



Unified in Intent | Diverse in Talent | Working as One

**T E A M**

## Our CSR Initiatives 2020-21



Well recharge is a simple low-cost technique to recharge the ground water which in turn increased the cropping intensity and productivity.



Construction of Roof Rainwater Harvesting structures ensures easy availability of pure, fresh and safe drinking water at doorsteps.



Various income generation trainings were conducted to strengthen the livelihood of the rural women.



Biogas provides clean non-polluting easy fuel. It also impacts positively on the health of rural population. One-time investment in biogas plant gives lifetime free fuel for cooking.



# Contents

02	Board of Directors
03	Chairman's Message
06	Innovating to Sustain a Connect with Consumers
10	Directors' Report
33	Corporate Governance Report
58	Management Discussion & Analysis
70	Business Responsibility Report
77	Independent Auditors' Report on Standalone Financial Statements
84	Balance Sheet (Standalone)
85	Statement of Profit and Loss (Standalone)
87	Cash Flow Statement (Standalone)
88	Notes to Financial Statements (Standalone)
118	Independent Auditors' Report on Consolidated Financial Statements
124	Balance Sheet (Consolidated)
125	Statement of Profit and Loss (Consolidated)
127	Cash Flow Statement (Consolidated)
128	Notes to Financial Statements (Consolidated)
159	Salient Features of Financial Statements of Subsidiaries/Associates/Joint Ventures
160	Notice of 15th Annual General Meeting

## Board of Directors

### Mr. Kushagra Nayan Bajaj

Non-Executive Chairman

### Mr. Jaideep Nandi

Managing Director

(w.e.f. from July 01, 2020)

### Mr. Sumit Malhotra

Managing Director (upto June 30, 2020)

Director & Advisor (w.e.f. July 01, 2020)

### Mr. Aditya Vikram Ramesh Somani

Independent Director

### Mr. Dilip Cherian

Independent Director

### Mr. Gaurav Dalmia

Independent Director

### Ms. Lilian Jessie Paul

Independent Director

### Mr. D. K. Maloo

Chief Financial Officer

### Mr. Chandresh Chhaya

Company Secretary & Compliance Officer

### Statutory Auditors

**Sidharth N. Jain & Co.**

Chartered Accountants

### Secretarial Auditors

**A.K. Jain & Co.**

Company Secretaries

### Bankers

Kotak Mahindra Bank Limited

Corporation Bank

HDFC Bank Limited

Citibank N.A.

### Registrar & Transfer Agent

**KFin Technologies Private Limited**

Selenium Building, Tower B, Plot No. 31-32,  
Gachibowli Financial District, Nanakramguda,  
Hyderabad – 500 032



# Chairman's Message



## Dear Shareholders,

We are faced with an unprecedented health hazard posed by the COVID – 19 that has largely disrupted individual lives, families, and business operations across the world. It has proved to be an exceptionally difficult time, with many losing their loved ones to this dreaded disease. My heartfelt condolences and deepest sympathy to anyone that has had to go through this loss. All of us have faced a deep personal crisis at some level or the other. My prayers that we emerge from this horrific crisis soon.

On that sombre note, I would like to present to you the Annual Report FY 2020-21 of the Company.

## Macro-Economic Outlook

Economic recovery is under severe threat amid surging COVID cases and lagging vaccination in the economically weaker countries. Several factors have contributed to cast doubts on the earlier predicted 5.4% global growth in 2021. Though China

and the United States seem to be leading growth trends, the United Nations forecasts that the spiking COVID – 19 cases and the less than efficient implementation of the vaccination program in other countries remains a looming threat to world economy. For many countries, economic output is only projected to return to pre-pandemic levels in 2022 or 2023. The only path to a definite recovery for both the economy and people is the availability and implementation of a robust vaccination program in all regions across the globe.

Global trade though growing, is still seeing an uneven recovery. While services, especially tourism, hospitality and international travel will continue to see de-growth from the pre pandemic levels, commodities, products and manufactured goods are growing. Economies that are primarily manufacturing-led, are doing better.

India's GDP growth forecast has been cut from the earlier projected 13.7% to 9.3% for fiscal 2021 due to the negative impact of the second wave of Covid-19. Retail inflation slipped to a three-month low of 4.29% cent in April. The Consumer Price Index (CPI) based retail inflation stood at 5.52% cent in March. Food price inflation eased to 2.02% cent in April from 4.87% in the preceding month.



**While we continue to drive productivity and implement safety measures, we will focus on innovation led growth to weather this crisis which is bound to have a lasting impact on all of us. We aspire to evolve into a complete FMCG company by introducing a culture of innovation to create newer path breaking products for consumers across the globe.**

## FMCG Sector

Industry experts have pegged the growth of the Indian FMCG industry at 9.4% in the January-March quarter of 2021. This is primarily due to growth in consumption and value growth due to increase in prices. The rural market continued to perform with strong growth of 14.6 % during the first quarter especially due to good Rabi harvest and normal monsoon projection are the key factors resulting in a boost in rural demand. Recent government interventions like increased allocation towards MGNREGA and an extension of Pradhan Mantri Gareeb Kalyan Yojana also helped pump in nearly ₹ 1.5 Lac Crore into rural markets.

According to industry reports, the metro cities have registered a positive growth of 2.2 per cent in the January-March quarter after two-quarters of the declining trend versus the year-ago period.

However, with the resurgence of the COVID-19 virus and the return of lockdowns the situation is very dynamic and pointing to a likely global depression.

## Company performance

Today, Bajaj Consumer Care is firmly established as a dominant player in India's hair oil industry, with a pan-India presence, well-diversified product basket and multiple brands. Your Company's flagship brand, Bajaj Almond Drops Hair Oil is a leading name in the Hair Oil market. The brand continues to maintain strong dominance on the distribution front and is present across 42.6 Lacs outlets as of March 2021. Your Company also owns the Nomarks Brand in India.

The overseas business of your Company is increasing its global footprints with a focus on international business in terms of penetration, accessibility & availability of the brands to the consumers. The Company markets personal care brands in more than 30 countries, with primary focus in SAARC, Gulf & Middle East, ASEAN, and African regions.

In this negative growth phase, Bajaj Almond Drops has been able to maintain the market on value 9.8%. (MAT FEB'21). In the Light Hair Oil category, the brand has continued to increase its dominance and the value market share has increased by 1.9% to 62.5%. (MAT FEB'21)

## Research and Development

Innovation and creativity is imperative to your Company. We constantly strive to keep ahead of the value chain so that we are able to meet the constantly evolving needs of our customers. The advanced research techniques of your Company have ensured that we are constantly on our toes

to work on innovate new product categories to provide simple yet tangible benefits to consumers. It achieves this through its two state-of-the art and modern R&D facilities which is supported by advanced instrumentation and pool of experienced scientists. Your Company's strategic objective is to drive successful innovations in products and processes consistently and to be prepared for the future. It constantly adopts newer techniques and mechanisms to optimise its productivity and optimally utilise resources focused on delivering products that are value for money and keeping pace with the demand.

## Brands

### Bajaj Almond Drops Hair Oil

Your Company launched the NEW BEST EVER ALMOND DROPS hair oil with upgraded formulation in FY 2020-21. The Vitamin E content was doubled from previous formulation to 6x Vitamin E Levels as compared to coconut oils. Our research has shown that the new formulation helps reduce hair fall by upto 80%.

### Bajaj Amla Aloe Vera

The new product Bajaj Amla Aloe Vera was launched in February 2021. This product has a completely new formulation with a winning combination of Amla and Aloe Vera. The packaging is modern with the shape of a bottle inspired by the design of a leaf to signify the purity of nature in the product. The product provides 3X softness and silkiness to the hair. There are no other brands today that offer an aloe vera variant at the price it has been made available at.

### Bajaj Zero Grey

Bajaj Zero Grey is a new Premium Anti Greying Hair Oil and our digital first brand that has been launched primarily for E-commerce. With well-researched ingredients like Onion, Hibiscus, Shikakai, Henna and Kalaunji it delays greying and gives users great looking healthy hair. The launch was a first of its kind for your Company that was marketed primarily through social media campaigns to build reach and awareness.

## Strategy

Distribution is a key strength of your Company that has an extensive distribution network across India through which its products are made available across more than 4 million outlets. This extensive supply chain network insulates your Company from geographical, trade channel and segmental concentration risks. While your Company continues to strengthen its retail presence, it has also undertaken a unique initiative of introducing Vans to

enhance rural coverage. These vans carry lower unit packs (₹ 10 – ₹ 20) of products which find greater acceptance among rural consumers.

COVID-19 has pushed us to accelerate our digital transformation on all aspects of your Company. We have fast-tracked our digital transformation journey and continue to enhance productivity and creativity through digital initiatives. Our focus on E-Commerce remains steadfast and continues to help us grow. Our E Commerce business has grown by more than ~3x contributing to more than 2.5% of Sales.

With continuous presence over TV and OTT platforms, your Company has enhanced specificity in reach. It has constantly been focused on impactful marketing and brand promotion activities relating to Vocal for Local and has successfully strengthened brand equity while attracting new consumers. Its strategic brand launches and brand extensions are aimed at retaining the existing consumers, besides constantly garnering a new set of loyal customers.

Your Company is placed competitively in the industry and is determined to grow market share and profitability sustainably through focus on developing top-notch products coupled with extensive advertising and promotional campaigns.

### Employees & Organization Culture

At Bajaj Group, we firmly believe that employees are our biggest assets. Their safety and good health has been my top priority during these tough times. No measures like downsizing of team or reduction in their salaries were adopted by the Company during this time of crisis. Moreover, annual increments have also been approved and disbursed as per plan. Employee Health and Safety being our utmost priority we have implemented several initiatives in this regard within our Company:

- 1) Work from Home polices prior to lockdown across our Offices and other locations based upon the nature of operations.
- 2) Employee vaccination program on reimbursement basis for our employees, their families and to the contractor's workforce working with us.
- 3) Employee hospitalisation and medical support for critical emergency cases across units.
- 4) Isolation Centres across units to quarantine infected employees to avoid further contamination and spread of the virus.

- 5) Launched the Employee Benevolent Fund scheme from 1st April 2021 for one time financial support to bereaved families in case of the demise of any employee while in service.

Your Company has organized several initiatives to keep the employees both mentally and physically fit during these tough times. I am happy to inform you that your Company has been certified as a "Great Place to Work" consecutively for the third time for the period April 2021 till March 2022. The Trust Index score of the survey results for the year has significantly moved up and have crossed the '80's level, validating the efficacies of our developmental journey for employees.

### Responsibility towards Society

The Bajaj Group was born out of India's struggle for freedom, founded by the freedom fighter, philanthropist and close confidante of Mahatma Gandhi, Jamnalal Bajaj ji. We strive every day to follow his legacy to build businesses that support the growth of the country and create value while serving the community in everything we do. Your Company undertakes its CSR initiatives through the Bajaj Foundation. The Foundation works in villages in areas of education, farmer welfare, women empowerment, sustainability and water conservation. I wish to thank our villagers, government agencies and all stakeholders for their support which has ensured that we have impacted nearly 1,300 villages, reached close to 3.5 lacs families benefitting almost 15 lacs people in 2020. We hope to increase these numbers in the coming days.

### Way Forward

The COVID-19 pandemic, while completely changing the way we live and do business, has also given us an opportunity to be innovative in our approach. While we continue to drive productivity and implement safety measures, we will focus on innovation led growth to weather this crisis which is bound to have a lasting impact on all of us. We aspire to evolve into a complete FMCG company by introducing a culture of innovation to create newer path breaking products for consumers across the globe. We want to be recognized as providing innovative solutions to solve tomorrow's problems for our customers.

We aspire to be a community of excited, imaginative and persistent people. A culture that embraces the new and constantly pursues progress. A Company that thrives on change and innovation.

With warm regards,

**Kushagra Nayan Bajaj**

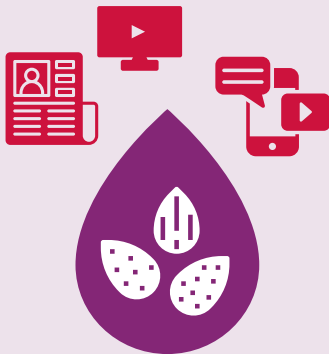
## Innovating to Sustain a Connect with Consumers

For the FMCG sector, product development, innovation and advertising are the mainstays to grow continuously and stay relevant. It is a crowded market with multitudes of Brands vying for consumer attention and mindshare and rapidly evolving trends. Bajaj Consumer Care has consistently been proactive in refreshing its product portfolio and advertising to keep pace with today's demanding consumer.

### Major Brand Revamp for Bajaj Almond Drops Hair Oil

We reformulated ADHO in FY 2020-21 to provide our consumers extra nourishment for their hair. The new formulation now has 6x Vitamin E content levels as compared to ordinary (unbranded) hair oil. The new formulation helps reduce hair fall by up to 79%!<sup>\*</sup>

We launched the brand with **360-degree** activation across TV, Print, Digital and On Ground Activation.



**Less hair fall makes every day, a new hair day.**

**bajaj ALMOND DROPS**  
NON STICKY HAIR OIL

**6x VITAMIN E**

\*Based on instrumental studies vs un-oiled hair conducted in September 2020. Individual results may vary.  
\*As compared to ordinary (unbranded) hair oil

\*Basis instrumental studies vs un-oiled hair conducted in external lab in September 2020. Individual results may vary.



## New Campaign for ADHO

This campaign combined celebrity endorsement with the enhanced benefit of the new formulation that delivers substantially greater efficacy and benefits.

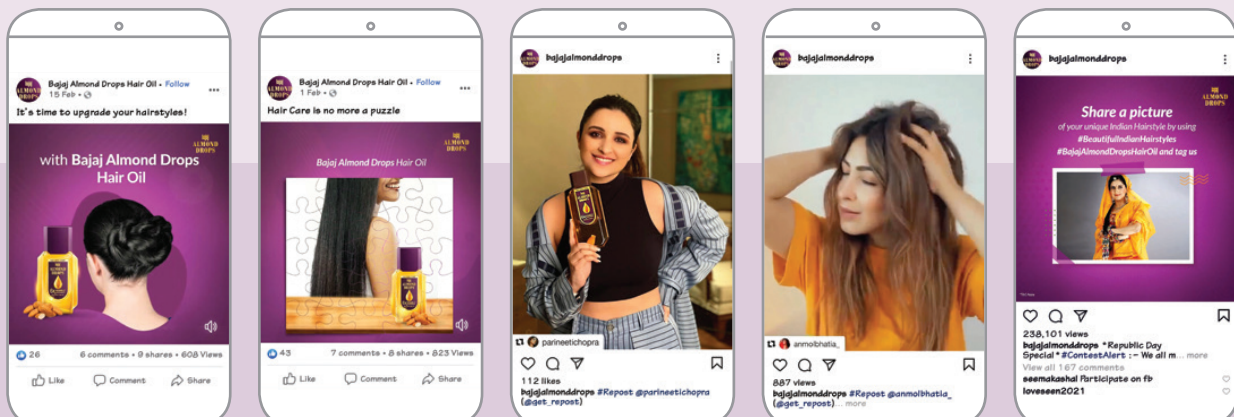
The new commercial struck a chord amongst audiences on critical parameters such as Likeability, Relevance and Purchase Intent.



## Connecting with youth audiences through Digital

Social media platforms like Facebook, Instagram, YouTube etc. were used extensively to connect with the young audience and highlight the enhanced Vitamin E content of ADHO.

Our campaign used our celebrity brand ambassador, several well-known Beauty Influencers through creative and innovative posts to actively engage and communicate with our audience.



## Launch of new Bajaj Amla Aloe Vera

We launched Bajaj Amla Aloe Vera in February 2021



Unique combination of  
**Amla + Aloe Vera**



Formulation that  
makes hair  
**3x softer\* vs  
un-oiled hair**



Unique bottle designed like a leaf to connote the  
**“natural” origins of the Brand**

With this brand we intend to establish a strong  
presence in the fast-growing amla segment.

\*Basis instrumental studies vs un-oiled hair conducted in an external lab in September 2020