
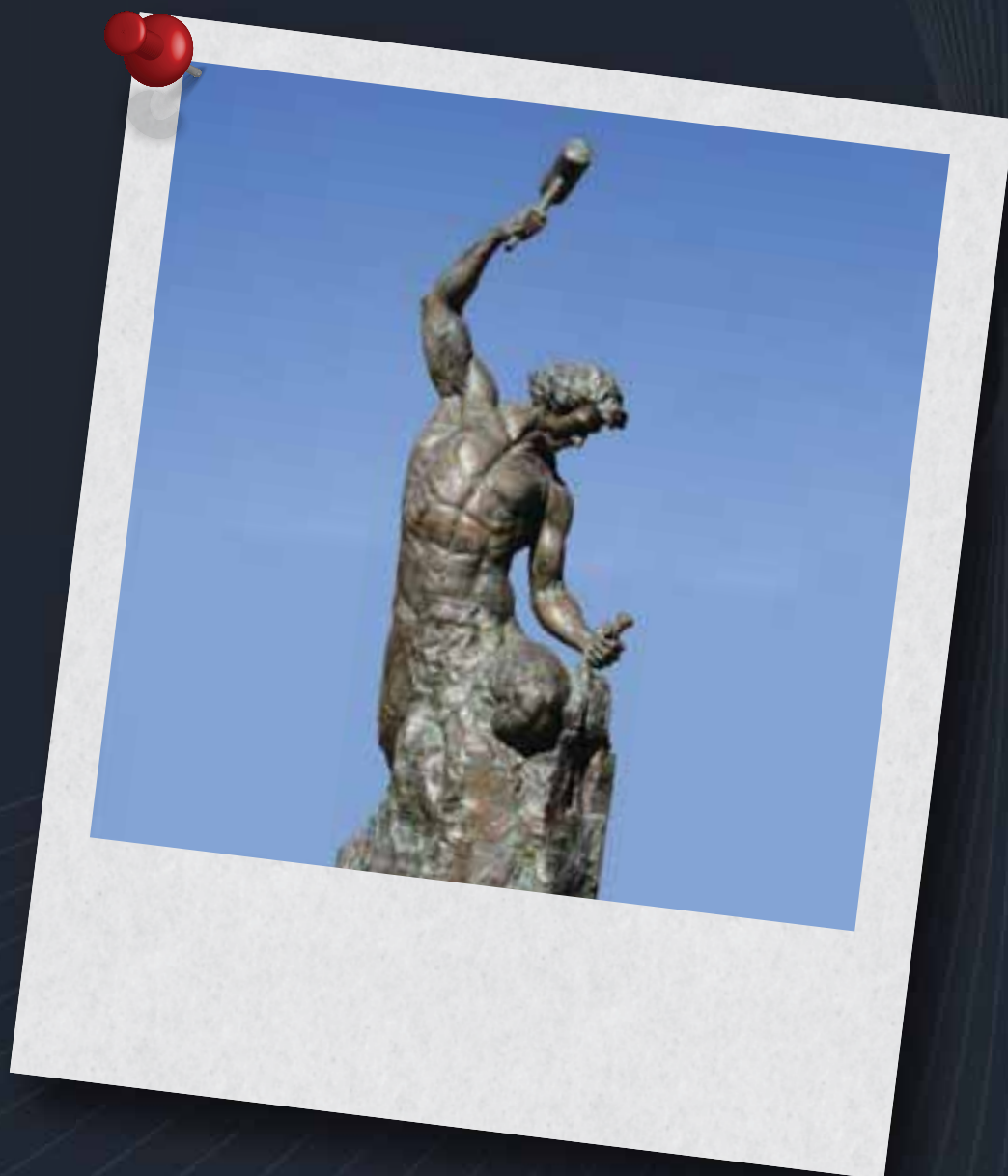


83rd
Annual Report
2021-22


BAJAJ
Bajaj Electricals Ltd.
Inspiring Trust





Bobbie Carlyle's bronze sculpture, 'Self Made Man', has been one of her most successful pieces. Like many of her works, it has evolved from the experiences in her life. At Bajaj Electricals, we believe this piece of art rightly portrays our journey of transformation at this stage of our corporate history. We thank Bobbie Carlyle for inspiring us with her piece of art that reflects our corporate milestone, today. We do not intend to commercialise or monetise this document. It purely remains for stakeholder reference prepared in accordance with Regulation 34 of (Listing Obligations and Disclosure Requirements), 2015 of the Companies Act, 2015.

The image of "Self-Made-Man-1.jpg" (CC BY-NC 2.0) by Steven Erdmanczyk has been taken from <https://www.flickr.com/photos/erby/1804574301/in/photostream/>. To make the image more aesthetically pleasing, we have changed the background.

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Scan the QR code to know more about us



You can also find this report online:
<https://www.bajajelectricals.com/annual-reports/>

Corporate Information

BOARD OF DIRECTORS

Shekhar Bajaj
Chairman & Managing Director

Anuj Poddar
Executive Director

Madhur Bajaj

Rajiv Bajaj

Pooja Bajaj

Harsh Vardhan Goenka

Shailesh Haribhakti

Dr. Indu Shahani

Munish Khetrpal

Dr. Rajendra Prasad Singh

COMPANY SECRETARY

Ajay Nagle

AUDITORS

S R B C & Co. LLP,
Chartered Accountants

SECRETARIAL AUDITOR

Anant B. Khamankar & Co.
Practicing Company Secretaries

COST AUDITOR

R. Nanabhoy & Co.
Cost Accountants

BANKERS

State Bank of India | Bank of India | Union Bank of India | Yes Bank Ltd. | IDBI Bank Ltd. | HDFC Bank Ltd. | ICICI Bank Ltd.

REGISTERED OFFICE

45/47, Veer Nariman Road,
Mumbai - 400 001

CIN: L31500MH1938PLC009887

CORPORATE OFFICE

i. 001, 502, 701 & 801, Rustomjee Aspiree, Off Eastern Express Highway, Bhanu Shankar Yagnik Marg, Sion (E), Mumbai - 400 022

ii. Mulla House, 51 M. G. Road, Fort, Mumbai 400 001

FACTORIES

Chakan Unit | Ranjangaon Unit | Wind Farm Unit | Shikohabad Unit | Parwanoo Unit

BRANCH OFFICES

Ahmedabad | Bangalore | Bhubaneswar | Chandigarh | Chennai | Cochin | Dehradun | Delhi | Guwahati | Hyderabad | Indore | Jaipur | Kolkata | Kundli | Lucknow | Mumbai | Nagpur | Noida | Patna | Pune | Raipur | Ranchi | Vijaywada

DEPOTS

Ahmedabad | Bangalore | Luhari | Coimbatore | Hyderabad | Kolkata | Lucknow | Mumbai | Nagpur | Noida | Patna | Zirakpur

CENTRAL WAREHOUSES

Luhari | Mumbai | Vapi

OVERSEAS REPRESENTATIVE / LIAISON OFFICES

China | Dubai | Kenya | Togo | Zambia

Annual General Meeting

On Friday, the 12th day of August, 2022 at 03.00 PM (IST) through Video Conferencing / Other Audio Visual Means.

INTRODUCING THE INTEGRATED REPORT

APPROACH TO REPORTING

A paradigm shift has occurred in how shareholders evaluate a corporation. Stakeholders are concerned not only with a company’s financial performance, but also with its entire value creation. Bajaj Electricals is committed to walk on the path of responsible business and through its vision, it strives for value creation, sustainably. This report communicates the information about Bajaj Electrical Limited’s governance, business model, strategy, opportunity assessment, material risk, operations, and performance for the year 2021-2022. It is published in accordance with the framework prescribed by the International Integrated Reporting Council (IIRC), which is based on the integrated thinking approach around the six capitals namely the Financial capital, Manufactured capital, Intellectual capital, Human capital, Natural capital, and Social and relationship capital. The report enables the stakeholders to understand how Bajaj Electricals manage their resources and relationships while creating sustainable long-term value.

REPORTING YEAR AND CYCLE

The reporting period for this Integrated Report is 1st April, 2021 to 31st March, 2022. It provides an overview of the operations and business development activities of the Company showcasing the environmental, economic, and social performance for the financial year 2021-22.

The electronic version of the report can be found on our [website www.bajajelectricals.com](http://www.bajajelectricals.com).

REPORTING FRAMEWORKS AND COMPLIANCE

The report has been prepared in accordance with the principles recommended by the International Integrated Reporting Council (IIRC). In addition, the GRI (Global Reporting Initiative) Standards and Sustainable Development Goals (SDGs) are mapped to the KPIs used for reporting on the Capitals.



MATERIAL ISSUES

Materiality assessment has been conducted by Bajaj electricals to identify the most significant issues, which could impact the Company's ability to create long term value for its stakeholders. These issues are determined after considering the internal and external factors, the trends in the industry, the Company's business strategy and the economic environment.

These material issues will be reviewed by the management as the Company evolves on its sustainability journey. A brief explanation on the material issues is provided in Materiality section (page 30). These material topics would provide an insight into the growth drivers of the Company.

REPORTING BOUNDARY

This report is for Bajaj Electrical and the scope of this report covers its four manufacturing locations, its Offices across India, project sites, international projects managed from India. It includes the two segments of Bajaj Electricals — Consumer Products and Engineering Procurement & Construction (Illumination, Power Distribution and Transmission)

QUERIES REGARDING THE REPORT

Any feedback or query related to this report can be communicated to

Mr. Ajay Nagle.
CS & Compliance Officer
legal@bajajelectricals.com

Readers can also reach out to us at the above email to provide feedback on improving our disclosures.



An Impressive Legacy of Evolution

The Bajaj Group has always lived up to the expectations of its customers, patrons, employees, communities and all other stakeholders, while staying true to the vision and endeavour of its founder, Shri Jamnalal Bajaj. More than nine decades ago in 1926, the Group was founded by Shri Jamnalal Bajaj with the core belief that ‘common good is more important than individual gain’

Today, the seed that he had planted decades ago has transformed into a rich, vibrant tree of shared prosperity and common good. The Bajaj Group is now a diversified conglomerate and amongst the most respected business houses in India. The Group’s business interests span an impressive spectrum — from automobiles, financial services, insurance, steel, to consumer appliances, fast moving consumer durables, engineering, procurement and construction, travel and tourism and material handling.

Despite exponential growth and success of the Group’s businesses since inception, it still upholds the cherished values of ethical business practices and social engineering. Today, the Bajaj Group is more than a corporate identity. It is a catalyst for social empowerment. Beyond business priorities, the Group focuses on community development, healthcare and promotion of education, art, heritage and sports, while helping restore and maintain the ecological balance.

90+

Years in Business

36,000+

Employees worldwide

40+

Number of Companies

FOUNDING MEMBERS –
PILLARS OF STRENGTH



Jamnalal Bajaj
(1889 – 1942)

Over a century ago, a philanthropist instinctively took the unprecedented step of using business to serve society. He was the founder of the Bajaj Group, **Shri. Jamnalal Bajaj**. Endearingly called as the Merchant Price by Mahatma Gandhi himself, his businesses were known for their quality, as a direct result of his staunch refusal to indulge in popular unethical cost cutting measures.



Kamalnayan Bajaj
(1915 – 1972)

After Shri. Jamnalal passed away in 1942, **Shri. Kamalnayan Bajaj** took up the mantle of the businesses. Not only did he do a stellar job managing these, but also expanded to new territories and scaled the Bajaj group to fit into the Nehruvian vision of a modern, cosmopolitan and industrial India. He carried the company through the tumultuous partition era and in the post-independence period he deftly navigated the changing industrial laws and legalities.



Ramkrishna Bajaj
(1923 – 1994)

In 1972, **Shri. Ramkrishna Bajaj**, the younger of the Bajaj sons took over as head of Bajaj Group and complimented his brother’s business acumen. He was a leader who approached the business from a different, more holistic perspective. He was deeply passionate about creating a better ethical business environment, and this found manifestation in two organisations that he co-founded — Council for Fair Business Practices and the Advertising Standards Council of India — both of which remain important bodies even today.



Rahul Bajaj
(1938 – 2022)

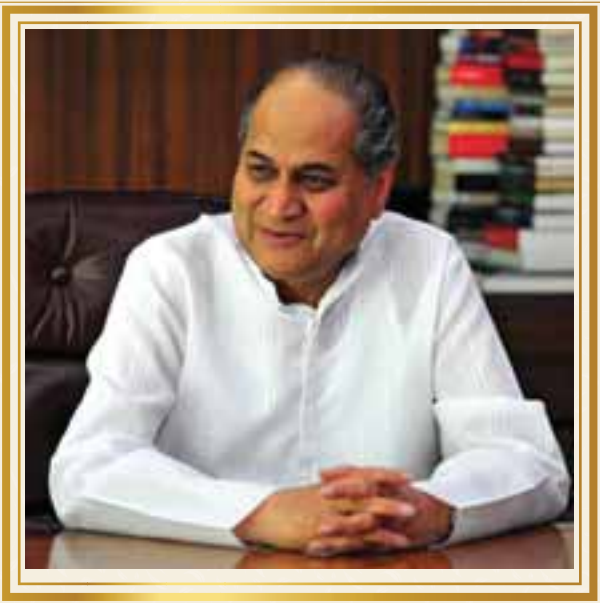
A former member of the Rajya Sabha and Padma Bhushan awardee, **Shri. Rahul Bajaj** took over the reins in 1994 and laid the founding pillars for key Group activities in the auto, insurance and investment, consumer finance and many more sectors. He left no stone unturned to take the Group to newer heights making it one of the largest and renowned Indian business conglomerates. He was passionate about welfare of society and ably spear-headed the CSR activities of the Group and Jamnalal Bajaj Foundation.

A TRIBUTE TO

Shri. Rahul Bajaj

CHAIRMAN EMERITUS OF THE BAJAJ GROUP

(1938 – 2022)



Born on 10th June, 1938, he completed his schooling from the Cathedral and John Connon School in Bombay. He then graduated from St. Stephen's College in Delhi in 1958 and earned a degree in law from Bombay University. After this, he pursued an MBA degree at the Harvard Business School in the US. Upon his return, he learnt the nuances of business with Bajaj Electricals and then went on to build a world-renowned Indian automobile giant. He was at the helm when the eternally iconic chant, Hamara Bajaj, was coined. A former Rajya Sabha member and Padma Bhushan awardee, Rahul Bajaj ably lead the Bajaj Group as Chairman for over four decades.

Rahul Bajaj inherited and carried forward Bajaj Group’s core values of integrity and trust, forming an unshakable foundation. His friends and colleagues revered him as plain-spoken, and many a times called him ‘fearless’ as he voiced his opinions to power. His leadership and vision are an inspiration to many, and he leaves behind an unbeatable spirit. Our heart swells with pride to see people the world over shower him with tributes being a promoter of entrepreneurs, a voice of the industry and the cornerstone of making brand Bajaj a household name.

As India mourns the loss of an extraordinary industrialist, we will always remember him as a visionary with tremendous courage who contributed to the country and community alike.

His presence will be missed, but his legacy will live on forever.

“Buland Bharat Ki Buland
Tasveer- Humara Bajaj”!



ABOUT BAJAJ ELECTRICALS

Enhancing Quality of Life Sustainably

With a legacy of more than eight decades, Bajaj Electricals has evolved as a unique business, with a diverse portfolio spanning across Consumer Products and EPC.

Bajaj Electricals is a globally renowned and trusted brand, guided by its core value of 'Inspiring Trust' and ethos of putting the consumer first. Over the years, it has continued to make big strides in its transformational journey by setting high benchmarks across all fronts – products, execution, business, communication, governance, financials and value creation.

Bajaj Electricals ranks among India's most preferred brands, creating value for all stakeholders including customers, business partners, investors and communities.

VISION



Enhancing quality of life and bringing happiness with sustainability

VALUES



Integrity



Customer delight



Teamwork



Innovation



Empowerment



Trust



QUICK FACTS

20+

Branch offices

~2.30 lakhs

Retail outlets

2,661

Total Employees

₹ 12,339 croreMarket capitalisation as on 31st March, 2022**596**

Distributors

40+

Countries of presence

₹ 964 crore

EPC order book value

₹ 4,813 crore

Revenue from operations

Net debt free

after almost a span of more than four decades

Streamlining Business to Unlock Value

For the purpose of streamlining our business operations and sharpening our focus on each business segment, we are demerging our power transmission and distribution (T&D) business into a separate entity. The strategic decision has been taken to leverage opportunities and unlock more value across segments for all stakeholders.



OUR OFFERINGS

Consumer Products

At Bajaj Electricals, our constant evolution and innovation are reflected in the design and development of products that are market-leading, convenient, energy-efficient and add value to life. As consumers are demanding smarter products to suit their new-age lifestyles, we are stepping up our innovation to ensure their convenience and peace of mind.

HOME COMFORT



Room Heaters



Irons



Air Coolers



Water Heaters

HOME ESSENTIALS



Fans



Lightings

FOOD PREPARATIONS



Mixer Grinders



Hand Blenders



Choppers



Food Processors

BREAKFAST AND SNACKS



Coffee Makers



Snack Makers



Juicers



Electric Kettles



Pop-up Toasters

COOKING ESSENTIALS



Electric Cookers



Gas stoves



Induction Cookers



Microwave Ovens



Non-Stick Cookware



Hard Anodised Cookware



Illumination

Our indoor and outdoor lighting solutions, cater to a wide range of illumination requirements of different industries. From streetlights to innovative lights, we are crafting solutions for new India.

OUTDOOR SOLUTIONS

Our outdoor solutions are being widely accepted for infrastructural projects across India.



INDOOR SOLUTIONS

Our wide range of lighting solutions meet crucial requirements for performance, energy efficiency and innovation.



SOLAR SOLUTIONS

Sharpening our focus on sustainability and technologically advanced products, we execute solar projects that are a confluence of expertise in design and engineering. We provide end-to-end solutions starting from design to commissioning.



Power Transmission and Distribution

India’s huge consumption-driven economy creates huge electricity demand. Our Power Transmission and Distribution segments contribute to fulfilling this growing electricity demand of our country through sustainable infrastructure development.

POWER TRANSMISSION



Monopoles



Transmission Lines



EHV Substation

POWER DISTRIBUTION



Rural Electrification Works



Feeder Separation Projects



System Strengthening



Substation



CHAIRMAN'S COMMUNIQUE

Multi-year Transformational Journey

“Your Company generated very strong cash flow from operations of ₹ 914 crore. As a result, we have achieved a significant milestone of achieving net-debt-free status as on 31st March, 2022.”



DEAR SHAREHOLDERS,

It gives me pleasure to share with you, your Company's performance for the year 2021-22.

While it has been a tough environment due to the continuing impact of the pandemic, the unprecedented commodity cost inflation and the repercussions of the Russia-Ukraine war, we have continued to maintain our focus on our transformation journey and our strategic goals. Let me first share an operational update and then cover the more important strategic overview.

During the year under review, our total revenues from operations grew from ₹ 4,585 crore (in the previous year) to ₹ 4,813 crore. Our Profit Before Exceptional Items and Tax declined from ₹ 221 crore in 2020-21 to ₹ 180 crore. Our Profit after Tax declined from ₹ 189 crore in 2020-21 to ₹ 124 crore. However, your Company generated very strong cash flow from operations of ₹ 914 crore. As a result, we have achieved a significant milestone of achieving net-debt-free status as on 31st March, 2022. As you know, addressing our high debt situation has been a key strategic goal for us. We have maintained a laser-focus on generating cash from operations, consistently over the last 12 quarters, which has allowed us to achieve this milestone. Hereon, we will continue to strengthen our balance sheet to support our growth aspirations.

Our Consumer Products segment delivered growth of 13.7% on a full-year basis. The segmental PBIT dropped from ₹ 320 crore in 2020-21 to ₹ 270 crore. This has primarily been due to the commodity costs inflation impacting margins. However, that has not deterred us from continuing to maintain our focus and investments towards new product launches, brand revitalisation and other key initiatives.

Our EPC segment maintained its focus towards execution of the current projects on hand. We continued to drive successful closure of legacy projects in the Power Distribution business and reduced our receivables significantly. Our Power Transmission business commissioned projects during the year. As a testimony to our focus over the past couple of years on project management excellence, our team has successfully executed complex projects in a time-bound and profitable manner. As a testimony to our focus over the past couple of years on project management excellence, our team has successfully executed complex projects in a time-bound and profitable manner. This includes 765 KV Ajmer Phagi TL for PGCIL (ahead of schedule and on a profitable basis) and a highly challenging monopole project for MMRDA that really showcases our capabilities. We have exited the year with a stronger order book that augurs well for the business. On an overall basis, we are confident of the business becoming profitable in the current year and growing profitably hereon.

Our Illumination business has been a clear outperformer in its industry, having clocked 16% revenue growth even as the industry de-grew. More hearteningly, the business has turned around to deliver an operating profit. The turn around is on the back of several new specialised product launches, innovations, key orders wins and better operational execution. In the years to come, we see this business becoming a strong growth driver and margin contributor for us.

On the organisational front we continued to drive many initiatives towards greater institutionalisation and agility of the Company. We undertook a delayering exercise to create a flatter organisation, enhanced our talent pool, embarked upon leadership development initiatives,

“The Power Transmission and Distribution businesses would be demerged into a separate listed company, 'Bajel Projects Limited'. This will result in a corporate structure that is aligned to the distinct needs of the respective businesses.”

established a Diversity and Inclusion Council and were re-certified as a 'Great Place To Work'. We went live with the first phase of our new ERP system in May, 2022 and will complete the transition in this fiscal, followed by several digital transformation initiatives that are lined up.

During the previous year we announced a scheme of arrangement whereby the Power Transmission and Distribution businesses would be demerged into a separate listed company 'Bajel Projects Limited'. This will result in a corporate structure that is aligned to the distinct needs of the respective businesses and allow for sharper strategic focus on each business, tailored capital structures and agility for each entity to drive growth. This has been a long-standing request from many investors; we have chosen the timing to do this from a position of strength, having cleaned up the legacy issues, so that both entities have a strong balance sheet as well as capable leadership and teams in place.

At a broader strategic level, we have now achieved a clear milestone in our overall transformation journey. 'Horizon One' of this journey involved resolving the legacy issues, taking various corporate actions, establishing a strong financial foundation, putting in place the right people, processes and systems and creating the framework for our future growth. Despite the challenges of the pandemic as well as the unprecedented external volatility we have demonstrated our ability to execute to

this strategic agenda through unwavering pursuit of our goals. We are now at the cusp of embarking on, 'Horizon Two', of this journey. Quite simply, this will be about focusing on establishing operational excellence across all our businesses and functions and delivering market-leading growth over the next 3 years. We have several initiatives lined up to deliver on this agenda and will demonstrate the same unwavering pursuit.

As we continue on our path to business excellence, we are equally committed to introducing sustainability-driven initiatives to ensure that we create meaningful value for all of our stakeholders. Being a responsible organisation, we strive to have a long-term good impact on the environment and communities through concerted efforts.

I would like to acknowledge and thank all our employees and business associates for all their contributions, efforts and faith in driving our agenda through these tough times. I would also like to thank my colleagues on the Board for their support and guidance to the Company. And I remain grateful to you, our shareholders, for trusting us and being a part of the Bajaj Electricals family.

Yours sincerely,

SHEKHAR BAJAJ
Chairman & Managing Director

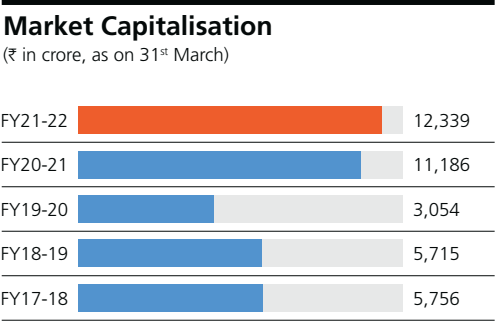
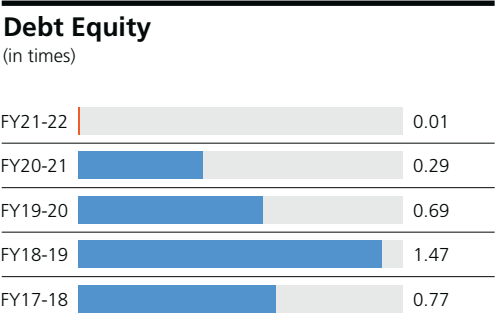
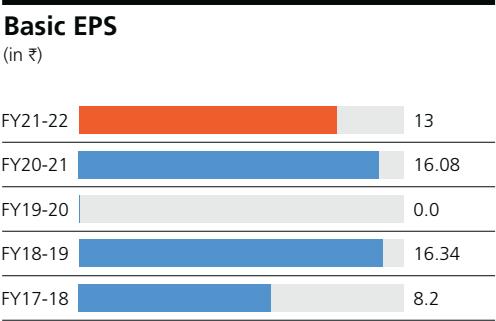
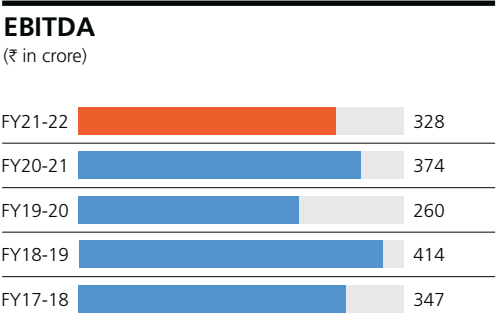
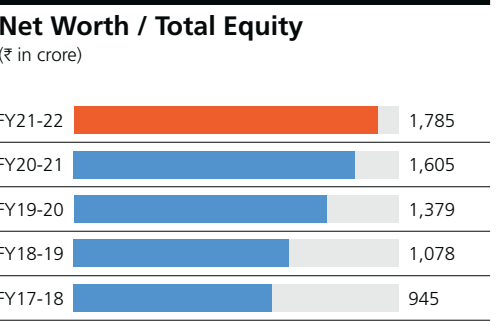
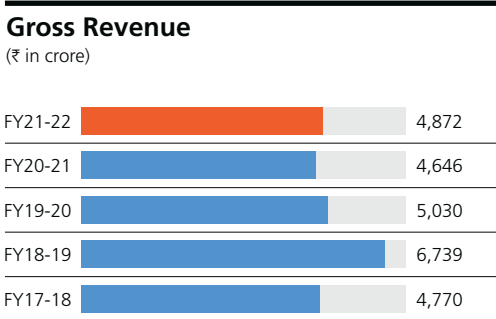
FINANCIAL HIGHLIGHTS

Steady Performance through Disciplined Execution

Despite operating in a challenging environment which was marked by elevated inflation and supply chain constraints, our financial prudence and disciplined execution have enabled us to deliver steady performance on our revenues and profitability. At the same time, our focus on cash flow has helped us to become net debt free after a span of more than four decades.

Our CP Division continues to show strong 3-year CAGR growth of

11%



Note: All the above numbers are based on standalone financial.