

29th Annual Report 2021-22

BAJAJ HEALTHCARE LIMITED



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



What's Inside

02
28

Corporate Overview

- 02 Our Story in Numbers
- 03 Making a difference to the lives of million
- 05 Expanding product portfolio
- 06 Our Presence
- 08 Our Journey of Excellence
- 10 Our priorities for a sustainable tomorrow
- 12 Creating a foundation for sustainable growth
- 14 Chairman's message
- 18 Growing with confidence
- 20 Our business model
- 22 Our growth enablers
- 26 Spreading Smiles
- 27 Board of Directors
- 28 Corporate Information

29
79

Statutory Reports

- 29 Management Discussion and Analysis
- 41 Directors' Report
- 56 Business Responsibility Report
- 62 Report on Corporate Governance

80
119

Financial Statements

- 80 Independent Auditor's Report
- 88 Balance Sheet
- 89 Statement of Profit and Loss
- 90 Cash Flow Statement
- 91 Statement of Change in Equity
- 92 Notes to the Financial Statements

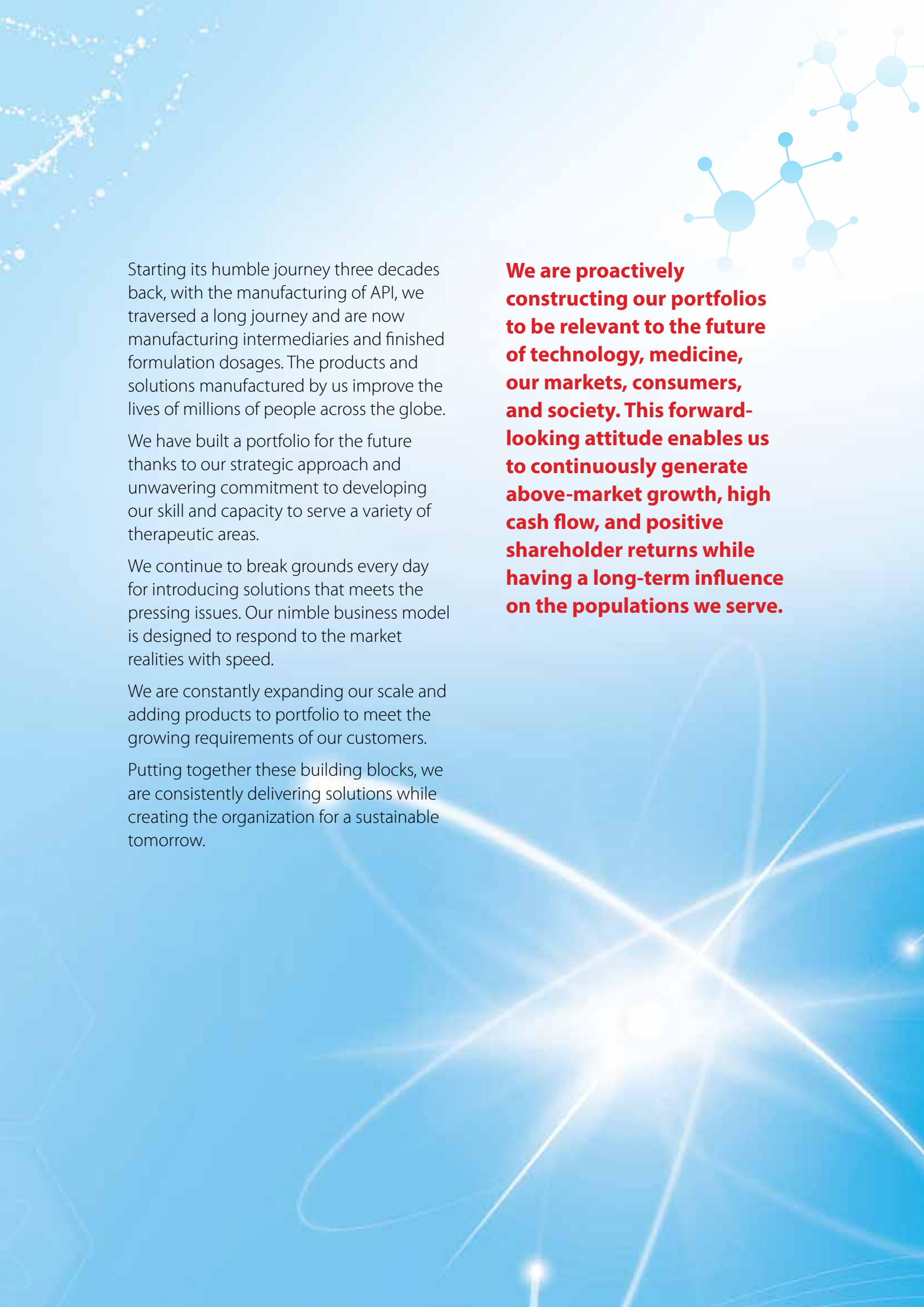
120 Notice

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.



To download or view this report online please visit 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

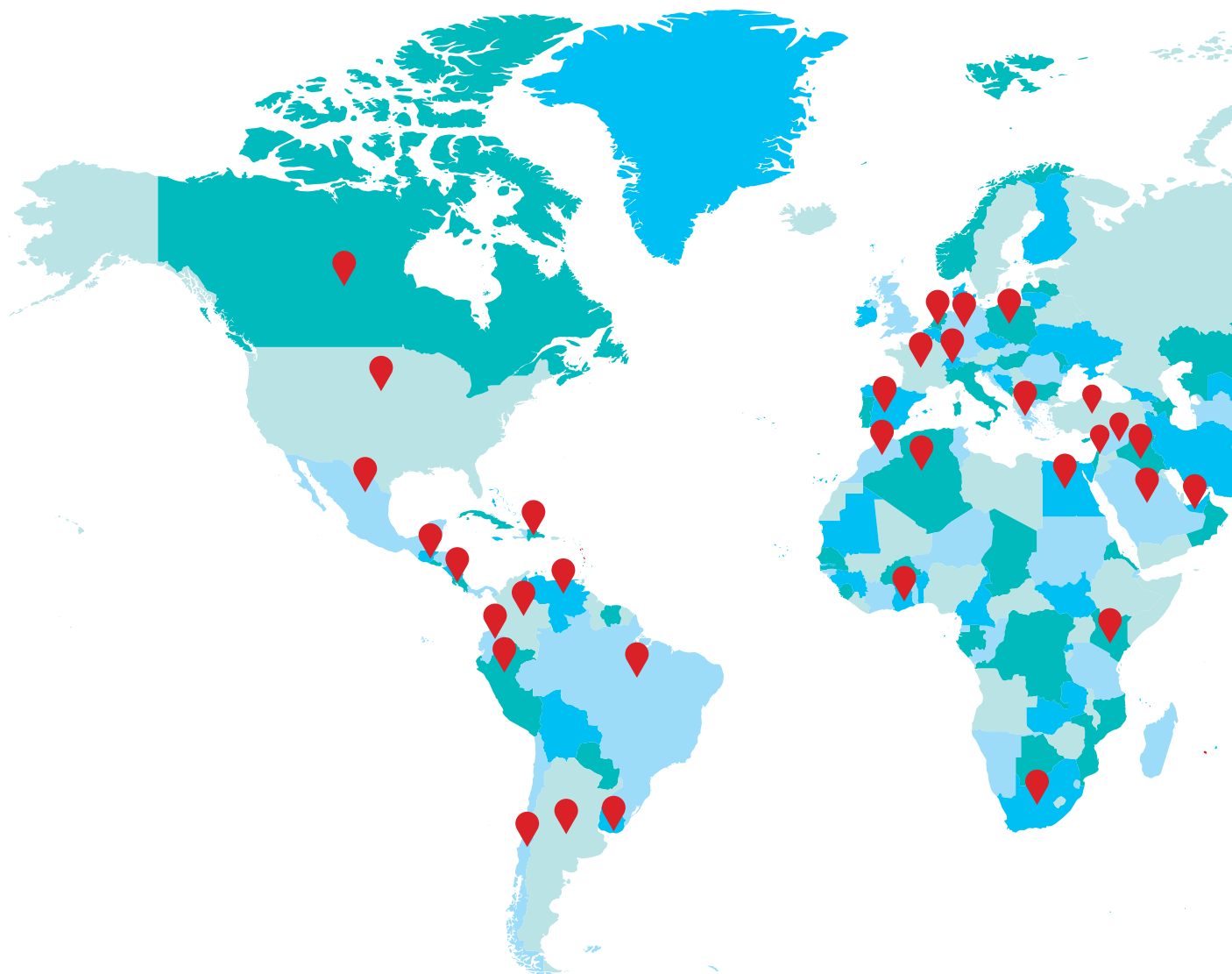
Albendazole



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.

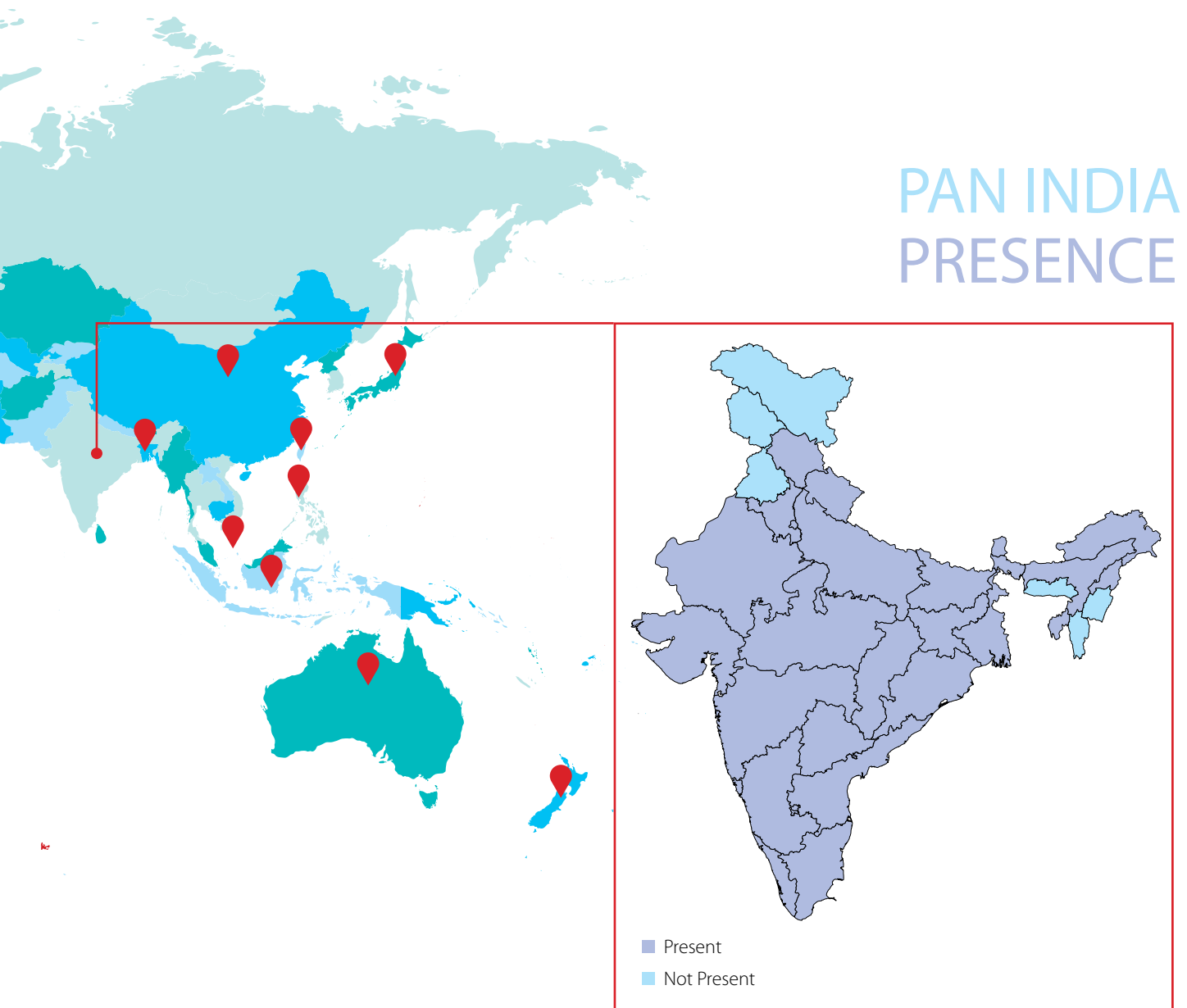


Countries of presence

- 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