;
  - viii. The Legal Metrology Act, 2009;
  - ix. The Indian Boiler Act, 1923;
- b) All General Laws related to Direct and Indirect Taxation, Labour Laws and other incidental laws as applicable.

**Date: 16th May, 2022**  
**Place: Mumbai**

**HARESH SANGHVI**  
**Practicing Company Secretary**  
**FCS 2259/COP No. 3675**  
**UDIN: F002259D000290228**

## ANNEXURE- B

The Members,

**BAJAJ HEALTHCARE LIMITED**

602-606, Bhoomi Velocity Infotech Park, Plot No. B-39, B-39A, B-39 A/1, Rd No.23,  
Wagle Ind. Estate, Thane West 400604

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. 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.

**Date: 16th May, 2022**

**Place: Mumbai**

**HARESH SANGHVI**  
**Practicing Company Secretary**  
**FCS 2259/COP No. 3675**  
**UDIN: F002259D000290228**

**Secretarial Compliance Report of****Annexure-II****BAJAJ HEALTHCARE LIMITED**

(CIN: L99999MH1993PLC072892)

**for the year ended 31st March, 2022**

[Pursuant to Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Haresh Sanghvi have examined:

- (a) the documents and records made available to me and explanation provided by Bajaj Healthcare Limited ("the listed entity"),
- (b) the filings/submissions made by the listed entity to BSE Ltd. and National Stock Exchange of India Limited,
- (c) website of the listed entity, and
- (d) other books, papers, minute books and other records maintained by the Company and produced before me for verification which has been relied upon to make this certification,

The following Regulations prescribed under the SEBI Act, whose provisions and the circulars/ guidelines issued thereunder, have been examined:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations, 2015");
- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations, 2015"); and
- (d) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

There were no actions/ events in pursuance of following Regulations prescribed under SEBI Act, requiring compliance thereof by the Company during the year ended 31st March, 2022 ("Period") under review:

- (a) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; and
- (f) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

and based on the above examination and verification of the documents and records produced before me and according to the information and explanations given to me by the Company, I hereby report that, during the Period under review:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder;
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) No actions were taken against the listed entity/ its promoters/ directors either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures (SOP) issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.
- (d) The reporting of actions by the listed entity to comply with the observations made in previous reports does not arise during the Period:

**Date: 16th May, 2022****Place: Mumbai**

**HARESH SANGHVI**  
**Practicing Company Secretary**  
**FCS 2259/COP No. 3675**  
**UDIN: F002259D000290228**  
**PRC no. 1104/2021**



## ANNEXURE-III

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i) **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22, ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.**

| Sr. No. | Name of the Director/KMP and Designation  | % increase in Remuneration in the financial year 2021-22 | Ratio of the remuneration of each director to the median remuneration of the employees. |
|---------|---|--|---|
| 1       | Mr. Sajankumar R. Bajaj<br>(Chairman & Managing Director)                       | Nil  | 18.34:1   |
| 2       | Mr. Anil C Jain<br>(Managing Director)  | Nil  | 18.34:1   |
| 3       | Mr. Dhananjay S. Hatle<br>Whole Time Director (WTD)                             | 47.34  | 10.99:1   |
| 4       | Ms. Namrata S Bajaj<br>Whole Time Director (WTD)                                | Nil  | 03.88:1   |
| 5       | Mr. Rupesh H Nikam<br>Whole Time Director (WTD) & Chief Financial Officer (CFO) | 15.84  | 08.05:1   |
| 6       | Mr. Pakshal Jain<br>Whole Time Director (WTD)                                   | 150.53   | 04.53:1   |
| 7.      | Mr. Aakashkumar Keshari   | 18.75  | 03.99:1   |

- ii) **The percentage increase in the median remuneration of employees in the financial year;**

The % increase in median remuneration of employee is 06.55%.

- iii) **The number of permanent employees on the rolls of company**

There are 1052 employee on pay rolls of the Company as on 31st March, 2022.

- iv) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Average percentile increase in the salaries of employees other than the managerial personnel is 19.24% during the year under review, the same is due to increase in number of employees after the same is due to commencement of production at new plant acquired under the SARFAESI Act, 2002 from Saraswat Bank and whereas the percentile increase in the managerial remuneration is 12.95%.

- v) **Affirmation that the remuneration is as per the remuneration policy of the company.**

Remuneration paid during the year ended March 31, 2022 is as per Remuneration policy of the Company.

# Annual Report on Corporate Social Responsibility (CSR) Activities

## 1. A brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013.

CSR Policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environment sustainability including biodiversity, energy & water conservation. Also embedded in this objective is support to the marginalized cross section of the society by providing opportunity to improve their quality of life.

The projects undertaken by the Company are within the broad framework of schedule VII of the Companies Act, 2013.

The Terms of Reference of the Committee are as follows:-

- To frame the CSR Policy and its review from time- to-time.
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget.
- To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

## 2. The Composition of the CSR Committee:

| Sr. No. | Name of Directors  | Designation in the CSR Committee | Nature of Directorship             | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--------------------|----------------------------------|------------------------------------|--|--|
| 1       | Sajankumar R Bajaj | Chairman                         | Chairman & Managing Director       | 1  | 1  |
| 2       | Ram Banarse        | Member                           | Non-Executive Independent Director | 1  | 1  |
| 3       | Rupesh Nikam       | Member                           | Whole Time Director                | 1  | 1  |

## 3. Web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:

The details and the web-links, where such details can be accessed are given hereunder:

| Details                      | Web- Links  |
|------------------------------|---|
| Composition of CSR committee | <a href="http://www.bajajhealth.com/board-committee/">http://www.bajajhealth.com/board-committee/</a> |
| CSR Policy                   | <a href="http://www.bajajhealth.com/policies/">http://www.bajajhealth.com/policies/</a>               |
| CSR projects                 | <a href="http://www.bajajhealth.com/csr-policy/">http://www.bajajhealth.com/csr-policy/</a>           |

- Details of impact assessment of csr projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if Applicable. Not Applicable
- Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: ₹175.01 Lakhs
- Average net Profits for last three years: ₹5968.32 Lakhs
- 

|  |               |
|--|---------------|
| (a) Two percent of average net profit of the company as per section 135(5).                            | ₹119.37 lakhs |
| (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year | Nil           |
| (c) Amount required to be set off for the financial year, if any                                       | Nil           |
| (d) Total CSR obligation for the financial year (7a+7b-7c).  | ₹119.37 Lakhs |

8. (a) CSR amount spent or unspent for the financial year

| Total Amount Spent for the Financial Year | Amount unspent   |               |  |         |                  |
|---|--|---------------|--|---------|------------------|
|   | Total Amount transferred to Unspent CSR Account as per section 135(6). |               | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |         |                  |
|   | Amount.  | Transfer Date | Name of the Fund   | Amount. | Date of transfer |
| ₹139.38 Lakhs                             | --   | --            | --   | --      | --               |

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1)     | (2)  | (3)   | (4)                 | (5)                     | (6)                   | (7)    | (8)  |                      |
|---------|--|---|---------------------|-------------------------|-----------------------|--------|--|----------------------|
| Sr. No. | Name of Project                                      | Item from the list of activities in schedule VII of the Act | Local Area (Yes/No) | Location of the project |                       |        | Mode of implementation - Through implementation agency |                      |
|         |  |   |                     | District                | State                 |        | Name   | CSR Registration No. |
| 1.      | Initiatives on Prevention of Covid-19 in Communities | Disaster relief   | NO                  | PAN India               | -                     | 118.07 | Yes  | --                   |
| 2.      | Support towards education for backward class peoples | Education   | Yes                 | Palghar, Thane, Mumbai  | Maharashtra           | 10.20  | Yes  | --                   |
| 3.      | Support towards Health                               | Healthcare  | Yes                 | Thane & Vadodara        | Maharashtra & Gujarat | 11.11  | Yes  | --                   |

d) Amount spent in Administrative Overheads – Not Applicable

(e) Amount spent on Impact Assessment, if applicable - Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹139.38 Lakhs

(g) Excess amount for set off, if any

| Sr. No. | Particulars   | Amount (₹ in Lakhs) |
|---------|---|---------------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | 119.37              |
| (ii)    | Total amount spent for the Financial Year   | 139.38              |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 20.01               |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil                 |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | 20.01*              |

\*Note: Actual excess amount available for set off in succeeding financial years is ₹195.02 which includes previous years excess spent amounting to ₹175.01 Lakhs.

9 (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Nil**

10. In case of creation or acquisition of capital asset, furnish the details relating to the Asset so created or acquired through CSR spent in the financial year: **Not applicable**

11. Reason(s), if the company has failed to spend two per cent of the average net profit as Per Section 135(5): **Not Applicable**

# Business Responsibility Report

Annexure- a

The Company believes that contributing back to the society is not only a RESPONSIBILITY but a COMMITMENT. The little value addition to the betterment of society is a part of the Company's mission, in line with its commitment to human health. Pursuant to regulation 34(2) (f) of SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015, the Company has prepared Business Responsibility Report as under:

## Section A: General Information about the Company:

|  |   |  |
|--|---|--|
| 1. Corporate Identity Number (CIN) of the Company  | : | L99999MH1993PLC072892  |
| 2. Name of the Company   | : | Bajaj Healthcare Limited   |
| 3. Registered address :  |   | 602-606, Bhoomi Velocity Infotech Park, Plot No. B-39, B-39A, B-39 A/1, Rd No.23, Wagle Ind. Estate, Thane West Thane MH 400604.     |
| 4. Website   | : | www.bajajhealth.com  |
| 5. E-mail id   | : | investors@bajajhealth.com  |
| 6. Financial Year reported   | : | 2021-22  |
| 7. Sector(s) that the Company is engaged in (industrial activity code-wise)                      | : | Industrial Activity Code - 220<br>Manufacturing of Pharmaceuticals   |
| 8. List three key products/services that the Company manufactures/provides (as in balance sheet) | : | Ascorbic Acid, CH Base and Its Derivatives, Citicoline Sodium  |
| 9. Total number of locations where business activity is undertaken by the Company                |   |  |
| (a) Number of International Locations (Provide details of major 5)                               | : | NIL  |
| (b) Number of National Locations   | : | In Maharashtra- 2 Locations &<br>In Gujarat-3 Location   |
| 10. Markets served by the Company  | : | In addition to serving the Indian Market, the Local/State/ National/International Company exported to around 60+ countries worldwide |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

|  |   |   |
|--|---|---|
| 1. Paid up Capital   | : | ₹1,379.92 Lakhs   |
| 2. Total Turnover  | : | ₹68,133.39 Lakhs  |
| 3. Total profit after taxes  | : | ₹7138.59 Lakhs  |
| 4. Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax | : | 1.67%   |
| 5. List of activities in which expenditure in 4 above has been Incurred                        | : | (a) Promoting education including special education and environment.<br>(b) Eradicating poverty and malnutrition.<br>(c) Promoting healthcare including preventive Healthcare |

## SECTION C: OTHER DETAILS

|  |   |    |
|--|---|----|
| 1. Does the Company have any Subsidiary Company/ Companies?  | : | NO |
| 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | : | NO |
| 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?     | : | NO |

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR:

#### (a) Details of the Director/Director responsible for implementation of the BR policy/policies:

|                |   |                              |
|----------------|---|------------------------------|
| 1. DIN Number  | : | 00225950                     |
| 2. Name        | : | Mr. Sajankumar R. Bajaj      |
| 3. Designation | : | Chairman & Managing Director |

**(b) Details of the BR head:**

| SR. NO. | PARTICULARS   | DETAILS                      |
|---------|---------------|------------------------------|
| 1.      | DIN Number    | 00225950                     |
| 2.      | Name          | Mr. Sajankumar R. Bajaj      |
| 3.      | Designation   | Chairman & Managing Director |
| 4.      | Telephone No. | 022-6617 7400                |
| 5.      | E-mail ID     | bajajhealth@bajajhealth.com  |

**2. Principle-wise (as per NVGs) BR Policy/policies:**

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are briefly as follows:

- P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.  
P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.  
P3: Businesses should promote the wellbeing of all employees.  
P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.  
P5: Businesses should respect and promote human rights.  
P6: Business should respect, protect, and make efforts to restore the environment.  
P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.  
P8: Businesses should support inclusive growth and equitable development.  
P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

| Sr. No. | Questions  | P 1   | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---------|--|---|-----|-----|-----|-----|-----|-----|-----|-----|
| 1       | Do you have a policy/ policies for...  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 2       | Has the policy being formulated in consultation with the relevant stakeholders?  | All the policies have been formulated in consultation with the Management of the Company and is approved by the Board   |     |     |     |     |     |     |     |     |
| 3       | Does the policy conform to any national / international standards?   | The policies are broadly based on the National Voluntary Guidelines on Social, Environment and economical responsibility of business issued by the Ministry of Corporate Affairs, Government of India |     |     |     |     |     |     |     |     |
| 4       | Has the policy being approved by the Board?  | All the policies have been approved by the Board and have been signed by the Managing Director  |     |     |     |     |     |     |     |     |
| 5       | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?                                  | The Board has appointed Mr. Rupesh Nikam, Whole-time Director – Bajaj Healthcare Limited, to oversee the policy implementation.   |     |     |     |     |     |     |     |     |
| 6       | Indicate the link for the policy to be viewed online?  | Copies will be made available on receipt of written request from shareholders.  |     |     |     |     |     |     |     |     |
| 7       | Has the policy been formally communicated to all relevant internal and external stakeholders?  | The policies have been formally communicated to internal stakeholders. The external stakeholders will be communicated in due course.  |     |     |     |     |     |     |     |     |
| 8       | Does the company have in-house structure to implement the policy/ policies.  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 9       | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 10      | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                                 | It will be done in due course.  |     |     |     |     |     |     |     |     |

**3. Governance related to BR****(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.**

The business responsibility performance of the Company is reviewed annually by the Management.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company's Annual Report includes a Business Responsibility Report which is available on the website. Business Responsibility Report of previous year can be accessed from the website of the Company i.e. [www.bajajhealth.com](http://www.bajajhealth.com).

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principal 1: Ethics, Transparency and Accountability

#### 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company firmly believes and adheres to transparent, fair and ethical governance practices to foster professionalism, honesty, integrity and ethical behaviour.

The Company's Code of Conduct affirms its commitment to the highest standards of integrity and ethics. The Code of Conduct guides all supervisory, executive and managerial employees of the Company including the Board members.

The philosophy of the Company on corporate governance has been adhere to the highest standard of ethical corporate behaviour and fairness to the stakeholders. The Company have institutionalised a healthy governance structure.

Codes of Conduct have been adopted for Directors, Independent Directors and Senior Management Personnel as well as for employee of the Company. As a testament of its robust corporate governance practices and ethical conduct of business, the Company instituted an initiative that encompasses three important policies viz. Code of Conduct, Whistle blower policy and Prevention of Workplace harassment including sexual harassment at workplace.

#### 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The Company did not receive any complaint from stakeholders.

### PRINCIPAL 2:

#### 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

We produce a comprehensive, diverse and highly complementary portfolio of generic and specialty medicines, targeting a wide spectrum of chronic and acute treatments. Our product portfolio includes generics, branded formulations, Active Pharmaceutical Ingredients (APIs) and intermediates, which are manufactured at various manufacturing sites and whereby ascertaining minimum consumption of energy, water and raw material, etc. on per unit of product made.

The Company has used fibre drums for packaging of finished goods. Fibre drums are lightweight and sturdy and it is also good for the planet since they are made out of materials that are renewable and can be recycled.

The waste generated in the Company's operations is either recycled or disposed of safely and scientifically as per applicable Rules / Laws. Every manufacturing facility has its own Effluent Treatment Plant, which ensures discharge of waste meets the norms prescribed by respective pollution control boards/government agencies.

Important raw materials and solvents are recovered and recycled. It is a part of operational management. Full-fledged Solvent Recovery Plant at our API manufacturing sites recovers solvents generated during the process of manufacturing and reuses solvents in the manufacturing process.

#### 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

##### (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company manufactures as well as distributes a varied range of generics and branded Formulations and active pharmaceutical ingredients at its state of art manufacturing facilities. Since consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

##### (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products do not have any broad-based impact on energy and water consumption by consumers.

#### 3. Does the company have procedures in place for sustainable sourcing (including transportation)?

##### (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the company has standard operating procedures in place for approving vendor and to evaluate sustainability of suppliers which are reviewed periodically. Material are procured from approved vendors both local as also international. The company quality assurance team conducts periodic audits of vendors, especially those who supply key materials.

The raw material and packaging purchased is tightly specified due to critical nature of our products and no compromise is permissible on specifications.

The Company has long standing business relations with regular vendors and enters annual freight contracts with leading transporters for movements of materials.



**4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?**

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the company procures goods and avails services from local and small vendors, particularly those located around its manufacturing locations. As a result of procurements of goods from local vendors, the company saves on transportation as also inventory carrying cost.

The Company sources packing materials and has awarded contracts like security, canteen, employee transport, housekeeping and other repairs and maintenance through local sources.

As the Company deals in hazardous and non-hazardous substances, the purchases are mostly from organized sector. However, it does buy some engineering items from small producers and help them improve their product quality by improving their engineering skills.

The Company also hire contractors from the areas neighbouring its plant and improve their capability by imparting training in various fields like safety, hazard handling, compliances etc.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

A mechanism for recycling and reuse of products is in place in the Company and it actively and continually promotes the concept of recovery, reuse and recycling.

About 65% of the waste water generated in plants, is recovered, recycled and reused thereby reducing usage of fresh water. Besides, steam condensate is recovered and reused which has resulted in reduction in use of fresh water. Treated waste water is also used for gardening inside the Company premises in place of fresh water.

**PRINCIPAL 3: Businesses should promote the wellbeing of all employees**

**1. Please indicate the Total number of employees.**

Total number of employees on pay roll of Company are 1052 and on temporary/contractual/casual basis are 612.

**2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

Total number of employees on temporary/contractual/casual basis 612.

**3. Please indicate the Number of permanent women employees.**

Total number of women employees are 89.

**4. Please indicate the Number of permanent employees with disabilities: 07**

**5. Do you have an employee association that is recognized by management? YES**

**6. What percentage of your permanent employees is members of this recognized employee association? 8.75%**

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

| No. | Category                                       | No of complaints filed during the year | No of complaints pending as on end of the financial year |
|-----|--|--|--|
| 1   | Child labour/ forced labour/involuntary labour | NIL                                    | NIL  |
| 2   | Sexual harassment                              | NIL                                    | NIL  |
| 3   | Discriminatory employment                      | NIL                                    | NIL  |

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

(a) Permanent Employees – 100%

(b) Permanent Women Employees – 100%

(c) Casual/Temporary/Contractual Employees- 100%

(d) Employees with Disabilities – 100%

**Principle 4**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has mapped its internal as well as external stakeholders.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

The Company has identified the disadvantaged, vulnerable and marginalized stakeholders

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.**

The Company believes in greater engagement with its stakeholders and being sensitive towards their needs and expectations. Various initiatives have been taken by the Company to engage with marginalised stakeholders at locations in and around its operations in the areas of: Community Health Care, Sanitation and Hygiene, Education and Knowledge Enhancement.

**Principle 5**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The policy covers the employees of the Company and its suppliers, contractor, and other stakeholders.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company did not receive any complaint during the financial year in respect of violation of human rights.

**Principle 6**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The policy covers the Company and all contractors working within the Company premises.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

The Company always focuses and give importance to conservation and optimum utilization of natural resources. We have installed solar energy facility in one of our manufacturing facilities

The Company being a responsible corporate, and committed towards managing climate change and global warming, is associating with different national and international forums and organisations, in order to address global environmental concerns. The Company is in process of framing The Environment, Health, Safety and Sustainability policy.

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes, we continually identify and assess potential environmental risks and are reviewed by the Risk Management Committee on a periodic basis.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

At present the Company does not have any project related to the Clean Development Mechanism.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Some of the energy-efficient and clean technology initiatives taken up by the Company at different locations were as under: -

- Commissioned low pressure steam turbine. This works on back pressure of steam boiler & generates electrical power of 100 KW/HR.
- Installed Solar Panels of capacity of 700 KW in vacant land of factory premises.
- To prevent heat loss replaced old insulation of reactors and cold well of brine storage tank.
- Installed softener plant capacity of 10 M3/HR to improve cooling water quality and efficient running of chilling plant. This prevents scaling & ensure better heat transfer & saves energy.
- Installed DM plant to improve boiler feed water quality and run efficient. This saves scaling in tubes & enhances life of boiler tubes.
- Replaced the condenser of Brine Plant 2 by higher capacity to run machine efficient.
- Replaced steam trap by float type. This controls live steam

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, Emissions/Waste generated by the company are within the permissible limits.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There are no unresolved show cause / legal notice pending from CPCB/SPCB.

**Principle 7:****1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a member of various trade bodies, task forces and forums, chambers and associations inter-alia:-

- (a) Federation of Indian Chambers of Commerce and Industry (FICCI);
- (b) Confederation of Indian Industry (CII);
- (c) The Associated Chambers of Commerce and Industry (ASSOCHAM);
- (d) Indian Pharmaceutical Alliance (IPA);
- (e) Indian Drugs Manufacturers Association (IDMA);
- (f) Bulk Drugs Manufacturers Association (BDMA);
- (g) Pharmaceutical Export Promotion Council of India (PHARMEXCIL);
- (h) Bombay Chamber of Commerce and Industry; and
- (i) Federation of Indian Export Organisation (FIEO).

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

The Company has advocated at various forums about measures to be taken to address basic issues pertaining to improvement of public health and promote balanced as well as sustainable economic development. The Company supports the government in its efforts to harness the country's innovation capabilities and suggest measures to offer facilities and incentives viz. encourage investments in R&D.

**Principle 8****1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has adopted CSR Policy for specified project in:

- (a) Promoting education including special education and environment.
- (b) Eradicating poverty and malnutrition.
- (c) Promoting healthcare including preventive Healthcare

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

Exhaustive and appropriate systems are in place to effectively execute CSR programmes. The Company has also tie-up with some trust to carry CSR activities like Promoting girls education for backward class. Programmes are undertaken through in-house team, own foundation and any other foundation/trust.

**3. Have you done any impact assessment of your initiative?**

Company regularly conduct impact assessment by internal sources of programmes undertaken under Corporate Social Responsibility Policy.

**4. What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?**

During the year, an amount of ₹139.38 Lakhs was spent on various CSR Activity for Promoting education including special education and environment, Eradicating poverty and malnutrition and Promoting healthcare including preventive Healthcare.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Most of the CSR initiatives undertaken by the Company are not imposed from the top but are designed with people's participation right from the village level. Consequently, only those activities, which are beneficial to the community are taken up.

**Principle 9****1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

There are no customer complaints / consumer cases are pending.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws?**

Yes, the Company display product information on the product label, over and above what is mandated as per local laws

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.**

No, there are no case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

The Company regularly carries out consumer surveys through feedback forms.

# Report on Corporate Governance

## 1. COMPANY PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Companies Act, 2013 ('the Act') and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') have strengthened the framework of Corporate Governance for India Inc.

The Company's Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholders' aspirations and societal expectations. The Company is committed to achieve highest standards of corporate governance. The Company has a well-defined structure for ensuring that business conduct is fair and ethical and has put in place mechanism for reporting illegal and unethical behavior.

## BOARD OF DIRECTORS:

### 2.1 Composition and categories of Directors:

The Company has broad based Board constituted in compliance with the Act and Listing Regulations and in accordance with highest standards of Corporate Governance in its management, which ensures judicious mix of Directors that includes the Executive, Non-Executive and Independent Directors.

Details of the Composition of the Board of Directors as on 31st March, 2022 is stated below:

| No. | Category                | Categories/Designation of Director |
|-----|-------------------------|------------------------------------|
| 1   | Mr. Sajankumar R. Bajaj | Chairman & Managing Director       |
| 2   | Mr. Anil C. Jain        | Managing Director                  |
| 3   | Mr. Dhananjay S. Hatle  | Whole Time Director                |
| 4   | Ms. Namrata S. Bajaj    | Whole Time Director                |
| 5   | Mr. Rupesh H. Nikam     | Whole Time Director                |
| 6   | Mr. Pakshal A. Jain     | Whole Time Director                |
| 7   | Mr. Hemant R. Karnik    | Non-Executive Independent Director |
| 8   | Mr. Ram B. Banarse      | Non-Executive Independent Director |
| 9   | Mr. Avinash Dalal       | Non-Executive Independent Director |
| 10  | Mr. Loukik Tipnis       | Non-Executive Independent Director |
| 11  | Mr. Luke B. Fernandez   | Non-Executive Independent Director |
| 12  | Mrs. Kejal N. Shah      | Non-Executive Independent Director |

### Independent Director(s)

The Board of Directors confirms that, in the opinion of the Board, Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management.

### 2.2 Board Meetings, Attendance and other details:

During the financial year under review, 7 (Seven) Board Meetings were held on 09th April, 2021; 09th June, 2021; 5th July, 2021; 03rd August, 2021; 13th August, 2021; 02nd November, 2021 and 28th January, 2022. The maximum time gap between any two consecutive Board Meetings was in conformity with the maximum gap allowed as per the Act and the Listing Regulations read with Circulars issued by Ministry of Corporate Affairs (MCA) and SEBI from time to time..

In compliance with Section 165(1) of the Act, and Regulation 25(1) of Listing Regulations, none of the Director of the Company is a Director on the Board of more than 20 Companies (including Public Limited Companies) or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director is a member of more than 10 Committees or act as Chairman of more than 5 Committees across all Companies in which they are Directors.

The details on the attendance at the Board meetings held during the Financial Year under review and at the last Annual General Meeting, number of directorship, Memberships/Chairmanships of the Committees of public companies and their shareholding in the Company are as follows: -

| Name of Directors       | DIN      | No. of Board Meetings attended / held in F.Y.2021-2022 | Attendance at the last A.G.M. | No. of Directorship in Listed Entity | Committee position** |        | No. of Equity Shares |
|-------------------------|----------|--|-------------------------------|--------------------------------------|----------------------|--------|----------------------|
|                         |          |  |                               |                                      | Chairman             | Member |                      |
| Mr. Sajankumar R. Bajaj | 00225950 | 7/7  | Y                             | 1                                    | Nil                  | Nil    | 96,28,000            |
| Ms. Namrata S. Bajaj    | 05327071 | 7/7  | Y                             | 1                                    | Nil                  | Nil    | 16,16,000            |
| Mr. Anil C. Jain        | 00226137 | 7/7  | Y                             | 1                                    | Nil                  | 1      | 14,36,000            |
| Mr. Dhananjay S. Hatle  | 00226390 | 7/7  | Y                             | 1                                    | Nil                  | Nil    | 24,000               |
| Mr. Rupesh H. Nikam     | 07007815 | 7/7  | Y                             | 1                                    | Nil                  | 1      | Nil                  |
| Mr. Pakshal A. Jain     | 08776385 | 7/7  | Y                             | 1                                    | Nil                  | Nil    | Nil                  |
| Mr. Hemant R. Karnik    | 07377151 | 7/7  | Y                             | 1                                    | 1                    | 2      | Nil                  |
| Mr. Ram B. Banarse      | 07405486 | 7/7  | Y                             | 1                                    | Nil                  | 1      | Nil                  |
| Mr. Avinash Dalal       | 03574325 | 7/7  | Y                             | 1                                    | Nil                  | Nil    | Nil                  |
| Mr. Loukik D. Tipnis    | 08188583 | 7/7  | Y                             | 2                                    | 1                    | 2      | Nil                  |
| Mr. Luke B. Fernandez   | 01110174 | 7/7  | Y                             | 1                                    | 1                    | 1      | Nil                  |
| Mrs. Kejal N. Shah      | 08608399 | 7/7  | Y                             | 2                                    | Nil                  | Nil    | Nil                  |

Notes:

- Excludes directorships in, Private Limited Companies, Foreign Companies and Section 8 Companies.
- In accordance with Regulation 26(1)(b) of SEBI (Listing Regulation), Membership/ Chairpersonship of only the Audit Committee and Stakeholders Relationship Committee in all Indian Public Limited Companies have been considered.
- Mr. Sajankumar Bajaj and Ms. Namrata Bajaj are related to each other. Mr. Anil Jain & Mr. Pakshal Jain are related to each other in terms of Section 2 (77) of the Companies Act, 2013 read with Companies (Specification of definitions details) Rules, 2014.. No other directors are related inter-se.
- The Company has not issued any convertible instruments.

### 2.3 Names of the Indian listed entities where the Directors of the Company hold Directorship and the category of directorship as on March 31, 2022:

| Name of Director(s) | Other Indian Listed entities in which they hold Directorship | Category of Directorship           |
|---------------------|--|------------------------------------|
| Mr. Loukik Tipnis   | Sky Gold Limited   | Non-Executive Independent Director |
| Mrs. Kejal Shah     | Sky Gold Limited   | Non-Executive Independent Director |

### 2.4. Meeting of Independent Directors and performance evaluation of Non-Independent Board

As stipulated by the Code of Independent Directors pursuant to Act and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 28th January, 2022 to review the performance of Non-independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

### 2.5 Director's Familiarisation programme:

The Company undertakes and makes necessary provisions for an appropriate induction programme for new Directors and ongoing training for existing Directors. The details of Familiarisation programme of the independent Directors are available on the website of the Company: <http://www.bajajhealth.com/policies/>. The new directors are introduced to the Company's culture, through appropriate training programmes. Such kind of training programmes helps to develop relationship of the Directors with the Company and familiarise them with the Company processes. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The induction process is designed to:-

- build an understanding of the Company processes and;
- fully equip the Directors to perform their role on the Board effectively;

After appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

### 2.6 The following is the list of core skills/expertise/competencies identified by the Board of Directors, based on recommendations of the Nomination & Remuneration Committee, as required in the context of the Company's aforesaid business(es) for it to function effectively along with the names of Directors who have such skills/ expertise/ competence:

| Sr. No. | Name of Director(s)  | Sales & Marketing: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry | International Business experience: Experience in leading businesses in different geographies/ markets around the world | General management/ Governance: Strategic thinking, decision making and protect interest of all stakeholders | Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc | Technical, professional skills and knowledge including legal and regulatory aspects |
|---------|----------------------|--|--|--|---|---|
| 1.      | Mr. Sajankumar Bajaj | Y  | Y  | Y  | Y   | Y   |
| 2.      | Mr. Anil Jain        | Y  | Y  | Y  | Y   | Y   |
| 3       | Mr. Dhananjay Hatle  | Y  | Y  | Y  | Y   | Y   |
| 4       | Ms. Namrata Bajaj    | Y  | Y  | Y  | Y   | Y   |
| 5       | Mr. Rupesh Nikam     | Y  | Y  | Y  | Y   | Y   |
| 6       | Mr. Pakshal Jain     | Y  | N  | Y  | N   | N   |
| 7       | Mr. Hemant Karnik    | N  | Y  | Y  | Y   | Y   |
| 8       | Mr. Ram Banarse      | Y  | Y  | Y  | Y   | Y   |
| 9       | Mr. Avinash Dalal    | Y  | Y  | Y  | Y   | Y   |
| 10      | Mr. Loukik Tipnis    | N  | N  | Y  | Y   | Y   |
| 11      | Mr. Luke Fernandez   | Y  | N  | Y  | Y   | Y   |
| 12      | Mrs. Kejal Shah      | N  | N  | N  | N   | Y   |

### 3. COMMITTEES OF THE BOARD:

The Committees of the Board are constituted as per the Act and Listing Regulations

#### 3.1 Audit Committee:

The Audit Committee of the Company is constituted in line with provisions of Regulation 18 of Listing Regulations read with Section 177 of the Act and rules framed thereunder. All the members possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The previous AGM of the Company was held on 30th September, 2021 and was attended by Mr. Luke Fernandez the Chairman of the Audit Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

##### 3.1.1 Brief Terms of Reference

The terms of reference of Audit Committee broadly includes-

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board.
- Review Compliance with Stock Exchange and legal requirements concerning financial statements.
- Approval of related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large.
- Reviewing with the management, External and Internal auditors the adequacy of Internal Control System.
- Reviewing the findings of any internal investigations in the matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debentures holders, shareholders (in case of no nonpayment of declared dividends) and creditors.
- To approve the appointment of the Internal auditor after assessing the qualifications, experience, background, etc. of the candidate.
- Review compliance with provisions of Securities Exchange Board of India (Prevention of Insider Trading) Regulation, 2015 (including any amendment(s) or modification(s) from time to time) at least once in a financial year and verify that the systems for internal controls for ensuring compliance to these Regulations, are adequate and are operating effectively.



### 3.1.2 Composition and Attendance at the Meeting

The Audit Committee met 5 (Five) times during the year on 09th April, 2021; 09th June, 2021; 03rd August, 2021; 02nd November, 2021 and 28th January, 2022.

The details on composition, names of the Members, Chairperson, category of Directors and no. of the meetings attended by the members during the FY 21-22 are as follows: -

| Sr. No. | Names of Members as on 31st March, 2022 | Category of Directors | Designation in the Committee | No. of Meeting Attended |
|---------|---|-----------------------|------------------------------|-------------------------|
| 1       | Mr. Luke Fernandez                      | Independent Director  | Chairman                     | 5/5                     |
| 2       | Mr. Hemant Karnik                       | Independent Director  | Member                       | 5/5                     |
| 3       | Mr. Rupesh Nikam                        | Executive Director    | Member                       | 5/5                     |

### 3.2 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in time with the provisions of Regulation 19 of Listing Regulations read with Section 178 of the Act. The previous AGM of the Company was held on 30th September, 2021 and was attended by the Chairman of the Nomination and Remuneration Committee, Mr. Ram Banarse.

#### 3.2.1 Brief Terms of reference

The terms of reference of Nomination and Remuneration Committee broadly includes:

- To help in determining the appropriate size, diversity and composition of the Board;
- To recommend to the Board appointment/reappointment and removal of Directors;
- To frame criteria for determining qualifications, positive attributes and independence of Directors;
- To create an evaluation framework for Independent Directors and the Board;
- To delegate its powers to any member of the Committee or the Compliance Officer.
- Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company

#### 3.2.2 Composition and Attendance at the Meeting

The Nomination and remuneration Committee met once during the year on 09th June, 2021.

The details on the composition, names of the members, chairperson, category of Directors and no. of the meeting attended by the members during the FY 21-22 after members is as follows: -

| Sr. No. | Names of Members as on 31st March, 2022 | Category of Directors | Designation in the Committee | No. of Meeting Attended |
|---------|---|-----------------------|------------------------------|-------------------------|
| 1       | Mr. Ram Banarase                        | Independent Director  | Chairman                     | 1/1                     |
| 2       | Mr. Hemant Karnik                       | Independent Director  | Member                       | 1/1                     |
| 3       | Mr. Loukik Tipnis                       | Independent Director  | Member                       | 1/1                     |

#### 3.2.3 Remuneration Policy

The Remuneration Policy formulated in accordance with the Act and Listing Regulations and as recommended by Nomination and Remuneration Committee has been accepted by the Board of Directors and is also available on the Company's website <http://www.bajajhealth.com/policies/>

#### 3.2.4 Performance evaluation criteria for independent directors

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Committee has laid down the manner in which formal annual evaluation of the performance of the Directors including Independent Directors and its Committees has to be made. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

#### 3.2.5 Details of Remuneration paid to the Directors

Details of Remuneration paid to the Directors for the year ended 31st March, 2022 are as follows:

(Amount in Lakhs)

| Name                 | Relationship with the other Directors      | Remuneration (₹) | Commission (₹) | Sitting Fees (₹) | Total (₹) |
|----------------------|--|------------------|----------------|------------------|-----------|
| Mr. Sajankumar Bajaj | Immediate relative to Ms. Namrata Bajaj    | 48.00            | Nil            | Nil              | 48.00     |
| Mr. Anil Jain        | Immediate relative to Mr. Pakshal Jain     | 48.00            | Nil            | Nil              | 48.00     |
| Mr. Dhananjay Hatle  | None                                       | 28.76            | Nil            | Nil              | 28.76     |
| Ms. Namrata Bajaj    | Immediate relative to Mr. Sajankumar Bajaj | 10.15            | Nil            | Nil              | 10.15     |
| Mr. Rupesh Nikam     | None                                       | 21.06            | Nil            | Nil              | 21.06     |
| Mr. Pakshal Jain     | Immediate relative to Mr. Anil Jain        | 11.85            | Nil            | Nil              | 11.85     |
| Mr. Hemant Karnik    | None                                       | Nil              | Nil            | 2.18             | 2.18      |
| Mr. Ram Banarse      | None                                       | Nil              | Nil            | 1.25             | 1.25      |
| Mr. Avinash Dalal    | None                                       | Nil              | Nil            | 1.10             | 1.10      |
| Mr. Loukik Tipnis    | None                                       | Nil              | Nil            | 1.15             | 1.15      |
| Mr. Kejal Majethia   | None                                       | Nil              | Nil            | 1.10             | 1.10      |
| Mr. Luke Fernandez   | None                                       | Nil              | Nil            | 1.98             | 1.98      |

Notes:

- Sitting fees include payment of fees for attending Board/Committee Meetings.
- The remuneration payments in the Company are made with an aim of rewarding performance, based on review of achievements. The remuneration levels are in consonance with the existing industry practices.
- No provision of performance-linked variable pay for the FY 2021-22 is available to Managing Director, the Executive Director and the Whole-time Director. There are no provisions for notice period, payment of severance fees and bonus during the year under review.
- Payments to Non-Executive Directors are decided, based on multiple criteria of seniority/experience, number of years on the Board, Board/Committee meetings attended, Director's position on the Company's Board/Committees, other relevant factors and performance of the Company. There are no pecuniary relationship or transactions between your Company and its Non-Executive/Independent Directors for the financial year under review.
- The Company has not granted any stock option to any of its Directors.

## SUCCESSION PLANNING:

The Company believes that sound succession plans for the Board members and senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee plays a pivotal role in identifying successors to the members of the Senior Management.

During the year under review, the Nomination and Remuneration Committee spent substantial time with the Managing Director on succession planning exercise. The succession plan was closely aligned with the strategy and long term needs of the Company

### 3.3 Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulations 20 of Listing Regulations read with Section 178 of the Act. The previous AGM of the Company was held on 30th September, 2021 and was attended by Mr. Hemant. R. Karnik the Chairman of the Stakeholders' Relationship Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

#### 3.3.1 Brief Terms of reference

The terms of reference of Stakeholders' Relationship Committee broadly includes:

- Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;

The Company's Registrar & Share Transfer Agents, M/s Link Intime India Private Limited are fully equipped to carry out the transfers of shares and redress Investor complaints received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

#### 3.3.2 Composition of the Committee

During the year under review, the Committee met on 28th January, 2022. The composition, names of the members, chairperson, category of Directors, and no. of the meetings attended by the members during the FY 21-22 are as follows:

| Sr. No. | Names of Members as on 31st March, 2022 | Category                   | Designation in the Committee | No. of Meeting Attended |
|---------|---|----------------------------|------------------------------|-------------------------|
| 1.      | Mr. Hemant. R. Karnik                   | Non-Executive, Independent | Chairman                     | 1/1                     |
| 2.      | Mr. Anil C. Jain                        | Executive, Non-Independent | Member                       | 1/1                     |
| 3.      | Mr. Ram B. Banarase                     | Non-Executive, Independent | Member                       | 1/1                     |

### 3.3.3 Details in respect of Compliance Officer:

Mr. Aakashkumar Kesari, Company Secretary, acts as the Compliance Officer of the Company.

### 3.3.4 Details of Investors Complaints received during F.Y. 2021-22 are as follows:

| Sr.No. | Nature of Complaints                                   | Whether Received | No. of Complaints Redressed | Pending Complaints |
|--------|--|------------------|-----------------------------|--------------------|
| 1.     | Non-Receipt of Shares lodged for transfer/transmission | Nil              | Nil                         | Nil                |
| 2.     | Non- Receipt of Dividend                               | Nil              | Nil                         | Nil                |
| 3.     | Non- Receipt of Annual Report                          | Nil              | Nil                         | Nil                |

### 3.4 Risk management Committee:

The Risk Management Committee ("RMC") constituted in line with the provisions of the Listing Regulations, presently comprises 3 (Three) members, 1 (One) Independent Directors, a Non-Executive Director and 2 (two) members from the management/Board of the Company.

#### 3.4.1 Brief Terms of reference:

The terms of reference of RMC broadly includes:

- i. To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks, or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
- ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risks management systems.
- iv. To review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- v. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- vi. Review any appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- vii. To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

#### 3.4.2 Composition of the Committee

The RMC met 2 (Two) times during the financial year 2021-22 on 01st October, 2021 and 24th December, 2021. The intervening period between 2 (two) consecutive RMC meetings was well within the maximum allowed gap of 180 (one hundred and eighty) days. The Composition of the RMC of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2021-22 is detailed below:

| Sr. No. | Names of Members as on 31st March, 2022 | Category                   | Designation in the Committee | No. of Meeting held/ Attended |
|---------|---|----------------------------|------------------------------|-------------------------------|
| 1.      | Mr. Sajankumar R. Bajaj                 | Executive                  | Chairman                     | 2/2                           |
| 2.      | Mr. Anil C. Jain                        | Executive                  | Member                       | 2/2                           |
| 3.      | Mr. Hemant R. Karnik                    | Non-Executive, Independent | Member                       | 2/2                           |

### 3.5 Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee comprises of Mr. Sajankumar R Bajaj, as Chairman and Mr. Ram Banarse and Mr. Rupesh Nikam as Members of the Committee.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 135 of the Companies Act, 2013 and are mentioned in "Annexure IV "Annual Report on CSR Activities" of the Directors' Report forming part of this Annual Report.

## 4) GENERAL BODY MEETINGS:

### 4.1 Annual General Meeting

The details of Special Resolutions passed at the Annual General Meetings held in last 3 years along with the location and time of the AGMs are as follows:

The details of Annual General Meetings held during the last three years and special resolutions passed thereat are as follows:

| AGM      | FINANCIAL YEAR | DATE & TIME                              | VENUE   | SPECIAL RESOLUTION PASSED   |
|----------|----------------|--|---|---|
| 26th AGM | March 31, 2019 | Monday, 30th September, 2019 at 04.00 pm | 602-606, Bhoomi Velocity Infotech Park, Plot No.B-39, B-39A, B-39A/1 Road No.23, Wagle Industrial Estate, Thane (West), Thane 400 604   | <ul style="list-style-type: none"> <li>Regularize Shri Avinash Dalal (DIN: 03574325) as an Independent Director.</li> <li>Regularize Shri Loukik Tipnis (DIN: 08188583) as an Independent Director.</li> </ul>  |
| 27th AGM | March 31, 2020 | Friday, 30th October, 2020 at 01.00 pm   | <p>Conducted through Video Conferencing/ Other Audio Visual</p> <p>Means Deemed venue is the Registered Office of the Company at 602-606, Bhoomi Velocity Infotech Park, Plot No.B-39, B-39A, B-39A/1 Road No.23, Wagle Industrial Estate, Thane (West), Thane 400 604.</p> | <ul style="list-style-type: none"> <li>Regularize of Mr. Luke Fernandez (DIN: 08188583) as an Independent Director of the Company.</li> <li>Regularize of Mrs. Kejal Shah (DIN: 08608399) as an Independent Director of the Company.</li> <li>Regularize of Mr. Pakshal Jain (DIN: 08776385) as Whole Time Director of the Company.</li> <li>Re-appointment of Mr. Hemant Karnik (DIN: 07377151) as an Independent Director of the Company.</li> <li>Re-appointment of Mr. Ram Banarse (DIN: 07405486) as an Independent Director of the Company.</li> <li>Continue directorship of Mr. Avinash Dalal (DIN: 03574325) as an Independent Director of the Company after age of 75 years.</li> <li>Increase in borrowing power under section 180 (1) (c) of the Companies Act, 2013.</li> <li>Authorization for creation of charge under Section 180 (1) (a) of the Companies Act, 2013.</li> <li>Re-appointment of Mr. Sajankumar Bajaj (DIN: 00225950) as Chairman &amp; Managing Director.</li> <li>Re-appointment of Mr. Anil Jain (DIN: 00226137) as Managing Director.</li> <li>Re-appointment of Mr. Dhananjay Hatle (DIN:00226390) as Whole Time Director.</li> <li>Re-appointment of Ms. Namrata Bajaj (DIN: 05327071) as Whole Time Director.</li> <li>Re-appointment of Mr. Rupesh Nikam (DIN: 07007815) as Whole Time Director.</li> </ul> |

| AGM      | FINANCIAL YEAR | DATE & TIME                                | VENUE  | SPECIAL RESOLUTION PASSED                     |
|----------|----------------|--|--|---|
| 28th AGM | March 31, 2021 | Thursday, 30th September, 2021 at 01.00 pm | Conducted through Video Conferencing/ Other Audio Visual<br><br>Means Deemed venue is the Registered Office of the Company at 602-606, Bhoomi Velocity Infotech Park, Plot No.B-39, B-39A, B-39A/1 Road No.23, Wagle Industrial Estate, Thane (West), Thane 400 604. | No special resolution passed at the 28th AGM. |

#### 4.2 Extraordinary General Meeting

No Extraordinary General Meeting was held during the financial years 2018-19, 2019-20, 2020-21 and 2021-22.

#### 4.3 Postal Ballot

The Company dispatched Postal Ballot Notice dated 13th August, 2021 together with explanatory statement, inter alia, for passing of the Special Resolution for:

- Approval for sub-division/stock split of share: Sub-dividing the equity shares of the Company, such that each equity share having nominal value of ₹10/- (Rupees Ten Only) be sub-divided into 2 (Two) Equity Shares having nominal value of ₹5/- (Rupees Five Only) each fully paid-up.
- Alteration of the Capital Clause of the Memorandum of Association: Sub-division of the 1 (One) equity shares of ₹10/- (Rupees Ten only) each into 2 (Two) equity shares of ₹5/- (Rupees Five Only) each requires amendment in capital clause of Memorandum of Association of the Company. Accordingly, Clause V of the Memorandum of Association is proposed to be amended from ₹14,00,00,000/- (Rupees Fourteen Crores Only) divided into 140,00,000 Equity Shares of ₹10/- (Rupees Ten Only) each to ₹14,00,00,000/- (Rupees Fourteen Crores Only) divided into 2,80,00,000 Equity Shares of ₹5/- (Rupees Five Only) each.

Mr. Haresh Sanghvi (Membership No.: 2259, COP: 3675), Practicing Company Secretaries, was appointed as the Scrutinizer for carrying out the Postal Ballot voting process through electronic means in a fair and transparent manner:

#### Resolution No. 1

| Particulars                       | % of votes |
|-----------------------------------|------------|
| Votes in favour of the Resolution | 99.9997    |
| Votes against the Resolution      | 0.0003     |

#### Resolution No. 2

| Particulars                       | % of votes |
|-----------------------------------|------------|
| Votes in favour of the Resolution | 99.9998    |
| Votes against the Resolution      | 0.0002     |

#### Procedure adopted for Postal Ballot:

In compliance with Regulation 44 of the Listing Regulations, Sections 108, 110 and other applicable provisions of the Act read with the Rules issued thereunder and General Circular Nos. 14/2020 dated 8 April 2020, 17/2020 dated 13 April 2020, 22/2020 dated 15 June 2020, 33/2020 dated 28 September 2020, 39/2020 dated 31 December 2020 and 10/2021 dated June 23, 2021 (collectively "MCA Circulars") issued by the Ministry of Corporate Affairs ("MCA"), the Company provided electronic voting (Remote e-voting) facility to all its members. The Company engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing electronic voting facility to all its members.

The postal ballot notice was sent to the members in electronic form at their email addresses registered with the depositories/Registrar and Transfer Agent (RTA).

The Company also published notice in the newspapers declaring the details of completion of dispatch, e-voting details and other requirements in terms of the Act read with the Rules issued thereunder and the Secretarial Standards issued by the Institute of Company Secretaries of India.

Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date. Members were informed that remote e-voting period would commence on Thursday, August 19, 2021, IST at 10.00 a.m. and end on Friday, September 17, 2021, IST at 5.00 p.m. The Scrutinizer submitted his report to the Chairman & Managing Director of the Company, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Company Secretary on Friday, 17 September, 2021, as authorised by the Board of Directors of the Company. The results were displayed at the registered office of the Company and on the Company's website at [www.bajajhealth.com](http://www.bajajhealth.com) and were available on the website of the Stock Exchanges. The results were also intimated through Press Release in newspapers.

#### 4.4. Whether any special resolution is proposed to be conducted through postal ballot:

Currently, there is no proposal to pass any Special resolution through Postal Ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

### 5) MEANS OF COMMUNICATION:

The Annual, half yearly and Quarterly results were submitted to the Stock Exchange and published in Business Standard Newspaper in English Language (all editions) and Mumbai Lakshadeep Newspaper in Marathi Language in accordance with the Listing Regulations.

These results are simultaneously displayed on the website of the Company and uploaded on the website of BSE Ltd and National Stock Exchange of India Limited.

The Company also issues press releases from time to time. Press releases and presentations made to the institutional investors/ analysts after the declaration of the results are submitted to BSE Ltd and National Stock Exchange of India Limited. As well as uploaded on the Company's website.

| Sr.No.                     | Salient items of interest Company Registration Details                            | Particulars   |                |   |                            |   |                           |  |                       |  |
|----------------------------|---|---|----------------|---|----------------------------|---|---------------------------|--|-----------------------|--|
| i.                         | AGM Date, time and venue  | Friday, September 30, 2022, 1:00 PM<br>Through Video Conferencing   |                |   |                            |   |                           |  |                       |  |
| ii.                        | Financial year  | The Financial Year of the Company is from April 1, 2021 to March 31, 2022.  |                |   |                            |   |                           |  |                       |  |
|                            | Tentative Schedule for declaration of results during the financial year 2022-2023 | <table><tr><td>First quarter:</td><td>June 30, 2022- on or before August 14, 2022</td></tr><tr><td>Second quarter/Half Yearly</td><td>September 30, 2022 - on or before November 14, 2022</td></tr><tr><td>Third quarter/Nine months</td><td>December 31, 2022 - on or before February 14, 2023</td></tr><tr><td>Fourth quarter/Annual</td><td>March 31, 2023 - on or before May 30, 2023</td></tr></table>   | First quarter: | June 30, 2022- on or before August 14, 2022 | Second quarter/Half Yearly | September 30, 2022 - on or before November 14, 2022 | Third quarter/Nine months | December 31, 2022 - on or before February 14, 2023 | Fourth quarter/Annual | March 31, 2023 - on or before May 30, 2023 |
| First quarter:             | June 30, 2022- on or before August 14, 2022                                       |   |                |   |                            |   |                           |  |                       |  |
| Second quarter/Half Yearly | September 30, 2022 - on or before November 14, 2022                               |   |                |   |                            |   |                           |  |                       |  |
| Third quarter/Nine months  | December 31, 2022 - on or before February 14, 2023                                |   |                |   |                            |   |                           |  |                       |  |
| Fourth quarter/Annual      | March 31, 2023 - on or before May 30, 2023  |   |                |   |                            |   |                           |  |                       |  |
| iii.                       | Date of Book closure  | Saturday, September 24, 2022 to Friday September 30, 2022 (both days inclusive)   |                |   |                            |   |                           |  |                       |  |
| iv.                        | Dividend Payment Date   | Within 30days from the date of 29th AGM   |                |   |                            |   |                           |  |                       |  |
| vii.                       | Registrar & Share Transfer Agent  | Link Intime India Private Limited<br>C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083.<br>Tel: +91 – 22 –4918 6270; Fax: +91 – 22 – 4918 6060<br>Email: rnt.helpdesk@linkintime.co.in;<br>Website: www.linkintime.co.in<br>Contact Person: Mr. K. C. Ajitkumar<br>SEBI Registration No.: INR000004058   |                |   |                            |   |                           |  |                       |  |
| viii.                      | Share Transfer System   | In respect of shares held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved  |                |   |                            |   |                           |  |                       |  |
| ix.                        | Dematerialization of shares and liquidity   | The Company's shares are currently traded only in dematerialized form over BSE Limited and National Stock Exchanges of India Limited. To facilitate trading in dematerialized form, the Company has tied up with NSDL and CDSL. Shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2022, 100.00% (2,75,98,400 Equity Shares) of the Company's equity shares were held in dematerialized. The equity shares held by the promoter & promoter group in the Company have been fully dematerialized. |                |   |                            |   |                           |  |                       |  |
| x.                         | Address for correspondence  | 602-606, Bhoomi Velocity Infotech Park, Plot No. B-39, B-39A, B-39A/1, Road No.23, Wagle Industrial Estate, Thane – 400 604; Tel No.: +91 – 22 – 6617 7400.   |                |   |                            |   |                           |  |                       |  |



## 6.2 Unclaimed Dividend

During the financial year under review, the Company was not required to credit any amount to Investor Education and Protection Fund towards Unclaimed Dividend.

Pursuant to the provisions of Section 124 of the Act, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF). Shareholders of the Company who have not received or encashed their dividend for the financial years, as mentioned below, are requested to claim the unpaid / unclaimed dividend from the Company before its transfer to the abovementioned Fund.

| Sr. No | Year of Declaration of Dividend | Date of Declaration of Dividend | Unclaimed Amount (In ₹) | Due Date for transfer to IEPF Account |
|--------|---------------------------------|---------------------------------|-------------------------|---------------------------------------|
| 1      | 2017-18                         | 29/09/2018                      | 1600                    | 28-09-2025                            |

## 6.3 Listing on Stock Exchanges

Equity Shares

| Name of the Stock Exchange               | Security code/ Symbol | ISIN         | Payment of Annual Listing fees for the FY 21-22 (Y/N) |
|--|-----------------------|--------------|---|
| BSE Limited                              | 539872                | INE411U01027 | Y   |
| National Stock Exchange of India Limited | BAJAJHCARE            |              | Y   |

## 6.4 Market Price Data:

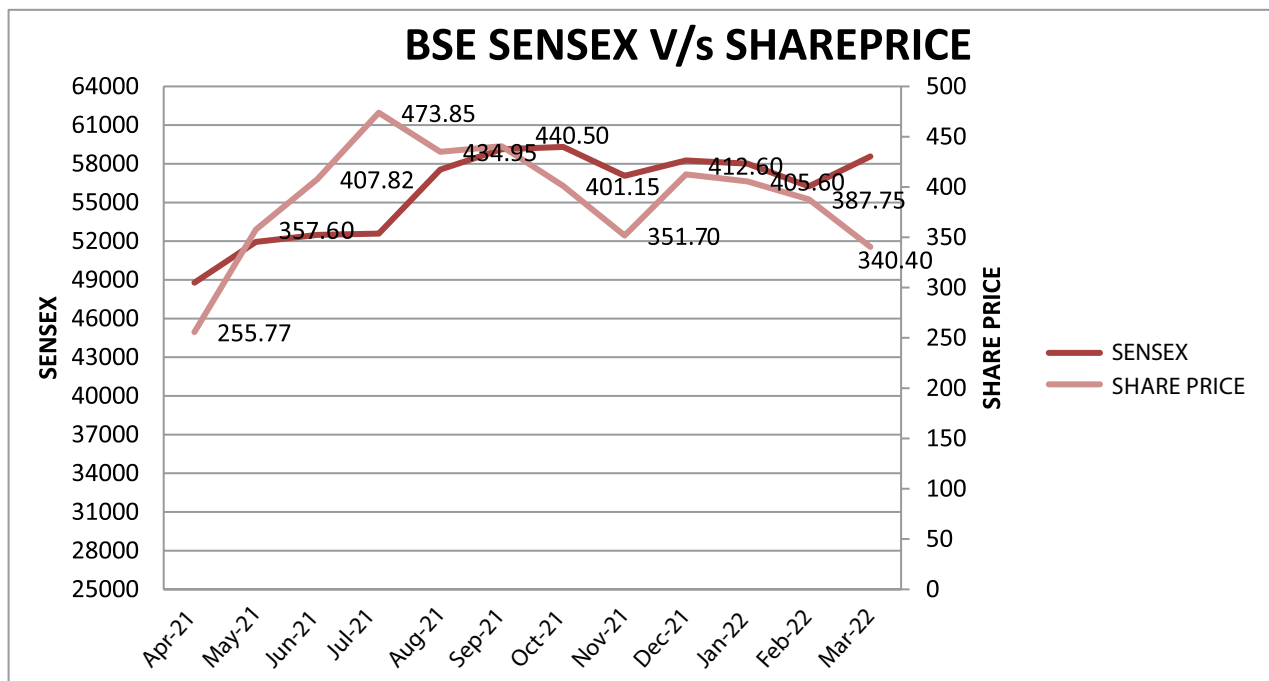
High/Low during each month of 2021-22 on BSE limited and National Stock Exchange of India limited

| Market Price Data Month | Share prices of the Company for the Period April 2021 to March, 2022 |        |        |        |
|-------------------------|--|--------|--------|--------|
|                         | BSE  |        | NSE    |        |
|                         | High   | Low    | High   | Low    |
| Apr-2021                | 268.50   | 213.47 | -      | -      |
| May-2022                | 360.00   | 256.00 | -      | -      |
| Jun-2021                | 431.97   | 333.67 | -      | -      |
| Jul-2021                | 511.90   | 402.62 | -      | -      |
| Aug-2021                | 490.00   | 404.92 | -      | -      |
| Sep-2021                | 472.50   | 432.00 | -      | -      |
| Oct-2021                | 475.00   | 385.00 | -      | -      |
| Nov-2021                | 414.00   | 304.40 | 396.55 | 325.10 |
| Dec-2021                | 440.00   | 340.00 | 430.00 | 346.65 |
| Jan-2022                | 494.00   | 392.60 | 496.30 | 392.00 |
| Feb-2022                | 429.90   | 346.90 | 440.50 | 340.00 |
| Mar-2022                | 396.55   | 325.75 | 380.55 | 290.90 |

Note: 1) Company's equity share price has been adjusted for Split.

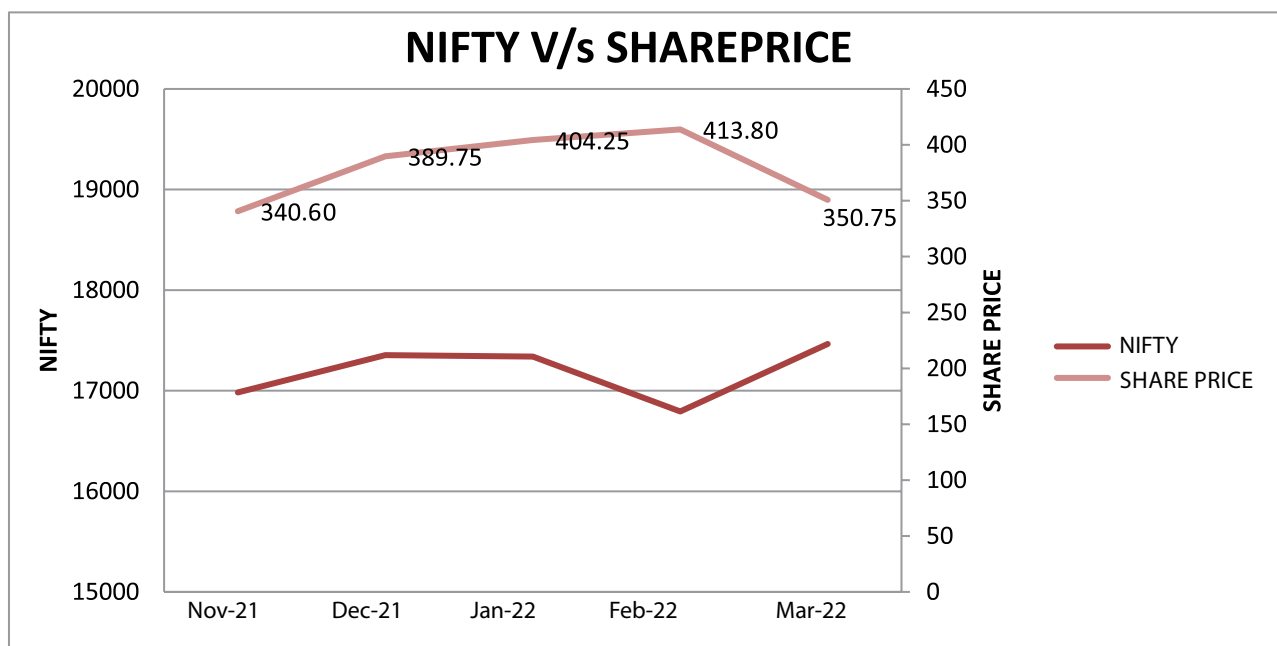
2) Company equity shares are listed on National Stock Exchange of India Limited w.e.f 25th November, 2021.

### 6.5 (a) Share Price performance in comparison to BSE SENSEX.



\*Company's equity share price has been adjusted for Split.

### (b) Share Price performance in comparison to NIFTY.



**6.6 Categories of Shareholding as on 31st March, 2022:**

| Categories  | Number of Shares | Shares | %       |
|---|------------------|--------|---------|
| (A) Shareholding of Promoter and Promoter Group     |                  |        |         |
| Promoters   | 1,85,64,000      |        | 67.265  |
| Total Shareholding of Promoter & Promoter Group (A) | 1,85,64,000      |        | 67.265  |
| (B) Public Shareholding                             |                  |        |         |
| (i) Institutions                                    |                  |        |         |
| Banks / FI  | Nil              |        | Nil     |
| Central Govt.                                       | Nil              |        | Nil     |
| Total Public Institutions (B) (i)                   | Nil              |        | Nil     |
| (ii) Non Institutions                               |                  |        |         |
| Individuals   | 4,901,468        |        | 17.760  |
| NRI   | 1,31,039         |        | 0.47    |
| NBFCs registered with RBI                           | 400              |        | 0.001   |
| Bodies Corporate                                    | 39,30,377        |        | 14.241  |
| Overseas Corporate Bodies                           | Nil              |        | Nil     |
| Clearing Members                                    | 71,116           |        | 0.258   |
| Total Public Non Institution (B) (ii)               | 90,34,400        |        | 32.735  |
| Total Public Shareholding (B)=(B)(i)+(B)(ii)        | 90,34,400        |        | 32.735  |
| Total Shareholding (A) + (B)                        | 2,75,98,400      |        | 100.000 |

**6.7 Top Ten equity shareholders of the Company as on March 31, 2022 (other than Promoters)**

| Sr. No. | Name of Shareholders                             | No of equity Shares held | Percentage of holding |
|---------|--|--------------------------|-----------------------|
| 1       | MAA SHARDA DISTRIBUTORS PRIVATE LIMITED          | 1740000                  | 6.3047                |
| 2       | ESCORP ASSET MANAGEMENT LIMITED                  | 475200                   | 1.7218                |
| 3       | PROGYAN CONSTRUCTION & ENGINEERS PRIVATE LIMITED | 310800                   | 1.1262                |
| 4       | TIA ENTERPRISES PRIVATE LIMITED                  | 287200                   | 1.0406                |
| 5       | SHRI RAVINDRA MEDIA VENTURES PRIVATE LIMITED     | 257050                   | 0.9314                |
| 6       | BARCLAYS WEALTH TRUSTEES INDIA PRIVATE LTD       | 230000                   | 0.8334                |
| 7       | HETAL CHETAN MEHTA                               | 215080                   | 0.7793                |
| 8       | PAYAL SANGHAVI                                   | 154663                   | 0.5604                |
| 9       | MBM BEARINGS (RAJASTHAN) PRIVATE LIMITED         | 136000                   | 0.4928                |
| 10      | SURENDRA N SANGHAVI                              | 131221                   | 0.4755                |

**6.8 Distribution of Shareholding as on 31st March, 2022:**

| No. of equity Shares held | Shareholders |            | Total Shares |            |
|---------------------------|--------------|------------|--------------|------------|
|                           | Number       | % of Total | Shares       | % of Total |
| 1 to 500                  | 29968        | 96.0205    | 1584996      | 5.7431     |
| 501 to 1000               | 603          | 1.9321     | 463471       | 1.6793     |
| 1001 to 2000              | 306          | 0.9805     | 463481       | 1.6794     |
| 2001 to 3000              | 102          | 0.3268     | 259845       | 0.9415     |
| 3001 to 4000              | 58           | 0.1858     | 199248       | 0.722      |
| 4001 to 5000              | 30           | 0.0961     | 136727       | 0.4954     |
| 5001 to 10000             | 62           | 0.1987     | 449088       | 1.6272     |
| 10001 to 99999999999      | 81           | 0.2595     | 24041544     | 87.1121    |
| TOTAL :                   | 31210        | 100.0000   | 27598400     | 100.0000   |

## 6.9 Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL. No discrepancies were noticed during these audits.

## 6.10 Outstanding GDR/ ADR / Warrants or any convertible instruments, conversion date and impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2022, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

## 6.11 Plant Location

- Plot No. N – 216, 217 & 128, MIDC, Tarapur, Boisar - 401 506, District Thane, Maharashtra.
- Plot No. 588, Savli – Karadhiya Road, Village Gothada, Savli, Vadodara – 391 776, Gujarat.
- R. S. No. – 1818, Manjusar – Savli Road, At & Post. – Manjusar, Savli, Vadodara – 391 775, Gujarat.
- Plot No. 1717 & 1718, GIDC, Panoli, Ankleshwar, Bharuch – 394 116, Gujarat.
- Plot No. N –178, MIDC, Tarapur, Boisar - 401 506, District Thane, Maharashtra.
- Plot No. E-62 & E 63, MIDC, Tarapur, Boisar - 401 505, District Thane, Maharashtra.
- Plot No. N-92, Tarapur Industrial Area, MIDC, Palghar-401506.
- Plot No. T-30, Tarapur Industrial Area, MIDC, Palghar-401506.
- Plot No. L-9/3, Tarapur Industrial Area, MIDC, Palghar-401506.
- Plot No. L-11, Tarapur Industrial Area, MIDC, Palghar-401506 (Engineering unit).

## 6.12 Commodity price risk or foreign exchange risk and hedging activities:

The Company hedges its foreign currency exposure in respect of its imports, borrowings and export receivables as per its laid policies.

## 6.13 List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

The Company does not have any debt instruments and CRISIL Limited rated bank facilities of Bajaj Healthcare Limited as under:

| Facilities                 | Rating for the year 2021-22 | Rating for the year 2020-21 |
|----------------------------|-----------------------------|-----------------------------|
| Long term Bank Facilities  | CRISIL BBB/Positive         | CRISIL BBB/Positive         |
| Short term Bank Facilities | CRISIL A3+                  | CRISIL A3+                  |

## 7) DISCLOSURES:

### 7.1 Related Party Transactions:

All transactions entered into with Related Parties as defined under the Act, and Regulation 23 of the SEBI (Listing Regulations) during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time.

The Board of Directors has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The same is also displayed on the Company's website <http://www.bajajhealth.com/policies/>

### 7.2. Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matters related to capital markets during the last three years.

### 7.3 Vigil Mechanism / Whistle Blower Policy:

Pursuant to Section 177(9) and sub section (10) of the Act, and in terms of Regulation 22 read with Regulation 4(2)(d)(iv) of Listing Regulations, the Company has in place a vigil mechanism for Directors and Employees and has adopted a Whistle Blower policy, to report genuine concerns about any wrongful conduct with respect to the Company or its business or affairs. This policy covers malpractices, misuse or abuse of authority, fraud, violation of company's policies or rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected or likely to be affected and formally reported by whistle blowers.

The Policy provides that all Protected Disclosures can be addressed to the Chairman of the Audit Committee in all the cases and to Whole-time Director / Chairman in exceptional cases. All protected disclosures under this policy will be recorded and thoroughly investigated. If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. The details of the vigil mechanism are also available on the Company's website [www.bajajhealth.com](http://www.bajajhealth.com)

#### **7.4. Status of compliance with mandatory requirements and Non-Mandatory Requirements:**

The Company has complied with all mandatory requirements of Corporate Governance norms as specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Regulation), 2015, to the extent applicable to the company. Also the Company updates the investors about the business regularly through press release.

#### **7.5 Details of adoption of discretionary requirements specified in Part E of Schedule II to the Listing Regulations:**

During the year, the Company has complied with the mandatory requirements as applicable to the Company under the Listing Regulations.

With respect to the compliance with the non-mandatory requirements pursuant to Regulation 27(1) of the SEBI Listing Regulations, the Company has adopted the following non-mandatory requirements:

- (i) The Auditors' Report on financial statements of the Company are unqualified.
- (ii) Internal auditors of the Company, make quarterly presentations to the Audit Committee on their reports.

#### **7.6 Code for prevention of Insider-Trading Practices:**

As per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading.

The Company has instituted a comprehensive code of conduct for its directors, management and officers and the other connected persons with the Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, guidelines and procedures to be made while dealing with shares of the Company including the consequences of violations if any. The code clearly specifies, among other matters, that the Directors and specified employees of the Company can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, etc. as per the Policy. Disclosure of shareholding is taken from all the directors and Designated Employees and other connected persons of the Company.

#### **7.7 Details of utilization of funds**

During the year under review, there were no Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the Listing Regulations

#### **7.8. Disclosures with respect to demat suspense account/ unclaimed suspense account**

During the year under review, the Company was not required to transfer any shares to demat suspense account/unclaimed suspense account.

#### **7.9 Certification by Practicing Company Secretary**

As per the amended Listing Regulations, the Company has obtained a certificate from the Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified, from being appointed or continuing as Directors, by Securities and Exchange Board of India/Ministry or Corporate Affairs or any such authority and the same is annexed to this Report.

#### **7.10 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

|   |   |     |
|---|---|-----|
| a. number of complaints filed during the financial year         | : | Nil |
| b. number of complaints disposed of during the financial year   | : | Nil |
| c. number of complaints pending as on end of the financial year | : | Nil |

#### **7.11 Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant Financial Year, the same to be disclosed along with reasons**

During the year under review, the Board has accepted all the recommendation of all the Committees of the Board.

#### **7.12. Total fees for all services paid by the listed entity on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part was ₹5 lakhs (Rupees Five Lakhs Only), for the year under review**

#### **7.13. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:**

During the year under review, the Company has not granted any loans, secured or unsecured, to companies/ firms in which Directors are interested. The details of related party transactions are given in note no. 44 of Notes to the financial Statement.

## **8) COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

Certificate from the statutory auditors confirming compliance with the conditions of Corporate Governance, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, is attached and forms part of the Annual Report

## **9) REVIEW OF DIRECTORS RESPONSIBILITY STATEMENT**

The Board in its Report has confirmed that annual accounts for the year ended 31st March 2022 have been prepared as per Indian Accounting Standard (Ind AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

## **10) CEO / CFO Certificate:**

As required under Regulation 17 (8) of SEBI(LODR) Regulations, 2015, the Certificate for the FY 2021-22 signed by Mr. Sajankumar Bajaj, Chairman & Managing Director and Mr. Rupesh Nikam, Chief Financial Officer forms part of the Annual Report.

## **11) DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. The Company has in respect of the year ended March 31, 2022, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For and on behalf of the Board of Directors  
of Bajaj Healthcare Limited

Sd/-

**Sajankumar Bajaj**

Chairman & Managing Director

DIN: 00225950

Date: 17th May, 2022

Place: Thane



**INDEPENDENT AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:**

To the Members of Bajaj Healthcare Limited

We have examined all the relevant records of Bajaj Healthcare Limited, for the purpose of certifying compliance of the conditions of the Corporate Governance under para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on March 31, 2022. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in the para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

For **Chaturvedi & Agrawal,**

Chartered Accountants

Firm Registration Number: 101717W

Sd/-

**Rasik Chaturvedi**

Partner

M No : 039524

Date: 17th May, 2022

Place: Mumbai

**Compliance Certificate**  
**(Pursuant to Regulation 17 (8) of SEBI (LODR) Regulations, 2015)**

We, Sajankumar Bajaj, Chairman & Managing Director and Rupesh Nikam, Whole Time Director - Chief Financial Officer of Bajaj Healthcare Limited, hereby certify that:

We have reviewed the Audited financial statements and the cash flow statement for the Financial Year ended on 31st March, 2022 and that to the best of my knowledge and belief;

- i. these statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading;
- ii. these statements together present a true and fair view of the company's affairs and are in compliance with the applicable laws and regulations.

There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's Code of Conduct;

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies; and

We have indicated to the auditors and the Audit committee, significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

Date : 17th May, 2022  
Place : Thane

Sd/-  
**Mr. Rupesh Nikam**  
WTD- Chief Financial Officer

Sd/-  
**Mr. Sajankumar Bajaj**  
Chairman & Managing Director

### Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(i) of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
**BAJAJ HEALTHCARE LIMITED,**  
CIN: L99999MH1993PLC072892  
602-606, Bhoomi Velocity Infotech Park,  
Plot No. B-39, B-39A, B-39 A/1,  
Rd No.23, Wagle Ind. Estate  
Thane West 400604

I have examined following documents for the purpose of issuing this Certificate-

- Declaration of non-disqualification as required under section 164 of the Companies Act, 2013 ("Act"); and
- Disclosure of concern and/or interests as required under section 184 of the Act

(hereinafter referred as "the relevant documents") of **Bajaj Healthcare Limited**, bearing Corporate Identification Number (CIN) - L99999MH1993PLC072892, having its registered office at 602-606, Bhoomi Velocity Infotech Park, Plot No. B-39, B-39A, B-39 A/1, Rd No.23, Wagle Ind. Estate Thane West 400604 (hereinafter referred as "**the Company**") to the Board of Directors of the Company ("the Board") for the Financial Year 2021-22 and relevant registers, records, forms and returns maintained by the Company and as made available for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. I have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act and ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification.

Based on the verification and examination of aforesaid documents including Directors Identification Number (DIN) status at the Ministry of Corporate Affairs (MCA) portal [www.mca.gov.in](http://www.mca.gov.in) and the List of disqualified Directors published by the MCA, in my opinion and to the best of my information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, I hereby certify that during the Financial Year ended 31st March 2022, none of the Directors on the Board of the Company, as listed hereunder have been debarred or disqualified from being appointed or continuing to act as Directors of Companies by Securities and Exchange Board of India/ MCA or any such statutory authority:

| Sr. no. | Name of the Directors             | DIN      | Date of appointment* |
|---------|-----------------------------------|----------|----------------------|
| 1       | Mr. Sajankumar Rameshwarlal Bajaj | 00225950 | 01/04/2002           |
| 2       | Mr. Anil Champalal Jain           | 00226137 | 15/01/2004           |
| 3       | Mr. Dhananjay Sabaji Hatle        | 00226390 | 01/04/2005           |
| 4       | Ms. Namrata Sajankumar Bajaj      | 05327071 | 11/01/2013           |
| 5       | Mr. Rupesh Hanumant Nikam         | 07007815 | 01/11/2014           |
| 6       | Mr. Pakshal Anil Jain             | 08776385 | 30/06/2020           |
| 7       | Mr. Avinash Krishnalal Dalal      | 03574325 | 22/04/2019           |
| 8       | Mr. Hemant Rajaram Karnik         | 07377151 | 08/01/2016           |
| 9       | Mr. Ram Baliramji Banarse         | 07405486 | 14/01/2016           |
| 10      | Mr. Loukik Deepak Tipnis          | 08188583 | 22/04/2019           |
| 11      | Mr. Luke Benedict Fernandez       | 01110174 | 30/06/2020           |
| 12      | Mrs. Kejal Niken Shah             | 08608399 | 30/06/2020           |

\*the date of appointment is as per the MCA Portal

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2022.

Place: Mumbai  
Date: 17th May, 2022

**Haresh Sanghvi**  
Practicing Company Secretary  
FCS No.: 2259/CoP No.: 3675  
UDIN: F002259D000291130

# Independent Auditor's Report

To  
The Members of  
**Bajaj Healthcare Limited**

## Report on the Financial Statements

### Opinion

We have audited the accompanying financial statements of Bajaj Healthcare Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at , 31st March 2022 , its Profit including Other Comprehensive Income and its Cash flows, and the Statement of Changes in Equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears, to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position , Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 , as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that we are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls..
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements. (Refer Note 45 to the standalone financial statements)
    - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses; and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or

share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.

- v. Dividend declared or paid during the year by the Company is in compliance of section 123 of the Companies Act 2013.

For **Chaturvedi & Agrawal**

Chartered Accountants

FRN: 101717W

**Rasik Chaturvedi**

Partner

M. no: 039524

UDIN: 22039524AJCVWG1407

Date: May 17, 2022

Place: Mumbai





## “ANNEXURE A”

### to the Independent Auditors' Report on the Financial Statements of Bajaj Healthcare Limited

(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)

- 1) a) (A) On the basis of available information, the Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment on the basis of available information.
- (B) The Company does not have intangible assets, hence clause (i)(b)(B) of paragraph 3 of the Order is not applicable to the Company.
- b) As explained to us, Property, Plant & Equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) According to the information and explanations given to us and the records examined by us in respect of immovable properties disclosed as Property, Plant & Equipment ((other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) in the financial statements are in the name of the Company.
- d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 2) a) As explained to us and on the basis of the records examined by us, in our opinion, physical verification of the inventories have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.
- b) As per the information and explanation given to us and examination of books of accounts and other records produced before us, in our opinion quarterly returns or statements filed by the Company with banks or financial institutions pursuant to terms of sanction letters for working capital limits secured by current assets are in agreement with the books of account of the Company.
- 3) With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:
  - a) As per the information and explanations given to us and books of accounts and records examined by us, during the year Company has not provided any guarantee or security or has not granted any advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities except
    - Loan of ₹22.54 lakhs has been given to employees during the year and balance outstanding at balance sheet date with respect to such loans is ₹13.63 lakhs.
  - b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, the investments made, guarantee provided, security given and the terms and conditions of all loans and advances in the nature of loans and guarantee provided are, prima facie, not prejudicial to Company's interest
  - c) According to the books of accounts and records examined by us in respect of the loans and advances in the nature of loans, where the schedule of repayment of principal and payment of interest has been stipulated, the repayments or receipts are generally regular.
  - d) According to the books of accounts and records examined by us, in respect of such loans, there is no amount overdue for more than ninety days
  - e) In our opinion and according to information and explanation given and the books of accounts and records examined by us, loans granted which have fallen due during the year have not been renewed or extended and no fresh loans have been granted to settle the over dues of existing loans given to the same parties.
  - f) In our opinion and according to information and explanation given and records examined by us, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.
- 4) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has not made any investments or loans or guarantee or security provided to the parties covered under Section 186 of the Act.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions

of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

- 6) To the best of our knowledge and explanations given to us, the Company has maintained the Accounts and Records pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act. However, we have not carried out a detailed examination of the same.
- 7) In respect of Statutory dues :
- a) According to the records of the Company examined by us, undisputed statutory dues including Goods and

Service tax, provident fund, employees' state insurance, income tax, duty of customs, cess and any other material statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of the aforesaid dues, which were outstanding as on March 31, 2022 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute as detailed below:

| Sr. No                     | Nature of Liability | Name of Statute   | Amount<br>(₹ in Lakhs) | Period which the<br>amount relates | Forum where the dispute pending   |
|----------------------------|---------------------|---|------------------------|------------------------------------|---|
| A. Appeal filed by Company |                     |   |                        |                                    |   |
| 1                          | Excise Duty         | Central Excise Act 1944                                       | 1.90                   | 2007-08                            | CESTAT Mumbai   |
| 2                          | Excise Duty         | Central Excise Act 1944                                       | 67.61                  | 2007-08                            | CESTAT Mumbai   |
| 3                          | Central Sales Tax   | Central Sales Tax (Gujarat) Rules 1970                        | 2.00                   | 2014-15                            | Deputy Commissioner of Commercial Tax (Appeals) Baroda  |
| 4                          | Central Sales Tax   | Central Sales Tax (Gujarat) Rules 1970 and Sales Tax Act 1956 | 9.48                   | 2016-17                            | Assistant Commissioner of Commercial Tax (ADM), Joint Commissioner of Commercial Tax, Division-5, |
| 5                          | Central Sales Tax   | Central Sales Tax (Gujarat) Rules 1970 and Sales Tax Act 1956 | 8.59                   | 2017-18                            | Assistant Commissioner of Commercial Tax (ADM), Joint Commissioner of                             |
| 6                          | Income Tax          | Income Tax Act, 1961  | 32.91                  | 2016-17                            | Commissioner of Income Tax (Appeals)  |
| 7                          | Income Tax          | Income Tax Act, 1961  | 17.82                  | 2017-18                            | Commissioner of Income Tax (Appeals)  |
| <b>Total</b>               |                     |   | <b>140.30</b>          |                                    |   |

- 8) According to the information and explanations given to us and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- 9) a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion, and according to the information and explanations given and records examined by us, the money raised by way of term loans have been applied, prima facie, for the purpose for which they were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, prima facie, no funds raised on short-term basis have been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- 10) a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.



- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- 11) a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- 12) In our opinion, Company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- 13) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements, as required by the applicable accounting standards.
- 14) a) In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- 15) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of the Act.
- 16) a) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.
- c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) In our opinion, and according to the information and explanations provided to us, the Group has no Core Investment Company (CIC).
- 17) In our opinion, and according to the information and explanations provided to us, Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of Paragraph 3 of the Order are not applicable to the Company.
- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) With respect to CSR contribution under section 135 of the Act:
- a) According to the information and explanations given to us and on the basis of our audit procedures, in respect of other than ongoing projects, there were no unspent amount that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.
- b) According to the information and explanations given to us and on the basis of our audit procedures, in respect of ongoing projects there were no unspent amount that were required to be transferred to special account in compliance with provision of sub section 6 of section 135 of the Act.
- 21) According to information and explanations given to us, Company is not required to prepare the consolidated financial statement under sub section 3 of section 129 of the Act. Therefore, provisions of clause (xxi) of Paragraph 3 of the Order are not applicable to the Company.

**For Chaturvedi & Agrawal**

Chartered Accountants

FRN: 101717W

**Rasik Chaturvedi**

Partner

M. no: 039524

UDIN: 22039524AJCVWG1407

Date: May 17, 2022

Place: Mumbai

## “ANNEXURE B”

to Independent Auditors’ Report referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Control over financial reporting of Bajaj Healthcare Limited (“the company”) as of 31st March 2022, in conjunction with our audit of the financial statements of the Company for the year then ended.

#### **Management Responsibility for the Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, considering nature of business, size of operations and organizational structure of the entity, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over

financial reporting were operating effectively as at 31st March 2022 based on the Internal Control over Financial reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the ICAI.

For **Chaturvedi & Agrawal**

Chartered Accountants

FRN: 101717W

**Rasik Chaturvedi**

Partner

M. no: 039524

UDIN: 22039524AJCVWG1407

Date: May 17, 2022

Place: Mumbai

# Balance Sheet

as at 31st March, 2022

(₹ in Lakhs)

|  | Note         | March 31, 2022   | March 31, 2021   |
|--|--------------|------------------|------------------|
| <b>ASSETS</b>                              |              |                  |                  |
| Non-Current Assets                         |              |                  |                  |
| Property Plant & Equipment                 | 2            | 26,974.03        | 20,812.77        |
| Capital Work in Progress                   | 2            | 5,197.58         | 5,704.74         |
| Financial Assets                           |              |                  |                  |
| i) Investments                             | 3            | 0.31             | 0.31             |
| ii) Other Financial Assets                 | 4            | 107.39           | 212.04           |
|  |              | <b>32,279.30</b> | <b>26,729.85</b> |
| <b>Current Assets</b>                      |              |                  |                  |
| Inventories                                | 5            | 15,926.18        | 9,711.03         |
| Financial Assets                           |              |                  |                  |
| i) Trade Receivables                       | 6            | 18,451.18        | 9,888.28         |
| ii) Cash and Cash Equivalents              | 7            | 197.50           | 1,424.11         |
| iii) Other Financial Assets                | 8            | 1,101.58         | 66.33            |
| Other Current Assets                       | 9            | 4,154.60         | 4,743.56         |
|  |              | <b>39,831.04</b> | <b>25,833.31</b> |
| <b>Total Assets</b>                        |              | <b>72,110.34</b> | <b>52,563.16</b> |
| <b>EQUITY AND LIABILITIES</b>              |              |                  |                  |
| <b>Equity</b>                              |              |                  |                  |
| Equity Share Capital                       | 10           | 1,379.92         | 1,379.92         |
| Other Equity                               | 11           | 31,468.63        | 24,461.13        |
|  |              | <b>32,848.55</b> | <b>25,841.05</b> |
| <b>Liabilities</b>                         |              |                  |                  |
| <b>Non-Current Liabilities</b>             |              |                  |                  |
| Financial Liabilities                      |              |                  |                  |
| i) Borrowings                              | 12           | 6,631.00         | 7,971.33         |
| Provisions                                 | 13           | 267.17           | 278.06           |
| Deferred tax liability [Net]               | 14           | 156.32           | 215.40           |
|  |              | <b>7,054.49</b>  | <b>8,464.78</b>  |
| <b>Current Liabilities</b>                 |              |                  |                  |
| Financial Liabilities                      |              |                  |                  |
| i) Borrowings                              | 15           | 19,042.57        | 10,117.24        |
| ii) Trade Payables                         | 16           |                  |                  |
| To micro enterprises and small enterprises |              | -                | -                |
| To Others                                  |              | 10,492.01        | 6,895.37         |
| iii) Other Financial Liabilities           | 17           | 1,605.14         | 1,077.64         |
| Other Current Liabilities                  | 18           | 116.55           | 149.29           |
| Provisions                                 | 19           | 22.88            | 17.79            |
| Current Tax Liabilities [Net]              | 20           | 928.15           | -                |
|  |              | <b>32,207.30</b> | <b>18,257.33</b> |
| <b>Total Equity and Liabilities</b>        |              | <b>72,110.34</b> | <b>52,563.16</b> |
| <b>Significant Accounting Policies</b>     |              |                  |                  |
| Notes to the Financial Statements          | 1<br>2 to 47 |                  |                  |

As per our report of even date

For **Chaturvedi & Agrawal**  
Chartered Accountants  
Firm Registration No. : 101717W

**Rasik Chaturvedi**  
Partner  
M. No. : 039524

Date: May 17, 2022  
Place: Thane

For and on behalf of the Board of Directors of **Bajaj Healthcare Limited**

**S K R Bajaj**  
Chairman and Managing Director  
DIN : 00225950

**Rupesh Nikam**  
CFO and Director  
DIN: 07007815

**Anil Jain**  
Managing Director  
DIN : 00226137

**Aakash Keshari**  
Company Secretary





# Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ in Lakhs)

|   | Note    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2022 |
|---|---------|--------------------------------------|--------------------------------------|
| <b>REVENUE</b>  |         |                                      |                                      |
| Revenue from Operations   | 21      | 67,988.98                            | 65,698.38                            |
| Other Income  | 22      | 144.41                               | 691.26                               |
| <b>Total Revenue (A)</b>  |         | <b>68,133.39</b>                     | <b>66,389.64</b>                     |
| <b>EXPENDITURE</b>  |         |                                      |                                      |
| Cost of Material Consumed and Other Direct Expenses                             | 23      | 49,982.29                            | 46,342.49                            |
| Changes in Inventory of Finished Goods  | 24      | (377.00)                             | 70.18                                |
| Employee Benefits Expense   | 25      | 4,110.87                             | 3,454.87                             |
| Finance Costs   | 26      | 1,262.38                             | 829.60                               |
| Depreciation and Amortization Expenses  | 27      | 1,763.66                             | 1,612.42                             |
| Other Expenses  | 28      | 2,422.72                             | 2,198.12                             |
| <b>Total Expenses (B)</b>   |         | <b>59,164.93</b>                     | <b>54,507.67</b>                     |
| <b>Profit Before Tax [C = (A-B)]</b>  |         | <b>8,968.46</b>                      | <b>11,881.97</b>                     |
| Less: Tax Expense:  |         |                                      |                                      |
| Current Tax   |         | 2,250.00                             | 3,497.41                             |
| Short/(Excess) provision for earlier years                                      |         | (358.73)                             | 23.73                                |
| Deferred Tax  |         | (61.40)                              | 49.93                                |
| <b>Total (D)</b>  |         | <b>1,829.87</b>                      | <b>3,571.07</b>                      |
| <b>Profit After Tax (C-D)</b>   |         | <b>7,138.59</b>                      | <b>8,310.89</b>                      |
| <b>OTHER COMPREHENSIVE INCOME:</b>  |         |                                      |                                      |
| A 1. Items not to be reclassified to profit or loss in subsequent periods       |         | 9.23                                 | (30.46)                              |
| 2. Income tax relating to items that will not be reclassified to profit or loss |         | (2.32)                               | 8.87                                 |
| B. 1. Items to be reclassified to profit or loss in subsequent periods          |         | -                                    | -                                    |
| 2. Income tax relating to items that will not be reclassified to profit or loss |         |                                      |                                      |
| <b>Other Comprehensive Income for The Year</b>                                  |         | <b>6.91</b>                          | <b>(21.59)</b>                       |
| <b>Total Comprehensive Income for The Year</b>                                  |         | <b>7,145.49</b>                      | <b>8,289.31</b>                      |
| <b>Basic Earnings per Share of Face Value of ₹5 each (₹)</b>                    |         | 25.87                                | 30.11                                |
| <b>Diluted Earnings per Share of Face Value of ₹5 each (₹)</b>                  |         | 25.87                                | 30.11                                |
| <b>Significant Accounting Policies</b>  | 1       |                                      |                                      |
| <b>Notes to Accounts</b>  | 2 to 47 |                                      |                                      |

As per our report of even date

For **Chaturvedi & Agrawal**  
Chartered Accountants  
Firm Registration No. : 101717W

**Rasik Chaturvedi**  
Partner  
M. No. : 039524

Date: May 17, 2022  
Place: Thane

For and on behalf of the Board of Directors of **Bajaj Healthcare Limited**

**S K R Bajaj**  
Chairman and Managing Director  
DIN : 00225950

**Rupesh Nikam**  
CFO and Director  
DIN: 07007815

**Anil Jain**  
Managing Director  
DIN : 00226137

**Aakash Keshari**  
Company Secretary

# Cash Flow Statement

for the Year ended March 31, 2022

(₹ In lakhs)

| Sr. No.  | Particulars  | March 31, 2022     | March 31, 2021     |
|----------|--|--------------------|--------------------|
| <b>A</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                         |                    |                    |
|          | <b>Net Profit Before Tax</b>                                       | <b>8,968.46</b>    | <b>11,881.97</b>   |
|          | Adjustments for:   |                    |                    |
|          | Depreciation   | 1,763.66           | 1,612.42           |
|          | (Profit)/loss on sale of Assets                                    | 1.21               | (1.16)             |
|          | Interest & Finance Charges   | 1,262.38           | 829.60             |
|          | Interest on FD   | (17.17)            | (16.69)            |
|          | Provision for Employee Benefits & Leave Enchashment                | 95.62              | 99.64              |
|          | ECL Provision  | 41.51              | (75.63)            |
|          | <b>Operating Profit before Working Capital Changes</b>             | <b>12,115.68</b>   | <b>14,330.15</b>   |
|          | <b>Adjustments for:</b>  |                    |                    |
|          | (Increase)/Decrease in Other current assets                        | (341.64)           | (2,187.37)         |
|          | (Increase)/Decrease In Sundry Debtors                              | (8,604.41)         | 35.12              |
|          | (Increase)/Decrease In Inventories                                 | (6,215.15)         | (5,783.52)         |
|          | Increase /(Decrease) in non current and current liabilities        | 4,077.24           | 1,526.59           |
|          |  | <b>(11,083.96)</b> | <b>(6,409.18)</b>  |
|          | <b>Cash generated from operations</b>                              | <b>1,031.72</b>    | <b>7,920.97</b>    |
|          | Income Tax Paid  | (963.12)           | (3,565.14)         |
|          | <b>Net Cash flow from Operating activities</b>                     | <b>68.60</b>       | <b>4,355.83</b>    |
| <b>B</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                         |                    |                    |
|          | Purchase of Fixed Assets   | (7,930.49)         | (6,218.72)         |
|          | (Increase)/Decrease in Capital Wip                                 | 507.16             | (5,160.15)         |
|          | Sale Of Fixed Assets   | 4.35               | 18.96              |
|          | Interest on FD   | 17.17              | 16.69              |
|          | Payment to Gratuity Fund   | (78.03)            | (50.08)            |
|          | Investment in Preference Shares                                    | -                  | 500.00             |
|          | <b>Net Cash used in Investing activities</b>                       | <b>(7,479.84)</b>  | <b>(10,893.30)</b> |
| <b>C</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                    |                    |
|          | Increase /(Decrease) From Long Term Borrowing                      | (1,188.24)         | 5,673.94           |
|          | Increase /(Decrease) Of Unsecured Long Term Borrowing              | -                  | (60.43)            |
|          | Increase /(Decrease) Of Short Term Borrowing From Bank             | 8,612.90           | 3,043.16           |
|          | Increase /(Decrease) Of Borrowing From Director & Inter corporates | 160.35             | (39.86)            |
|          | Interest paid  | (1,262.38)         | (829.60)           |
|          | Dividend Paid  | (137.99)           | (241.49)           |
|          | <b>Net Cash used in financing activities</b>                       | <b>6,184.63</b>    | <b>7,545.73</b>    |
|          | <b>Net increase in Cash &amp; Cash Equivalents (A+B+C)</b>         | <b>(1,226.61)</b>  | <b>1,008.26</b>    |
|          | Opening balance of Cash and Cash equivalents as on April 1, 2021   | 1,424.11           | 415.85             |
|          | Closing balance of Cash and Cash equivalents as on March 31, 2022  | <b>197.49</b>      | <b>1,424.11</b>    |

As per our report of even date

For **Chaturvedi & Agrawal**  
Chartered Accountants  
Firm Registration No. : 101717W

**Rasik Chaturvedi**  
Partner  
M. No. : 039524

Date: May 17, 2022  
Place: Thane

For and on behalf of the Board of Directors of **Bajaj Healthcare Limited**

**S K R Bajaj**  
Chairman and Managing Director  
DIN : 00225950

**Rupesh Nikam**  
CFO and Director  
DIN: 07007815

**Anil Jain**  
Managing Director  
DIN : 00226137

**Aakash Keshari**  
Company Secretary



# Statement of Change in Equity

for the year ended 31<sup>st</sup> March, 2022

(₹ in Lakhs)

| Particulars  | Equity Share Capital | Other Equity      |                            | Total Equity Attributable to Equity Shareholders |
|--|----------------------|-------------------|----------------------------|--|
|  |                      | Retained Earnings | Other Comprehensive Income |  |
| <b>As at April 1, 2020</b>                                 | <b>1,379.92</b>      | <b>16,435.01</b>  | <b>(21.70)</b>             | <b>17,793.23</b>                                 |
| <b>Changes in equity for the year ended March 31, 2021</b> |                      |                   |                            |  |
| Add: Profit for the year                                   |                      | 8,310.89          | -                          | 8,310.89   |
| OCI during the year  |                      | -                 | (21.59)                    | (21.59)  |
| Less : Provision for Dividend Declared                     |                      | (241.49)          | -                          | (241.49)   |
| <b>As at March 31, 2021</b>                                | <b>1,379.92</b>      | <b>24,504.42</b>  | <b>(43.29)</b>             | <b>25,841.05</b>                                 |

(₹ in Lakhs)

| Particulars  | Equity Share Capital | Other Equity      |                            | Total Equity Attributable to Equity Shareholders |
|--|----------------------|-------------------|----------------------------|--|
|  |                      | Retained Earnings | Other Comprehensive Income |  |
| <b>As at April 1, 2021</b>                                 | <b>1,379.92</b>      | <b>24,504.42</b>  | <b>(43.29)</b>             | <b>25,841.05</b>                                 |
| <b>Changes in equity for the year ended March 31, 2022</b> |                      |                   |                            |  |
| Add: Profit for the year                                   |                      | 7,138.59          | -                          | 7,138.59   |
| OCI during the year  |                      | -                 | 6.91                       | 6.91   |
| Less : Provision for Dividend Declared                     |                      | (137.99)          | -                          | (137.99)   |
| <b>As at March 31, 2022</b>                                | <b>1,379.92</b>      | <b>31,505.02</b>  | <b>(36.39)</b>             | <b>32,848.55</b>                                 |

As per our report of even date

For **Chaturvedi & Agrawal**  
Chartered Accountants  
Firm Registration No. : 101717W

**Rasik Chaturvedi**  
Partner  
M. No. : 039524

Date: May 17, 2022  
Place: Thane

For and on behalf of the Board of Directors of **Bajaj Healthcare Limited**

**S K R Bajaj**  
Chairman and Managing Director  
DIN : 00225950

**Rupesh Nikam**  
CFO and Director  
DIN: 07007815

**Anil Jain**  
Managing Director  
DIN : 00226137

**Aakash Keshari**  
Company Secretary

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 1. Significant Accounting Policies

### A. Corporate Information

Bajaj Healthcare Ltd (the Company) is a listed entity incorporated in India and listed on The Stock Exchange of Mumbai & National Stock Exchange. The registered office of the Company is located at 602-606, Bhoomi Velocity, Wagle Industrial Estate, Thane, Maharashtra, 400604, India.

The Company is engaged in activities of manufacturing, producing, developing and marketing a wide range of Active Pharmaceutical Ingredients (APIs), & bulk drugs, branded and generic formulations. The Company has its manufacturing locations situated in the state of Maharashtra and Gujarat with activities extending to both domestic and global markets.

### B. Significant Accounting Policies:

B.1 Basis of Preparation and Presentation The Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013, amended from time to time.

The Company's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest Lakh ('00,000), except when otherwise indicated.

#### B.2 Summary of Significant Accounting Policies

Significant accounting policies adopted in the preparation of these financial statements are detailed below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non- Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### (b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets. In case of land the Company has availed fair value as deemed cost on the date of transition to Ind AS.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date together with cost which are directly attributable to it.

Depreciation methods, estimated useful lives and residual value.



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Depreciation on Property, Plant and Equipment is provided using written down value method on depreciable amount. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

## (c) Leases

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

## (d) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible Assets Under Development.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

## (e) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

## (f) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred. Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

## (g) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## (h) Finance Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

## (i) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads (being allocated on the basis of normal operating capacity) net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of finished goods, work-in-progress, raw materials, chemicals, stores and spares, packing materials, trading and other products are determined on FIFO basis.

## (j) Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## (k) Borrowings:

Borrowings are initially recognized at fair value net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down the fee is capitalized as a pre -payment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognised in profit or loss as other gains / (losses). Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## (l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## (m) Contingent Liabilities & Commitments

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation





# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

## (n) Employee Benefits Expense

### Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

### Post-Employment Benefits

#### Defined Contribution Plans

The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

#### Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days basic salary for every completed year of service as per the Payment of Gratuity Act, 1972. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

### Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related

services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

## (o) Tax Expenses

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

### i. Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

### ii. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

## (p) Foreign Currencies Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

## (q) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Generally, control is transferred at point in time, usually upon despatch from Factory or upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes

unconditional. Generally, the credit period varies between 60 to 180 days from the shipment or delivery of goods or services as the case may be depending on product and geographic region.

## Contract Balances

### Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

### Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made.

Contract liabilities are recognised as revenue when the Company performs under the contract.

## Interest Income

Interest Income from a Financial Assets is recognised using effective interest rate method.

## Dividend Income

Dividend Income is recognised when the Company's right to receive the amount has been established.

## Any Other Income:

Income other than Dividend and Interest as described above and any other income covered under other IND-AS is recognised only when it is reasonable certain that amount will be collected or when amount is actually received by the Company

## (r) Financial Instruments

### i. Financial Assets

A. Initial Recognition and Measurement All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

B. Subsequent Measurement

#### a) Financial Assets measured at Amortised Cost (AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

**c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

**C. Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward- looking estimates are analysed if there is a significant change in collection pattern.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**ii. Financial Liabilities**

**A. Initial Recognition and Measurement**

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**B. Subsequent Measurement**

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- iii. Derecognition of Financial Instruments** The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a Financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## iv. Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## (s) Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

## (t) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share if any. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

## (u) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Managing Director of the Company has been identified as being the Chief Operating Decision Maker. Refer note 47 for the segment information presented.

## C. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

### a. Property Plant and Equipment/ Intangible Assets

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

### b. Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

### c. Provisions

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

**d. Impairment of Financial and Non-Financial Assets**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

**e. Recognition of Deferred Tax Assets and Liabilities**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

**f. Fair Value Measurement**

For estimates relating to fair value of financial instruments refer note 31 of financial statements.

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 2. Property, Plant & Equipment

(₹ In lakhs)

| Particulars                         | Office Equipment | Motor Vehicle | Computer      | Furniture and Fixture | Office Premises Leasehold | Residential Premises | Factory Building Freehold | Factory Building Leasehold | Land Freehold   | Land Leasehold  | Plant and Machinery | Total            |
|-------------------------------------|------------------|---------------|---------------|-----------------------|---------------------------|----------------------|---------------------------|----------------------------|-----------------|-----------------|---------------------|------------------|
| <b>Gross Block:</b>                 |                  |               |               |                       |                           |                      |                           |                            |                 |                 |                     |                  |
| <b>As at the April 1, 2020</b>      | 174.85           | 311.82        | 251.49        | 275.16                | 1033.23                   | 258.71               | 4,127.26                  | 1,424.52                   | 5,374.55        | 1,224.86        | 12,326.59           | 26,783.04        |
| Additions                           | 9.29             | 91.22         | 34.60         | 26.71                 | -                         | 184.55               | 37.91                     | 572.91                     | -               | 2,082.80        | 3,178.73            | 6,218.71         |
| Disposal                            | -                | 31.60         | -             | -                     | -                         | -                    | -                         | 13.57                      | -               | -               | 31.08               | 76.25            |
| <b>As at the March 31, 2021</b>     | <b>184.15</b>    | <b>371.43</b> | <b>286.08</b> | <b>301.86</b>         | <b>1033.23</b>            | <b>443.26</b>        | <b>4,165.17</b>           | <b>1,983.86</b>            | <b>5,374.55</b> | <b>3,307.66</b> | <b>15,474.24</b>    | <b>32,925.50</b> |
| Additions                           | 45.12            | 61.88         | 90.91         | 77.57                 | -                         | -                    | 192.38                    | 1,207.04                   | -               | -               | 7,368.17            | 9,043.07         |
| Disposal                            | 3.52             | 2.16          | 3.29          | 0.87                  | -                         | -                    | -                         | 551.46                     | -               | -               | 1,234.74            | 1,796.05         |
| <b>As at the March 31, 2022</b>     | <b>225.74</b>    | <b>431.15</b> | <b>373.70</b> | <b>378.56</b>         | <b>1033.23</b>            | <b>443.26</b>        | <b>4,357.55</b>           | <b>2,639.44</b>            | <b>5,374.55</b> | <b>3,307.66</b> | <b>21,607.67</b>    | <b>40,172.52</b> |
| <b>Depreciation and Impairment:</b> |                  |               |               |                       |                           |                      |                           |                            |                 |                 |                     |                  |
| <b>As at the April 1, 2020</b>      | 157.22           | 188.02        | 216.70        | 214.00                | 321.11                    | 76.08                | 2,226.21                  | 620.38                     | -               | -               | 6,539.05            | 10,558.76        |
| Additions                           | 8.18             | 42.57         | 32.46         | 16.45                 | 45.84                     | 13.06                | 185.96                    | 118.27                     | -               | -               | 1,149.64            | 1,612.42         |
| Disposal                            | -                | 26.87         | -             | -                     | -                         | -                    | -                         | 7.91                       | -               | -               | 23.67               | 58.45            |
| <b>As at the March 31, 2021</b>     | <b>165.40</b>    | <b>203.72</b> | <b>249.15</b> | <b>230.45</b>         | <b>366.94</b>             | <b>89.14</b>         | <b>2,412.17</b>           | <b>730.73</b>              | <b>-</b>        | <b>-</b>        | <b>7,665.01</b>     | <b>12,112.73</b> |
| Additions                           | 12.46            | 50.37         | 46.75         | 22.22                 | 42.32                     | 17.55                | 172.49                    | 130.02                     | -               | -               | 1,269.47            | 1,763.66         |
| Disposal                            | -                | -             | -             | -                     | -                         | -                    | -                         | 215.66                     | -               | -               | 462.24              | 677.89           |
| <b>As at the March 31, 2022</b>     | <b>177.86</b>    | <b>254.10</b> | <b>295.91</b> | <b>252.68</b>         | <b>409.26</b>             | <b>106.69</b>        | <b>2,584.66</b>           | <b>645.10</b>              | <b>-</b>        | <b>-</b>        | <b>8,472.24</b>     | <b>13,198.49</b> |
| <b>Net Block:</b>                   |                  |               |               |                       |                           |                      |                           |                            |                 |                 |                     |                  |
| <b>As at the March 31, 2021</b>     | <b>18.74</b>     | <b>167.71</b> | <b>36.93</b>  | <b>71.41</b>          | <b>666.29</b>             | <b>354.12</b>        | <b>1,753.00</b>           | <b>1,253.13</b>            | <b>5,374.55</b> | <b>3,307.66</b> | <b>7,809.23</b>     | <b>20,812.77</b> |
| <b>As at the March 31, 2022</b>     | <b>47.88</b>     | <b>177.06</b> | <b>77.79</b>  | <b>125.89</b>         | <b>623.97</b>             | <b>336.57</b>        | <b>1,772.89</b>           | <b>1,994.34</b>            | <b>5,374.55</b> | <b>3,307.66</b> | <b>13,135.43</b>    | <b>26,974.03</b> |

## 2.1

(₹ In lakhs)

| Particulars              | As at March 31, 2022 |  |                 | As at March 31, 2021 |
|--------------------------|----------------------|--|-----------------|----------------------|
| Capital Work-in Progress |                      |  | 5,197.58        | 5,704.74             |
| <b>Total</b>             |                      |  | <b>5,197.58</b> | <b>5,704.74</b>      |

## 2.2. CWIP Ageing Schedule for the Year ending on March 31, 2022

(₹ In lakhs)

| CWIP                           | Amount in CWIP for a period off |                 |              |                   | Total           |
|--------------------------------|---------------------------------|-----------------|--------------|-------------------|-----------------|
|                                | Less than 1 year                | 1-2 Years       | 2-3 Years    | More than 3 years |                 |
| Projects in Progress           | 2,950.43                        | 2,218.80        | 28.35        | -                 | 5,197.58        |
| Projects temporarily suspended | -                               | -               | -            | -                 | -               |
| <b>Total</b>                   | <b>2,950.43</b>                 | <b>2,218.80</b> | <b>28.35</b> | <b>-</b>          | <b>5,197.58</b> |

## CWIP Ageing Schedule for the Year ending on March 31, 2021

(₹ In lakhs)

| CWIP                           | Amount in CWIP for a period off |              |           |                   | Total           |
|--------------------------------|---------------------------------|--------------|-----------|-------------------|-----------------|
|                                | Less than 1 year                | 1-2 Years    | 2-3 Years | More than 3 years |                 |
| Projects in Progress           | 5,671.02                        | 33.72        | -         | -                 | 5,704.74        |
| Projects temporarily suspended | -                               | -            | -         | -                 | -               |
| <b>Total</b>                   | <b>5,671.02</b>                 | <b>33.72</b> | <b>-</b>  | <b>-</b>          | <b>5,704.74</b> |



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 3. Investments

(₹ In lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| a) Investment in Equity Instruments                                     |                         |                         |
| - Unquoted - (Valued at cost)   |                         |                         |
| 500 (P.Y 500 ) Shares of Tima Cooperative Society limited of ₹10/- Each | 0.05                    | 0.05                    |
| 2500 ( P.Y 2500) Equity Shares of Saraswat Co-op Bank of ₹10/- Each     | 0.25                    | 0.25                    |
| 25 ( P.Y 25) Shares of Shamrao Vithal Co-op Bank of ₹25/- each          | 0.01                    | 0.01                    |
| <b>Total</b>  | <b>0.31</b>             | <b>0.31</b>             |

## 4. Other Financial Assets

(₹ In lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Fixed Deposit With Banks (Under Lien for Bank Guarantee ) | 107.39                  | 212.04                  |
|   | <b>107.39</b>           | <b>212.04</b>           |

**4.1** Lien Created on Fixed Deposits for Bank Gurantee issued to Statutory Authorities and Government Corporation.

## 5. Inventories (Valued at Lower of Cost and Net Realisable Value)

(₹ In lakhs)

| Particulars       | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------|-------------------------|-------------------------|
| Raw Material      | 13,617.50               | 8,250.73                |
| Finished Goods    | 1,658.03                | 1,281.03                |
| Stores and Spares | 241.66                  | 119.70                  |
| Packing Material  | 409.00                  | 59.57                   |
| <b>Total</b>      | <b>15,926.18</b>        | <b>9,711.03</b>         |

## 6. Trade Receivables

(₹ In lakhs)

| Particulars  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Trade Receivable considered good - Unsecured           | 18,582.53               | 9,978.12                |
| Add /Less : Allowance for Bad and Doubtful Debts (ECL) | (131.35)                | (89.84)                 |
|  | 18,451.18               | 9,888.28                |
| <b>Total</b>   | <b>18,451.18</b>        | <b>9,888.28</b>         |

### Trade Receivables ageing schedule as at 31st March, 2022.

(₹ In lakhs)

| Particulars   | Not Due         | Outstanding for following periods from due date of payment |                      |               |              |                      | Total           |
|---|-----------------|--|----------------------|---------------|--------------|----------------------|-----------------|
|   |                 | Less than 6<br>Months                                      | 6 months -<br>1 Year | 1-2 years     | 2-3 years    | More than 3<br>years |                 |
| Undisputed Trade receivables – considered good                                | 13621.39        | 4170.30  | 437.59               | 223.49        | 65.63        | 64.13                | 18582.53        |
| Undisputed Trade Receivables – which have significant increase in credit risk | -               | -  | -                    | -             | -            | -                    | -               |
| Undisputed Trade Receivables – credit impaired                                | -               | -  | -                    | -             | -            | -                    | -               |
| Disputed Trade receivables – considered good                                  | -               | -  | -                    | -             | -            | -                    | -               |
| Disputed Trade Receivables – which have significant increase in credit risk   | -               | -  | -                    | -             | -            | -                    | -               |
| Disputed Trade Receivables – credit impaired                                  | -               | -  | -                    | -             | -            | -                    | -               |
| <b>Subtotal</b>   | <b>13621.39</b> | <b>4170.30</b>   | <b>437.59</b>        | <b>223.49</b> | <b>65.63</b> | <b>64.13</b>         | <b>18582.53</b> |

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 6.3 Trade Receivables ageing schedule as at 31st March, 2021

(₹ In lakhs)

| Particulars   | Not Due        | Outstanding for following periods from due date of payment |                   |              |              |                   | Total          |
|---|----------------|--|-------------------|--------------|--------------|-------------------|----------------|
|   |                | Less than 6 Months   | 6 months - 1 Year | 1-2 years    | 2-3 years    | More than 3 years |                |
| Undisputed Trade receivables – considered good                                | 7471.55        | 2268.24  | 98.82             | 42.67        | 43.17        | 53.67             | 9978.12        |
| Undisputed Trade Receivables – which have significant increase in credit risk | -              | -  | -                 | -            | -            | -                 | -              |
| Undisputed Trade Receivables – credit impaired                                | -              | -  | -                 | -            | -            | -                 | -              |
| Disputed Trade receivables – considered good                                  | -              | -  | -                 | -            | -            | -                 | -              |
| Disputed Trade Receivables – which have significant increase in credit risk   | -              | -  | -                 | -            | -            | -                 | -              |
| Disputed Trade Receivables – credit impaired                                  | -              | -  | -                 | -            | -            | -                 | -              |
| <b>Subtotal</b>   | <b>7471.55</b> | <b>2268.24</b>   | <b>98.82</b>      | <b>42.67</b> | <b>43.17</b> | <b>53.67</b>      | <b>9978.12</b> |

## 7. Cash and Cash Equivalent

(₹ In lakhs)

| Particulars           | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-----------------------|-------------------------|-------------------------|
| Balances with banks   |                         |                         |
| - in current accounts | 192.48                  | 1,418.96                |
| - in deposits         | -                       | -                       |
| Cash in Hand          | 5.03                    | 5.15                    |
| <b>Total</b>          | <b>197.50</b>           | <b>1,424.11</b>         |

## 8. Other Financial Assets (Current)

(₹ In lakhs)

| Particulars                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------|-------------------------|-------------------------|
| Income Tax Refund Receivable     | 370.51                  | 10.00                   |
| Interest Receivable              | -                       | 3.49                    |
| Vat and Excise Refund Receivable | 12.38                   | 16.39                   |
| Advance to Staff                 | 13.63                   | 13.46                   |
| Insurance Claim Receivable       | 701.49                  | 13.06                   |
| Other Receivable                 | 3.56                    | 9.93                    |
|                                  | <b>1,101.58</b>         | <b>66.33</b>            |

## 9. Other Current Assets [Unsecured, Considered Good]

(₹ In lakhs)

| Particulars                                | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| GST receivable                             | 2,732.82                | 2,919.26                |
| Prepaid Expenses                           | 308.62                  | 237.86                  |
| Deposit With Public Authorities and Others | 835.13                  | 304.59                  |
| Advance to Suppliers                       | 278.03                  | 1,281.85                |
| <b>Total</b>                               | <b>4,154.60</b>         | <b>4,743.56</b>         |



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 10 Equity Share Capital

(₹ In lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Authorised Share Capital</b>   |                         |                         |
| 28000000 Equity Shares of ₹5/- each as at March 31, 2022<br>(P Y 14000000 Equity Shares of ₹10/- each as at March 31, 2021)       | 1,400.00                | 1,400.00                |
|   | <b>1,400.00</b>         | <b>1,400.00</b>         |
| <b>Issued, Subscribed and Paid-up</b>   |                         |                         |
| 2,75,98,400 Equity Shares of ₹5/- each as at March 31, 2022<br>(P Y 1,37,99,200 Equity Shares of ₹10/- each as at March 31, 2021) | 1379.92                 | 1379.92                 |
|   | <b>1,379.92</b>         | <b>1,379.92</b>         |

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:**

| Particulars                                  | For the year ended March 31, 2022 |                     | For the year ended March 31, 2021 |                     |
|--|-----------------------------------|---------------------|-----------------------------------|---------------------|
|  | Amount<br>(₹ in Lakhs)            | Number of<br>Shares | Amount<br>(₹ in Lakhs)            | Number of<br>Shares |
| At the beginning of the year                 | 1,379.92                          | 1,37,99,200         | 1,379.92                          | 1,37,99,200         |
| Adjustment for Sub-Division of Equity Shares | -                                 | 1,37,99,200         | -                                 | -                   |
| Outstanding at the end of the year           | <b>1,379.92</b>                   | <b>2,75,98,400</b>  | <b>1,379.92</b>                   | <b>1,37,99,200</b>  |

### 10.1 The details of shareholders holding more than 5% equity shares :-

| Name of the Shareholder                            | As at March 31, 2022         |        | As at March 31, 2021          |        |
|--|------------------------------|--------|-------------------------------|--------|
|  | No of Shares of<br>₹5/- each | % Held | No of Shares of<br>₹10/- each | % Held |
| 1) Mr. Sajankumar Bajaj                            | 96,28,000                    | 34.89% | 48,14,000                     | 34.89% |
| 2) Mrs. Babita Bajaj                               | 15,04,000                    | 5.45%  | 7,52,000                      | 5.45%  |
| 3) S K R Bajaj HUF                                 | 21,60,000                    | 7.83%  | 10,80,000                     | 7.83%  |
| 4) Ms. Namrata Bajaj                               | 16,16,000                    | 5.86%  | 8,08,000                      | 5.86%  |
| 5) Ms. Nihita S Bajaj                              | 16,16,000                    | 5.86%  | 8,08,000                      | 5.86%  |
| 6) Mr. Anil C Jain                                 | 14,36,000                    | 5.20%  | 7,18,000                      | 5.20%  |
| 7) M/s. Maa Sharda Distributors Pvt Ltd            | 17,40,000                    | 6.30%  | 8,70,000                      | 6.30%  |
| 8) M/s. Progyan Construction & Engineering Pvt Ltd | 3,10,800                     | 1.13%  | 9,42,900                      | 6.83%  |

### 10.2 The details of Promoters of the Company

Shares held by Promoters at the end of the year as on March 31, 2022

| Promoter Name                          | As at March 31, 2022         |                   | As at March 31, 2021          |                      | % Change<br>during the year |
|--|------------------------------|-------------------|-------------------------------|----------------------|-----------------------------|
|  | No of Shares of<br>₹5/- each | % of Total Shares | No of Shares of<br>₹10/- each | % of Total<br>Shares |                             |
| 1) Mr. Sajankumar Bajaj                | 96,28,000                    | 34.89%            | 48,14,000                     | 34.89%               | 0.00%                       |
| 2) Mrs. Babita Bajaj                   | 15,04,000                    | 5.45%             | 7,52,000                      | 5.45%                | 0.00%                       |
| 3) S K R Bajaj HUF                     | 21,60,000                    | 7.83%             | 10,80,000                     | 7.83%                | 0.00%                       |
| 4) Ms. Namrata Bajaj *                 | 16,16,000                    | 5.86%             | 8,08,000                      | 5.86%                | 0.00%                       |
| 5) Ms. Nihita S Bajaj                  | 16,16,000                    | 5.86%             | 8,08,000                      | 5.86%                | 0.00%                       |
| 6) Mr. Anil C Jain                     | 14,36,000                    | 5.20%             | 7,18,000                      | 5.20%                | 0.00%                       |
| 7) Mrs. Padma A. Jain                  | 3,04,000                     | 1.10%             | 1,52,000                      | 1.10%                | 0.00%                       |
| 8) Bajaj Health and Nutritions Pvt Ltd | 2,40,000                     | 0.87%             | 1,20,000                      | 0.87%                | 0.00%                       |
| 9) Bansal Pharma Limited               | 60,000                       | 0.22%             | 30,000                        | 0.22%                | 0.00%                       |
| <b>Total</b>                           | <b>1,85,64,000</b>           | <b>67.27%</b>     | <b>92,82,000</b>              | <b>67.27%</b>        |                             |

\*8500 Shares acquired by Ms. Namrata Bajaj on or before March 31, 2022, were given effect in Register of Members by RTA on April 8, 2022

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

**10.3** The Equity Shares issued and paid up includes shares issued as Bonus Shares, which consist of Aggregate 11399600 Equity Shares of ₹10/- each issued on 18th January 2016 and 11th April 2019, subdivided into 22799200 Equity Shares of ₹5/- each on September 29, 2021.

## 10.4 Terms and Rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹5 per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**10.5** Pursuant to the approval of the shareholders by way of Postal Ballot on September 17, 2021, each Equity Share of ₹10/- each fully paid up was sub- divided into 2 Equity Shares of ₹5/- each fully paid up, with effect from the record date September 29, 2021.

## 11. Other Equity

(₹ In lakhs)

| Particulars                         | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| <b>Other Comprehensive Income</b>   |                         |                         |
| Opening Balance                     | (43.29)                 | (21.70)                 |
| Add/ (Less) Changes during the year | 6.91                    | (21.59)                 |
| Closing Balance                     | <b>(36.39)</b>          | <b>(43.29)</b>          |
| <b>Retained Earnings</b>            |                         |                         |
| Opening Balance                     | 24,504.42               | 16,435.01               |
| Add/(Less) Dividend Paid            | (137.99)                | (241.49)                |
| Add : Profit for the year           | 7,138.59                | 8,310.89                |
| Closing Balance                     | <b>31,505.02</b>        | <b>24,504.42</b>        |
| <b>Total</b>                        | <b>31,468.63</b>        | <b>24,461.13</b>        |

\*Opening Balance of Retained Earnings includes amount ₹6710.30 Lakhs (P.Y ₹6710.30 Lakhs) on account of Revaluation of Assets.

## 12. Borrowings

(₹ In lakhs)

| Particulars                              | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Secured carried at amortised cost</b> |                         |                         |
| Term Loan from Bank                      | 6,356.10                | 7,660.39                |
| Term Loan from NBFC                      | 274.90                  | 310.94                  |
|  | <b>6,631.00</b>         | <b>7,971.33</b>         |

The details of Security for term loans are Provided in note no. 33

(₹ In lakhs)

| Repayment Schedule and Terms of Borrowings:           | 2023-24 | 2024-25 | 2025-2026 | 2026-2027 | 2027-2028 |
|---|---------|---------|-----------|-----------|-----------|
| Term Loan from Bank (Rate of Interest - 7.00% - 8.6%) | 1796.50 | 1724.87 | 1616.93   | 1175.31   | 42.49     |
| Term Loan from NBFC (Rate of Interest - 10.25%)       | 45.79   | 36.89   | 35.67     | 39.40     | 117.15    |

## 13. Provision - Non- Current

(₹ In lakhs)

| Particulars                                  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Present Value of Obligation - Non Current    | 339.74                  | 314.74                  |
| Less: Fair Value of Plan Asset as at the End | (196.40)                | (151.25)                |
| Net  | 143.34                  | 163.49                  |
| Provision for Leave Encashment - Non Current | 123.83                  | 114.57                  |
| <b>Total</b>                                 | <b>267.17</b>           | <b>278.06</b>           |



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 14. Deferred Tax Liability (net)

(₹ In lakhs)

| Particulars                   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Opening Balance               | 215.40                  | 174.34                  |
| Changes during the year       | (59.08)                 | 41.06                   |
| <b>At the end of the year</b> | <b>156.32</b>           | <b>215.40</b>           |

## 15. Borrowings Current

(₹ In lakhs)

| Particulars                                     | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Secured</b>                                  |                         |                         |
| Working Capital Loan From Banks                 |                         |                         |
| Cash Credit                                     | 2,686.52                | -                       |
| Preshipment/Postshipment/ Buyers Credit         | 14,772.93               | 8,846.55                |
| <b>Current Maturity of Long Term Borrowings</b> |                         |                         |
| From Banks (Secured)                            | 1,381.32                | 1,232.65                |
| From NBFC (Secured)                             | 41.45                   | 38.03                   |
| <b>Unsecured</b>                                |                         |                         |
| From Director *                                 | 160.35                  | -                       |
| <b>Total</b>                                    | <b>19,042.57</b>        | <b>10,117.24</b>        |

\* Refer note no 44 for related party transaction

**15.1** The details of Security for Working Capital Loans from banks are provided in note no. 33

## 16. Trade Payables

(₹ In lakhs)

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises | -                       | -                       |
| Others - trade payable  | 10,492.01               | 6,895.37                |
| <b>Total</b>  | <b>10,492.01</b>        | <b>6,895.37</b>         |

Amount due to Small Scale Industries exceeding rupees one lac each, outstanding for more than 30 days are not distinctly determinable in absence of any intimation received by the Company from any parties.

### 16.1 Trade Payables ageing schedule As at 31st March, 2022

(₹ In lakhs)

| Particulars           | Not Due        | Outstanding for following periods from due date of payment |                   |              |             |                   | Total            |
|-----------------------|----------------|--|-------------------|--------------|-------------|-------------------|------------------|
|                       |                | Less than 6 Months   | 6 months - 1 Year | 1-2 years    | 2-3 years   | More than 3 years |                  |
| MSME                  | -              | -  | -                 | -            | -           | -                 | -                |
| Others                | 4935.26        | 5490.03  | 50.51             | 13.57        | 1.31        | 1.33              | 10492.01         |
| Disputed dues -MSME   | -              | -  | -                 | -            | -           | -                 | -                |
| Disputed dues -Others | -              | -  | -                 | -            | -           | -                 | -                |
| <b>Total</b>          | <b>4935.26</b> | <b>5490.03</b>   | <b>50.51</b>      | <b>13.57</b> | <b>1.31</b> | <b>1.33</b>       | <b>10,492.01</b> |

### 16.2 Trade Payables ageing schedule As at 31st March, 2021

(₹ In lakhs)

| Particulars           | Not Due        | Outstanding for following periods from due date of payment |                   |               |             |                   | Total          |
|-----------------------|----------------|--|-------------------|---------------|-------------|-------------------|----------------|
|                       |                | Less than 6 Months   | 6 months - 1 Year | 1-2 years     | 2-3 years   | More than 3 years |                |
| MSME                  | -              | -  | -                 | -             | -           | -                 | -              |
| Others                | 4442.52        | 2108.82  | 27.04             | 109.20        | 1.62        | 206.18            | 6895.37        |
| Disputed dues -MSME   | -              | -  | -                 | -             | -           | -                 | -              |
| Disputed dues -Others | -              | -  | -                 | -             | -           | -                 | -              |
| <b>Total</b>          | <b>4442.52</b> | <b>2108.82</b>   | <b>27.04</b>      | <b>109.20</b> | <b>1.62</b> | <b>206.18</b>     | <b>6895.37</b> |

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 17. Other Financial Liabilities

(₹ In lakhs)

| Particulars                 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-----------------------------|-------------------------|-------------------------|
| Creditors for Capital Goods | 544.00                  | 165.13                  |
| Other Payables              | 1,061.14                | 912.52                  |
| <b>Total</b>                | <b>1,605.14</b>         | <b>1,077.64</b>         |

## 18. Other Current Liabilities

(₹ In lakhs)

| Particulars                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------|-------------------------|-------------------------|
| Advances Received from Customers | 59.23                   | 95.98                   |
| Statutory Dues Payable           | 57.32                   | 53.31                   |
| <b>Total</b>                     | <b>116.55</b>           | <b>149.29</b>           |

## 19. Provisions- Current

(₹ In lakhs)

| Particulars                                   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Present Value of Obligation - Current         | 53.20                   | 37.29                   |
| Less : Fair Value of Plan Asset as at the End | (53.20)                 | (37.29)                 |
| Provision for Leave Encashment - Current      | 22.88                   | 17.79                   |
| <b>Total</b>                                  | <b>22.88</b>            | <b>17.79</b>            |

## 20. Current Tax Liabilities [Net]

(₹ In lakhs)

| Particulars                  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| Provision for Taxation (Net) | 928.15                  | -                       |
| <b>Total</b>                 | <b>928.15</b>           | <b>-</b>                |

## 21. Revenue from Operations

(₹ In lakhs)

| Particulars                             | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Sale of goods                           | 67,922.31                            | 65,578.28                            |
| Sales of Services ( Processing Charges) | 66.67                                | 120.10                               |
| <b>Total</b>                            | <b>67,988.98</b>                     | <b>65,698.38</b>                     |

## 22. Other Income

(₹ In lakhs)

| Particulars                                   | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Interest received on Fixed Deposit            | 17.17                                | 16.69                                |
| Rent Income                                   | 25.42                                | 23.16                                |
| Gain Due To Foreign Exchange Rate Fluctuation | -                                    | 440.23                               |
| Insurance and Other Claims                    | 1.90                                 | -                                    |
| Duty Drawback and Custom Duty Refund          | -                                    | 114.45                               |
| Gain on Sale of Asset                         | -                                    | 1.79                                 |
| Reversal of Allowance of Doubtful Debts (ECL) | -                                    | 75.63                                |
| Scrap Sale                                    | 99.92                                | 19.30                                |
| <b>Total</b>                                  | <b>144.41</b>                        | <b>691.26</b>                        |



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 23. Cost of Material Consumed ( including Other Direct Expenses)

( ₹ In lakhs)

| Particulars                                  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Cost of Material Consumed                    | 40,991.07                            | 37,718.83                            |
| <b>Other Direct Expenses</b>                 |                                      |                                      |
| Power and Fuel                               | 3,040.71                             | 2,347.02                             |
| Processing & Labour Charges                  | 2,575.53                             | 2,208.27                             |
| Freight Forwarding & Transport               | 1,783.95                             | 2,042.93                             |
| Consumption of Stores Spares and Maintenance | 593.97                               | 967.62                               |
| Effluent Treatment Charges                   | 583.99                               | 664.79                               |
| Water Charges                                | 142.38                               | 148.96                               |
| Material Testing & Inspection Charges        | 270.69                               | 244.06                               |
| <b>Total</b>                                 | <b>49,982.29</b>                     | <b>46,342.49</b>                     |

## 24. Changes in Inventory of Finished Goods

( ₹ In lakhs)

| Particulars         | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------|--------------------------------------|--------------------------------------|
| Finished Goods      |                                      |                                      |
| Opening Stock       | 1,281.03                             | 1,351.21                             |
| Less: Closing Stock | (1,658.03)                           | (1,281.03)                           |
| <b>Total</b>        | <b>(377.00)</b>                      | <b>70.18</b>                         |

## 25. Employee Benefits Expense

( ₹ In lakhs)

| Particulars  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Salary, wages, bonus and other allowances              | 3,547.78                             | 2,983.83                             |
| Contribution to Provident Funds and Other Funds        | 250.75                               | 211.52                               |
| Provision for Retirement Benefits and Leave encashment | 95.62                                | 99.64                                |
| Staff Welfare expense                                  | 216.72                               | 159.88                               |
| <b>Total</b>   | <b>4,110.87</b>                      | <b>3,454.87</b>                      |

## 26. Finance Cost

( ₹ In lakhs)

| Particulars          | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------|--------------------------------------|--------------------------------------|
| Interest Expenses    | 1,084.32                             | 603.41                               |
| Other Borrowing Cost | 178.07                               | 226.19                               |
| <b>Total</b>         | <b>1,262.38</b>                      | <b>829.60</b>                        |

## 27. Depreciation and Amortization Expense

( ₹ In lakhs)

| Particulars  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------|--------------------------------------|--------------------------------------|
| Depreciation | 1,763.66                             | 1,612.42                             |
| <b>Total</b> | <b>1,763.66</b>                      | <b>1,612.42</b>                      |



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 28. Other Expenses

(₹ In lakhs)

| Particulars                                   | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Advertisement & Business Promotion            | 9.39                                 | 56.61                                |
| Audit Fees- Refer note 30                     | 5.00                                 | 4.00                                 |
| Brokerage & Commission                        | 363.62                               | 351.13                               |
| Corporate Social Responsibility Expenses      | 139.38                               | 227.88                               |
| Courier Charges & Telephone Expenses          | 41.12                                | 24.64                                |
| Donation                                      | 163.71                               | 156.55                               |
| Hotel/Boarding/Lodge/ Guest House Expenses    | 17.85                                | 5.05                                 |
| Insurance Expense                             | 267.05                               | 154.31                               |
| Interest On Taxes                             | 15.82                                | 4.14                                 |
| Legal & Professional Expenses                 | 384.47                               | 374.14                               |
| Loss Due to Foreign Exchange Rate Fluctuation | 193.90                               | -                                    |
| Loss on Sale of Assets                        | 1.21                                 | 0.64                                 |
| Loss due to Fire                              | 10.04                                | -                                    |
| Membership & Subscription                     | 1.78                                 | 4.14                                 |
| Miscellaneous Expenses                        | 27.88                                | 12.98                                |
| Motor Vehicle & Fuel Expenses                 | 18.28                                | 9.69                                 |
| Printing & Stationery                         | 86.66                                | 59.84                                |
| Rent Rates & Taxes                            | 122.86                               | 125.38                               |
| Repairs & Maintenance Building                | 160.26                               | 273.90                               |
| Repairs & Maintenance Others                  | 179.81                               | 229.79                               |
| Security & Cleaning Charges                   | 25.59                                | 41.29                                |
| Seminar Expenses                              | 4.31                                 | -                                    |
| Sponsorship Expenses                          | 6.03                                 | 6.04                                 |
| Sundry Balance Written off                    | 3.33                                 | 1.47                                 |
| Allowance of Doubtful Debts (ECL)             | 41.51                                | -                                    |
| Travelling & Conveyance Expenses              | 131.87                               | 74.51                                |
| <b>Total</b>                                  | <b>2,422.72</b>                      | <b>2,198.12</b>                      |

### 28.1 Corporate Social Responsibility (CSR):

- CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹119.37 lakhs (Previous Year ₹52.87 lakhs)
- Expenditure related to Corporate Social Responsibility is ₹139.38 lakhs (Previous Year ₹227.88 lakhs)

(₹ In lakhs)

| Particulars    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------|--------------------------------------|--------------------------------------|
| Health         | 11.11                                | 6.58                                 |
| Education      | 10.20                                | 7.85                                 |
| Disaster Covid | 118.07                               | 213.46                               |
| <b>Total</b>   | <b>139.38</b>                        | <b>227.88</b>                        |

## 29. Calculation of earning per share (EPS)

The numerators and denominators used to calculate basic and diluted EPS are as follows:

| Particulars  | Year ended     |                |
|--|----------------|----------------|
|  | March 31, 2022 | March 31, 2021 |
| Profit attributable to Equity shareholder (₹ in Lakhs)           | 7,138.59       | 8,310.89       |
| Number of equity shares*   | 27598400       | 27598400       |
| Weighted average number of shares for calculation of Basic EPS   | 27598400       | 27598400       |
| Weighted average number of shares for calculation of Diluted EPS | 27598400       | 27598400       |
| Nominal value of equity shares                                   | 5              | 5              |
| Basic EPS (₹)  | 25.87          | 30.11          |
| Diluted EPS (₹)  | 25.87          | 30.11          |

\* Restated Figure pursuant to Sub- Division of Equity Shares during the year from ₹10/- each to 2 Equity Shares of ₹5/- each.



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 30. Details of auditors remuneration

(₹ in Lakhs)

| Particulars                      | Year ended     |                |
|----------------------------------|----------------|----------------|
|                                  | March 31, 2022 | March 31, 2021 |
| As auditor :                     |                |                |
| Statutory Audit fees             | 5.00           | 4.00           |
| <b>Total payment to auditors</b> | <b>5.00</b>    | <b>4.00</b>    |

## 31. Financial Instruments – Fair Values and Risk Management

### A. Accounting classification

(₹ in Lakhs)

| 31-Mar-22                            | FVTPL    | FV OCI   | Amortised Cost   | Total            |
|--------------------------------------|----------|----------|------------------|------------------|
| Financial Assets                     |          |          |                  |                  |
| Investments                          | -        | -        | 0.31             | 0.31             |
| Other Financial Assets - Non Current | -        | -        | 107.39           | 107.39           |
| Trade Receivables                    | -        | -        | 18,451.18        | 18,451.18        |
| Cash and Cash Equivalents            | -        | -        | 197.50           | 197.50           |
| Other Financial Assets - Current     | -        | -        | 1,101.58         | 1,101.58         |
| <b>Total Financial Assets</b>        | <b>-</b> | <b>-</b> | <b>19,857.96</b> | <b>19,857.96</b> |
| <b>Financial Liabilities</b>         |          |          |                  |                  |
| Borrowings                           | -        | -        | 25,673.58        | 25,673.58        |
| Trade Payables                       | -        | -        | 10,492.01        | 10,492.01        |
| Other Financial Liabilities          | -        | -        | 1,605.14         | 1,605.14         |
| <b>Total Financial Liabilities</b>   | <b>-</b> | <b>-</b> | <b>37,770.73</b> | <b>37,770.73</b> |

(₹ in Lakhs)

| 31-Mar-21                            | FVTPL    | FV OCI   | Amortised Cost   | Total            |
|--------------------------------------|----------|----------|------------------|------------------|
| Financial Assets                     |          |          |                  |                  |
| Investments                          | -        | -        | 0.31             | 0.31             |
| Other Financial Assets - Non Current | -        | -        | 212.04           | 212.04           |
| Trade Receivables                    | -        | -        | 9,888.28         | 9,888.28         |
| Cash and Cash Equivalents            | -        | -        | 1,424.11         | 1,424.11         |
| Other Financial Assets - Current     | -        | -        | 66.33            | 66.33            |
| <b>Total Financial Assets</b>        | <b>-</b> | <b>-</b> | <b>11,591.07</b> | <b>11,591.07</b> |
| <b>Financial Liabilities</b>         |          |          |                  |                  |
| Borrowings                           | -        | -        | 18,088.57        | 18,088.57        |
| Trade Payables                       | -        | -        | 6,895.37         | 6,895.37         |
| Other Financial Liabilities          | -        | -        | 1,077.64         | 1,077.64         |
| <b>Total Financial Liabilities</b>   | <b>-</b> | <b>-</b> | <b>26,061.57</b> | <b>26,061.57</b> |

### B. Fair value Measurement

Financial instruments measured at FVTPL / FVOCI :

All assets and liabilities for which the fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement are (other than quoted prices) included within Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As on reporting date Company had no outstanding financial assets or financial liabilities classified as either FVTPL or FVOCI and hence the said disclosure requirement is not applicable.

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## Financial instruments measured at amortised cost:

The carrying value approximates fair value for long term financial assets and liabilities measured at amortised cost. There are no transfers during the year in level 1 2 and 3. The Company policy is to recognize transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

## C. Financial risk management

### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks arising from financial instruments:

1. Credit risk
2. Liquidity risk and
3. Market risk

### 1. Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents deposits with banks and financial institutions security deposits loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date. The Company continuously monitors defaults of customers and other counterparties identified either individually or by the Company and incorporates this information into its credit risk controls. Where available at reasonable cost external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

### 2. Liquidity risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The Company maintains sufficient stock of cash, and committed credit facilities. The Company accesses global and local financial markets to meet its liquidity requirements. It uses a range of products and a mix of currencies to ensure efficient funding. Treasury monitors rolling forecasts of the Company's cash flow position and ensures that the Company is able to meet its financial obligation at all times including contingencies.

### Exposure to liquidity risk

The table below is an analysis of Company's financial liabilities based on their remaining contractual maturities of financial liabilities at the reporting date.

(₹ in Lakhs)

| 31-Mar-22                              | Contractual cash flows |                 |                |               | Total            |
|--|------------------------|-----------------|----------------|---------------|------------------|
|  | Within 1 year          | 1 Yr to 3 Yrs   | 3 Yr to 5 Yrs  | above 5 Yrs   |                  |
| Non-derivative financial liabilities : |                        |                 |                |               |                  |
| Borrowings                             | 19,042.57              | 3,604.04        | 2867.31        | 159.65        | 25,673.58        |
| Trade Payables                         | 10,492.01              | -               | -              | -             | 10,492.01        |
| Other Financial Liabilities            | 1,605.14               | -               | -              | -             | 1,605.14         |
| <b>Total</b>                           | <b>31,139.72</b>       | <b>3,604.04</b> | <b>2867.31</b> | <b>159.65</b> | <b>37,770.73</b> |

(₹ in Lakhs)

| 31-Mar-21                              | Contractual cash flows |                 |                 |                 | Total            |
|--|------------------------|-----------------|-----------------|-----------------|------------------|
|  | Within 1 year          | 1 Yr to 3 Yrs   | 3 Yr to 5 Yrs   | above 5 Yrs     |                  |
| Non-derivative financial liabilities : |                        |                 |                 |                 |                  |
| Borrowings                             | 10,117.23              | 2,081.10        | 1728.46         | 4,161.77        | 18,088.56        |
| Trade Payables                         | 6,895.37               | -               | -               | -               | 6,895.37         |
| Other Financial Liabilities            | 1,077.65               | -               | -               | -               | 1,077.65         |
| <b>Total</b>                           | <b>18,090.25</b>       | <b>2,081.10</b> | <b>1,728.46</b> | <b>4,161.77</b> | <b>26,061.57</b> |

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 3. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity price risk.

### a. Foreign Currency Risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

The following table shows foreign currency exposures in US Dollar and Euro on financial instruments at the end of the reporting period. The exposure to all other foreign currencies are not material.

| Particulars                 | March 31, 2022 |        | March 31, 2021 |             |
|-----------------------------|----------------|--------|----------------|-------------|
|                             | USD            | EURO   | USD            | EURO        |
| Borrowings                  | (83,01,692)    | -      | (37,79,229)    | (70,48,449) |
| Trade and Other Payables    | (33,98,186)    | -      | (41,58,424)    | -           |
| Trade and Other Receivables | 27,35,798      | 25,670 | 30,67,429      | 1,39,500    |
| Net Assets/ (Liabilities)   | (89,64,080)    | 25,670 | (48,70,223)    | (69,08,949) |

### b) Interest Rate Risk

The Company's exposure to the risk of changes in market interest rate relates to the floating rate debt obligations.

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

(₹ In lakhs)

| Particulars                                | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Borrowings                                 | 25,673.58      | 18,088.57      |
| Interest rate increase by 100 Basis Points | 192.12         | 128.21         |
| Interest rate decrease by 100 Basis Points | (192.12)       | (128.21)       |
| Fixed Deposits                             | 107.39         | 212.04         |
| Interest rate increase by 100 Basis Points | (0.80)         | (1.50)         |
| Interest rate decrease by 100 Basis Points | 0.80           | 1.50           |

\* Tax rate for the Financial Year ending March 31, 2021 considered as per rate opted by the Company at the time of filing its Income Tax Return for the respective year

### c) Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of Raw Material. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The Company's commodity price risk is managed centrally through well-established trading operations and control processes.

## 32 Capital Management

The primary objective of the Company's capital management is to maximize the shareholders' interest safeguard its ability to continue as a going concern and reduce its cost of capital. Company is focused on keeping strong total equity base to ensure independence security as well as high financial flexibility for potential future expansion required if any. Company's capital for capital management includes long term debt and total equity. As at March 31, 2022 and March 31, 2021 total capital is ₹32,848.55 Lakhs and ₹25,841.05 Lakhs respectively. No changes were made in the objectives policies or processes for managing capital during the year ended March 31 2022 and March 31 2021.

**33** A.) The Security except as detailed in Clause B , Clause C and Clause D below created under a security trust presently with Vistra ITCL (India) Ltd (Formerly known as IL&FS Trust Company Limited as trustee) shall rank pari-passu for multiple lenders without any preference or priority of one lender over the other.

i. For Term Loan Facility (Citibank, SVC Bank & Standard Chartered Bank)

- 1st Pari Passu Charge on all Fixed Assets (Movable and Immovable) excluding assets financed by Saraswat Co-operative Bank Ltd. Wherein working capital lenders will have second pari passu charge
- 2nd Pari Passu Charge on current Assets

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

- ii. For Working Capital (CITI bank, SVC bank, Saraswat Bank and Standard Chartered Bank)
    - a) 1st Pari Passu Charge on the Current Assets and also on all the Fixed Assets (Movable and Immovable) of the Company (excluding assets financed by Saraswat Co.Operative Bank Ltd. Wherein working capital lenders will have second pari passu charge)

(Working Capital Limits Includes Packing Credit, Post Shipment Credit Buyers, Credit Cash Credit, Letter of Credit, Working Capital Demand Loan, etc)
  - iii) Office Premises at Thane is exclusively Mortgaged / Hypothecated to Aditya Birla Finance Limited
  - iv) Loan for Motor Vehicle are secured against respective Motor Vehicles for which Loan is obtained.
  - v) For Term Loan from Saraswat Bank : First Charge with Sarawat Bank on Movable Fixed Assets and Immovable Properties of the company and Second Pari Passu charge allocated for Multiple working capital lenders of the company.
  - vi) Further All borrowings are secured by personal guarantees of the directors Mr. S. K. R. Bajaj and Mr. Anil C. Jain.
- 34.** In opinion of the Directors Current Assets Loans and advances have the value at which they are stated in the Balance Sheet if realized in the ordinary course of business. All the outstanding liabilities other than those stated under contingent liabilities have been provided for.
- 35.** The balance of Sundry Debtors, Creditors and Loans & Advances are subject to confirmations and reconciliation.
- 36.** Since no specific intimation has been received from any of the suppliers regarding the status of their registration as Micro Small or Medium as defined under Micro Small and Medium Enterprises Department (MSMED) Act 2006 as at 31st March 2022 disclosure relating to amounts unpaid as at the year end if any have not been furnished. However the Company has been regular in paying to the Vendors as per agreed terms and conditions and hence the management feels there are no requirements for any provision towards interest.

## 37. Tax expense

### Reconciliation of tax expense

(₹ in Lakhs)

| Particulars                                       | For the year ended |                 |
|---|--------------------|-----------------|
|   | March 31, 2022     | March 31, 2021  |
| a) Income tax recognised in profit & loss account |                    |                 |
| Current tax                                       | 2,250.00           | 3,497.41        |
| Earlier year tax                                  | (358.73)           | 23.73           |
| Deferred tax                                      | (61.40)            | 49.93           |
| Total IncomeTax Expenses                          | 1,829.87           | 3,571.07        |
| Profit before tax                                 | 8,968.46           | 11,881.97       |
| Company's domestic tax rate                       | 25.17%             | 29.12%          |
| Tax on profit before tax                          | 2,257.18           | 3,460.03        |
| Tax effect of                                     |                    |                 |
| Expenses not allowed in income tax                | 534.07             | 730.11          |
| Income not considered for Tax purpose             | (582.03)           | (719.21)        |
| Adjustment for Earlier Years*                     | (358.73)           | 23.73           |
| Others  | (20.63)            | 76.41           |
| <b>Total tax expense</b>                          | <b>1,829.87</b>    | <b>3,571.07</b> |

\* Tax rate for the Financial Year ending March 31, 2021 considered as per rate opted by the Company at the time of filing its Income Tax Return for the respective year

## 38 Other

Previous year's figures have been regrouped/rearranged/reworked wherever necessary and possible so as to confirm to current year's classification as per requirement of Division II- IND AS Schedule III.



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 39 Employee Benefits

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognized as expense for the year is as under :

(₹ In lakhs)

| Particulars   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Employer's Contribution to Provident and Pension Fund | 250.75         | 211.52         |

### Defined Benefit Plan

i. Reconciliation of opening and closing balances of Defined Benefit Obligation:

(₹ In lakhs)

| Particulars   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Defined Benefit Obligation at beginning of the year | 350.85         | 271.64         |
| Interest Cost                                       | 23.67          | 18.32          |
| Past Service Cost                                   | 0.00           | 0.00           |
| Current Service Cost                                | 56.08          | 41.02          |
| Actuarial (Gain) / Loss                             | -9.61          | 29.74          |
| Benefits Paid                                       | -28.05         | -9.88          |
| Defined Benefit Obligation at year end              | 392.93         | 350.85         |

ii. Reconciliation of opening and closing balances of fair value of Plan Assets:

(₹ In lakhs)

| Particulars                                    | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Fair value of Plan Assets at beginning of year | 187.36         | 152.15         |
| Fair value of Plan Assets at year end          | 249.60         | 187.36         |

iii. Reconciliation of fair value of Assets and Obligations:

(₹ In lakhs)

| Particulars                               | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Fair value of Plan Assets                 | 249.60         | 187.36         |
| Present value of Obligation               | 392.93         | 350.85         |
| Net Liability recognised in Balance Sheet | 143.34         | 163.49         |

iv. Expenses recognized during the year:

(₹ In lakhs)

| Particulars   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Current Service Cost  | 56.08          | 41.02          |
| Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset) | 11.03          | 8.06           |
| Net Cost  | 67.11          | 49.08          |

v. Other Comprehensive Income:

(₹ In lakhs)

| Particulars  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Actuarial (Gain) / Loss  | (9.61)         | 29.74          |
| Return on plan assets, excluding amount recognised in net interest expense | 0.39           | 0.72           |
| Net Cost   | (9.23)         | 30.46          |

vi. Actuarial Assumptions:

(₹ In lakhs)

| Particulars                                  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Discount Rate (%)                            | 6.90           | 6.75           |
| Expected Return on plan assets (%)           | 6.90           | 6.75           |
| Rate of escalation in Salary (per annum) (%) | 5.50           | 6.00           |

vii. Sensitivity Analysis:

(₹ In lakhs)

| Particulars                       | March 31, 2022 | March 31, 2021 |
|-----------------------------------|----------------|----------------|
| Defined Benefit Obligation (Base) | 392.93         | 350.85         |

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

(₹ in Lakhs)

| Particulars                                     | March 31, 2022 |          | March 31, 2021 |          |
|---|----------------|----------|----------------|----------|
|   | Decrease       | Increase | Decrease       | Increase |
| Discount Rate (-/+1%)                           | 425.24         | 364.69   | 389.15         | 318.26   |
| (% change compared to base due to sensitivity)  | 8.20%          | -7.20%   | 10.90%         | -9.30%   |
| Salary Growth Rate (-/+1%)                      | 364.09         | 425.37   | 317.76         | 389.05   |
| (% change compared to base due to sensitivity)  | -7.30%         | 8.30%    | -9.40%         | 10.90%   |
| Attrition Rate ((- / + 50% of attrition rates)) | 382.11         | 398.55   | 346.67         | 353.43   |
| (% change compared to base due to sensitivity)  | -2.80%         | 1.40%    | -1.20%         | 0.70%    |
| Mortality Rate (- / + 10% of mortality rates)   | 392.84         | 393.03   | 350.78         | 350.92   |
| (% change compared to base due to sensitivity)  | 0.00%          | 0.00%    | 0.00%          | 0.00%    |

## 40. Expenditure in Foreign Currency:

(₹ In lakhs)

| Particulars            | March 31, 2022 | March 31, 2021 |
|------------------------|----------------|----------------|
| CIF Value of Import in | 20,405.12      | 20,934.60      |
| Other Expenses in      | 199.01         | 226.97         |

## 41. Income in Foreign Currency:

(₹ In lakhs)

| Particulars             | March 31, 2022 | March 31, 2021 |
|-------------------------|----------------|----------------|
| FOB Value of exports in | 16,851.80      | 21,789.77      |

## 42 Research and Development Expenditure:

- All revenue expenditure on research and development are charged to the profit and Loss Account. Fixed Assets used for research and development are capitalized.
- The Company has obtained renewed approval for In-house R&D Facility from the Department of Scientific and Industrial Research (DSIR) vide letter No. TU/IV-RD/4031/2019 dated 01st May 2019 for the purpose of section 35(2AB) of the Income Tax Act, 1961 valid till 31st March 2022 subject to the condition underline therein.

(₹ In lakhs)

| Particulars                          | March 31, 2022 | March 31, 2021 |
|--------------------------------------|----------------|----------------|
| <b>Revenue Expenditure:</b>          |                |                |
| Salary Expenses of R&D Personnel     | 149.82         | 89.78          |
| R&D Chemical Purchase                | 20.50          | 328.64         |
| Stores & Spares & Consumables in R&D | 35.45          | -              |
| Travelling & Other Exp.              | 23.06          | 0.98           |
| Common Utilities Expenses            | 32.62          | 33.82          |
| <b>Capital Expenditure:</b>          |                |                |
| Laboratory Equipment                 | 61.37          | 3.53           |
| <b>Total</b>                         | <b>322.82</b>  | <b>456.74</b>  |

## 43. Borrowings Secured Against Current Assets

In respect of working capital loans, quarterly return or statement of current assets filed by the Company with banks are in agreement with the books of accounts.





# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 44 Related party disclosure

### A. List of related party

**Names of related parties with whom transactions have taken place during the year:**

|   |  |
|---|--|
| Key Management Personnel-Category I   | Mr. S. K. R. Bajaj - CMD               |
|   | Mr. Anil C. Jain - JMD                 |
|   | Mr. Dhananjay S. Hatle - Director      |
|   | Ms. Namrata S. Bajaj - Director        |
|   | Mr. Rupesh H. Nikam - Director & CFO   |
|   | Mr. Pakshal A. Jain - Director         |
|   | Mr. Aakash Keshari - Company Secretary |
| Relative of key management personnel-Category II  | Mrs. Babita Bajaj                      |
|   | Mrs. Padma Jain                        |
|   | Mr. Siddhesh Hatle                     |
|   | Ms. Gayatri Hatle                      |
|   | Ms. Khushi Jain                        |
| Enterprises owned or significantly influenced by key management personnel or their relatives-Category III   | Bajaj Health & Nutritions Pvt Ltd      |
|   | Bansal Pharma Ltd                      |
|   | Bajaj Sindhudurg Rice Mills Limited    |
| Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Firm-Category IV | Nil                                    |

### Transactions with related parties during the year

(₹ in Lakhs)

| Sr. No. | Particulars   | Year ended | Category I | Category II | Category III | Category IV |
|---------|---|------------|------------|-------------|--------------|-------------|
| 1       | Remuneration  | March 22   | 167.82     | -           | -            | -           |
|         |   | March 21   | 148.59     | -           | -            | -           |
| 2       | Interest Paid (net of interest recd)                  | March 22   | -          | -           | -            | -           |
|         |   | March 21   | -          | -           | 6.02         | -           |
| 3       | Sponsorship For Education                             | March 22   | -          | 1.65        | -            | -           |
|         |   | March 21   | -          | 5.73        | -            | -           |
| 4       | Balance outstanding of Long Term Unsecured loan taken | March 22   | -          | -           | -            | -           |
|         |   | March 21   | -          | -           | -            | -           |
| 5       | Balance outstanding of ShortTerm Unsecured loan taken | March 22   | 160.35     | -           | -            | -           |
|         |   | March 21   | -          | -           | -            | -           |
| 6       | Advance For Purchase                                  | March 22   | -          | -           | -            | -           |
|         |   | March 21   | -          | -           | -            | -           |
| 7       | Purchase of Assets                                    | March 22   | -          | -           | -            | -           |
|         |   | March 21   | -          | -           | -            | -           |
| 8       | Investment in Preference Shares                       | March 22   | -          | -           | -            | -           |
|         |   | March 21   | -          | -           | -            | -           |

Note: Amount shown in brackets represents the amount of previous year.

### Long Term Borrowings Include:

(₹ In lakhs)

| Sr. No. | Name of the Party                | Year ended | Opening | Closing |
|---------|----------------------------------|------------|---------|---------|
| 1       | Bajaj Health & Nutrition Pvt Ltd | March 22   | -       | -       |
|         |                                  | March 21   | 60.43   | -       |

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## Short Term Borrowings Include:

| (₹ In lakhs) |                                  |            |         |         |
|--------------|----------------------------------|------------|---------|---------|
| Sr. No.      | Name of the Party                | Year ended | Opening | Closing |
| 1            | Bajaj Health & Nutrition Pvt Ltd | March 22   | Nil     | Nil     |
|              |                                  | March 21   | 22.64   | Nil     |
| 2            | Bansal Pharma Limited            | March 22   | Nil     | Nil     |
|              |                                  | March 21   | 17.23   | Nil     |
| 3            | Mr. S. K. R. Bajaj               | March 22   | Nil     | 160.35  |
|              |                                  | March 21   | Nil     | Nil     |

## Advance to Suppliers Include:

| (₹ In lakhs) |                                     |            |         |         |
|--------------|-------------------------------------|------------|---------|---------|
| Sr. No.      | Name of the Party                   | Year ended | Opening | Closing |
| 1            | Bajaj Sindhudurg Rice Mills Limited | March 22   | -       | -       |
|              |                                     | March 21   | 262.00  | -       |

## Investment in 7.5% Optionally Convertible Non-cumulative Preference Shares:

| (₹ In lakhs) |                                     |            |         |         |
|--------------|-------------------------------------|------------|---------|---------|
| Sr. No.      | Name of the Party                   | Year ended | Opening | Closing |
| 1            | Bajaj Sindhudurg Rice Mills Limited | March 22   | -       | -       |
|              |                                     | March 21   | 500.00  | -       |

## Income and Expenditure:

- Remuneration includes payment to Mr.S.K.R. Bajaj ₹48.00 lakhs (PY ₹48.00 lakhs) Mr.Anil C. Jain ₹48.00 Lakhs (PY ₹48.00 lakhs) to Mr. Dhananjay S. Hatle ₹28.76 lakhs (PY ₹19.52 lakhs) to Ms. Namrata Bajaj ₹10.15 lakhs (PY ₹10.15 lakhs) to Mr. Rupesh H. Nikam ₹21.06 lakhs (PY ₹18.18 lakhs) to Mr. Pakshal C. Jain ₹11.85 lakhs (PY ₹4.73 lakhs) to Mr. Aakash Keshari ₹10.45 Lakhs (PY ₹8.80 lakhs)
- Interest payment includes payment to Bansal Pharma Ltd ₹NIL (PY ₹2.14 lakhs) to Bajaj Health and Nutritions Pvt Ltd ₹NIL (₹3.88 lakhs) to Mr. S. K. R. Bajaj ₹NIL (PY ₹4. 70 lakhs) .
- Sponsorship payment for education includes payment made to Ms.Gayatri Hatle ₹NIL (PY ₹1. 22 lakhs); to Mr. Siddhesh Hatle ₹1.65 lakhs (PY ₹1.65 lakhs) to Ms. Khushi Jain ₹ NIL (PY ₹2.86 lakhs).

## 45 Contingent Liabilities and Commitments (to the extent not provided for):

### Claim Against company not acknowledged as debts:

- High Court of Justice Business and Property Courts of England and Wales in a business dispute has passed the order against the Company to pay GBP 646883.39 to a Debtor which shall however be subject to deduction of outstanding receivable from such Debtor of USD 513946.20. Further the Court is yet to pass the order quantifying the Interest payable on differential amount. The Company has estimated the net claim which could be payable to this Debtor at ₹254.38 Lakhs. (Plus Applicable interest as quantified).The Company shall deal with the same and seek appropriate remedy against the recoverability and enforceability of such order when enforced by the counter party.
- Central Excise Custom Duty, Central Sales Tax, GVAT Liabilities and Income Tax Liabilities ₹505.56 Lakhs Plus Applicable Interest (Previous year ₹493.72 Lakhs) as detailed below. This represents the demands made by authorities which in opinion of company are not sustainable and appeals are pending with appropriate authority.

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

The details of claim against company not acknowledged as debts are as under:

| Sr. No                               | Nature of Liability | Name of Statute   | Amount<br>(₹ in Lakhs) | Period which the amount relates | Forum where the dispute pending   |
|--------------------------------------|---------------------|---|------------------------|---------------------------------|---|
| <b>A. Appeal filed by Company</b>    |                     |   |                        |                                 |   |
| 1                                    | Excise Duty         | Central Excise Act 1944                                       | 1.90                   | 2007-08                         | CESTAT Mumbai   |
| 2                                    | Excise Duty         | Central Excise Act 1944                                       | 67.61                  | 2007-08                         | CESTAT Mumbai   |
| 3                                    | Central Sales Tax   | Central Sales Tax (Gujarat) Rules 1970                        | 2.00                   | 2014-15                         | Deputy Commissioner of Commercial Tax (Appeals) Baroda  |
| 4                                    | Central Sales Tax   | Central Sales Tax (Gujarat) Rules 1970 and Sales Tax Act 1956 | 9.48                   | 2016-17                         | Assistant Commissioner of Commercial Tax (ADM), Joint Commissioner of Commercial Tax, Division-5, Vadodara Baroda |
| 5                                    | Central Sales Tax   | Central Sales Tax (Gujarat) Rules 1970 and Sales Tax Act 1956 | 8.59                   | 2017-18                         | Assistant Commissioner of Commercial Tax (ADM), Joint Commissioner of Commercial Tax, Division-5, Vadodara Baroda |
| 6                                    | Income Tax          | Income Tax Act, 1961  | 32.91                  | 2016-17                         | Commissioner of Income Tax (Appeals)  |
| 7                                    | Income Tax          | Income Tax Act, 1961  | 17.82                  | 2017-18                         | Commissioner of Income Tax (Appeals)  |
| <b>B. Appeal filed by Department</b> |                     |   |                        |                                 |   |
| 8                                    | Custom Duty         | Central Excise Act 1944 and Customs Act 1962                  | 365.25                 | Dec 2003 to Dec 2005            | CESTAT Mumbai   |
| <b>Total</b>                         |                     |   | <b>505.56</b>          |                                 |   |

- Letter of credits issued by Banks USD 64,57,650/- (Previous Year USD 16,78,647/-)
- Bank Guarantee issued by Bank aggregating to ₹351.25 lakhs (Previous Year ₹511.47 lakhs) to MGVCL, MPCB, GPCB, Customs, ESIC etc.
- Estimated amount of Capital Commitment for purchase of plant and machinery ₹401.15 lakhs (Previous Year ₹254.48 lakhs).

## 46. Ratios Disclosure

| Sr. No. | Particulars                      | Numerator / Denominator   | March 31, 2022 | March 31, 2021 | % Changes | Remarks                       |
|---------|----------------------------------|---|----------------|----------------|-----------|-------------------------------|
| 1       | Current Ratio                    | Current Assets / Current Liabilities  | 1.24           | 1.41           | -12.60%   | -                             |
| 2       | Debt Equity Ratio                | Total Debt / Total Equity   | 0.78           | 0.70           | 11.65%    | -                             |
| 3       | Debt Service Coverage Ratio      | Earnings before Interest, Depreciation, Tax and Exceptional Items / Interest Expense + Principal Repayments due during the period for long term loans | 5.11           | 9.05           | - 43.48%  | Reduction in Profits          |
| 4       | Return on Equity                 | Profit After Tax (Attributable to Owners)/ Net Worth  | 21.75          | 32.08          | -32.19%   | Decrease in Margins           |
| 5       | Inventory Turnover Ratio         | Cost of Goods Sold/ Average Inventories   | 3.87           | 6.81           | -43.14%   | Increase in Inventory         |
| 6       | Trade Receivables Turnover Ratio | Value of Sales & Services/Average Trade Receivables   | 4.80           | 6.66           | -27.93%   | Increase in Trade Receivables |
| 7       | Trade Payables Turnover Ratio    | (Cost of Materials Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade + Other Expenses)/Average Trade Payables                 | 5.75           | 7.33           | -21.57%   | -                             |
| 8       | Net Capital Turnover Ratio       | Value of Sales & Services / Net Working Capital   | 8.92           | 8.67           | 2.84%     | -                             |
| 9       | Net Profit Ratio                 | Profit After Tax (after Exceptional items/ Value of Sales & Services  | 10.48          | 12.52          | -16.30%   | -                             |
| 10      | Return on Capital Employed       | Net Profit After Tax + Tax Expense/ (Income) + Finance Cost / Capital Employed  | 25.67          | 37.05          | -30.81%   | Decrease in Margins           |

Note: Total Debt represents only borrowings.

# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 47 Segment Reporting

### Primary segment (Business segment)

(₹ In lakhs)

| Sr. No.  | Particulars  | March 31, 2022   | March 31, 2021   |
|----------|--|------------------|------------------|
| <b>A</b> | <b>Segment Revenue (Excluding Intersegment Revenue)</b>        |                  |                  |
|          | Bulk Drugs   | 59,078.18        | 59,336.46        |
|          | Formulations   | 8,910.80         | 6,361.92         |
|          | <b>Total</b>   | <b>67,988.98</b> | <b>65,698.38</b> |
|          | <b>InterSegment Revenue</b>                                    |                  |                  |
|          | Bulk Drugs   | 9,393.30         | 2,586.87         |
|          | Formulations   | 615.18           | 210.83           |
|          | <b>Total</b>   | <b>10,008.49</b> | <b>2,797.69</b>  |
|          | <b>Gross Segment Revenue ( Including Intersegment Revenue)</b> |                  |                  |
|          | Bulk Drugs   | 68,471.48        | 61,923.32        |
|          | Formulations   | 9,525.99         | 6,572.75         |
|          | <b>Total</b>   | <b>77,997.47</b> | <b>68,496.07</b> |
| <b>B</b> | <b>II. Segment Results</b>                                     |                  |                  |
|          | <b>Profit / (Loss) Before Tax &amp; Finance Cost</b>           |                  |                  |
|          | Bulk Drugs   | 11,804.73        | 13,924.25        |
|          | Formulations   | 848.84           | 985.43           |
|          | <b>Total</b>   | <b>12,653.57</b> | <b>14,909.68</b> |
|          | <b>Less : Interest</b>   | 1,262.38         | 829.60           |
|          | <b>Other Unallocable Expenditure (Net)</b>                     | 2,422.72         | 2,198.12         |
|          | <b>Total Profit Before Tax</b>                                 | <b>8,968.46</b>  | <b>11,881.97</b> |
| <b>C</b> | <b>I. Segment Assets</b>                                       |                  |                  |
|          | Bulk Drugs   | 65,107.84        | 50,063.51        |
|          | Formulations   | 7,002.20         | 2,499.35         |
|          | Others   | 0.31             | 0.31             |
|          | <b>Total</b>   | <b>72,110.34</b> | <b>52,563.17</b> |
|          | <b>II. Segment Liabilities</b>                                 |                  |                  |
|          | Bulk Drugs   | 37,365.10        | 25,743.74        |
|          | Formulations   | 1,450.32         | 484.92           |
|          | Others   | 446.36           | 493.46           |
|          | <b>Total</b>   | <b>39,261.79</b> | <b>26,722.12</b> |
|          | <b>III. Capital Employed</b>                                   |                  |                  |
|          | <b>Total Capital Employed</b>                                  | <b>32,848.55</b> | <b>25,841.05</b> |
|          | <b>Total ( II+III)</b>   | <b>72,110.34</b> | <b>52,563.17</b> |



# Notes to the Financial Statements

for the year ended 31<sup>st</sup> March, 2022

## 47 Segment Reporting

### Primary segment (Business segment)

(₹ in Lakhs)

| Particulars             | India          |                |
|-------------------------|----------------|----------------|
|                         | March 31, 2022 | March 31, 2021 |
| Revenue from Operations | 51,139.08      | 43,945.85      |
|                         |                |                |
|                         | Outside India  |                |
|                         | March 31, 2022 | March 31, 2021 |
| Revenue from Operations | 16,849.90      | 21,752.53      |
|                         |                |                |
|                         | Total          |                |
|                         | March 31, 2022 | March 31, 2021 |
| Revenue from Operations | 67,988.98      | 65,698.38      |

### Business Segment:

The Company has Disclosed Business Segment as the Primary Segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organizational structure and internal reporting system.

The Company's Operations predominantly relate to manufacture of Bulk Drugs business. Other Business Segments Comprises Formulation of medicines and sell it to end user.

### Segment Revenue :

Segment Revenue & Segment Results include the respective amounts identifiable to each of the Segments as also amounts allocated on reasonable basis.

# NOTICE

**NOTICE** is hereby given that the 29th (Twenty Ninth) Annual General Meeting of the Members of Bajaj Healthcare Limited will be held on Friday, September 30, 2022 at 1.00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended on March 31, 2022 together with the Reports of the Directors and Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended March 31, 2022.
3. To appoint a Director in place of Ms. Namrata Bajaj, who retires by rotation and being eligible, offers herself for re-appointment.

## SPECIAL BUSINESS:

4. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2023 and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT,** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹3,25,000/- (Rupees Three Lakhs Twenty Five Thousand Only) plus taxes and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit payable to M/s. V. J. Talati & Co., Cost Accountants who are appointed by the Board of Directors as Cost Auditors of the Company, based on recommendations of Audit Committee, to conduct cost audits relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) for the financial year ending March 31, 2023, be and is hereby ratified and confirmed."

**"RESOLVED FURTHER THAT,** the Board of Directors (including any Committee thereof) be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution."

5. To approve payment of remuneration to Mr. Sajankumar R. Bajaj (DIN: 00225950), Chairman & Managing Director and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as a Special Resolution:

**"RESOLVED THAT,** in accordance with provisions of Section 196, 197 read with Schedule V and all other applicable provisions, if any of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification (s) re-enactment thereof for time being in

force) and in partial modification of resolution passed at 27th Annual General Meeting for his appointment for a tenure of 3 years w.e.f April 1st, 2020 till March 31st, 2023, approval of the Company be and is hereby accorded to payment of remuneration to Mr. Sajankumar R. Bajaj, as Chairman & Managing Director of the Company, for balance tenor of his appointment as set out in Statement annexed to Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board), to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr. Sajankumar R. Bajaj, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any Statutory modification (s) or re-enactment thereof;

**"RESOLVED FURTHER THAT,** all other terms and conditions in relation to the appointment of Mr. Sajankumar R. Bajaj, as Chairman & Managing Director shall remain unchanged."

6. To approve payment of remuneration to Mr. Anil C. Jain (DIN: 00226137), Managing Director and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as a Special Resolution:

**"RESOLVED THAT,** in accordance with provisions of Section 196, 197 read with Schedule V and all other applicable provisions, if any of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification (s) re-enactment thereof for time being in force) and in partial modification of resolution passed at 27th Annual General Meeting for his appointment for a tenure of 3 years w.e.f April 1st, 2020 till March 31st, 2023, approval of the Company be and is hereby accorded to payment of remuneration to Mr. Anil C. Jain, as Managing Director of the Company, for balance tenor of his appointment as set out in Statement annexed to Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board), to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr. Anil C. Jain, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any Statutory modification (s) or re-enactment thereof;

**"RESOLVED FURTHER THAT,** all other terms and conditions in relation to the appointment of Mr. Anil C. Jain, as Managing Director shall remain unchanged."

For and On Behalf of Board of Directors

Sd/-

**Sajankumar Bajaj**

Chairman and Managing Director

DIN: 00225950

**Registered office:**

602-606, Bhoomi Velocity Infotech Park,

Plot No. B-39, B-39A, B-39 A/1, Rd No.23,

Wagle Ind. Estate Thane (West), Thane -400604.

Date: 12th August, 2022

Place: Thane

**NOTES:**

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of special businesses to be transacted at the Annual General Meeting ("AGM"), as set out under Item No(s). 4, 5 & 6 above and the relevant details of the Directors as mentioned under Item No. 3, above as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and as required under Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto.
2. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021 and 2/2022 dated 5th May, 2022, issued by the Ministry of Corporate Affairs ("MCA") read with relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through Video Conference ("VC") or Other Audio Visual Means ("OAVM") upto 31st December, 2022, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM. In terms with the Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, the venue of the 29th AGM shall be deemed to be the Registered Office of the Company situated at 602-606, Bhoomi Velocity Infotech Park, Plot No. B-39, B-39a, B-39 A/1, Road No.23, Wagle Industrial Estate, Thane (West) - 400 604.
3. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 29th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in terms of the provisions of Section 112 and Section 113 of the Act, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
4. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution/Authorization can be sent to the Company at investors@bajajhealth.com.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. All the documents referred to in the accompanying notice and the statement pursuant to Section 102(1) of the Act shall be available for inspection through electronic mode along with the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act. Members are requested to write to the Company on investors@bajajhealth.com for inspection of said documents.
8. The Company's Registrar and Share Transfer Agents for its Share Registry Work are Link Intime India Private Limited, having their office at C 101, 247 Park, Lal Bahadur Shastri Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive).
10. Dividend related information.
  - i. Final dividend for the financial year ended March 31, 2022, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid within 30 days from the date of AGM, to those members whose names appear on the Register of Members as on Friday, September 23, 2022.
  - ii. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
  - iii. Members holding shares in physical/electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.
  - iv. In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrants to such shareholder by post.
  - v. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 1st April 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of shareholders in the ensuing AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company.
  - vi. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid



or distributed by the Company after 1st April 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of shareholders in the ensuing AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company.

#### **DISPATCH OF ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL IDs:**

11. In compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report for the financial year 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depository Participants (DPs).

- In case any member is desirous of obtaining physical copy of the Annual Report for the financial year 2021-22 and Notice of the 29th AGM of the Company, he/she may send a request to the Company by writing at [investors@bajajhealth.com](mailto:investors@bajajhealth.com).
- Members may note that the Notice and the Annual Report for the financial year 2021-22 will also be available on the Company's website at [www.bajajhealth.com](http://www.bajajhealth.com), websites of the Stock Exchanges on which the equity shares of the Company are listed i.e. BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)).

12. Green Initiative:

- a. To support the Green Initiative, Members who have not registered their e-mail address are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
- b. In case of any change in e-mail ID already registered by the Company, members are requested to immediately notify such change to the Registrar and Transfer Agent of the Company in respect of shares held in physical form and to their respective DP in respect of Shares held in electronic form.

13. Nomination:

- a. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Link Intime India Private Limited. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

14. Submission of PAN:

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, who have not updated

their PAN with the Company are therefore requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the RTA of the Company or directly to the Company.

Shareholders are requested to note that furnishing of Permanent Account Number (PAN) is now mandatory in the following cases:-

- a) Transferees and Transferors PAN Cards for transfer of shares
- b) Legal Heirs'/Nominees' PAN Card for transmission of shares
- c) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and
- d) Joint Holders' PAN Cards for transposition of shares.

15. Updation of Records:

- a) Members whose shareholding is in the electronic mode are requested to notify immediately the change in their address, bank mandates and e-mail IDs to their respective depository participants. Member holding shares in physical form are requested to intimate any change in address, bank mandates and e-mail IDs immediately to Company/ Link Intime India Private Limited, C- 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083, Email- [rent.helpdesk@linkintime.co.in](mailto:rent.helpdesk@linkintime.co.in).
- b) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- c) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- d) Shareholders holding shares in Demat as well as physical mode can register their email id, phone number and bank accounts details at [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html).

16. SEBI has mandated the submission of PAN by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases, viz. (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

## 17. Voting:

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, i.e. September 23, 2022 only shall be entitled to vote at the AGM by availing the facility of remote e-voting or by voting at the AGM.

**I) INSTRUCTIONS FOR SHAREHOLDERS FOR VOTING THROUGH ELECTRONIC MEANS PRIOR TO AGM:**

- a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- b. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- c. The attendance of the Members attending the AGM/ through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- d. Mr. Haresh Sanghvi, Practicing Company Secretary (Membership no. 2259; FCS 3675) is appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the e-voting process to be conducted at the AGM, in a fair and transparent manner.
- e. The Scrutinizer, after scrutinizing the e-voting completed at the Meeting and through remote e-voting, make the Scrutinizer's Report and submit the same to the Chairman or a person duly authorised by the Chairman. The Results shall be declared within two working days after the conclusion of the AGM.
- f. The Results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company, viz., [www.bajajhealth.com](http://www.bajajhealth.com) immediately after the Results are declared and will simultaneously

be communicated to CDSL, viz., [www.evotingindia.com](http://www.evotingindia.com) and the Stock Exchanges, viz., BSE Limited and National Stock Exchange of India Limited, where the Equity Shares of the Company are listed.

- g. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and is holding shares as of the cut-off date, i.e., Friday, September 23, 2022 may obtain the login details in the manner as mentioned below.

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/ AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on Tuesday, 27th September, 2022 at 10.00 am (IST) and ends on Thursday, 29th September, 2022 at 5.00 pm (IST). During this period, the Members holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 23rd September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have cast their votes by remote e-Voting prior to the AGM may also attend/participate in the Meeting through VC/OAVM but they shall not be entitled to cast their vote again.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL                                     | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>   |
| Individual Shareholders holding securities in demat mode with NSDL                                     | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.   |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

#### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no.1800 22 55 33. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30         |

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- (1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (2) Click on "Shareholders" module.
  - (3) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (4) Next enter the Image Verification as displayed and Click on Login.
  - (5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (6) If you are a first time user follow the steps given below:

#### For Members holding shares in Demat Form and Physical Form

|  |  |
|--|--|
| Permanent Account Number (PAN*)              | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br><br>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.                 |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br><br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVEN for the "Bajaj Healthcare Limited" on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK"; else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians- Remote Voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates modules.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@bajajhealth.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:**

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- For Demat shareholders -, Please update your email id and mobile no. with your respective Depository Participant (DP)
- For Individual Demat shareholders – Please update your email id and mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/ THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the 29th AGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investors@bajajhealth.com. Other Shareholders may send in their queries at least a 5 days in advance to the Company at investors@bajajhealth.com to facilitate clarifications mentioning their name, demat account number/folio number, email id, mobile number at investors@bajajhealth.com. These queries will be replied to by the company suitably by email.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting for a maximum time of 3 (three) minutes each, once the floor is open for shareholder queries. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no.: 1800 22 55 33.

For and On Behalf of Board of Directors  
Sd/-

**Sajankumar Bajaj**

Chairman and Managing Director  
DIN: 00225950

**Registered office:**

602-606, Bhoomi Velocity Infotech Park,  
Plot No. B-39, B-39A, B-39 A/1, Rd No.23,  
Wagle Ind. Estate Thane (West), Thane -400604.

Date: 12th August, 2022

Place: Thane



## ANNEXURE TO NOTICE

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

**Item No. 4:**

Based on the recommendations of the Audit Committee, the Board of Directors at their meeting held on 17th May, 2022, had approved the re-appointment and remuneration of M/s. V. J. Talati & Co., Cost Accountants, as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2023, at a remuneration not exceeding ₹3.25 Lakhs (Rupees Three Lakhs Twenty Five Thousand only) excluding taxes and reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

M/s. V. J. Talati & Co., Cost Accountants have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959. In accordance with the provisions of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) for the time being in force), the remuneration payable to Cost Auditor has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company for the financial year ending on 31st March, 2023. The Board recommends the Resolution as set out at Item No. 4 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel and/or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

**Item No. 5:**

In the light of the earlier resolution passed, the Board of Directors of the Company ("the Board") with respect to the approval of members in the 27th Annual General Meeting of company, re-appointed Mr. Sajankumar R. Bajaj (DIN: 00225950) as Chairman & Managing Director of the Company for a further period of 3 (Three) years i.e from April 1, 2020 to March 31, 2023. The Nomination & Remuneration Committee and the Board of Directors at its meeting held on August 12, 2022 recommended and approved (subject to approval of members at the ensuing Annual General Meeting), the revised remuneration of Mr. Sajankumar R. Bajaj (DIN: 00225950) of the company w.e.f. April 1, 2022 for remaining tenure of his directorship provided that such variation or increase in remuneration is within specified limit as specified under the relevant provisions of Section 196, 197 and Schedule V to the Companies Act, 2013.

The remuneration payable to the above mentioned Directors is given below:

- a. Basic Salary per Month: In the scale of ₹4,00,000/- to ₹30,00,000/-.
- b. Perquisites: In addition to the aforesaid salary the said appointee shall be entitled to the following perquisites: Perquisites will be allowed in addition to salary and commission and will include accommodation (furnished or otherwise) or house rent allowance together with reimbursement of

expenses or allowance for utilities such as gas, electricity, water, furnishings and repairs and all other expenses for the upkeep and maintenance thereof; medical reimbursement on actual basis for self and family members (which shall include spouse, dependent children), reimbursement of leave travel concession for self and family as aforesaid, club fees (other than initial Registration / admission Fees and subject to a maximum of two Clubs), medical / personal accident insurance cover as per the Company's service Rules, and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and CMD such perquisites and allowances will, however, be subject to a maximum of 40% of the annual salary. For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. Benefits under the Provident Fund Scheme, the Company's Pension/Super Annuation Fund Scheme in accordance with the Company's rules and regulations in force from time to time shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-tax Act, 1961. Gratuity payable as per the rules of the tenure shall not be included in the computation of limits for the remuneration as aforesaid. Provision for use of the Company's Car for official duties and telephone at residence (including payments for local calls and long distance calls) shall be not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- c. Reimbursement of Expenses: Expenses incurred for travelling, boarding and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.
- d. Minimum Remuneration: Notwithstanding anything contained herein, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration to CMD by way of salary, perquisites and allowances as specified above within the limits prescribed under Schedule V and Sec 197 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force.
- e. General: The aforesaid appointment of the CMD may be terminated by either party by giving three months' prior notice of termination in writing to the other party. If at any time Shri Sajankumar Bajaj ceases to be a Director of the Company, he shall cease to be the Chairman and Managing Director.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Except Ms. Namrata Bajaj, being a relative of Mr. Sajankumar Bajaj and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the accompanying Notice of the AGM.

**Item No. 6:**

In the light of the earlier resolution passed, the Board of Directors of the Company ("the Board") with respect to the approval of members in the 27th Annual General Meeting of company, re-appointed Mr. Anil Jain (DIN: 00226137) as Managing Director of the Company for a further period of 3 (Three) years i.e from April 1, 2020 to March 31, 2023. The Nomination & Remuneration Committee and the Board of Directors at its meeting held on August 12, 2022 recommended and approved (subject to approval of members at the ensuing Annual General Meeting), the revised remuneration of Mr. Anil Jain (DIN: 00226137) Managing Director of the company w.e.f. 1st April, 2022 for remaining tenure of his directorship provided that such variation or increase in remuneration is within specified limit as specified under the relevant provisions of Section 196, 197 and Schedule V to the Companies Act, 2013.

The remuneration payable to the above mentioned Directors is given below:

- a. Basic Salary per Month: In the scale of ₹4,00,000/- to ₹20,00,000/-.
- b. Perquisites: In addition to the aforesaid salary the said appointee shall be entitled to the following perquisites: Perquisites will be allowed in addition to salary and commission and will include accommodation (furnished or otherwise) or house rent allowance together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings and repairs and all other expenses for the upkeep and maintenance thereof; medical reimbursement on actual basis for self and family members (which shall include spouse, dependent children), reimbursement of leave travel concession for self and family as aforesaid, club fees (other than initial Registration / admission Fees and subject to a maximum of two Clubs), medical / personal accident insurance cover as per the Company's service Rules, and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and CMD such perquisites and allowances will, however, be subject to a maximum of 40% of the annual salary. For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. Benefits under the Provident Fund Scheme, the Company's Pension/Super Annuation Fund Scheme in accordance with the Company's rules and regulations in force from time to time shall not be

included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-tax Act, 1961. Gratuity payable as per the rules of the tenure shall not be included in the computation of limits for the remuneration as aforesaid. Provision for use of the Company's Car for official duties and telephone at residence (including payments for local calls and long distance calls) shall be not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- c. Reimbursement of Expenses: Expenses incurred for travelling, boarding and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.
- d. Minimum Remuneration: Notwithstanding anything contained herein, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration to CMD by way of salary, perquisites and allowances as specified above within the limits prescribed under Schedule V and Sec 197 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force.
- e. General: The aforesaid appointment of the CMD may be terminated by either party by giving three months' prior notice of termination in writing to the other party. If at any time Shri Anil Jain ceases to be a Director of the Company, he shall cease to be the Managing Director.

The Board recommends the Special Resolution set out at Item No.6 of the Notice for approval by the shareholders.

Except Mr. Pakshal Jain, being a relative of Mr. Anil Jain and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the accompanying Notice of the AGM.

For and On Behalf of Board of Directors  
Sd/-

**Sajankumar Bajaj**

Chairman and Managing Director

DIN: 00225950

**Registered office:**

602-606, Bhoomi Velocity Infotech Park,  
Plot No. B-39, B-39A, B-39 A/1, Rd No.23,  
Wagle Ind. Estate Thane (West), Thane -400604.

Date: 12th August, 2022

Place: Thane





Particulars of the Directors seeking appointment / reappointment at the 29th Annual General Meeting pursuant to regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

|   |   |
|---|---|
| Name  | Ms. Namrata Bajaj   |
| Nationality   | India   |
| Date of Birth   | 07/07/1985  |
| Age   | 37 years  |
| Brief Resume & Qualification  | Ms. Namrata Bajaj is the Whole Time Director of our Company. She holds the degree of "Bachelors in business administration" from "Indian Institution of Planning and management", Mumbai. She is working with the company from more than 10 years and has got a good experience in sales and marketing. She looks after the sales and marketing of Formulation division and has got the company to a good platform in formulation business with her dedication and hard work. |
| Date of Appointment / Re-appointment  | 01/04/2020  |
| Nature of expertise in specific functional areas                                  | Administration and Marketing  |
| Directorship held in other Listed Entities  | NIL   |
| Membership / Chairmanship of other Public Companies as on 31st March, 2022        | NIL   |
| Listed entities from which Ms. Namrata Bajaj has resigned in the past three years | Not Applicable  |
| Number of shares held in the Company as on 31st March, 2022                       | 16,16,000   |
| Disclosure of relationship between directors inter-se                             | Daughter of Mr. Sajankumar Bajaj  |





NOTES

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## NOTES

Conceptualized and Developed By



9830272983 • 9892288895



**BAJAJ HEALTHCARE LIMITED**

602-606 Bhoomi Velocity Infotech Park

Plot No. B-39, B-39/A, Road No. 23

Wagle Ind. Estate, Thane West

Thane - 400 0604

**P:** +91 22 6617 7400 | **F:** +91 22 66177458

**W:** [www.bajajhealth.com](http://www.bajajhealth.com)

**CIN:** L99999MH1993PLC072892